

---

## RISK FACTORS

---

*Potential investors of the [REDACTED] should carefully consider all of the information set out in this document and, in particular, the following risks and special considerations associated with an investment in our Company before making any investment decisions in relation to our Company. If any of the possible events as described below materialises, our Group’s business, financial position and prospects could be materially and adversely affected and the market price of the [REDACTED] could fall significantly.*

*This document contains certain forward-looking statements relating to our Group’s plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group’s actual results may differ materially from those as discussed in this document. Factors that could contribute to such differences are set out below as well as in other parts in this document.*

### RISK RELATING TO OUR BUSINESS

**We generated a significant portion of our revenue from Customer A and any decrease or loss of business from Customer A could adversely and substantially affect our operations and financial conditions**

Our current service agreement with Customer A is on a non-exclusive basis and will expire in September 2019. The renewal of the service agreement will be subject to further negotiation on the terms thereof. During the years ended 31 December 2015 and 2016 and the five months ended 31 May 2017, the revenue contributed by Customer A was approximately S\$11.4 million, S\$11.0 million and S\$4.4 million respectively, which accounted for approximately 41.2%, 40.9% and 39.4% of our total revenue for the corresponding periods. In April 2017, there was a decrease in Customer A’s order volume to us mainly as a result of a scheduled plant shutdown for maintenance by one of its customer in that month. Please refer to the section headed “Financial Information — Five months ended 31 May 2017 compared to five months ended 31 May 2016 — Hubbing” for details.

Our current service agreement with Customer A also includes a non-competition clause whereby we agree (i) not to carry out any other trucking services directly or indirectly for any chemical company that is a customer of the Customer A group of companies unless agreed in writing between Customer A and our Group for the duration of the agreement and a period of three years after the termination of the agreement; and (ii) not to approach Customer A’s customers unless otherwise agreed in writing between Customer A and our Group. Please refer to the section headed “Business — 4.7 Our Relationship with Customer A — Material terms of the Customer A agreement” for details.

## **RISK FACTORS**

---

There is no assurance that there will be no deterioration in our relationship with Customer A or it will not terminate the service agreement with our Group in the future. There is no guarantee that we will be able to renew the service agreement with Customer A on equally favourable terms. In the event that Customer A does not renew the service agreement with us, we cannot assure that we can successfully find new customers or enter into any service agreements of similar or more favourable terms as the service agreement with Customer A with such new customers in a timely manner. Even if we manage to secure those new customers, it would take time and resources for us to develop the relationship with such new customers, including reallocation of the human resources and sending staff to attend safety training courses to meet the requirements of the new customers. There is also no assurance that there will not be any disruptions in the operations of the customers of Customer A, which will in turn affect demand of Customer A for our service.

Under such circumstances, if our relationship with Customer A deteriorates and our service agreement with Customer A is terminated before its expiration or our service agreement with Customer A is renewed on less favourable terms and/or we cannot secure new customers; or if the customers of Customer A experience disruptions in their operations, our business performance, financial conditions and results of operations may be materially and adversely affected.

### **Adverse development in our customers’ business performance or strategies in Singapore could affect our operations and financial results**

As a transport and storage services provider in Singapore, we are primarily engaged in the provision of trucking services to our customers to serve their needs along their respective supply chains. Our top five customers for each period account for approximately 76.6%, 78.9% and 72.8% of our revenue for the years ended 31 December 2015 and 2016 and the five months ended 31 May 2017 respectively. If our customers’ sales in Singapore decline, such decline may likely lead to a corresponding decrease in demand for our transport and storage services. During the five months ended 31 May 2017, Customer B had slowed down their orders on us due to the relocation of one of their customers’ plant overseas as indicated by Customer B, which in-turn affected its demand for our services. Please refer to the section headed “Financial Information — Five months ended 31 May 2017 compared to five months ended 31 May 2016 — Hubbing” for details. Adverse developments in our customers’ business performance or strategies in Singapore could therefore materially and adversely affect our business, financial condition and results of operations. As such, should there be any adverse development related to our customers’ business operations or any other reasons resulting in reduction in demand for our services, our business, financial condition and results of operations would be adversely affected.

### **Any decrease in business secured from any one of our customers could affect our operation and financial results**

Our Group has not entered into service agreements with most of our customers. Our customers are free to engage our competitors who provide similar transport and storage services should they find the terms and quality of service being offered by our competitors more attractive. There can be

## **RISK FACTORS**

---

therefore no assurance that these customers will continue to use our services at fees offered by our Group. In the event that our Group is unable to retain these customers or seek replacement customers, our business, results of operations, profitability and liquidity may be adversely affected.

### **Fluctuation in fuel prices may affect our profitability**

As at Latest Practicable Date, we utilise a fleet of 125 prime movers, 491 trailers, 6 reach stackers and 7 lorries to carry out our transport and storage services business and are therefore exposed to the effects of fluctuation in fuel prices. Fuel costs accounted for approximately 9.7%, 8.3% and 10.7% of our cost of sales for the years ended 31 December 2015 and 2016 and the five months ended 31 May 2017 respectively.

The average diesel price charged by our suppliers decreased by approximately 16.1% for the year ended 31 December 2016 as compared to the year ended 31 December 2015. This resulted in a corresponding decrease of approximately S\$0.4 million or 19.7% in our fuel cost from approximately S\$2.1 million for the year ended 31 December 2015 to approximately S\$1.7 million for the year ended 31 December 2016. The reduction in our fuel cost contributed to the approximately S\$0.9 million or 40.3% increase in gross profit from trucking from approximately S\$2.2 million for the year ended 31 December 2015 to approximately S\$3.1 million for the year ended 31 December 2016.

The average diesel price charged by our suppliers increased by approximately 54.3% for the 5 months ended 31 May 2017 as compared to the 5 months ended 31 May 2016. This resulted in a corresponding increase of approximately S\$0.3 million or 52.5% in our fuel cost from approximately S\$0.3 million for the 5 months ended 31 May 2016 to approximately S\$1.0 million for the 5 months ended 31 May 2017. The increase in our fuel cost contributed to the approximately S\$0.3 million or 19.3% decrease in gross profit from trucking from approximately S\$1.9 million for the 5 months ended 31 May 2016 to approximately S\$1.6 million for the 5 months ended 31 May 2017.

The cost of fuel can fluctuate significantly and is subject to various economic and political factors that are beyond our control, including but not limited to the political instability in oil-producing regions. Any significant increase in global fuel prices will result in a direct increase in our operational costs, thereby adversely affecting our profitability. There can be no assurance that we will be able to pass on the increase in fuel prices to our customers or offset the effects of any future increase in fuel prices.

### **Loss of our key management and inability to attract and retain management staff will adversely affect our operations and financial performance**

We are dependent on our founder, a Controlling Shareholder and an Executive Director, Mr. K L Chua, and our Executive Director, Ms. S F Chua, for key aspects of our business, including but not limited to, sales and marketing, the maintenance of customer relationships and management of our operations. We also rely on our experienced management team to ensure the smooth operations of

---

## RISK FACTORS

---

business. Our Group’s success and growth therefore depends on our ability to retain key personnel or alternatively to be able to identify, hire and train suitable, skilled and qualified replacements. Should any of our key personnel cease to serve us and we fail to recruit appropriate replacement in a timely manner, our business and operations may be adversely affected.

### **Approximately 41.4% of our workforce is made up of foreign labour and inability to obtain foreign labour could materially affect our operations and financial performance**

Our business is dependent on skilled, semi-skilled and unskilled foreign workers as the local labour force is limited and more costly. The supply of foreign labour in Singapore is subject to the policies and regulations imposed by the MOM. Please refer to the section headed “Regulatory Overview” of this document for further details. Any shortage in the supply of foreign workers or increase in FWL for foreign workers, or any restriction on the number of foreign workers that we can employ, will adversely affect our operations and financial performance. Any changes in the relevant policies of the foreign workers’ countries of origin and the relevant policies of Singapore may also affect the supply of foreign labour and cause disruptions to our operations. Any increase in FWL will increase our operating expenses and will affect our financial performance. As at the Latest Practicable Date, approximately 41.4% of our workforce is made up of foreign workers. On this basis, our operations and financial performance may be adversely affected due to any shortage in the supply of foreign workers and any increase in the cost of foreign labour.

### **Significant increases in our labour cost could adversely affect our operational and financial performance**

Staff cost, mainly salaries and wages paid to our drivers, accounted for approximately 31.0%, 32.4% and 31.4% of our cost of sales for the years ended 31 December 2015 and 2016 and the five months ended 31 May 2017 respectively. The Ipsos Report has noted that the overall unit labour cost (“ULC”) in Singapore has risen in recent years, particularly from 2011 to 2016 following the global financial crisis. Similarly, the transportation and storage ULC in Singapore also grew at a CAGR of approximately 2.92% for the same period. There can be no assurances that labour cost will continue to remain stable, or increase at a manageable rate in the future. Should there be significant increases in our labour cost which results in our inability to hire sufficient staff and/or adverse reductions to our margins, our business, financial condition and prospects may be adversely affected.

### **Our Expansion Plan (as defined herein) may not be implemented successfully which may adversely affect our prospects**

The utilisation rates of our prime movers and trailers were high during the Track Record Period, with prime movers having utilisation rates of approximately 81.4%, 82.0% and 79.3% for the two years ended 31 December 2016 and the five months ended 31 May 2017 respectively, and trailers having utilisation rates of approximately 87.0%, 82.8% and 83.2% for the two years ended 31 December 2016 and the five months ended 31 May 2017 respectively. Our Group intends to apply approximately [REDACTED]% of total net proceeds from the [REDACTED] to further increase our service capacity through the acquisition of new vehicles. Further details of the Expansion Plan are set out in the section headed “Future Plans and Use of Proceeds” of this document.

## **RISK FACTORS**

---

However, the successful implementation of the Expansion Plan may be affected by a number of factors including the availability of sufficient funds, government policies relevant for our industry, the economic conditions, our ability to maintain our existing competitive advantages, our relationships with our customers and the threat of substitutes and new market entrants. There is no assurance that the Expansion Plan can be implemented in a timely and successful manner. Should there be any material adverse change in our operating environment which results in our failure to implement any part of the Expansion Plan, the growth in our service capacity will be impacted, resulting in future capacity constraints for our Group which consequently lead to the curtailment in our ability to capture future service orders, resulting in an adverse impact on our prospects.

### **Our business plans will result in increasing depreciation and staff-related expenses**

Our business plans involve the expansion and upgrading of our vehicle fleet via acquisition of additional primer movers, trailers and lorries. To support the increase in the vehicle fleet size, we will also be hiring additional staff such as drivers and operations staff. The increase in vehicle fleet size and staff headcount will result in higher depreciation and staff-related expenses. Further details of our business plans are set out in the section headed “Business — 2. Business Strategies” in this document.

There is no assurance that our business plan can be successfully implemented. Should there be any material adverse change in our operating environment resulting in our failure to implement any part of our business plan resulting in our revenue growth not being able to offset the increase in depreciation and staff-related expenses, our financial condition and prospects may be adversely affected.

### **Our operations may subject us to litigation, arbitration, administrative proceedings or other dispute which expose us to significant liability claims**

We may from time to time encounter disputes arising from contracts with customers, subcontractors, suppliers or other third parties, which may involve claims against them or us. Claims involving us could result in time-consuming and costly litigations, arbitration, administrative proceedings or other legal procedures. Expenses we incur in legal proceedings or arising from claims brought by or against us could have a material and adverse effect on our business, financial position, results of operations and prospects. Legal proceedings resulting in unfavourable judgment or findings may harm our corporate image and reputation, cause financial losses and damage our prospects of entering into future contracts, thereby materially and adversely affecting our business, financial position, results of operations and prospects.

---

## **RISK FACTORS**

---

### **Our insurance coverage may be insufficient to cover all losses associated with our business operations**

Despite the fact that our Group maintains insurance policies against burglary and fire, foreign worker medical insurance, motor vehicle insurance, haulier’s insurance and work injury insurance, such insurance coverage may be insufficient to cover all the risks associated with our business and operations in the future. In case of an uninsured loss or a loss in excess of insured limits, including those caused by natural disasters and other events beyond our control, we may be required to pay for losses, damages and liabilities out of our own funds, which could materially and adversely affect our business, financial condition and results of operations. Furthermore, the claim records of our Group may affect the premiums which insurance companies will charge us in the future.

These events would divert management and resources from our normal course of business, and the associated losses and liabilities which we may incur or suffer may have a material adverse effect on our financial condition and the results of our operations.

### **Accidents may occur during the transportation process due to the nature of our business and we may be held vicariously liable for the act of our drivers**

Our Group is a provider of transport and storage services to the logistics industry in Singapore. Due to the nature of our business, we may be subject to the risk of personal injuries or even serious or fatal accidents during the transportation process. During the Track Record Period, there was one fatal accident involving a vehicle owned by, and a driver of the vehicle employed by, our Group. For details of this fatal accident, please refer to section headed “Business — 9. Environmental Protection, Health and Work Safety — Accident”. As advised by Bird & Bird ATMD LLP, our Singapore legal advisers, the estate of the deceased may bring a civil action against our Group with respect to our vicarious liability as a result of the negligence of our employee, the driver, where our Group may be held liable to pay damages to the estate if such civil action is successful. This may, in turn, adversely affect our reputation, financial position and results of operation.

### **Our business operations may be adversely affected should we record net current liabilities in the future**

Our Group recorded net current liabilities of S\$0.6 million as at 31 December 2015 which was primarily due to a S\$2.6 million amount due to a director. For details, please refer to the section headed “Financial Information — Net Current Assets/(Liabilities)” in this document. We may continue to record net current liabilities positions in the future. There is no assurance that our Group’s operations will generate sufficient cash inflow or we will be able to raise funds from other channels to finance all our Group’s activities and cover our general working capital requirements in the future. In the event that our Group is unable to generate enough cash from our operations to finance our future development, our business operations and financial condition would be adversely affected.

### **The working capital mismatch in our operations may result in insufficient cash flow if there is a fall in our internally generated funds and banking facilities and debt financing from banks**

Our Group generally grants our customers a credit period ranging from 30–60 days from the invoice date whilst the credit term offered by our major suppliers is typically 30 days. In our business



## **RISK FACTORS**

---

operation cycle, the time taken to receive sales proceeds is longer than the time to pay our suppliers, and we have a working capital mismatch in our operation accordingly.

We finance our business operation through our internally generated funds, banking facilities and debt financing from banks. However, there is no guarantee that the amount of such internally generated funds, banking facilities and debt financing from banks will be sufficient to cover the working capital mismatch in our operations in the future. Any economic downturn in Singapore may affect the demand for our services resulting in a fall in revenue and therefore internally generated funds of our Group. The amount of our Group’s banking facilities and debt financing from banks may also be reduced if our credit rating is lower due to any adverse changes in our Group’s business, financial condition and results of our operation. The working capital mismatch in our operations may result in insufficient cash flow of our Group and hence may adversely affect our business operations.

### **We are subject to credit risk in respect of our trade receivables**

Trade receivables represent the balances due from customers which amounted to approximately S\$4.1 million, S\$4.6 million and S\$5.1 million as at 31 December 2015, 31 December 2016 and 31 May 2017 respectively. Our Group generally grants our customers a credit period ranging from 30 to 60 days from the invoice date. Please refer to the section headed “Business — 4.3 Credit Policy” in this document for further details on our Group’s credit policy. Our trade receivables turnover days were approximately 50 days, 59 days and 65 days, for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively. Please refer to the section headed “Financial Information — Trade Receivables” in this document for more details on our trade receivables.

Should our customers fail to settle relevant receivables in full or there be a change in their payment policies resulting in a longer settlement period for the amount due, our business, financial condition, results of operations and profitability could be materially and adversely affected.

There can be no assurance that our credit control policies and measures implemented will be adequate to protect us against material credit risks and enable us to avoid losses. We may make allowances for doubtful debts based on certain assumptions, estimates and assessments about the recoverability of our trade and other receivables, including the creditworthiness and past collection history of our customers. However, such collectability estimates may prove to be inaccurate or there may be a change in the underlying basis of such assumptions, estimates and assessments. In the event that we are required to make future adjustments or our actual losses exceed our allowances, this could result in a material and adverse effect on our results of operations and financial condition.

## **RISK FACTORS**

---

### **If we are unable to promptly recover our electronic system and database when they fail to operate properly, our reputation, business and operations could be adversely affected**

We rely on information technology to maintain our electronic system and database in the course of our business operations. Our suppliers’ and customers’ information, truck schedules, and information on our customers’ containers at our logistics yard facilities are electronically recorded in our system. If we are unable to promptly recover our system and database at times of failure, our reputation, business and operations could be adversely affected.

### **RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE**

#### **A shortage of drivers may affect our profitability**

Our operations are dependent on the availability of drivers. As at the Latest Practicable Date, we have employed a total of 138 drivers which accounted for approximately 79.3% of our Group’s total workforce. There can be no assurance that such a shortage of drivers will not occur in the future and thus adversely affect our business, financial condition and results of operations. Any substantial shortage of drivers may lead to a disruption to our Group’s daily operations.

#### **We operate in a highly competitive industry, and we cannot assure you that we will be able to compete successfully**

The industry in which we operate is highly fragmented. Please refer to the sections respectively headed “Industry Overview — Competitive Landscape” and “Business — 10. Competition” in this document for further details. We may be less competitive than some of our competitors in terms of scale of operations. In addition, some of our competitors may have a cost structure that is characterised by lower capital expenditures or labour costs than we have, and some other competitors may have greater scale, flexibility and other resources than we do. We cannot assure you that we will be able to continue to compete successfully in our existing markets. A number of factors, including an increase in operational efficiency, adoption of competitive pricing strategies, expansion of operations or adoption of innovative marketing methods, may have a material adverse effect on our business, results of operations and financial condition.

#### **Social, political, regulatory economic and legal developments, as well as any changes in Singapore government policies, could materially and adversely affect our Group’s business and operating results**

Our Group’s primary market is Singapore. As Singapore is expected to remain as our Group’s core market and place of operation in the foreseeable future, negative developments in the Singapore economy may have a material adverse effect on business. Our Group’s business, prospects, financial condition and results of operations may be adversely affected by social, political, regulatory and economic developments in Singapore. Uncertainties in these areas include, but not limited to, the risks of war, regional conflicts, terrorism, extremism, nationalism, nullification of contracts, changes



## **RISK FACTORS**

---

in interest rates, imposition of capital controls, changes in government policies or introduction of new rules or regulations concerning logistics service providers, environmental or transportation regulations and methods of taxation. Although the overall Singapore economic environment (in which our Group predominantly operates) appears to be positive, there can be no assurance that this will continue to prevail in the future.

On the other hand, the logistics industry forms part of the overall transport industry in Singapore. The Singapore Government may tighten regulations governing transport industry to reduce accidents or impose new regulations to curb air pollution or to meet the more stringent environmental requirements owing to its international commitments. It may expand the scope of existing regulations, tighten rules governing license renewal process or even impose requirements to install certain equipment. These new measures may limit our Group's flexibility to operate and may increase our Group's costs of doing business. Our Group's failure to comply with such laws and regulations may also result in reprimand, penalties, compounds, fines and lawsuits against us.

### **Our business may be affected by outbreaks and recurrence of epidemics, natural disasters, acts of war, terrorist acts, political unrest and other events which are beyond our control**

Certain countries have experienced epidemics such as severe acute respiratory syndrome, avian influenza and natural disasters such as fire, floods, droughts, blizzards and earthquakes, which have had an adverse impact on the economies of the affected countries. Recently, there has been an outbreak of the Zika virus in various countries including Singapore.

Since we conduct our business operations primarily in Singapore, the outbreak of the Zika virus or a recurrence of other epidemics or natural disasters in any country, acts of war, terrorist acts, political unrest and other events in Singapore, being beyond our control, may result in disruption to our business or that of our customers, which could in turn adversely affect our operations and financial results.

### **RISKS RELATING TO THE [REDACTED]**

#### **There has been no prior public market for our Shares and an active trading market for our Shares may not develop**

Prior to the [REDACTED], there has not been a public market for our Shares. While we have applied to list and deal in the Shares on the Stock Exchange, we cannot assure you that an active or liquid public market for our Shares will develop or be sustained if developed. The [REDACTED] is determined through negotiations between our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]), and it may not necessarily be indicative of the market price of the Shares after the [REDACTED] is complete. An investor who purchases Shares in the [REDACTED] may not be able to resell such Shares at or above the [REDACTED] and hence may lose all or part of the investment in such Shares. In addition, the initial trading price of our Shares could be lower than the [REDACTED] due to a variety of reasons including material negative events affecting us.

## **RISK FACTORS**

---

### **The liquidity, trading volume and trading price of our Shares may be volatile, which could result in substantial losses for our Shareholders**

The price at which the Shares will trade after the [REDACTED] will be determined by the market, which may be influenced by many factors, some of which are beyond our control, including:

- our financial results;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of, and the prospects for, us and the industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenue and cost structures such as the views of independent research analysts, if any;
- the present status of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

In addition, the Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of companies quoted on the Stock Exchange. As a result, investors in our Shares may experience volatility in the market price of their Shares and a decrease in the value of Shares regardless of our operating performance or prospects.

### **Investors may experience difficulties in enforcing their shareholders' rights as the laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located**

Our Company is incorporated in the Cayman Islands and our affairs are governed by the Articles, the Companies Law and common law applicable in the Cayman Islands. The laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions.

### **Our Controlling Shareholders have substantial control over our corporate actions and can exert significant influence over important corporate matters, which may reduce the price of our Shares and deprive you of an opportunity to receive a premium for your Shares**

After the Capitalisation Issue and the [REDACTED], our Controlling Shareholders will beneficially own [REDACTED]% of our issued share capital (without taking into account any Shares which may be issued upon the exercise of options under the Share Option Scheme). Therefore, our

## **RISK FACTORS**

---

Controlling Shareholders could exert substantial influence over matters such as electing Directors and approving material mergers, acquisitions or other business combination transactions. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could have the dual effect of depriving our Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and reducing the price of our Shares. Moreover, our Controlling Shareholders’ interest may not be aligned with our Company and thus actions taken by our Controlling Shareholders may not be aligned with the interests of the minority Shareholders. These actions may be taken even if they are opposed by our other Shareholders.

### **There is no guarantee that we will declare dividends in the future**

For the year ended 31 December 2015, Nexis Logistics declared dividends of S\$0.2 million and all these dividends had been paid as at the Latest Practicable Date. However, there is no assurance that dividends will be declared or paid in the future. The amount of any dividends to be declared in the future will be subject to, among other factors, our future operations and earnings, capital requirements and surplus, general financial condition and other factors which our Directors may deem relevant at their discretion. Further, our Group does not have a dividend policy or a pre-determined payout ratio.

In any event, there is no assurance that our Company will receive sufficient distribution from our subsidiaries to support any future profit distribution to our Shareholders, or that the amounts of any dividends declared by our Company in the future, if any, will be of a level comparable to dividends declared and paid, or by other listed companies in the same industry as our Group.

### **The [REDACTED] may be terminated and the [REDACTED] would then lapse**

Prospective investors should note that the [REDACTED] (for themselves and on behalf of the [REDACTED]) are entitled to terminate their obligations under the [REDACTED] by giving written notice to our Company upon the occurrence of any of the events stated in the under the section headed “[REDACTED] — [REDACTED] arrangements and expenses — Grounds for termination” in this document at any time prior to 8:00 a.m. (Hong Kong time) on the [REDACTED]. Such events include, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, pandemic, act of terrorism, earthquake, strike or lock-out. Should the [REDACTED] (for themselves and on behalf of the [REDACTED]) exercise their rights to terminate the [REDACTED], the [REDACTED] will not proceed and will lapse.

### **Any disposal by our Controlling Shareholders of a substantial number of Shares in the public market could materially and adversely affect the market price of the Shares**

There is no guarantee that our Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after the [REDACTED]. Our Group cannot predict the effect, if any, that any future sales of the Shares by any of our Controlling

## **RISK FACTORS**

---

Shareholders may have on the market price of our Shares. Sales of a substantial number of Shares by any of our Controlling Shareholders or the market perception that such sales may occur could materially and adversely affect the prevailing price of our Shares.

### **Risk of impact of granting options under the Share Option Scheme**

Our Company has conditionally adopted the Share Option Scheme. Any exercise of the option to be granted under the Share Option Scheme in the future and issue of Shares thereunder would result in the reduction in the ownership percentage of our Shareholders and may result in a dilution in the earnings per share and net asset value per Share, as a result of the increase in the number of Shares outstanding after such issue. Under the IFRS, the costs of the options to be granted to staff under the Share Option Scheme will be charged to profit or loss over the vesting period by reference to the fair value at the date on which the options are granted under the Share Option Scheme. As a result, our profitability and financial results may be adversely affected.

### **RISKS RELATING TO INFORMATION CONTAINED IN THIS DOCUMENT**

#### **Investors should not place undue reliance on facts, statistics and data contained in this document with respect to the economies and our industry**

Certain facts, statistics and data in this document are derived from various sources including various official government sources that we believe to be reliable and appropriate for such information. However, we cannot guarantee the quality or reliability of such source materials. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Whilst our Directors have taken reasonable care in extracting and reproducing the information, they have not been prepared or independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED] or any of their respective directors, affiliates or advisers. Therefore, none of them makes any representation as to the accuracy or completeness of such facts, statistics and data. Due to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this document may be inaccurate or may not be comparable to statistics produced for other publications or purposes and you should not place undue reliance on them. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

#### **You should read the entire document and we strongly caution you not to place any reliance on any information contained in press articles or media regarding us or the [REDACTED]**

There may be press and media coverage regarding us or the [REDACTED], which may include certain events, financial information, financial projections and other information about us that do not appear in this document. We have not authorised the disclosure of any other information not

## **RISK FACTORS**

---

contained in this document. We do not accept any responsibility for any such press or media coverage and make no representation as to the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this document is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to subscribe for and/or purchase our Shares, you should rely only on the financial, operational and other information included in this document.

### **Forward-looking statements contained in this document are subject to risks and uncertainties**

This document contains certain statements and information that are “forward-looking” and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “may”, “ought to”, “should” or “will” or similar terms. Those statements include, among other things, the discussion of our Group’s growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors of our Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect.

The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Group’s control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the section headed “Forward-looking statements” in this document for further details.