

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 the [REDACTED] before making any investment decision in relation to the [REDACTED].

RISKS RELATING TO OUR BUSINESS

We are exposed to concentration risk of reliance on Customer A and Customer B for the engagement of our logistics services and any decrease or loss of business from Customer A and Customer B could adversely and substantially affect our operations and financial conditions

During the years ended 31 December 2015 and 2016, the revenue contributed by Customer A and Customer B in aggregate amounted to approximately RMB106.2 million and RMB109.3 million respectively, which accounted for approximately 70.7% and 71.0% of our total revenue for the corresponding periods. Although the percentage of our Group’s total revenue attributable to Customer A and Customer B had remained stable over the two years ended 31 December 2015 and 2016 and we had made considerable effort to diversify our customer base and attract new customers, we expect to continue to derive a significant amount of our revenue from Customer A and Customer B in the near future. On the other hand, although we had maintained long-standing business relationship with Customer A and Customer B for approximately 15 and 20 years respectively, there is no assurance that there will be no deterioration in our relationship with Customer A and Customer B or they will not terminate the service agreements with our Group in the future. There is no automatic renewal clause in the service agreements with Customer A and Customer B. There is no assurance that we will be able to renew the service agreements with Customer A and Customer B in a timely manner. Any change or deterioration in our relationship with Customer A and Customer B may cause a significant adverse effect to our business, financial condition and results of operations. As such, should there be any adverse development related to Customer A and Customer B’s operations or any other reasons resulting in the termination of our business relationship with Customer A and Customer B, our business, financial condition and results of operation would be adversely affected.

In addition, there are termination clauses stated in the service agreements that Customer A and Customer B may terminate the service agreements with us without cause and the notice period ranges from approximately seven to 90 calendar days. In the event that Customer A and Customer B terminate the service agreements with us, we cannot assure that we can successfully find new customers or enter into any new service arrangements with the new customers within a short period of time and of similar terms to the service agreements with our existing customers. In such circumstances, our business, finance position and results of operations may be materially and adversely affected as a result of such termination. For further details of our relationship with Customer A and Customer B, please refer to the paragraph headed “Business — Our relationship with Customer A and Customer B” in this document.

Even if we manage to secure other reputable customers, it would take time and resources for us to develop the relationship with the new customers, including the reallocation of the human resources (including reallocating and training staff to cope with the requirements of new customers or be familiar with them), adapting the systems and procedures to meet the requirements of the new customers. If we cannot secure other reputable customers, our business performance and financial results will be adversely affected.

RISK FACTORS

We are dependent on our customers’ business performance in the PRC

As a logistics services provider in the PRC, we principally engage in the provision of logistics services to our customers to serve their needs along their supply chains. Our business performance will therefore, to a large extent, be affected by our customers’ business performance and developments in the PRC. If our customers’ sales in the PRC decline, such decline may likely lead to a corresponding decrease in demand for our logistics services. Adverse developments in our customers’ business performance in the PRC could therefore materially and adversely affect our business, financial condition and results of operations.

In particular, our Company is dependent on the business performance of Customer A and Customer B, our two largest customers during the Track Record Period. Customer A principally provides a broad portfolio of essential renal and hospital products. These products are used by hospitals, kidney dialysis centers, nursing homes, rehabilitation centers, doctors’ offices and by patients at home under physician supervision. Customer B is principally engaged in the sale of consumer goods, including baby and family care products, household products, beauty products and health and grooming products. Any adverse developments in the industry landscape and financial performance of Customer A and Customer B in the PRC would in turn affect our business and performance.

None of our service agreements with our customers are entered into on an exclusive basis

None of our service agreements with our customers, including Customer A and Customer B, are entered into on an exclusive basis. In other words, our customers can engage other logistics service provider(s) for the provision of logistics services in addition to or in lieu of us.

There is no assurance that our customers, including Customer A and Customer B, will not engage one or more service providers for the provision of logistics services during the subsistence of our service agreements with them. In that case, we cannot assure you that we can generate the same level of or more revenue from our customers as compared to the existing scenario. Any appointment of any additional logistics service providers by our major customers could therefore have a material adverse impact on our business, financial condition and operating results.

Any global and regional economic change or change in consumer preferences to products of our customers would adversely affect our operations and financial results

Most of our major customers are multi-national companies which require our logistics services to meet the needs of their supply chain. As a multi-national company, both operations and performance depend significantly on global and regional economic conditions of the place or regions where its goods and products are sold. Uncertainty about global and regional economic conditions poses a risk to our customers, who may postpone their business development or product development and change the business strategy of their products, for instance, with regard to their distribution channel and geographical coverage, which could require less of our services or even cease business relationship with us, and thus materially affect our business and performance.

Furthermore, our performance depends on consumer preferences to our customers’ brands and products and whether the brands can keep abreast with the changing market trends. Business and marketing strategies adopted by our customers and their ability to manage and develop their brands and products are hence crucial to our future development. As we do not have any direct control over the

RISK FACTORS

decisions on the type, style and design of the products of our customers and their promotional and business strategies, there is no assurance that such brands or products will continue to suit general consumers and thus we cannot assure the marketability of the brands that our customers carry and that such brands will continue to attract customers and generate sales. If our customers fail to develop brands to capture the changes on customer’s purchasing habits or preferences or in market trends or formulate effective marketing strategies to maintain the marketability of the brands, and that these brands are no longer appealing to customers, our performance and financial results could be adversely affected.

We rely on our subcontractors to handle certain transportation services. Any delay or defects in their services would adversely affect our operations and financial results

We subcontract certain transportation services to our subcontractors who are Independent Third Parties. For the years ended 31 December 2015 and 2016, our subcontracting logistics services expenses accounted for approximately 56.3% and 65.7% of our total direct costs, respectively. For details, please refer to the section headed “Business — Suppliers — Subcontracting arrangement for transportation services” in this document.

If the performance of our subcontractors for transportation services fails to meet the requirements of our Group or those of our customers, we may experience delay or failure in delivering our services to our customers. We may have to source alternative services at a price higher than we originally anticipated. This could adversely affect the profitability of our business. Further, there is no assurance that we would be able to closely monitor the performance of our subcontractors. If the performance of our subcontractors does not meet our standards, the quality of our services may be adversely affected, thereby damaging our business reputation, and potentially exposing us to litigation and claims from our customers.

On the other hand, notwithstanding our proven business relationship with our subcontractors for transportation services, there is no assurance that we would be able to maintain such relationship with them in the future. Since we have not entered into any long-term service agreement with our subcontractors, they are not obliged to work for us on our future projects on similar terms and conditions. There is no assurance that we would be able to find alternative subcontractors with the requisite expertise, experience and capability that meet our service needs and work requirements to complete the services in accordance with the terms of the contracts entered into with our customers on time and at competitive prices. If we are unable to timely engage such suitable alternative subcontractors when needed, our ability to complete services on time and with effective cost could be impaired, thereby damaging our business reputation and adversely affecting our operations and financial results.

We currently do not own the properties on which we carry out our business, and we are exposed to the risks associated with the commercial and industrial real estate rental market

As at the Latest Practicable Date, the warehouses occupied by us for our business purposes were leased from Independent Third Parties, details of which are disclosed in the section headed “Business — Properties” in this document.

RISK FACTORS

Accordingly, we are susceptible to the rental fluctuation from time to time. Rental expenses in respect of our premises accounted for approximately 26.0% and 27.4% of our total direct costs for the years ended 31 December 2015 and 2016, respectively. As most of our current operating leases in respect of rented premises will expire from 2017 to 2019, we have to negotiate the terms of renewal with the respective landlords prior to the expiry of the lease agreements. In the event that there is any increase in the rental expenses for our existing leased properties in the long run, our operating expenses and pressure on our operating cash flows will increase, thereby materially and adversely affecting our business, results of operations and prospects.

In addition, there is no assurance that we will successfully renew the tenancy agreements for the relevant rented premises on commercially acceptable terms, or at all. There is also no assurance that such tenancy agreements will not be terminated before their expiration. Termination of our leases may occur beyond our control, such as breaches of agreements by the lessor or the tenant of the premises or invalidation of lease agreements due to the lessors' lack of title to lease the properties. If it happens, we need to relocate to other premises and incur additional costs due to relocation.

Logistics industry is a labour intensive business. Any shortages in staff, or increase in staff costs may materially and adversely affect our business, results of operations, financial condition and prospects

As a logistics services provider, one of our main cost items is employee benefits expenses. Our total employee benefits expenses which primarily include wages and salaries, social security fund and insurance contribution, and other allowances and benefits, were approximately RMB54.5 million and RMB56.8 million for the years ended 31 December 2015 and 2016, respectively, which accounted for approximately 36.3% and 36.9% of our total revenue for the corresponding periods.

Since the logistics industry is service-oriented and labour intensive, our success depends in part upon our ability to attract, retain and motivate a sufficient number of staff, in particular our in-plant logistics staff and warehousing staff. Individuals having the appropriate work experience or who are adequately trained are in demand. If we are unable to recruit and/or retain qualified individuals, our business growth may slow down and our results of operations may be materially and adversely affected.

Competition for experienced staff could require us to pay higher wages, resulting in higher staff costs. We may not be able to pass these increased costs onto our customers, in which case our costs of operation may increase and that our business, results of operations, financial condition and prospects may be materially and adversely affected.

Our operation is exposed to disruptions due to bad weather, possible occurrences of natural disasters, epidemics and other diseases, uncertainties and traffic congestions

As our Group provides transportation services to our customers, any significant disruption in traffic due to severe traffic congests, weather conditions, flash floods, or breakdown in major road infrastructure in the PRC may lead to a reduction in and/or delay of our services. Such service interruptions may adversely affect our service quality in meeting our customers' KPIs requirements and negatively affect our customers' relationship with us. Further, we may have to engage additional subcontractors to maintain our service operations. As such, the occurrence of any of the foregoing events may adversely affect our Group's business, financial condition and results of operations.

RISK FACTORS

We are subject to the risk of system failure caused by unexpected network interruptions, security breaches, attack by hackers or computer virus, and business interruption due to natural or man-made disasters

Our business operation depends significantly on the reliability of our information technology infrastructure for the communications with customers and suppliers, and the management of our operating data. However, there is no assurance that we will successfully maintain the satisfactory performance, reliability, security and availability of our information technology infrastructure. Such failure may be caused by unexpected network interruptions, security breaches, attack by hackers or computer virus.

Further, our operation may also be interrupted if any of our information technology infrastructure suspends due to the occurrence of events such as fires, floods, hardware and software failures, power loss, telecommunication failure, terrorist attacks or other natural or man-made disasters.

If any of the events mentioned above occurs, our business operation may be disrupted for an indefinite period of time, thereby damaging our reputation and materially and adversely affecting our business operation.

Our success depends on key management personnel

Our success is largely attributable to the continued commitment and contribution of our Directors and the senior management of our Group. Our executive Directors have on average more than 20 years of experience in the logistics industry. Their extensive knowledge and experience in the logistics industry, as well as their established relationships with the customers have played a major role in our achievements. Although our Group has entered into service contracts or employment contracts (as the case may be) with all of our Directors and senior management, there is no assurance that our Group will be able to retain these key personnel, and the loss of any of them without suitable replacements, or the inability to attract and retain qualified personnel may adversely affect our operations, revenue and profits.

Furthermore, we may not be able to recruit or retain capable key management personnel or skilled employees to cope with our business expansion. The increasing demand for quality personnel may also drive up our labour costs, which would in turn increase our costs of operations and affect our profitability. As such, our business, financial condition and results of operation may be materially and adversely affected.

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

Our Group maintains insurance policies against loss or damage to its properties, trucks, employees and business interruption. The insurance coverage may be insufficient to cover all the risks associated with our business and operations in the future. In the 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. Even if the insurance coverage is adequate to cover our direct losses, our Group may be unable to take remedial actions or other appropriate measures. Furthermore, claim records of our Group may affect the premiums which insurance companies will charge in the future.

RISK FACTORS

We may not be able to use certain properties leased by us as staff quarters because of defects affecting our leasehold interests

We leased some properties in the PRC as our staff quarters of which property ownership certificates have not been provided by the relevant lessors to us. As advised by our PRC Legal Adviser, in the event that any party claims its right upon such properties or actions raised by relevant governmental authorities against the lessors for improper use of such properties, we may not be able to continue such leases and as such we may need to relocate and seek for an alternative location for our staff quarters. As at the Latest Practicable Date, we leased nine properties in the PRC from different lessors as our staff quarters of which property ownership certificates have not been provided by the relevant lessors to us. We cannot assure you that we can find a suitable replacement in a timely manner, or at all. Any relocation of our operations on such properties, or failure to find a suitable replacement, may incur costs or cause a temporary disruption to our operations. In addition, we are exposed to the possibility of being required by the relevant PRC authorities to register the relevant lease agreements within a prescribed time limit. If we fail to do so, we may be subject to fines ranging from RMB1,000 to RMB10,000 for each non-registered lease. Please refer to the section headed “Business — Properties” in this document for further details.

We were not in full compliance with the applicable PRC laws and regulations during the Track Record Period

We were not in full compliance with the applicable PRC laws and regulations during the Track Record Period. Please refer to the section headed “Business — Compliance” in this document for more details. Any future judgement or penalty against us in respect of these non-compliance incidents could have an adverse effect on our business, financial condition, cash flow and results of operations.

Any unexpected and prolonged disruption of our major operational facilities could adversely affect our business

Our Group’s principal operation is located at our leased properties situated in Guangdong Province, the PRC. In the event that there is any unexpected and prolonged disruption in the supply of utilities such as water or electricity, or access to the premises, such as fire, and we cannot relocate to another suitable location promptly with well-equipped facilities, the normal operation of our Group and thus our business, results of operations and financial position will be adversely affected.

We may not be able to implement all or any of our business plans successfully

Our Group has set out its future plans in order to achieve its business objectives in the section headed “Future plans and use of proceeds” in this document. The future plans are developed based on a number of assumptions, forecasts, and commitments of our Group. We may not succeed in executing our business strategies due to circumstances beyond our Group’s control, including many of the other risks as set out in this section headed “Risk Factors” in the [REDACTED], or for reasons that may render the assumptions and forecasts inoperable. There is no assurance that all or any of the future plans may be successfully implemented. If we fail to successfully implement our business strategies, we may not be able to maintain our growth rate and our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

Dividends paid in the past may not be indicative of the amounts of future dividend payments or our Company’s future dividend policy

No dividend has been paid or declared by the companies comprising the Group during the Track Record Period. Our Group’s ability to pay dividends or make other distributions to the Shareholders is subject to the future financial performance and cash flow position of our Group. Our Group may not be able to distribute dividends to the Shareholders as a result of the abovementioned factors. Accordingly, our Group’s historical dividend distribution should not be used as a reference or basis to determine the level of dividends that may be declared and paid by our Group in the future. Our Group may not be able to record profits and have sufficient funds over and above its funding requirements, other obligations and business plans to declare dividends to the Shareholders.

Our financial results are expected to be affected by the expenses in relation to the [REDACTED]

Our financial results for the year ending 31 December 2017 will be affected by the non-recurring professional fees in relation to the [REDACTED]. The estimated total professional fees in relation to the [REDACTED] to be borne by our Company is approximately RMB[REDACTED] of which approximately RMB[REDACTED] is directly attributable to the issue of new Shares to the public and is to be accounted for as a deduction from equity. Approximately RMB[REDACTED] has been recognised and charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2016. The remaining estimated [REDACTED] expenses of approximately RMB[REDACTED] is to be charged to our consolidated statement of profit or loss and other comprehensive income for the year ending 31 December 2017.

Accordingly, our financial results for the year ending 31 December 2017 are expected to be materially and adversely affected by the estimated professional fee in relation to the [REDACTED]. Our Directors would like to emphasise that such cost is a current estimate for reference only and the final amount to be recognised in the consolidated statement of profit or loss and comprehensive income of our Group for the year ending 31 December 2017 is subject to adjustment based on audit and the then changes in variables and assumptions.

RISKS RELATING TO OUR INDUSTRY

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 fragmented. Please refer to the section headed “Business — Competition” in this document. 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.

RISK FACTORS

An increase in fuel prices may reduce profitability

The provision of logistics services is highly reliant on the availability of the appropriate fuel and hence an increase in fuel prices may increase our Group’s costs. Without a corresponding increase in transportation rates, our Group’s profitability may be adversely affected. The cost of fuel can fluctuate significantly and is subject to many economic and political factors that are beyond our Group’s control, including but not limited to the political instability in oil-producing regions.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Changes in the PRC’s political, economic and governmental policies may have an adverse impact on our operations

All of our operations are currently located in the PRC and all of our revenue was generated in the PRC during the Track Record Period. We expect that the PRC will continue to be our principal market and place of operation. Accordingly, our business, financial condition and results of operations are subject to political, economic and legal developments in the PRC to a significant degree. The PRC’s economy differs from the economies of most developed countries in many aspects, including the extent of government involvement, growth rate, control of foreign exchange, allocation of resources and capital investment. We cannot assure you that there will not be any unfavourable changes in the PRC’s political, economic and governmental policies and measures that could impact the industries in which we operate, which could in turn diminish the demand for our services.

Fluctuation in the currency exchange rate of RMB

Our revenue and expenses have been and are expected to continue to be primarily denominated in RMB and we are exposed to the risks associated with the fluctuation in the currency exchange rate of RMB. Should RMB appreciate against other currencies, the value of the proceeds from the [REDACTED] and any future financings, which are to be converted from HK dollar or other currencies into RMB, would be reduced and might accordingly hinder the business development of the Group due to the lessened amount of funds raised. On the other hand, in the event of the devaluation of RMB, the dividend payments of the Company, which are to be paid in HK dollars after the conversion of the distributable profit denominated in RMB, would be reduced. Hence, substantial fluctuation in the currency exchange rate of RMB may have a material adverse effect on the business, operations and financial position of the Group and the value of your investment in the Shares.

There are uncertainties regarding the interpretation and enforcement of PRC laws and regulations

The PRC legal system is based on written statutes and their legal interpretations by the Standing Committee of the National People’s Congress. Previous court decisions may be cited for reference but have limited precedential value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new, and due to the limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties.

RISK FACTORS

Our Company is a holding company and our ability to pay dividends is primarily dependent upon the earnings of, and distributions by, our subsidiaries in the PRC

Our Company is a holding company incorporated under the laws of the Cayman Islands with limited liability. No dividends have been paid or declared by our Company. The majority of our business operations are conducted through our subsidiaries in the PRC and hence, our revenue and profit are substantially contributed by our subsidiaries in the PRC.

Our ability to pay dividends to our Shareholders is primarily dependent upon the earnings of our subsidiaries in the PRC and their distribution of funds to us, primarily in the form of dividends. The ability of our subsidiaries in the PRC to make distributions to us depends upon, amongst others, their distributable earnings. Under the PRC law, payment of dividends is only permitted out of accumulated profits according to PRC accounting standards and regulations, and our subsidiaries in the PRC are also required to set aside part of its after-tax profits to fund certain reserve funds that are not distributable as cash dividends. Other factors such as cash flow conditions, restrictions on distributions contained in our PRC subsidiaries’ articles of associations, restrictions contained in any debt instruments, withholding tax and other arrangements will also affect the ability of our subsidiaries in the PRC to make distributions to us. These restrictions could reduce the amount of distributions that we receive from our subsidiaries in the PRC, which in turn would restrict our ability to pay dividends on the Shares. The amounts of distributions that any of the subsidiaries of our Group has declared and made in the past are not indicative of the dividends that we may pay in the future. There is no assurance that we will be able to declare or distribute any dividend in the future.

Epidemics, acts of war and other disasters may adversely affect our operations

Our business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics and other acts of God which are beyond human control may adversely affect the economy, infrastructure and livelihood of the people of the PRC. Many major cities in the PRC are under threat of flood, earthquake, typhoon, sandstorm or drought. Our business, results of operations and financial condition may be adversely affected if such natural disasters occur. We may be required to disinfect our affected operational premises, which could adversely affect our operations. Even if we are not directly affected by the epidemic, it could slow down or disrupt the level of economic activity generally, which could in turn adversely affect our operating results.

In addition, acts of war and terrorist attacks may cause damage or disruption to our operations, employees, markets or clients, any of which could adversely impact our turnover, cost of sales, overall results and financial condition or the market price of the Shares. Potential war or terrorist attacks may also cause uncertainty and cause the business to suffer in ways that we cannot currently predict.

RISKS RELATING TO THE [REDACTED]

The market price and trading volume of the Shares may be highly volatile

Prior to the [REDACTED], there has been no public market for the Shares, and there is no assurance that an active trading market for the Shares will develop or be sustained upon completion of the [REDACTED]. The market price and trading volume of the Shares may be highly volatile. Factors such as variations in our Group’s revenue, earnings or cash flow and/or announcements of new investments, strategic alliances could cause the market price of the Shares to change substantially. Any

RISK FACTORS

such developments may result in large and sudden changes in the volume and market price at which the Shares will be trading. There are no assurances that these developments will or will not occur in the future and it is difficult to quantify the impact on our Group and on the trading volume and market price of the Shares. In addition, the Shares may be subject to changes in the market price, which may not be directly related to our financial or business performance.

Shareholders' equity interests may be diluted

Our Group may need to raise additional funds in the future to finance, inter alia, expansion or new developments relating to its existing operations or new acquisitions. If additional funds are raised through the issue of new equity and equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the percentage ownership of the Shareholders in our Company may be reduced and Shareholders may experience dilution in their percentage shareholdings in our Company. In addition, any such new securities may have preferred rights, options or pre-emptive rights that make them more valuable than or senior to the Shares.

Investors of the Shares may experience dilution in the net tangible asset book value per Share of the Shares they invested if our Company issues additional Shares in the future at a price which is lower than the net tangible asset book value per Share.

Granting options under the Share Option Scheme would result in the reduction in the percentage ownership of the Shareholders and may result in a dilution in the earnings per Share and net asset value per Share

Our Company has conditionally adopted the Share Option Scheme although no options had been granted thereunder as at the Latest Practicable Date. Any exercise of the options to be granted under the Share Option Scheme in the future and issue of Shares thereunder would result in the reduction in the percentage ownership of the 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 HKFRS, the costs of the options to be granted to staff under the Share Option Scheme will be charged to our Group's consolidated income statement over the vesting period by reference to the fair value at the date on which the options are granted under the Share Options Scheme. As a result, our Group's profitability and financial results may be adversely affected.

Future sale of Shares by existing Shareholders could materially and adversely affect the prevailing market price of the Shares

The Shares beneficially owned by the existing Shareholders are subject to certain lock-up periods. There are no assurances that any Substantial Shareholders or Controlling Shareholders will not dispose of the Shares held by them following the expiration of the lock-up periods, or any Shares they may come to own in the future. Our Group cannot predict the effect, if any, of any future sales of the Shares by any Substantial Shareholder or Controlling Shareholder on the market price of the Shares. Sale of a substantial amount of Shares by any of them or the issue of a substantial amount of new Shares, or the market perception that such sale or issue may occur, could materially and adversely affect the prevailing market price of the Shares.

RISK FACTORS

There is possibility of a lack of an active trading market for the Shares and significant fluctuation of their trading prices

Prior to the [REDACTED], no public market for the Shares existed. An application has been made to the Stock Exchange for the [REDACTED] and permission to deal in the Shares. However, a [REDACTED] of the Shares on the Stock Exchange does not guarantee a liquid public market for the Shares after the [REDACTED]. If an active public market for the Shares does not develop after the [REDACTED], the market price and liquidity of the Shares may be adversely affected.

RISKS RELATING TO THE STATEMENTS MADE IN THIS DOCUMENT

Statistics and facts in this document have not been independently verified

This document includes certain facts, forecasts and other statistics including those relating to the PRC economy and logistics and warehouses services industries that have been extracted from government official sources and publications, the CIC Report or other sources. Our Company believes the sources of these statistics and facts are appropriate for such statistics and facts and has taken reasonable care in extracting and reproducing such statistics and facts. Our Company has no reason to believe that such statistics and facts are false or misleading or that any fact has been omitted that would render such statistics and facts false or misleading. These statistics and facts from these sources have not been independently verified by our Company, the Sole Sponsor, the [REDACTED], the [REDACTED], the Underwriters, any of their respective affiliates or advisers or any other party involved in the [REDACTED] and therefore, our Company makes no representation as to the accuracy or completeness of these statistics and facts, as such these statistics and facts should not be unduly relied upon.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics from official government publications referred to or contained in this document may be inaccurate or may not be comparable to statistics produced for other economies. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

Forward-looking statements contained in this document may prove inaccurate and therefore investors should not place undue reliance on such information

This document contains certain forward-looking statements relating to the plans, objectives, expectations and intentions of our Directors. Such forward-looking statements are based on numerous assumptions as to the present and future business strategies of our Group and the development of the environment in which our Group operates. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual financial results, performance or achievements of our Group to be materially different from the anticipated financial results, performance or achievements of our Group expressed or implied by these statements. The actual financial results, performance or achievements of our Group may differ materially from those discussed in this document.

RISK FACTORS

The Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Group or the Shares

Prior to the completion of the [REDACTED], there may be press and media coverage regarding our Group and the [REDACTED]. The Directors would like to emphasise to the prospective investors that our Group does not accept any responsibility for the accuracy or completeness of such information and such information is not sourced from or authorised by our Directors or management. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Group or the Shares. Prospective investors are also cautioned that in making their decisions as to whether to purchase the Shares, they should rely only on the financial, operational and other information included in this document.