

Legal opinion / due diligence report

EDA AU Pty Ltd ACN 637 833 875 (**Relevant Company**)

Date: 20 May 2024

EDA GROUP HOLDINGS LIMITED

Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands

CMB INTERNATIONAL CAPITAL LIMITED (as the Sole Sponsor, the Sponsor-OC, the Sole Overall Coordinator and the Sole Global Coordinator)

45th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong

The addressee(s) in Schedule 2

A Due Incorporation and basic corporate information	
1	Due incorporation, valid existence and good standing of the Relevant Company in relevant jurisdiction.
	The Relevant Company was duly incorporated and is validly existing and in good standing under the laws of Australia. Our searches of the records of the Australian Securities and Investments Commission (ASIC) in relation to the Relevant Company dated 13 February 2024 indicated that the Relevant Company was incorporated on 3 December 2019 in New South Wales, Australia. The Relevant Company has also provided a copy of the certificate of registration of the Relevant Company that confirms the Relevant Company was registered on 3 December 2019 in New South Wales, Australia.
2	The Memorandum and Articles of Association (or analogous documents) of the Relevant Company complies with the requirements of applicable laws in the local jurisdiction.
	The constitution of the Relevant Company is in fairly standard form and complies with the requirements of applicable laws in Australia.
3	Whether the Memorandum and Articles of Association (or analogous documents) of the Relevant Company has been duly adopted.
	In accordance with section 136(1) of the <i>Corporations Act 2001</i> (Cth) (Corporations Act) a company adopts a constitution: <ul style="list-style-type: none"> a) on registration – if each person specified in the application for the company’s registration as a person who consents to become a member agrees in writing to the terms of a constitution before the application is lodged; or b) after registration - if the company passes a special resolution adopting a constitution or a court order is made under section 233 of the Corporations Act that requires the company to adopt the constitution.

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We have requested that the Relevant Company provide evidence that the constitution of the Relevant Company has been duly adopted in accordance with the requirements outlined above.	
4	Whether the Relevant Company has all corporate power and authority to own assets and conduct its current business, and to sue and be sued in its own name.
The Relevant Company has all corporate power and authority to own assets and conduct its current business, and to sue and be sued in its own name. Under Australian law, a company has all corporate power and authority to own assets and is responsible for its own liabilities. A company's separate legal personality exists for so long as it is registered. As set out at item 1 our searches of the records of ASIC in relation to the Relevant Company dated 13 February 2024 indicated that the Relevant Company was incorporated on 3 December 2019 in New South Wales, Australia and the Relevant Company is registered as at that date.	
5	Information on the share capital of the Relevant Company, including:
(i)	the authorised, issued and paid-up share capital, and details of any changes in the share capital from the date of incorporation and if there are different classes of shares, the respective rights, privileges, restrictions and conditions attached to each class of shares;
The current register of members (which is legally definitive as to share ownership) provided by the Relevant Company and the records of ASIC provide that the share capital of the Relevant Company is AUD \$100 and there are 100 fully paid ordinary shares on issue. The register of members provides that 100 fully paid ordinary shares in the Relevant Company were issued to Aiqiang Zhang on the date of incorporation of the Relevant Company (being, 3 December 2019) and these shares were subsequently transferred from Aiqiang Zhang to EDA Development (HK) Limited with effect on 9 December 2019.	
In relation to the authorised share capital of the Relevant Company, the copy of the constitution of the Relevant Company provided to us provides that the Relevant Company is a proprietary company and accordingly must not have more than 50 non-employee members. Subject to the provisions of the constitution and the Corporations Act, and without prejudice to any special rights previously conferred on the holders of existing shares, the shares in the Relevant Company are under the control of the directors and the directors may allot, grant options over, or otherwise dispose of, the shares to such persons, at such times, on such terms, and having attached to them such preferred, deferred or other rights, and at an issue price, for cash or non-cash consideration, with the issue price paid or part unpaid, as the directors think fit.	
The copy of the constitution of the Relevant Company provided to us provides that issued shares in the Relevant Company may include ordinary shares, 'A' Class shares, 'B' Class shares, 'C' Class shares, 'D' Class shares, 'E' Class shares, 'F' Class shares, 'G' Class shares, 'H' Class Shares, 'I' Class Redeemable Preference shares, 'J' Class Redeemable Preference shares and 'K' Class Redeemable Preference shares.	
A member being the holder of ordinary shares in the Relevant Company is subject to the following rights and conditions:	
<ul style="list-style-type: none"> a) the right to attend and vote at all meetings of the Relevant Company and on a show of hands or poll to vote for every share held; b) the right to participate in the dividends (if any) determined by the directors to be paid on that share; c) in a winding up of the Relevant Company - the right to repayment of the paid issue price of such share and to participate in the division of surplus 	

A Due Incorporation and basic corporate information

assets or profits of the company and in this regard to rank equally with all other shareholders so entitled; and

d) any other rights in the Corporations Act.

A member being the holder of 'A' Class shares in the Relevant Company is subject to the following rights and conditions:

- a) the right to attend and vote at all meetings of the Relevant Company and on a show of hands or poll to vote for every share held;
- b) the right to participate in the dividends (if any) determined by the directors to be paid on that share; and
- c) in a winding up of the company, the right to repayment of the paid issue price of such share and to participate in the division of surplus assets or profits of the Relevant Company and in this regard to rank equally with all other shareholders so entitled.

A member being the holder of 'B' Class shares in the Relevant Company is subject to the following rights and conditions:

- a) the right to attend and vote at all meetings of the Relevant Company and on a show of hands or poll to vote for every share held;
- b) the right to participate in the dividends (if any) determined by the directors to be paid on that share; and
- c) in a winding up of the company, the right to repayment of the paid issue price of such share but no right to participate in the division of surplus assets or profits of the Relevant Company.

A member being the holder of 'C' Class shares in the Relevant Company is subject to the following rights and conditions:

- a) the right to attend and vote at all meetings of the Relevant Company and on a show of hands or poll to vote for every share held;
- b) the right to participate in the dividends (if any) determined by the directors to be paid on that share; and
- c) in a winding up of the company, the right to repayment of the paid issue price of such share but no right to participate in the division of surplus assets or profits of the Relevant Company.

A member being the holder of 'D' Class shares in the Relevant Company is subject to the following rights and conditions:

- a) the right to attend and vote at all meetings of the Relevant Company and on a show of hands or poll to vote for every share held;
- b) no right to participate in any dividends; and
- c) in a winding up of the Relevant Company, the right to repayment of the paid issue price of such share and to participate in the division of surplus assets or profits of the Relevant Company and in this regard to rank equally with all other shareholders so entitled.

A member being the holder of 'E' Class shares in the Relevant Company is subject to the following rights and conditions:

- a) no right to attend or vote at any meeting of the Relevant Company;
- b) the right to participate in the dividends (if any) determined by the directors to be paid on that share; and
- c) in a winding up of the Relevant Company, the right to repayment of the paid issue price of such share but no right to participate in the division of surplus assets or profits of the company.

A member being the holder of a 'F' Class share holds that share subject to the following rights and conditions:

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- a) no right to attend or vote at any meeting of the Relevant Company;
- b) the right to participate in the dividends (if any) determined by the directors to be paid on that share; and
- c) in a winding up of the company, the right to repayment of the paid issue price of such share and to participate in the division of surplus assets or profits of the company and in this regard to rank equally with all other shareholders so entitled.

A member being the holder of a 'G' Class share holds that share subject to the following rights and conditions:

- a) the right to attend but no right whatsoever to vote at any meetings of the Relevant Company;
- b) no right to participate in any dividends; and
- c) in a winding up of the Relevant Company, the right to repayment of the paid issue price of such share and to participate in the division of surplus assets or profits of the Relevant Company and in this regard to rank equally with all other shareholders so entitled.

A member being the holder of a 'H' Class share holds that share subject to the following rights and conditions:

- a) the right to attend but no right whatsoever to vote at any meetings of the Relevant Company;
- b) no right to participate in any dividends; and
- c) in a winding up of the Relevant Company, the right to repayment of the paid issue price of such share but no right to participate in the division of surplus assets or profits of the Relevant Company.

A member being the holder of a 'I' Class Redeemable Preference share holds that share subject to the following rights and conditions:

- a) the right to attend but no right whatsoever to vote at any meeting of the Relevant Company;
- b) upon giving seven days notice in writing of its intention so to do, delivered or posted to the last known address of the registered holder of any Redeemable Preference Share together with the amount paid up in respect of the shares to be redeemed, the Relevant Company may at any time redeem all or from time to time redeem any one or more of the said Redeemable Preference Shares and such redemption shall take place immediately upon the expiry of seven days from the delivery or posting of the said notice of redemption and payment;
- c) in a winding up of the Relevant Company, the right to repayment of the issue price of such share in priority to all other shares in the Relevant Company but no right to participate in the division of any surplus assets or profits of the Relevant Company; and
- d) the right to receive from the profits of the Relevant Company as a first charge a non-cumulative preferential dividend at the rate of five percent (5%) per annum on the paid issue price of the 'I' Class Redeemable Preference shares held.

A member being the holder of a 'J' Class Redeemable Preference share holds that share subject to the following rights and conditions:

- a) the right to attend but no right whatsoever to vote at any meeting of the Relevant Company;
- b) upon giving seven days notice in writing of its intention so to do, delivered or posted to the last known address of the registered holder of any Redeemable Preference Share together with the amount paid up in respect of the shares to be redeemed, the Relevant Company may at any time redeem all or from time to time redeem any one or more of the said Redeemable Preference Shares and such redemption shall take place immediately

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upon the expiry of seven days from the delivery or posting of the said notice of redemption and payment;

- c) in a winding up of the Relevant Company, the right to repayment of the issue price of such share in priority to all other shares in the company except the 'I' Class Redeemable Preference shares (if any) but no right to participate in the division of any surplus assets or profits of the Relevant Company; and
- d) the right to participate in the dividends (if any) determined by the directors to be paid on that share.

A member being the holder of a 'K' Class Redeemable Preference share holds that share subject to the following rights and conditions:

- a) the right to attend and vote at all meetings of the Relevant Company and on a show of hands or poll to one vote for every share held;
- b) upon giving seven days notice in writing of its intention so to do, delivered or posted to the last known address of the registered holder of any Redeemable Preference Share together with the amount paid up in respect of the shares to be redeemed, the Relevant Company may at any time redeem all or from time to time redeem any one or more of the said Redeemable Preference Shares and such redemption shall take place immediately upon the expiry of seven days from the delivery or posting of the said notice of redemption and payment; and
- c) in a winding up of the Relevant Company, the right to repayment of the issue price of such share in priority to all other shares in the Relevant Company except the 'I' Class Redeemable Preference shares but no right to participate in the division of any surplus assets or profits of the Relevant Company; and
- d) the right to participate in the dividends (if any) determined by the directors to be paid on that share.

- (ii) the identities of the current registered shareholders (including number of shares held) and past registered shareholders (including number of shares held) during the three years ended 31 December 2023 (the **Track Record Period**);

The current register of members (which is legally definitive as to share ownership) provided by the Relevant Company includes the identities of the current registered shareholder and the past registered shareholder of the Relevant Company. The register of members provides that the current registered shareholder of the Relevant Company is EDA Development (HK) Limited of Flat/RM A 12/F ZJ 300, 300 Lockhart Road, Wan Chai, Hong Kong which holds 100 fully paid ordinary shares and the past registered shareholder of the Relevant Company was Aiqiang Zhang of 1 Norman Ave, Thornleigh, New South Wales 2120, Australia who held 100 fully paid ordinary shares.

- (iii) whether there is any legal restriction or requirement on the nationality of the shareholders or on the percentage of local / foreign shareholding and if so, whether the same has been duly complied with;

In accordance with the Corporations Act, a proprietary company must have at least 1 director and that director must ordinarily reside in Australia. A proprietary company is not required to appoint a company secretary, but if it does, at least 1 must ordinarily reside in Australia. There are no nationality requirements for shareholders, however certain acquisitions of shares by non-Australian persons may require Foreign Investment Review Board notification or approval under Australia's foreign investment regime (which, for the avoidance of doubt, we have not analysed).

- (iv) if any shares are held by a trustee, the identity of the beneficiary(ies), and confirm whether there are any local restrictions against trust

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	arrangements or there are any registration / filing / stamping requirements in relation to the trust arrangements and if so, whether the same has been duly complied with;
The current register of members (which is legally definitive as to share ownership) provided by the Relevant Company and our searches of the records of ASIC in relation to the Relevant Company dated 13 February 2024, provide that 100 ordinary shares in the Relevant Company are held by EDA Development (HK) Limited beneficially and no shares in the Relevant Company are held by a trustee.	
(v)	whether any of the shares is subject to third party interests (such as mortgages, charges, pledges or any other encumbrances) and whether exercise of such rights is subject to any restriction or limitation;
Based on the Relevant Company's representations, we understand that the shares in the Relevant Company are not subject to third party interests (such as mortgages, charges, pledges or any other encumbrances). Our searches of the Personal Property Securities Register in respect of EDA Development (HK) Limited dated 14 February 2024 confirm that there are no registered security interests in respect of the Relevant Company's shares. Our search of the Personal Property Securities Register in respect of the Relevant Company dated 14 February 2024 indicates that the Relevant Company has granted a security interest in favour of Rentcorp Hyundai Forklifts Pty Ltd in respect of a motor vehicle (registration number 202107280054722).	
(vi)	whether there is any outstanding option or security convertible or exchangeable into shares;
Based on the Relevant Company's representations, we understand that the Relevant Company has no outstanding options or securities convertible or exchangeable into shares. The register of option holders provided by the Relevant Company also provides that there are no outstanding options convertible or exchangeable into shares.	
(vii)	whether the allotment and issuance of the shares have been duly authorised, and were validly issued, fully paid and non-assessable, and were not issued in violation of any pre-emptive rights, resale right, right of first refusal or similar rights in the local jurisdiction or the articles of association (or analogous documents) of the Relevant Company;
The Relevant Company has provided a copy of the written resolution of the board of directors of the Relevant Company dated 20 June 2023 that duly authorised and ratified all corporate actions in respect of the allotment, issuance and transfer of shares in the Relevant Company. The register of members of the Relevant Company and our searches of the records of ASIC dated 13 February 2024 provide that the shares in the Relevant Company are fully paid. The copy of the constitution of the Relevant Company provided does not contain any pre-emptive rights, resale rights or rights of first refusal. Accordingly, we are of the view that the allotment and issuance of shares in the Relevant Company has been duly authorised, the shares in the Relevant Company were validly issued and fully paid and were not issued or transferred in violation of any pre-emptive rights, resale right, right of first refusal or similar rights in the local jurisdiction or the articles of association of the Relevant Company.	

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(viii)	whether all consents, approvals and authorisations of, and all filings, registrations and qualifications with, any court, governmental or regulatory department or agency or other regulatory body in the local jurisdiction required under local laws with respect to the allotment and issuance of the shares have been obtained
The results of our searches of the records of ASIC dated 13 February 2024 reflect the current register of members and corporate records of the Relevant Company with respect to the allotment and issuance of shares in the Relevant Company and accordingly, all filings in the local jurisdiction required under local laws are up to date.	
(ix)	whether the relevant shareholder(s) of the Relevant Company has/have good and valid, legal and beneficial title to the issued shares;
The current register of members of the Relevant Company (which is legally definitive as to share ownership) provides that EDA Development (HK) Limited is the current shareholder of the Relevant Company and holds 100 ordinary shares beneficially. The Relevant Company has been provided a copy of a share transfer form, evidencing the transfer of 100 ordinary shares from Aiqiang Zhang to EDA Development (HK) Limited with effect on 9 December 2019, a copy of the written resolution of the board of directors of the Relevant Company dated 20 June 2023 authorising and ratifying all corporate actions in respect of the transfer of shares and a copy of share certificate no.2 which provides that EDA Development (HK) Limited holds 100 ordinary shares in the Relevant Company. Accordingly, we are of the view that EDA Development (HK) Limited has good and valid, legal and beneficial title to the issued shares.	
(x)	whether there are any restrictions on any other person on voting, holding or transferring the shares;
The copy of the constitution of the Relevant Company provided to us indicates that: <ul style="list-style-type: none"> a) members being the holders of 'G' class shares, 'H' class shares, 'I' Class Redeemable Preference Shares or 'J' Class Redeemable Preference Shares in the Relevant Company have the right to attend but no right whatsoever to vote at any meetings of the Relevant Company; and b) shares in the relevant Company may be transferred by a standard share transfer form duly stamped (if necessary) and executed by the transferor and transferee. Unless permitted by law, the standard share transfer form must be accompanied by the certificate for the shares the subject of the transfer, together with such other evidence as the directors may require to prove the title of the transferor or the transferor's right to transfer the shares. The directors of the Relevant Company may refuse to register a transfer of shares at their absolute discretion. 	
(xi)	whether there has been any share redemption, buy back, reduction of capital, spin-off, split-off or carve-out carried out by the Relevant Company since its incorporation;
Based on the Relevant Company's representations, we understand that there has not been any share redemption, buy back, reduction of capital, spin-off, split-off or carve-out carried out by the Relevant Company since its incorporation.	
(xii)	whether there are any outstanding rights, warrants or options to acquire, or instruments convertible or exchangeable into, any shares or equity interest in the Relevant Company; and
Based on the Relevant Company's representations, we understand that there are no outstanding rights, warrants or options to acquire, or instruments	

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	convertible or exchangeable into, any shares or equity interest in the Relevant Company. The register of option holders provided by the Relevant Company also demonstrates that there are no outstanding options convertible or exchangeable into shares.
(xiii)	whether all historical changes in the shareholding structure (including any issue, allotment or transfer of shares) of the Relevant Company since its incorporation were lawful and valid.
	Since its incorporation, the Relevant Company has had one historical change to its shareholding structure (being, the transfer of 100 ordinary shares from Aiqiang Zhang to EDA Development (HK) Limited with effect on 9 December 2019). The Relevant Company has provided a copy of a share transfer form, evidencing the transfer of 100 ordinary shares from Aiqiang Zhang to EDA Development (HK) Limited with effect on 9 December 2019, a copy of the written resolution of the board of directors of the Relevant Company dated 20 June 2023 authorising and ratifying all corporate actions in respect of the issue, allotment and transfer of shares and a copy of share certificate no.2 which provides that EDA Development (HK) Limited holds 100 ordinary shares in the Relevant Company. Accordingly, we are of the view that all historical changes in the shareholding structure of the Relevant Company were lawful and valid.
6	Information on the board of directors and any holder of any senior management position(s) as prescribed under the relevant local laws and regulations of the Relevant Company, including:
(i)	the identities of the current directors and past directors during the Track Record Period;
	The current register of officers provided by the Relevant Company and the results of our searches of the records of ASIC dated 13 February 2024 include the identities of the current directors and past director. The current directors of the Relevant Company are Qin Li and Steven Tran. The past director of the Relevant Company is Aiqiang Zhang.
(ii)	indicating any senior management position held other than directorship (such as supervisor) as prescribed under local laws; and
	Based on the Relevant Company's representations, we understand that there are no senior management positions held other than directorship (such as supervisor) as prescribed under local laws.
(iii)	whether the board of directors and senior management of the Relevant Company has any relationships with any directors or senior management or controlling shareholders of the Company and a negative statement where appropriate.
	Based on the Relevant Company's representations, we understand that the board of directors and senior management of the Relevant Company do not have any relationships with any directors or senior management or controlling shareholders of the Company.

B Property	
1	If the Relevant Company leases any landed property from third party, setting out the brief particulars of each of the lease agreements; whether the lease agreement is legal, valid and enforceable; and whether all necessary permits and/or registration for the leasing of the landed property have been obtained or made, and the maximum legal liabilities if the answer to any of the above is in the negative.
Based on the Relevant Company's representations, we understand that the Relevant Company is a party to a warehouse operations agreement/lease the details of which are set out below.	
2	Where the Relevant Company has signed a warehouse operations agreement/lease, to include the details regarding that material contract. As regards material contracts:
(i)	brief particulars of each of the material contracts;
(a)	The tenant is the Relevant Company (Tenant), the landlord is Lesso Mall Development (Auburn) Pty Limited ACN 613 533 592 (Landlord) and the premises is Part 11/786590 being Ground Floor Warehouse, 70I Percy Street, Auburn New South Wales 2144, Australia being approximately 2,451.4 square metres, as per the plan annexed to the lease at Annexure B (Premises) (Lease). Please note that a search of NSW Land Registry Services' records notes that the address for 11/786590 is 93 St Hilliers Rd, Auburn 2144 and the address "70 Percy Street, Auburn NSW 2144" does not match any of NSW Land Registry Services' records.
(b)	The Lease is for a 1 year term commencing 1 October 2023 and expiring on 30 September 2024 and does not contain any options to renew (Term). Our searches indicate that the Lease has not been registered on title of the Premises, however, this does not constitute a non-compliance of local laws because in New South Wales, Australia only leases with a term of more than 3 years must be registered with the land titles office to provide a tenant with indefeasibility of title. However, despite this, many tenants prefer to register leases of less than 3 years in duration as means of placing any such lease on public record. We understand that the one year unregistered Lease is commercially acceptable to the Relevant Company and that it does not intend to proceed with the registration of the Lease.
(c)	The rent is \$230,432 plus GST per annum for the Term, payable in equal monthly instalments in advance of \$19,203 per month plus GST. If the Tenant remains at the Premises after expiry of the Term under the holding over provisions, then the rent will increase by a fixed percentage of 3.5%.
(i)	whether material contracts are legal, valid and enforceable in accordance with their terms under local laws;
Based on the information available, we understand that the Lease is legal, valid and enforceable. In addition to the above, we have obtained a title search of the Premises dated 13 February 2024 which confirms that the Lease is not registered on the title of the Premises.	
(ii)	whether there has been any material breach, revocation or termination of any of such material contracts under local laws and if so, the remedies sought and outcome;

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	Based on the Relevant Company's representations, we understand that there has not been any material breach, revocation or termination of any warehouse operations agreements or leases to which the Relevant Company is a party.
	(iii) that the performance of the material contracts will not result in the violation of local laws
	The Lease is set out on standard terms and the performance of the Relevant Company's obligations under the Lease will not result in the violation of local laws, based on the information we currently have available.
	(iv) whether any party thereto (including its properties, assets or reserves to the extent located in the local jurisdiction) is entitled to any immunity on the grounds of sovereignty from legal action, suit or proceedings, from set-off or counterclaim being claimed in proceedings in the local jurisdiction under local laws;
	The Lease contains the standard provisions outlining that it is governed by the law of New South Wales, Australia and that each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia (clause 24.7). It does not contain any clause entitling either party to any immunity on the grounds of sovereignty.
	(v) whether the material contracts contravene public policy in the local jurisdiction;
	Based on the information available and our review of the Lease, this item does not apply.
	(vi) whether the choice of law governing such material contracts is recognised and binding under local laws;
	Yes, please refer to our comments at Item 2(c)(iv).
	(vii) whether the execution, delivery and performance of the material contracts by the Relevant Company will violate (a) the memorandum and articles (or analogous documents) of the Relevant Company, (b) any applicable law, regulation, order or decree or (c) any indenture, mortgage, loan agreement, trust deed or other agreement to which the Relevant Company is a party or by which any of it or its assets is bound;
	The Lease does not violate any terms of the copy of the constitution of the Relevant Company provided to us. Based on the Relevant Company's representations, we understand that the Relevant Company is not a party to any mortgage, loan agreement, trust deed or other agreement.
	(viii) whether the Relevant Company has the necessary power and authority, and has taken all corporate action required, to enter into and perform its obligations under such material contracts under local laws; and
	The Relevant Company has the necessary power and authority to enter into and perform its obligations under the Lease. A company's separate legal personality exists for so long as it is registered. Our searches of the records of ASIC in relation to the Relevant Company dated 13 February 2024 indicated that the Relevant Company was incorporated on 3 December 2019 in New South Wales, Australia and the Relevant Company is registered as at that date. The Relevant Company has indicated that it signed the Lease under section 127 of the Corporations Act by Qin Li (in the capacity of director) and Steven Tran (in the capacity of director). This accords with our searches of the records of ASIC in relation to the Relevant Company dated 13 February 2024 which indicates

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that Qin Li and Steven Tran are the directors of the Relevant Company. Accordingly, the Relevant Company has taken the corporate action required to enter into the Lease by having it signed in accordance with section 127 of the Corporations Act.

- (ix) whether the consent to jurisdiction or the appointment of agent for service of process as provided for in the contract constitutes a valid consent to jurisdiction and a valid appointment of agent for service of process under local laws.

As noted at Item 2(c)(iv), the Lease contains the standard provisions submitting to the jurisdiction of the New South Wales, Australia where the premises is located. The lease does not appear to contain any appointment of an agent.

C Employment	
1	<p>Whether the form of the employment contract provided by the Relevant Company is in compliance with the applicable local laws and regulations relating to employment (including but not limited to minimum wage, statutory leave, and maximum work hours).</p> <p>The employment contract contains limited information. While this of itself is not a breach of any local laws or regulations, it is unusual. Each of the employees is covered by the <i>Storage Services and Wholesale Award 2020</i> (Award) which provides for minimum terms and conditions of their employment, in addition to their employment contract.</p> <p>The documents reviewed disclosed two potential breaches of the terms of the Award:</p> <ul style="list-style-type: none"> (a) The rates of pay for the three Warehouse Operators as set out in their employment contracts are at the minimum applicable rates under the Award at commencement of employment. These employees commenced on 1 and 17 March 2023. The employment contracts indicate that their hourly rates remain at the same level following probation, without defining the length of probation. Under the Award the employees' minimum rates of pay increase after 3 and 12 months of employment. A failure to increase their rates of pay on and from 1 and 17 June 2023 would amount to a breach of the Award. We understand that their rates of pay were increased on 12 June 2023, which should rectify this issue provided the employee who commenced on 1 March 2023 also received back pay to 1 June 2023 at the higher rates. (b) Ordinary hours of work under the Award are 38 hours per week and employees should be paid overtime for all hours in excess of 38 per week. Rosters and payslips indicate that the employees work variable hours. Ordinary hours of work can be averaged over a 4-week period, so should be closely monitored by payroll to ensure that overtime is paid in any case where an employee works in excess of 38 hours per week average over 4 weeks. <p>The risk arising from breaches of the Award is that the employees may be entitled to backpay for any underpayments and the employer could be exposed to a civil penalty of up to \$93,900 per contravention. Based on the documents provided by the Relevant Company, we have not identified any current non-compliance.</p>
2	<p>Whether there is any actual dispute or claim to be brought, investigations against the Relevant Company, whether (i) by its employees and/or labour unions in respect of employment matters (including but not limited to minimum wage, statutory leave, maximum work hours, unpaid remuneration, furlough scheme and/or redundancies plan, forced labour), or (ii) by anyone arising from breach of applicable local laws, rules and regulations, decrees and orders relating to safety and health laws; if yes, whether they have been settled or status of the relevant claims proceedings (if any).</p> <p>Our inquiries with the Relevant Company indicate that there are no current industrial disputes, claims, proceedings or circumstances that could give rise to claims or proceedings involving the Relevant Company, an employee, former employee or union, in respect of employment matters, breaches of the <i>Fair Work Act 2009</i> (Cth) or claims for workers compensation.</p>
3	<p>The Relevant Company's compliance with applicable local laws, rules and regulations, decrees and orders relating to occupational health, workplace safety and health to which the Relevant Company is subject (Safety and Health Laws). In case of non-compliance, please state the brief particulars of</p>

C	Employment
	the non-compliance, the legal consequences and the rectification actions as may be taken.
	The Relevant Company has workers compensation insurance in place, which is a legal requirement. So far as we are aware, the Relevant Company has complied with Safety and Health Laws.
4	(If applicable) If there is any approval / license / permit the Relevant Company has to obtain or comply with under the Safety and Health Laws, whether such approval / license / permit (i) has been obtained and maintained by the Relevant Company during the Relevant Period and (ii) is liable to be suspended, revoked, cancelled or terminated. In case of non-compliance, please state the brief particulars of the non-compliance, the legal consequences and the rectification actions as may be taken.
	There are no approvals, licenses or permits required under Safety and Health Laws, so far as we are aware.

This legal opinion / due diligence report is subject to the assumptions set out in Schedule 1.



Stephen Iu, Partner

McCullough Robertson Lawyers

Schedule 1

Limitations and assumptions

1. This legal opinion / due diligence report responds to the questions set out in the Proposed Scope of Works for Local Legal Counsels dated 7 February 2023 based on our review of the documents provided by email from Dentons Hong Kong LLP on 24 April 2023, 11 May 2023 and 12 February 2024, the responses to the legal and tax due diligence information requests dated 12 April 2023 and 8 February 2024 and our searches of the records of ASIC in relation to the Relevant Company (**Information**) which we have reviewed as at 27 April 2023, 20 September 2023 and 13 February 2024 at the request of EDA Group Holdings Limited (formerly EDA Cloud Technology Holdings Limited) in connection with EDA Group Holdings Limited (formerly EDA Cloud Technology Holdings Limited) preparing to apply for listing on The Stock Exchange of Hong Kong Limited (**Proposed Transaction**).
2. Unless and to the extent otherwise expressly agreed to by us, this legal opinion / due diligence report is provided only for the benefit of, and may only be relied on by, EDA Group Holdings Limited (formerly EDA Cloud Technology Holdings Limited), the Relevant Company, CMB International Capital Limited and Dentons Hong Kong LLP for the purposes of the Proposed Transaction. It may not be used or relied on by any other person or for any other purpose.
3. This legal opinion / due diligence report is based only on our review of the Information.
4. The accuracy of this legal opinion / due diligence report will necessarily depend on the Information being true, complete, accurate and not misleading and this legal opinion / due diligence report was prepared on the assumption that such is the case and we did not verify the materials produced to us.
5. Some of the Information may contain or be subject to confidentiality undertakings. We did not verify whether such Information has been made available to us in breach of such confidentiality undertakings.
6. This legal opinion / due diligence report is limited in scope to the matters expressly set out in it and does not cover the following areas: insurance, financial, actuarial or accounting matters and technical or operational matters (including environmental matters).
7. The contents of this legal opinion / due diligence report are confidential. No copy of or extract from this legal opinion / due diligence report may be supplied to any person other than EDA Group Holdings Limited (formerly EDA Cloud Technology Holdings Limited), the Relevant Company and Dentons Hong Kong LLP without the prior written consent of McCullough Robertson.

Schedule 2

Addressee(s)

ABCI Capital Limited (“ABCI Capital”)

11/F, Agricultural Bank of China Tower

50 Connaught Road Central

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ABCI Securities Company Limited (“ABCI Securities”)

10/F, Agricultural Bank of China Tower

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BOCI Asia Limited (“BOCI”)

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China Galaxy International Securities (Hong Kong) Co., Limited (“China Galaxy”)

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(CMB International Capital Limited, ABCI Capital, ABCI Securities, BOCI, CEBI, China Galaxy and Quam are collectively known as “**Joint Bookrunners**”; CMB International Capital Limited, ABCI Capital, ABCI Securities, BOCI, CEBI, China Galaxy, Quam, Eddid, Futu, Tiger, Patrons and Ruibang are collectively known as the “**Joint Lead Managers**” and the “**Capital Market Intermediaries**”)

Legal opinion / due diligence report

EDA AU Pty Ltd ACN 637 833 875 (**Relevant Company**)

Date: 20 May 2024

EDA GROUP HOLDINGS LIMITED
Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands

CMB INTERNATIONAL CAPITAL LIMITED (as the Sole Sponsor, the Sponsor-OC, the Sole Overall Coordinator and the Sole Global Coordinator)
45th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong

The addressee(s) in Schedule 2 of this opinion

E	Tax
1	Summary of the applicable payable taxes by the Relevant Company during the Track Record Period (to be defined in the Prospectus and as updated from time to time).
1.1	The Relevant Company has prepared financial statements for the Relevant Company for the financial year ended 30 June 2022.
1.2	We have not been provided with a copy of the Relevant Company's financial statements for the income year ended 30 June 2023, but have reviewed a copy of the management accounts relating to the 12 month periods ending 31 December 2022 and 31 December 2023.
Income tax returns & filings	
1.3	Australian corporate income tax returns are lodged by a company on a self-assessment basis, with an assessment of the Relevant Company's income tax liability deemed to have been made on lodgment of the Relevant Company's income tax return each year.
1.4	Income tax returns are generally subject to a limited amendment period of up to 4 years from the date of lodgment. However, assessments may be amended outside of this time period in limited circumstances (e.g. where the Commissioner alleges that the Relevant Company has engaged in conduct amounting to fraud or evasion (in which case there is no limited amendment period), or in relation to transfer pricing adjustments, where the Relevant Company is subject to a 7 year limited amendment period).
1.5	The Relevant Company has prepared and lodged one income tax return during the Track Record Period (relating to the Australian financial year beginning on 1 July 2021 and ending 30 June 2022).

E Tax

- 1.6 We have been advised that the Relevant Company did not trade (and was therefore dormant) during the period from the date of its registration on 3 December 2019 to August 2021. The Relevant Company's income tax return for the financial year ended 30 June 2023 is not yet due for lodgment. On this basis, the Relevant Company's income tax filings for the Track Record Period appear to be up to date.

Key adjustments

- 1.7 Based on our review of the income tax return lodged by the Relevant Company for the Track Record Period an adjustment of \$70,325 was made to reduce the income recorded in the income tax return (as compared to that recorded in the financial accounts), giving rise to a loss made by the Relevant Company for tax purposes of \$52,841 for the income year ended 30 June 2022. We understand that this adjustment was made due to the fact that the Relevant Company accounts for tax on a cash basis, and we understand the Relevant Company formed the view that this was the most appropriate method of accounting to ensure the income tax return provided a substantially correct reflex of the income derived by the Relevant Company for the relevant year.
- 1.8 Based on our review, we do not consider there to be any material risks from an income tax perspective with respect to the Track Record Period and any risk of penalty being imposed in respect of income tax due by the Relevant Company is low.

Significant transactions/advice

- 1.9 Management of the Relevant Company has advised that there have been no significant transactions undertaken by the Relevant Company, nor has any income tax advice been received in respect of material tax positions adopted by the Relevant Company. Based on our review, nothing has come to our attention that would suggest this to be incorrect.
- 1.10 Management has confirmed that:
- (a) there has been no 'non-routine' correspondence between the Relevant Company and the Australian Taxation Office; and
 - (b) there are no current tax reviews, audits or enquiries involving the Relevant Company.

Related party transactions

- 1.11 During the financial year ended 30 June 2022, 'Service Income' was received by the Relevant Company. Management has confirmed that this income relates to transactions between the Relevant Company and EDA Development (HK) Limited. We have not been provided with further detail in relation to the nature of the services provided by the Relevant Company to EDA Development (HK) Limited.
- 1.12 It is not apparent whether such income has been derived by the company (and forms part of the 'operating income' disclosed in the management accounts) during the period 1 January 2023 to 31 December 2023.

E Tax

- 1.13 Transactions as between Australian companies and international related parties are still required to be on arms' length terms under the transfer pricing regime and documentation is required to be maintained in support of the position taken in relation to related party dealings.
- 1.14 The income has been disclosed on the Relevant Company's income tax return in relation to each financial year. An international dealings schedule (**IDS**) has not been lodged but should not be required due to the fact that the value of the Relevant Company's related party dealings is less than \$2 million in the financial year to 30 June 2022.
- 1.15 No transfer pricing documentation has been provided in relation to the arrangement under which service fees are received by the Relevant Company.
- 1.16 There are simplified transfer pricing record keeping options available to arrangements where a business meets certain criteria. However, the Relevant Company will not be able to rely on these methods whilst there is no documentation in place in relation to its related party dealings.
- 1.17 We note for completeness that any transfer pricing adjustment may be made by the Commissioner within 7 years of the date of the relevant assessment (i.e. transfer pricing adjustments are not limited to the general 4 year amendment period which applies in relation to other income tax matters).

Superannuation

- 1.18 Superannuation contributions are required to be made by an employer on behalf of its employees at a statutory rate. Superannuation is calculated by reference to the employees' ordinary time earnings. Superannuation may also be payable on amounts paid to contractors, if the contractor is paid under a contract wholly or principally for their labour.
- 1.19 We understand that no employees were engaged by the Relevant Company until March 2023. We have reviewed the payroll summaries for the period commencing 1 March 2023 and ending 31 December 2023 and have not identified any material exposures in respect of superannuation guarantee compliance during the Track Record Period.

Fringe Benefits Tax

- 1.20 Management has advised that the Relevant Company does not provide any fringe benefits to staff and as such, has no Fringe Benefits Tax (**FBT**) obligations. We have not identified any material exposures in respect of FBT compliance during the Track Record Period.

Withholding

- 1.21 Employers are required to withhold tax from payments made to employees under the pay as you go (**PAYG**) withholding regime. Payments to contractors may also be subject to withholding obligations. Management has advised that no employees were engaged by the Relevant Company until March 2023. We have reviewed the

payroll summaries for the period commencing March 2023 and ending 31 December 2023 and have not identified any material exposures in respect of PAYG-withholding during the Track Record Period.

- 1.22 Certain other payments to directors and contractors may also be subject to withholding obligations. We have not identified any payments made by the Relevant Company during the Track Record Period which might be subject to withholding obligations outside of the PAYG-withholding regime.
- 1.23 We have reviewed an extract of the Relevant Company's integrated client account on the ATO portal and confirm there is no amount on account of PAYG-withholding which remains outstanding as at the end of the Track Record Period.

Goods and Services Tax

- 1.24 The Relevant Company has been registered for Goods and Services Tax (**GST**) from 3 December 2019 and has been registered for GST at all times throughout the Track Record Period. Notwithstanding the date of registration for GST, Management has advised that the Relevant Company did not commence trading until August 2021.
- 1.25 The Relevant Company is required to lodge business activity statements (BAS's) and pay GST quarterly. We have reviewed the BAS's lodged during the quarterly periods ended 31 March 2021, 30 June 2021, 30 September 2021, 31 December 2021, 31 March 2022, 30 June 2022, 30 September 2022, 31 December 2022, 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023.
- 1.26 We understand that nil BAS returns were lodged during the quarterly periods ending 31 December 2019, March 2020, June 2020, September 2020, December 2020, March 2021, June 2021 and September 2021. There is a difference between the sales reported in the Relevant Company's income tax return for the 2022 year (of \$306,690), to that reported in the Relevant Company's BAS for the periods ended 30 September 2021, 31 December 2021, 31 March 2022 and 30 June 2022 (of \$260,000). We understand that this is due to the fact that the Relevant Company accounts for GST on a cash basis, which is acceptable for companies with an annual turnover of less than AUD\$10 million or who use the cash accounting method for income tax purposes. Based on our review, we do not consider there to be any material risks from a GST perspective with respect to the Track Record Period and any risk of penalty being imposed in respect of GST due by the Relevant Company is low.
- 1.27 Management has advised that:
 - (a) the Relevant Company has not received any GST advice from external advisors during the Track Record Period; and
 - (b) the Relevant Company has not sought any private binding rulings or guidance from the ATO on the treatment of supplies/acquisitions made during the Track Record Period.
- 1.28 We have reviewed an extract of the Relevant Company's integrated client account on the ATO portal, and confirm there is no amount on account of GST which remains outstanding as at the end of the Track Record Period.

E Tax**Payroll tax**

- 1.29 Payroll tax is a tax imposed on a state by state basis having regard to the total taxable wages paid by the employer in any year. Wages paid to the Australian resident employees will be subject to payroll tax in the State where the employees perform their services, reside or are paid 'taxable wages'. We understand that each of the employees engaged by the Relevant Company are located in New South Wales.
- 1.30 In New South Wales, the threshold of taxable wages is \$1.2 million. The payroll tax rate was 4.85% during the period 1 July 2020 to 30 June 2022. From 1 July 2022, the payroll tax rate is 5.45% in New South Wales.
- 1.31 Payroll tax will apply in circumstances where payments are made to a person with which a common law employment relationship exists between the Relevant Company and the person. Taxable wages include all wages, remuneration, salary, commission, bonuses or allowances paid or payable to an employee (and also include amounts paid or payable by a person as remuneration for holding an office i.e. directors' fees).
- 1.32 However, one key aspect of the payroll regime is that 'taxable wages' will also include amounts paid under an arrangement which is not strictly an employment relationship. In this regard, the definition of 'wages' under the payroll regime is expanded to include certain payments to contractors which are called 'relevant contracts' for payroll tax purposes.
- 1.33 This means that payments to contractors may also be subject to payroll tax, subject to any legislated exemption which applies (referred to as the *contractor provisions* in Part 3, Division 7 of the Payroll Tax Act). Broadly, a relevant contract encompasses all contractors who provide some labour services in fulfilling the requirements of their contracts.
- 1.34 Management has advised that no payroll tax has been paid on payments made by the Relevant Company and no payroll tax returns have been lodged.
- 1.35 Given the level of wages paid to employees during the Track Record Period and on the basis that we understand that no contractors have been engaged to perform services for the Relevant Company, the Relevant Company should not have any payroll tax obligations in respect of the Track Record Period.

Duty

- 1.36 Management has confirmed that the Relevant Company:
- (a) does not own any land, interest in land or improvements to land; and
 - (b) has not entered into any transactions which would trigger a duty liability during the Track Record Period.
- 1.37 During the course of our review, we have not seen anything that would cause us to dispute this.

This legal opinion / due diligence report is subject to the assumptions set out in Schedule 1.



Melinda Peters, Partner

McCullough Robertson Lawyers

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