

## RISK FACTORS

*Potential investors should carefully consider all of the information set out in this document and, in particular, should consider the following risks and special consideration associated with an investment in our Company before making any investment decision in relation to the [REDACTED]. 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 trading price of the Shares could decline due to any of these risks, and you may lose all or part of your investment. 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.*

### RISKS RELATING TO OUR BUSINESS

**We derived most of our revenue during the Track Record Period from projects awarded by our major customers and any significant decrease in the number of projects from them or a deterioration of our relationships with them may materially and adversely affect us**

For the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022, we served 49, 46, 41 and 28 customers, respectively. However, we generally derived a significant proportion of our revenue from our major customers. For the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022, our largest customer in each year/period accounted for approximately 21.9%, 27.3%, 22.1% and 51.3% of our total revenue, respectively, and our five largest customers in each year/period accounted for approximately 69.3%, 67.4%, 60.3% and 86.9% of our total revenue, respectively. For further details, please refer to the section headed "Business — Our customers" in this document.

We were engaged by our customers on a project-by-project basis during the Track Record Period. There is no assurance that we will continue to obtain contracts from our major customers and that we will be able to maintain our relationships with them in the future. If there is a significant decrease in the number of projects awarded by our major customers, our relationships with them deteriorate and we are unable to secure suitable projects of comparable size, quantity or gross profit margin as replacements from other customers, our financial condition and operating results may be materially and adversely affected.

**Our revenue is mainly derived from projects which are non-recurrent in nature and obtained through tender and there is no guarantee that our customers will award us new business or that our tender success rates will not continue to decrease in the future**

Our revenue is typically derived from projects which are non-recurrent in nature and our customers are under no obligation to award projects to us. During the Track Record Period, we secured new businesses mainly through tender. There is no assurance that we will be able to secure new contracts in the future. Accordingly, the number and

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scale of projects and the amount of revenue we are able to derive therefrom may vary significantly from period to period, and it may be difficult to forecast the volume of future business.

For the years ended 30 June 2020, 2021 and 2022, the four months ended 31 October 2022 and the period from 1 November 2022 to the Latest Practicable Date, we recorded a tender success rate of approximately 11.7%, 16.4%, 7.6%, 2.1% and 3.4%, respectively. Our relatively lower success rate for the year ended 30 June 2022 and the four months ended 31 October 2022 was mainly because we were awarded fewer contracts as tenders we submitted were less competitive in general compared to prior years with the limits to our available financial resources and workforce. Our executive Directors consider that our tender success rate depends on a range of factors, which primarily include our tender strategy, our pricing policy, level of competition in the market and our customers' evaluation standards. There is no assurance that our tender success rates will not continue to decrease in the future as they did during the Track Record Period. In the event that our Group fails to secure new contracts or there is a significant decrease in the number of tender invitations or contracts available for bidding in the future, the business, financial position and prospects of our Group could be materially and adversely affected.

### **Materially inaccurate cost estimates or cost overruns may adversely affect our financial results**

When determining the pricing of our services for the purpose of tenders or quotations, our management takes into account the following major factors: (i) scope of services, specifications by customers and complexity of the projects; (ii) project location and area of coverage; (iii) work schedule; (iv) our relationship with the customer; (v) the estimated costs of procuring materials and engaging subcontractors; (vi) prevailing market rates; and (vii) our budget and determination of a reasonable profit margin. For further details on our pricing policy, please refer to the section headed "Business — Pricing policy and credit management — Pricing policy" in this document.

There is no assurance that the actual amount of time and costs incurred during the performance of our projects would not exceed our estimation particularly as a result of any variation orders requested by our customers during the course of our projects. Although the pricing of our services is on a cost plus basis (i.e. based on an initially estimated cost plus a target margin), the actual amount of time and costs incurred in completing a project may still be adversely affected by many factors, including changes in designs, delays due to the work of other contractors involved in our projects, unforeseen site conditions, adverse weather conditions, accidents, non-performance by our subcontractors, unexpected significant increase in costs of materials agreed to be borne by us, and other unforeseen problems and circumstances. Any material inaccurate estimation in the time and costs involved in a project may give rise to delays in completion of works and/or cost overruns, which in turn may materially and adversely affect our Group's financial condition, profitability and liquidity.

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### **Unsatisfactory performance or misconduct by our subcontractors or unavailability of subcontractors may adversely affect our profitability and operation**

We engage subcontractors in carrying out all of the more labour intensive works, including the installation and application of passive fire protection materials and components. For the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022, our subcontracting fees amounted to approximately HK\$55.5 million, HK\$59.7 million, HK\$95.5 million and HK\$52.3 million, respectively, representing approximately 50.6%, 45.2%, 53.5% and 54.1% of our total costs of services, respectively. There is no guarantee that the quality of work of our subcontractors can always meet our requirements, or that they will always strictly follow all of our instructions and not engage in misconduct. We may not be able to monitor the performance of our subcontractors as directly and efficiently as we do with our own staff. We may be affected by the non-performance, incomplete, inappropriate or poor quality of work rendered by our subcontractors. Such events could impact our profitability, financial performance and reputation. Based on the terms of the contracts with our customers, we may also be fined or penalised for the improper actions of the workers of our subcontractors. In addition, there is no assurance that our Group will always be able to secure services from suitable subcontractors when required, or be able to negotiate acceptable fees and terms of service with subcontractors if our subcontractors cease business. In such an event and if we are unavailable to find suitable alternative subcontractors with terms acceptable to us, our operation and financial position may be materially and adversely affected.

### **We depend on our suppliers for materials used in our projects, and any shortage or delay of supply, or deterioration in quality of the same could materially and adversely affect our operations**

We rely on our suppliers for stable and timely delivery of quality passive fire protection materials used in our projects such as fire resistant paints and fire rated boards. For the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022, our costs of materials amounted to approximately HK\$43.4 million, HK\$58.0 million, HK\$66.4 million and HK\$34.9 million, representing approximately 39.6%, 44.0%, 37.2% and 36.0% of our total costs of services, respectively. There are some popular brands of passive fire protection materials in the industry and the use of certain brands or a suitable alternative may be required in our contracts with customers. The popularity of certain brands of such materials may change based on among others, whether the specifications of such materials comply with future fire safety requirements and standards adopted in the construction industry in Hong Kong or as required by the Buildings Department.

Except for a master purchase agreement with our connected persons and deemed connected persons as disclosed in the section headed "Connected transactions" in this document, we do not normally enter into any long-term agreements with our suppliers of materials and generally do not maintain inventory. We may need to maintain our relationship with existing suppliers and build relationships with new suppliers to secure a supply of passive fire protection materials that would satisfy future fire safety requirements and standards or otherwise be well received in Hong Kong and would have similar or better quality than the existing products used by us. In addition, some of our

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suppliers are based outside of Hong Kong and in our executive Directors' experience, when some of our suppliers of fire resistant paints are out of stock in Hong Kong, it could take a few months for them to deliver our order. If we are unable to secure passive fire protection materials used in our projects, especially those popular brands that are requested by our customers, or build and maintain our relationships with suppliers, or if there is any shortage or material delay in delivery by our suppliers, we may fail to complete our projects on time or at all. As a result, we may be required to pay our customers liquidated damages or other penalties. We cannot guarantee that we will be able to identify suitable alternative sources of supply for materials in a timely manner, that are acceptable to our customers and have acceptable quality. Even if we are successful, there is also no guarantee that we will be able to purchase such passive fire protection materials at prices acceptable to our customers. If such events were to occur, our business, reputation, financial results and prospects may be materially and adversely affected.

If there is any deterioration in the quality of materials from our suppliers, and we are unable to identify suitable alternative sources of materials with reasonable prices in a timely manner, the progress and quality of our works may be materially and adversely affected, thereby damaging our business, reputation and materially and adversely affecting our financial results and prospects as well.

### **Our historical revenue, gross profit and gross profit margin may not be indicative of our future performance**

For the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022, our revenue amounted to approximately HK\$150.0 million, HK\$186.5 million, HK\$240.5 million and HK\$131.0 million, respectively, our gross profit was approximately HK\$40.4 million, HK\$54.6 million, HK\$61.9 million and HK\$34.3 million, respectively, while our gross profit margin was approximately 26.9%, 29.3%, 25.7% and 26.2%, respectively. However, the historical financial information of our Group may not necessarily reflect our financial performance in the future, which will depend on our capability to secure new business opportunities and to control our costs. There is no assurance that our operating and financial performance in the future will remain at a level comparable to those recorded during the Track Record Period.

There is an inherent risk in using our historical financial information to project our future financial performance, as there may not necessarily be any correlation one way or the other, or may only reflect on our past performance under certain conditions. Our future performance will depend on, among others, our ability to secure new contracts, control our costs, market conditions in Hong Kong, and competition among contractors. Any negative changes to the above may reduce the number of projects awarded to us and/or limit the profit margin of our projects. Furthermore, during the Track Record Period, we shifted our focus from tendering smaller projects to projects with larger contract sums, which may result in higher revenue and gross profit volatility. If our Group is able to secure sizeable projects in a given period, our revenue and gross profit in the relevant period may increase substantially. On the contrary, failure to secure any sizable projects in a given period may result in a significant decline in our revenue and gross profit in the relevant period. There is no guarantee that we will be successful in tendering

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for projects with relatively large contract sums. If we are unable to successfully tender for projects with relatively large contract sums in the future, we may not maintain our level of revenue and gross profit.

In addition, our gross profit margin may also fluctuate from period to period due to factors such as (i) our ability to accurately estimate our costs when submitting tenders; (ii) the complexity and size of projects; (iii) subcontracting fees; (iv) costs of materials; and (v) our pricing policy. There is no assurance that our gross profit margin will remain stable in the future and that we can maintain our current level of performance.

### **Potential mismatch in time between receipt of payments from our customers and payments to our suppliers may adversely affect our cash flows and result in net operating cash outflow**

We may experience net cash outflows (including net operating cash outflows) due to our payments of up-front costs for the projects during the preliminary stage and prior to full payment by our customers. The up-front costs of our projects generally include startup costs at the initial stage of a project comprising subcontracting fees for work done by subcontractors, and payment made to suppliers for materials. The timeframe for us to start generating positive monthly net cash flow from our projects after their commencement and the total amount of up-front costs incurred by our Group during such period varies depending on the size and duration of projects as well as other factors. Based on our experiences with the major completed projects which contributed over HK\$10 million in revenue during the three years ended 30 June 2022, it took approximately five months to 21 months and an average of nine months for us to start generating positive monthly net cash flow from such major projects after their commencement (the "Up-front Period") and the total amount of up-front costs incurred by our Group during the Up-front Period represented on average approximately 29.1% of the estimated contract sum of such major projects. Our customers generally make progress payments according to our work progress, and such payments are required to be certified by our customers or their authorised representatives before we issue a payment application to our customers. In addition, a certain percentage of each progress payment made to our Group, usually ranging from 5% to 10% of the relevant progress payment fee, the aggregate of which is subject to the maximum amount of 5% of the total contract value, may be withheld by some customers as retention money and will be released at the end of the defect liability period. For further information, please refer to the section headed "Business — Our customers — Major terms of contracts with customers" in this document.

Accordingly, our cash flow typically turns from net outflows at the early stage of a project into cumulative net inflows gradually as the project progresses. This results in a cash flow gap and in the event that we have more projects at the initial stage or that a substantial amount of retention monies from various projects are being withheld by our customers at any given point of time, our liquidity may be materially and adversely affected.

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In the event that we experience net cash outflows (including net operating cash outflows) due to the above or other reasons, we may be required to obtain sufficient additional liquidity to meet our financial needs and obligations. If we are unable to do so, we may be in default of our payment obligations, fail to meet our capital expenditure requirements and/or may not be able to pursue our business strategies as planned. As a result, our business, reputation, financial position, results of operations and prospects may be materially and adversely affected.

### **Total actual value of work done may vary from the original estimated contract sum stated in our contracts with customers**

During the Track Record Period, most of our contracts with customers involve remeasurement while the rest are on a lump sum fixed price basis. In contracts on a lump sum fixed price basis, the contract generally specifies a contract sum based on the agreed unit rates and the agreed quantities of work items. In contracts involving remeasurement, the agreed unit rates and the estimated quantities of work items are included in the contract and the final contract sum is subject to remeasurement of the works done and our Group will be paid based on the actual amount of works done in the project, which normally will be measured by our customers upon completion of the works. As a subcontractor working on a construction project, our work may be affected by the main contractors and other subcontractors, over whom we have no control. The other contractors are not accountable to us and their actions or omissions may result in project delays or changes to the project designs or the environment at the project site which may increase our work or otherwise add to our costs. The value of work items and the amount of revenue that we are able to derive from such a contract may vary significantly from period to period.

Despite the uncertainty as to the amount of work items that may be requested by our customers, we need to allocate labour and other resources to prepare for work items over the relevant contract period based on our past experience and the volume of work items requested by such customers in the past. In the event that any customer significantly reduces the amount of work items during the relevant contract period from our expectations, our business operations and financial performance may be materially and adversely affected.

### **Our revenue and profit margin are subject to fluctuations driven by variation orders**

Our customers may request additional works, or reduction or alteration of works beyond the scope of the contract during project implementation by placing variation orders with us. We will discuss with our customers to mutually agree on the sum of variation orders to be added to or deducted from the original contract sum primarily with reference to the schedule of unit rates provided in the relevant contract. Otherwise, we will further agree on the rates with our customers. The total revenue to be derived from and the profit margin for a project may differ from the original estimated contract sum specified in the relevant contract and the original expected profit margin for the project due to variation orders placed by our customers during the implementation stage. For further details on our variation orders, please refer to the section headed "Business — Operation flow — Variation orders" in this document. Accordingly, our revenue and

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profit margin may fluctuate significantly due to such variation orders. There are uncertainties relating to the variation orders including the amount and timing of such variation orders given that they are requested at our customers' discretion and there is no guarantee that there will be any variation orders requested by our customers at all. As such, there is no assurance that the amount of revenue derived from our projects will not be substantially different from the original estimated contract sum as specified in the relevant contracts, or will be sufficient to recover our costs incurred or otherwise contribute to a reasonable profit margin for the project, and as such, our financial condition may be materially and adversely affected by variation orders for our projects from time to time.

### **We are subject to credit risk with respect to the collectability of trade receivables and contract assets arising from our passive fire protection works**

We are subject to credit risk with respect to the collectability of trade receivables and contract assets arising from our passive fire protection works particularly from our five largest customers in each year/period during the Track Record Period which accounted for a significant portion of our total trade receivables and outstanding contract assets.

As at 30 June 2020, 2021 and 2022 and 31 October 2022, we recorded trade receivables of approximately HK\$11.5 million, HK\$17.3 million, HK\$12.1 million and HK\$16.8 million, respectively. For the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022, our trade receivables turnover days were approximately 23.9 days, 28.4 days, 22.9 days and 14.3 days, respectively. A significant portion of our trade receivables were attributable to a limited number of customers during the Track Record Period. Besides, some of our customers include a "pay when paid" clause in their contracts with us and they have the right to pay us only after collection of payments from their customers. In the event our customers fail to collect payment from their customers, this will, in turn, adversely affect the collectability of our payments from our customers. We may also encounter delays in payment in the event of the poor financial condition and insolvency of our customers. There can be no assurance that our customers will settle our payment applications on time and in full or that the project owners will make interim progress payments directly to subcontractors or make acceptable alternative payment arrangements in case of failure by our customers to pay.

A contract asset represents our Group's right to consideration in exchange for goods or services that our Group has transferred to a customer that is not yet unconditional. In other words, contract assets consist of our Group's rights to consideration for works completed but unbilled amounts resulting from construction contracts. The contract assets are transferred to trade receivables when the rights become unconditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. Our Group recorded contract assets arising from construction contracts of approximately HK\$37.1 million, HK\$48.2 million, HK\$64.8 million and HK\$59.8 million as at 30 June 2020, 2021 and 2022 and 31 October 2022, respectively. For details of the subsequent settlement of these contract assets, please refer to the section headed "Financial information — Discussion on selected financial position items — Contract assets/liabilities" in this document.

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Our Group's contract assets comprised (i) unbilled revenue; and (ii) retention receivables for passive fire protection works. Our Group recorded unbilled revenue of approximately HK\$24.4 million, HK\$33.8 million, HK\$44.1 million and HK\$38.3 million as at 30 June 2020, 2021 and 2022 and 31 October 2022, respectively. In addition, when undertaking contract works, our customers may, depending on the contract terms, hold up a certain percentage of each progress payment made to us as retention monies. As at 30 June 2020, 2021, 2022 and 31 October 2022, retention receivables of approximately HK\$12.7 million, HK\$14.4 million, HK\$20.7 million and HK\$21.5 million, respectively, were retained by our customers as retention monies. Depending on the contract terms, the retention monies are generally released upon the end of the defect liability period. However, there is no assurance that such retention monies will be released by our customers to us on a timely basis and in full accordingly. There is no assurance that we will be able to bill all or any part of contract assets for our services completed according to the payment terms of the contracts.

In the event that we are unable to collect a substantial portion of our trade receivables and contract assets arising from our contracts with customers within the payment terms or at all, our cash flows and financial positions may be materially and adversely affected.

### **If we fail to perform our obligations with respect to our contract liabilities, business and results of operations may be materially and adversely affected**

As at 30 June 2020, 2021 and 2022 and 31 October 2022, we had contract liabilities of approximately HK\$4.1 million, HK\$0.8 million, HK\$0.4 million and HK\$0.4 million, respectively. Our contract liabilities represent our Group's obligation to transfer services to customers for which our Group has received consideration.

If we fail to fulfill our obligations with respect to our contract liabilities, we may not be able to convert such contract liabilities into revenue as expected. The aforesaid failure may also adversely affect our relationship with such customers, which may also affect our reputation and ability to obtain projects from such customers in the future. If any of the circumstances occur, our business and results of operations may be materially and adversely affected.

### **Any worsening of the COVID-19 pandemic or the outbreak of other severe communicable disease may directly or indirectly result in a material adverse effect on our reputation, business, financial condition and results of operations**

The COVID-19 pandemic or the outbreak of other severe communicable disease may directly or indirectly affect us in various ways. Since COVID-19 first struck Hong Kong in around January 2020, the HK Government has announced various measures, including travel restrictions and social distancing measures in order to reduce the risk of local transmission of COVID-19. In 2022, Hong Kong recorded the fifth wave of the outbreak of COVID-19 attributable to the Omicron variant. There is no assurance that the COVID-19 pandemic or the outbreak of other severe communicable disease in Hong Kong can be effectively controlled or that the HK Government will not impose more stringent measures such as closure of physical workplace premises, full-scale suspension of all



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business, social and other activities as well as other lockdown policies to control the spread of COVID-19 or other severe communicable diseases which may affect our operations.

The outbreak of COVID-19 or other severe communicable diseases in Hong Kong may have a material adverse impact on the Hong Kong economy, which may result in a slowdown in the property market and lower the availability of construction projects in Hong Kong. Any worsening of the COVID-19 pandemic or the outbreak of other severe communicable disease may also lead to less available projects, more intense competition in the markets, labour shortages, increase in wages of the workers engaged in passive fire protection works and/or interruption of our business operations, temporary suspension or delay of the work progress of our projects. We cannot assure you that we will not experience any project delays or failure to complete our projects according to planned specifications, schedules and budgets as a result of the COVID-19 pandemic or the outbreak of other severe communicable disease, which may expose us to potential claims from customers for liquidated damages and result in a material adverse impact on our reputation, business, financial condition and results of operations.

Our operations may also be affected if any of our employees or the employees of our subcontractors is suspected of contracting or contracts COVID-19 or other severe communicable diseases, since this may require us and our subcontractors to quarantine some or all of the relevant employees and disinfect our project sites and facilities used for our operations.

In addition, some of our suppliers are based outside of Hong Kong. Due to the resurgence of the COVID-19 pandemic in the PRC in early 2022, lockdown measures were imposed in various parts of the PRC, Shanghai in particular, leading to a temporary disruption in the supply of raw materials from the PRC. We experienced a temporary delay from around April 2022 to May 2022 in the deliveries by certain suppliers with operations in or sourcing from the PRC for certain passive fire protection materials and metal parts and components (for further details, please refer to the section headed "Business — Occupational health and safety — Impact of COVID-19" in this document). If the HK Government and/or the PRC government introduce or impose stricter measures to combat the spread of COVID-19 or other severe communicable diseases including quarantine requirements, import controls or lockdowns on a city-wide scale, there is no assurance that our suppliers and subcontractors with operations wholly or partly in the PRC or otherwise rely on the free movement of staff and goods between Hong Kong and the PRC would be able to (a) maintain their normal business operations without disruptions; and/or (b) deliver the materials or arrange for the subcontracting services from the PRC to our work sites in Hong Kong in a timely manner and at reasonable prices, and there is no guarantee that we would be able to source the materials or subcontracting services from alternative suppliers or subcontractors in time. If these adverse events materialise and persist for a substantial period of time, our reputation, business, financial condition and results of operations may be materially and adversely affected.

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### **Disruptions such as epidemics, natural disasters, adverse weather conditions, political unrest and terrorist attacks could significantly delay, or even prevent our completion of projects**

Our operations are subject to uncertainties and contingencies beyond our control that could result in material disruptions in our operations and adversely affect our business. These include epidemics, natural disasters, adverse weather conditions, political unrest, wars and terrorist attacks. Any such events could cause us to reduce or halt our operation, adversely affect our business operation, increase our costs and/or prevent us from completing our projects, any one of which could materially and adversely affect our business, financial condition and results of operations.

Any of these events may negatively impact investor confidence and risk appetite, the fund-raising activities of issuers and proposed [REDACTED], the macroeconomic condition as well as the financial conditions in Hong Kong. Our business operations, financial condition as well as our fund-raising activities as contemplated by this document may be materially and adversely affected as a result.

### **Our Group's pricing terms and gross profit margin may be affected by the pricing strategy of our competitors**

According to the Industry Report, the passive fire protection works industry in Hong Kong is relatively concentrated and highly competitive with approximately 500 market participants engaging in passive fire protection works but less than 100 of them specialising in such works. In light of the level of competition in the passive fire protection works industry, our competitors may adopt a proactive pricing strategy in order to maintain or increase their market share. Depending on the pricing strategy of our competitors, we may face certain downward pricing pressure as a result of possible price competition, thereby lowering our gross profit margin. There is no assurance that we will be able to maintain our gross profit margin and/or maintain our pricing strategy in the future. Our inability to adjust our pricing in response to the changes in pricing strategy of our competitors or fierce market competition may hinder our ability to obtain new projects and materially and adversely affect our profitability, results of operations and business prospects.

### **There is no assurance that our Group can retain the key personnel on whom we depend**

Our Directors believe that our success, to a large extent, is attributable to, among other things, the contributions of Mr. Dave Ng and Mr. Vincent Ng, each being one of our executive Directors. Details of their expertise and experience are set out in the section headed "Directors and senior management" in this document. Our other key personnel include our project managers whose management experience in overseeing our projects is crucial to our operation and financial performance. Although we have entered into service agreements with each of our executive Directors and key personnel, there may be a material and adverse impact on our operation should any of our executive Directors or key personnel terminate their respective service agreement with us or otherwise cease to serve our Group and we are unable to recruit appropriate persons to replace them. There is no assurance that we will be able to attract and retain capable staff in the future. In such event, the business, financial position and prospects of our Group could be materially and adversely affected.

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### **Failure to complete our projects in a reliable and timely manner could materially affect our reputation or financial performance or may subject us to claims**

Contracts with our customers generally contain liquidated damages clauses under which we are liable to pay liquidated damages to our customers if we are unable to deliver or perform the contractual works within the time specified under our contracts. Liquidated damages are generally determined on the basis of a fixed sum per day.

Delays in projects may occur from time to time due to various unforeseen factors such as shortage of manpower, delays by subcontractors, industrial accidents, and delay in delivery of materials. If there is any delay on our part in the completion of any given project, we may be liable to pay liquidated damages under our contracts. Some of our customers grade their subcontractors on a points system based in part on timeliness of project delivery and a persistently low grade could result in our Group being ineligible to tender for their projects. There is no assurance that we will not experience delays in our existing and future projects that result in claims against us for liquidated damages, which in turn will adversely impact our reputation, business, financial condition and results of operations.

### **If severe fires were to break out in buildings or properties where we have provided passive fire protection works, our business, reputation, financial results and prospects may be materially and adversely affected**

If severe fires were to occur in the buildings or properties where we have provided passive fire protection works, the integrity of the building may be compromised and injuries or even fatalities may occur. Although our passive fire protection works aim to reduce or delay the spread and effects of fire, heat or smoke in buildings, there is no guarantee that our works will prevent fires or smoke from spreading to other parts of the building or causing severe damage or casualty at all. In case of a severe fire, there may be concerns on the standard of our passive fire protection works performed, and thus affect our business reputation, and subject us to legal claims from our customers and/or other parties. We may need to divert our time, attention and resources from the operation of our business in order to mitigate such impact on our reputation and manage the claims. This may also affect our relationships with customers and cause delay(s) in their payment (including the release of retention monies) to us. In the above circumstances, our business, reputation, financial results and prospects may be materially and adversely affected.

### **We may be subject to claims and legal proceedings, such as those arising from accidents, safety conditions at work sites and under the terms of our contracts from time to time and we cannot assure you that such claims or legal proceedings will not have a material adverse impact on our business**

We may be involved in claims and legal proceedings in respect of various matters from our customers, subcontractors, workers and other parties concerned with our works from time to time such as those arising from accidents, safety conditions at work sites and defects in our works. In the past, we received employees' compensation claims and personal injury claims for injuries suffered by workers from accidents arising out of and in the course of employment of the injured workers. During the Track Record Period and up

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to the Latest Practicable Date, we recorded six accidents involving workers which gave rise or may give rise to potential employees' compensation claims and/or personal injury claims. We also received one improvement notice in June 2020 issued by the Labour Department against Easy Smart Engineering in respect of failure to ensure a worker used the effective screens provided at a work site where particles of material or dust were likely to enter or damage the eyes in contravention of the Construction Sites (Safety) Regulations. There is no guarantee that we will not receive similar claims arising from accidents in the future and receive improvement notices and suspension notices relating to safety conditions at work sites.

In addition, as a provider of passive fire protection works, we may be subject to claims under the terms of contracts such as administrative penalties for minor deficiencies in carrying out our services, those arising from defects of our works or alleged breaches of our contracts. In general, our customers require us to provide a defect liability period (generally being a period of 12 months after issuance of the practical completion certificate of the project), during which we will remain responsible for remedying any defects in relation to our work done. In the event that substantive remedial actions are required to be taken during the defect liability period, we may have to incur significant time and costs to conduct such remedial works. If we fail to make good the defects as required, our customers may claim against us. We may also from time to time enter into disputes with customers and suppliers relating to the amount of or delay in payments which may turn into legal proceedings.

There is no assurance that we will not be involved in the above or other types of claims or legal proceedings from time to time, nor can we assure you that any such claims or legal proceedings would not have a material adverse impact on our business, financial condition and reputation. Should any claims against us fall outside the scope and/or limit of insurance coverage, our financial position may be adversely affected. Regardless of the merits of any outstanding and potential claims, we need to divert management resources and incur extra costs to handle these claims, which could affect our corporate image and reputation if publicised. If the aforesaid claims were successfully made against our Group and are not covered by insurance policies, we may need to pay damages and legal costs, which in turn could adversely affect our results of operations and financial position.

Legal proceedings can be time-consuming, expensive, and may divert our management's attention away from the operation of our business. Any claims or legal proceedings to which we may become a party in the future may have a material and adverse impact on our business, financial condition and reputation.

### **We were involved in certain historical non-compliance and/or tax incidents relating to the requirements under the IRO**

During the Track Record Period, we were involved in certain historical non-compliance and/or tax incidents relating to the requirements under the IRO including late filing of profits tax returns and failing to inform the IRD for profits tax chargeable. For further details and potential impact of the incidents, please refer to the section headed "Business — Non-compliance" in this document. In addition, in preparing the audited consolidated financial statements of our Group, we identified

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certain adjustments in the audited financial statement of Easy Smart Maintenance for the year of assessment 2018/19 and therefore certain prior year adjustments and tax refilings were made by us. For further details, please refer to the section headed "Financial information — Principal components of results of operations — Tax refiling of Easy Smart Maintenance for year of assessment 2018/19" in this document.

There is no assurance that we will not be subject to any material orders or claims or penalties in relation to the above tax incidents in the future. If any enforcement action is taken by the IRD against us and our Directors including but not limited to payment of monetary penalties, there is no assurance that our business, results of operations, financial condition and prospects including but not limited to our reputation in the industry and our relationship with customers will not be materially and adversely affected by such historical non-compliance incidents.

### **Our insurance coverage may not adequately cover potential liabilities**

Certain risks disclosed elsewhere in this section such as risks in relation to customer concentration, our ability to obtain new contracts, our ability to retain and attract personnel, availability and performance of subcontractors, project and cost management, our ability to maintain and renew our registrations, credit risk and liquidity risk, are generally not covered by insurance because they are either uninsurable or it is not cost justifiable to insure against such risks. Insurance policies covering losses from acts of war, terrorism, or natural catastrophes are also either unavailable or cost prohibitive.

Further, we may be subject to liabilities against which we are not, or cannot be, insured adequately or at all. Should any significant liability arise due to accidents, natural disasters, or other events which are not covered or are inadequately covered by our insurance, our business may be adversely affected, potentially leading to lawsuits, employee compensation obligations, loss of assets or other forms of economic loss.

We cannot guarantee that our current levels of insurance are sufficient to cover all potential risks and losses. In addition, we cannot guarantee that we can renew our policies or renew on similar or other acceptable terms. If we suffer from severe unexpected losses or losses that far exceed insurance policy limits, our business, financial position, results of operations and prospects could be materially and adversely affected.

### **There is no guarantee that we will continue to receive government subsidies and fluctuations in the amount of such subsidies received may impact our financial condition and profits**

During the Track Record Period, we received government subsidies of approximately HK\$0.5 million, HK\$2.7 million, HK\$0.4 million and HK\$0.7 million for the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022, respectively, under the employment support schemes of the HK Government and the construction business support scheme of the Construction Industry Council. These government subsidies are generally non-recurring in nature and may be subject to certain eligibility requirements.

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We cannot guarantee that we will continue to receive such government subsidies. If there is a suspension or termination of such schemes without similar replacement schemes, material reductions in the amounts offered, changes to the eligibility criteria which we are unable to fulfill or any other material changes to such schemes, our financial condition and profitability may be materially and adversely affected.

### **The loss of or failure to obtain and/or renew our registrations under the Registered Specialist Trade Contractors Scheme could materially and adversely affect us**

As at the Latest Practicable Date, Easy Smart Engineering and Easy Smart Maintenance were registered under the Registered Specialist Trade Contractors Scheme of the Construction Industry Council in the Register of Subcontractors for certain trades such as painting — others (fire protection paint) and shutters/doors, fabrication and installation — fire rated door and in the Register of Specialist Trade Contractors for suspended ceiling (for further detail, please refer to the section headed "Business — Licences, certificates and qualifications" in this document).

Such registrations or their renewal upon expiry are subject to our satisfying the registration requirements set out in the respective Rules and Procedures for the Register of Subcontractors and for the Register of Specialist Trade Contractors at the relevant time, including the retention of sufficient numbers of the relevant staff for fulfilling the registration requirements under the Registered Specialist Trade Contractors Scheme. For details, please refer to the section headed "Regulatory overview — The laws and regulations of Hong Kong — B. Contractor licensing regime and operation — Construction Industry Council Ordinance (Chapter 587 of the Laws of Hong Kong)" in this document. We cannot guarantee that we will be able to retain sufficient numbers of the relevant staff for fulfilling the registration requirements at all times under the Registered Specialist Trade Contractors Scheme. If we are unable to meet such registration requirements such that we are not entitled to be registered, it may result in our registrations being cancelled or unable to be renewed upon their expiry.

If there are any changes in the registrations under Registered Specialist Trade Contractors Scheme, such as additional requirements to maintain such registrations and we are unable to comply with such new requirements, it may result in our failure to maintain such qualifications. If we cannot maintain these qualifications, we may not be able to compete as effectively against competitors with such registrations and our reputation, our ability to obtain future business, our business and results of operations may be materially and adversely affected.

### **Execution of our future business strategies depends on recruiting sufficient labour**

One of our business strategies is to recruit additional staff in order to cope with our business expansion. Please refer to the section headed "Future plans and use of [REDACTED]" in this document for details of the additional staff that we plan to recruit by function. However, the construction industry in Hong Kong, including the sub-sector dealing with passive fire protection works, has been facing the problem of labour shortage. As a result, there may be potential difficulties for us to recruit sufficient labour to implement our future business strategies. Any material difficulties in recruiting

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sufficient labour to implement our future business strategies may adversely affect our Group's ability to successfully grow our business, which may in turn materially and adversely affect our business and financial position and prospects.

**Our business plans and strategies may not be successful or be achieved within the expected time frame or within our estimated budget and may result in a significant increase in our costs of services and administrative expenses**

We intend to increase our capital reserve for financing the up-front costs for our earmarked projects and variation orders for our projects, recruiting additional staff and investing in the information technology system of our Group in order to cope with the expected increase in demand for our services as part of our business expansion. However, our plans and strategies may be hindered by risks including but not limited to those mentioned elsewhere in this section. There is no assurance that we will be able to successfully maintain or increase our market share or grow our business successfully after deploying our management and financial resources. Any failure in maintaining our current market position or implementing our plans could materially and adversely affect our business, financial condition and results of operations. Even if we are successful in pursuing the above strategies, we estimate that additional depreciation arising from the purchases of the hardware in connection with the information technology system and staff costs (such increase in staff costs estimated to be approximately HK\$6.1 million per annum) will be charged to our profit and loss and may therefore affect our financial performance and operating results.

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

**Our performance depends on the development of the passive fire protection works industry and significant adverse changes such as termination of favourable government policies, reduction or termination of public investments plans or downturn of Hong Kong's economy may affect us**

Our performance depends on the development of the passive fire protection works industry which is in turn affected by the availability of construction projects in Hong Kong particularly public sector projects and projects involving new buildings. For the years ended 30 June 2020 and 2021, a majority of our revenue was derived from public sector projects and during the Track Record Period over 90% of our revenue was derived from projects involving new buildings. Such developments and the availability of construction projects will be determined by a variety of factors including the continuation of major market drivers. According to the Industry Report, major market drivers for our industry include favourable fire safety policies in the form of subsidies offered by the HK Government to property owners conducive to undertaking fire safety enhancement measures, and investments in public infrastructure and facilities by the HK Government (for further details, please refer to the section headed "Industry overview — Overview of passive fire protection works market — Market drivers and opportunities" in this document). The industry is also impacted by the general conditions and prospects of Hong Kong's economy and the willingness of property developers and private owners to initiate new construction projects.

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If there are any significant changes to the above or other factors including the termination of such favourable policies, reduction or termination of public investment plans or downturn of Hong Kong's economy, there is no assurance that the availability of construction projects in Hong Kong would not decrease significantly to such an extent as to materially and adversely affect our Group's business, financial position and prospects.

### **We operate in a competitive industry**

According to the Industry Report, our industry is highly competitive with market participants competing mainly on the comprehensiveness of their service offering, their established relationships and their industry expertise. In certain cases, our competitors may obtain competitive advantages such as having their own factories for metal works such as spray painting and modifying the size of metal pieces. New participants may wish to enter the industry provided that they successfully develop a proven track record, obtain technical know-how and have sufficient capital. Any significant increase in competition or our inability to obtain similar competitive advantages as our competitors may result in lower operating margins and loss of market share, which may adversely affect our profitability and operating results.

### **Rising operating costs, including the costs of labour and passive fire protection materials, may increase our costs of operation**

The passive fire protection works industry in Hong Kong has been facing the problem of increasing operating costs which is mainly attributable to (i) the trend of increasing wages for workers engaged in passive fire protection works; and (ii) the increase in prices of certain materials typically required in carrying out passive fire protection works. The average daily wages of workers in the industry witnessed a CAGR of approximately 1.8% from 2016 to 2021 due to among others, the shortage of skilled workers. The average import prices of key raw materials in passive fire protection works industry, namely firestop acrylic sealants, fire rated doors, fire rated boards, fire resistant paints, coatings and plasters, and fire retardant wool, all increased from 2016 to 2021, due to among others, fast-growing market demand for such materials worldwide attributed to accelerated urbanisation. Out of the materials used by our Group and surveyed in the Industry Report, the average import price of fire resistant paints, coatings and plasters witnessed the most significant growth with a CAGR of approximately 17.3% from 2016 to 2021. For further details of the reasons for such trends and breakdown of such past price trends, please refer to the section headed "Industry overview — Cost analysis" in this document.

In addition, the fees charged by our subcontractors depend on a number of factors, which generally include their own costs of operation. Industrial action of any trade may disrupt our operation and/or the operation of our customers and/or subcontractors and thus the work progress of projects undertaken by us. There is no assurance that workers will not demand higher wages and/or shorter working hours in the future. If their demands are to be met, we may incur additional direct labour costs, subcontracting fees and/or experience delay in the completion of our projects where our customers may in turn claim against us for not being able to meet the time schedule requirements under our contracts. Therefore, if costs of materials, particularly passive fire protection materials or



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other commonly used materials in the passive fire protection market in Hong Kong, or our staff costs and subcontracting fees continue to increase and we are unable to pass on such increase in costs to our customers, they will materially and adversely affect our business operation and financial condition.

**We may incur substantial additional expenditure from any change to existing laws, regulations, including but not limited to the introduction of more stringent laws and regulations on fire safety requirements, environmental protection or labour safety**

Many aspects of our business operation are governed by various laws and regulations and government policies. There is no assurance that we will be able to respond to any such changes in a timely manner. Such changes may also increase our costs and burden in complying with them, which may materially and adversely affect our business, financial condition and results of operation. If there are any significant changes to fire safety requirements, the licensing or qualifications of contractors who conduct passive fire protection works, the environmental protection and workplace safety standards in relation to such works, and if we fail to meet the new requirements in a timely manner or at all, our business operation, financial condition and prospects may be materially and adversely affected.

### RISKS RELATING TO THE [REDACTED]

#### **Investors will experience immediate dilution**

Given the [REDACTED] of our Shares is higher than the consolidated net tangible assets per Share immediately prior to the [REDACTED], investors of our Shares in the [REDACTED] will experience an immediate dilution in the unaudited [REDACTED] adjusted consolidated net tangible assets value to approximately HK\$[REDACTED] per Share and HK\$[REDACTED] per Share, respectively, based on the indicative [REDACTED] Range of [REDACTED] per [REDACTED] to [REDACTED] per [REDACTED].

#### **There has been no prior public market for the Shares and the market price, liquidity and trading volume of the Shares may encounter volatility**

There has been no public market for the Shares up until the [REDACTED]. The [REDACTED] of, and the permission to [REDACTED], the Shares on the Stock Exchange do not guarantee the development of an active public market or the sustainability thereof following completion of the [REDACTED]. Factors such as variations in our Group's revenues, earnings and cash flows, acquisitions made by our Group or our competitors, industrial or environmental accidents suffered by our Group, loss of key personnel, litigation or fluctuations in the market prices for the services provided or supplies required by our Group, the liquidity of the market for the Shares, and the general market sentiment regarding the construction industry in Hong Kong could cause the market price and trading volume of the Shares to change substantially. In addition, both the market price and liquidity of the Shares could be adversely affected by factors beyond our Group's control and unrelated to the performance of our Group's business, especially if the financial market in Hong Kong experiences a significant price and volume fluctuation. In such cases, investors may not be able to sell their Shares at or above the [REDACTED] or at all.

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**You may experience difficulties in protecting your interest, and your ability to protect your rights through Hong Kong courts may be limited because we are incorporated under Cayman Islands law**

Our Company is an exempted company incorporated in the Cayman Islands with limited liability. Our corporate affairs are governed by, among others, our Memorandum and Articles of Association, the Companies Act and the common law of the Cayman Islands. All of our assets and operations are located in Hong Kong. Additionally, all of our current Directors reside in Hong Kong.

Despite the location of our assets, operations and Directors in Hong Kong, the rights of our Shareholders to take action against our Directors, actions by minority Shareholders and the fiduciary duties of our Directors to us under the Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England and Wales, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our Shareholders and the fiduciary duties of our Directors under the Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions such as Hong Kong. In addition, the Cayman Islands companies may not have standing to initiate a shareholder derivative action in Hong Kong courts.

Shareholders of Cayman Islands-exempted companies have no general rights under Cayman Islands law to obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in our Articles of Association. A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of our Company's members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of our Board or our Controlling Shareholders than they would as public shareholders of a company incorporated in Hong Kong.

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### **Granting options under the Share Option Scheme may affect our Group's results of operation and dilute Shareholders' ownership**

Our Company may grant share options under the Share Option Scheme in the future. The fair value of the options on the date on which they are granted with reference to the valuer's valuation will be charged as share-based compensation, which may adversely affect our Group's results of operation. Issuance of Shares for the purpose of satisfying any award made under the Share Option Scheme will also increase the number of Shares in issue after such issuance and thus may result in the dilution to the percentage of ownership of the Shareholders and the net asset value per Share. No option has been granted pursuant to the Share Option Scheme as at the Latest Practicable Date. For a summary of the terms of the Share Option Scheme, please refer to the paragraph headed "D. Share Option Scheme" in Appendix IV to this document.

### **There will be a gap of several days between pricing and trading of our Shares, and the price of our Shares when trading begins could be lower than the [REDACTED]**

The [REDACTED] of our Shares is expected to be determined on the [REDACTED]. However, our Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be over four Business Days after the [REDACTED]. As a result, investors may not be able to sell or otherwise deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares when trading begins could be lower than the [REDACTED] as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

### **Any substantial disposal by our Controlling Shareholders of Shares 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, of any future sales of the Shares by any of our Controlling Shareholders, or that the availability of the Shares for sale by any of our Controlling Shareholders may have on the market price of the 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 market price of the Shares.

### **Risk of termination of the [REDACTED]**

Prospective investors should note that the [REDACTED] (for themselves and on behalf of other [REDACTED]) are entitled to terminate their obligations under the [REDACTED] by giving notice in writing to us upon the occurrence of any of the events set out in 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 event may include, without limitation, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism, strike or lock-out.

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### **The interest of our Controlling Shareholders may not always be aligned with that of our Group and those of our other Shareholders**

Upon completion of the [REDACTED], our Controlling Shareholders will own [REDACTED] of the Shares. Our Controlling Shareholders will therefore, have a significant influence over the operations and business strategies of our Group, and may have the ability to require our Group to effect corporate actions according to their own desires. The interests of our Controlling Shareholders may not always be aligned with the best interests of other Shareholders. If the interests of any of our Controlling Shareholders conflict with the interests of other Shareholders, or if any of our Controlling Shareholders causes our Group to pursue strategic objectives that conflict with the interests of other Shareholders, our Group or those other Shareholders may be adversely affected as a result.

### **Future issues, [REDACTED] or [REDACTED] of Shares may adversely affect the prevailing market price of the Shares**

Future issue of Shares by our Company or the disposal of Shares by any of the Shareholders or the perception that such issue or sale may occur may negatively impact the prevailing market price of the Shares. We cannot give any assurance that such event or events will not occur in the future.

### **Past dividend distributions are not indicative of our future dividend policy and we cannot guarantee whether and when we will pay dividends on our Shares.**

During the Track Record Period, Easy Smart Engineering declared dividends for the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022 of approximately HK\$64.1 million, HK\$6.0 million, nil and nil, respectively, to its then shareholders, of which approximately HK\$24.4 million, HK\$6.0 million, nil and nil, respectively were paid. The remaining dividends declared of approximately HK\$39.7 million for the year ended 30 June 2020 were offset against the amounts due from the then shareholders, Mr. Dave Ng and Ms. Lim. We cannot guarantee when, if or in what form and amount dividends will be declared or paid on our Shares following the [REDACTED]. Past dividend distributions are not indicative of our future dividend policy and we cannot guarantee whether and when we will pay dividends on our Shares. Subject to the Companies Act and the Articles, our Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by our Board. Our Board may also from time to time resolve to pay our Shareholders such interim dividends as appear to our Board to be justified by the financial conditions and profits of our Company, and may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of our Company as it thinks fit. Any decision to pay dividends will be made having regard to factors such as the results of operation, financial condition and position, and other factors deemed relevant by our Board. Any distributable profits that are not distributed in any given year may be retained and be available for distribution in subsequent years. To the extent profits are distributed as dividends, such amounts will not be available to be reinvested in our operation. There can be no assurance that we will be able to declare or distribute any dividend. Our future declarations of dividends will be at the absolute discretion of our Board.

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### RISKS RELATING TO THIS DOCUMENT

#### **Industry information and statistics in this document may not be accurate and should not be unduly relied upon**

Certain facts, statistics, and data presented in the section headed "Industry overview" and elsewhere in this document relating to the industry in which we operate have been derived, in part, from various publications and industry-related sources prepared by HK Government departments or Independent Third Parties. In addition, certain information and statistics set forth in that section have been extracted from a market research report commissioned by us and prepared by Frost & Sullivan, an Independent Third Party market research and consulting company. Our Company believes that the sources of the information are appropriate sources for such information, and the Sole Sponsor and our Directors have taken reasonable care to extract and reproduce the publications and industry related sources in this document. In addition, our Company has no reason to believe that such information is false or misleading or that any fact that would render such information false or misleading has been omitted. However, neither our Group, our Directors, the Sole Sponsor, nor any parties involved in the [REDACTED] have independently verified, or are making any representation as to the accuracy of such official government information and statistics. It cannot be assured that statistics derived from such sources were prepared on a comparable basis or that such information and statistics were stated or prepared at the same standard or level of accuracy as, or consistent with, those in other publications.

#### **Our Group's future results could differ materially from those expressed or implied by forward-looking statements**

Included in this document are various forward-looking statements that are based on various assumptions. Our Group's future results could differ materially from those expressed or implied by such forward-looking statements. For details of these statements and the associated risks, please refer to the section headed "Forward-looking statements" in this document. Investors should read this entire document carefully and we strongly caution you not to place any reliance on any information (if any) contained in press articles or other media regarding us and the [REDACTED] including, in particular, any financial projections, valuations or other forward-looking statements.

Prior to the publication of this document, there may be press or other media which contains information referring to us and the [REDACTED] that is not set out in this document. We wish to emphasise to potential investors that neither we nor any of the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED], or the directors, officers, employees, advisers, agents or representatives of any of them, or any other parties (collectively, the "Professional Parties") involved in the [REDACTED] has authorised the disclosure of such information in any press or media, and neither the press reports, any future press reports nor any repetition, elaboration or derivative work were prepared by, sourced from, or authorised by us or any of the Professional Parties. Neither we nor any Professional Parties accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no

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representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is not contained in this document or is inconsistent or conflicts with the information contained in this document, we disclaim any responsibility and liability whatsoever in connection therewith or resulting therefrom. Accordingly, prospective investors should not rely on any such information in making the decision as to whether to invest in the [REDACTED]. You should rely only on the information contained in this document.