9. RISK FACTORS

BEFORE INVESTING IN OUR SHARES, YOU SHOULD PAY PARTICULAR ATTENTION TO THE FACT THAT WE, AND TO A LARGE EXTENT, OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS, ARE SUBJECT TO THE LEGAL, REGULATORY AND BUSINESS ENVIRONMENTS IN MALAYSIA. OUR OPERATIONS ARE ALSO SUBJECT TO A NUMBER OF FACTORS, MANY OF WHICH ARE OUTSIDE OUR CONTROL. YOU SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THIS PROSPECTUS, INCLUDING THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW, BEFORE DECIDING TO INVEST IN OUR SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

9.1.1 Our performance may be affected by variations in the yield levels of oil palm

The yield for oil palm plantations is generally dependent on factors such as age profile of the oil palms, planting materials, diseases or crop pests and weather conditions that affect the oil palm, terrain, and soil characteristics of the area in which our plantations are located, as well as the availability of labour and the social structure of the local community surrounding our estates.

In each of the Financial Years/Period Under Review, our average FFB yield per Ha was higher than the average industry yield. For the Financial Years/Period Under Review, our average FFB yield per Ha was 22.9 MT per Ha, 20.1 MT per Ha, 22.1 MT per Ha and 9.5 MT per Ha respectively, while the national MPOB benchmark average was 16.7 MT per Ha, 15.5 MT per Ha, 15.5 MT per Ha and 8.2 MT per Ha respectively. However, there can be no assurance that our future performance will be consistent with our past operating results.

Generally, it takes approximately 3 years for oil palms to produce fruits suitable for harvest. A typical matured oil palm will remain productive for up to 25 years, after which its FFB production is significantly reduced, and we will then undertake our replanting programme. Although we seek to minimise the effect of replanting and/or new planting on our FFB production in any given year, there is no assurance that our revenue and margin will not be affected during the replanting periods, especially with regard to the 3-year period from the commencement of the replanting programme. Moreover, given that our replanting programme is a long-term process, it cannot mitigate or offset external factors such as adverse weather or accidents that can impact our yield levels in the near term.

Mature young oil palms between the ages of 4 to 8 years produce lower FFB yields compared to prime young oil palms between the ages of 9 to 18 years. After the oil palms have passed their prime age, the FFB yield is expected to decrease, and such decrease will affect the performance of our plantation estates.

Other factors may also affect our yields, including seed quality, pest and diseases and soil fertility. While we are able to manage these factors to an extent through steps such as investments in research and development, human capital, training and equipment maintenance, these factors may also be affected by events or circumstances beyond our control, such as advancements in technology in general, weather and the environment and macroeconomic trends. Accidents or events such as fires may also affect our yields, for example by damaging our crops or creating unsafe working conditions. There can be no assurance that we will be able to maintain an optimal age profile for our oil palms or achieve our targeted yield levels on a consistent basis or at all.

The following factors in particular have in the past affected and may in the future affect our production and supply of FFB:

(i) Weather patterns

Weather has a key impact on oil palm yields. Volatile and unpredictable weather patterns require our management to be meticulous and farsighted in terms of planning for our plantations.

Overly dry or wet weather conditions can potentially induce tree stress, leading to lower FFB yields. Adverse wet weather also affects harvesting and crop recovery. Heavy rainfalls may cause the condition of the terrain on our plantation estates to be slippery or soft, thereby making it difficult for our workers to access our plantation estates and harvest our FFB due to poor road conditions and soil can become oversaturated.

Additionally, continuous torrential rain may lead to flooding especially in areas near riverbanks, and subsequently delay FFB harvesting. Adverse dry weather affects the yield of oil palm as low rainfall generally results in lower FFB yields. Insufficient rainfall causes oil palm to produce fewer flowers which develop into FFB and may delay fertilising schedules. Prolonged dry conditions could induce moisture stress in oil palms, which will affect plant vegetative growth and lead to reduce production, depending on the severity of the drought. Meanwhile, prolonged wet conditions could disrupt pollination, harvesting and transportation, leading to a decline in FFB production.

We experienced extremely low rainfall during the 1st half of 2019, which led to declining FFB yield in the 1st quarter of 2021. There was also hot and dry weather during the 1st half of 2019, which resulted in a higher percentage of FFB being unsuitable for processing. Both incidents contributed to our lower FFB yield in the FYE 2021 as compared to FYE 2020, which resulted in lower CPO and PK delivery volume although revenue was not adversely impacted due to increases in our CPO and PK average selling prices. In contrast, we experienced favourable weather conditions in the first 3 quarters of 2022, which is expected to improve FFB yields in future harvests. Any poor weather conditions, especially if continued for a prolonged period, could adversely affect our business, financial condition, results of operations and prospects.

(ii) Flood and other natural disasters

Natural disasters, such as floods, tsunamis, tidal waves or other natural disasters, may adversely affect our operations. As disclosed in Section 7.18.3 of this Prospectus, in March 2023, Johor was affected by extreme weather conditions with nearly 2 weeks of torrential rain which caused flooding. The flooding displaced large numbers of people in the community from their homes and had also damaged roads, bridges and other infrastructure in the community. In relation to our operations, the flooding impeded and, in some cases, entirely prevented workers from traveling to, from and within our estates to harvest and transport our FFB.

As a result of the above, our FFB yields declined by approximately 15.7% while our CPO and PK production decreased by approximately 16.3% and 11.4% respectively during the FPE 2023 as compared to the FPE 2022. Notwithstanding that this had resulted in loss of FFB yield as well as CPO and PK production, we do not expect the flooding to have a significant long-term impact as our oil palms were not inundated for an extended period of time as our irrigation and drainage systems were able to evacuate the flood waters from our estates. In the longer term, the soil moisture level caused by the flooding could adversely impact the productivity of our oil palms. There can also be no assurance that future geological occurrences will not adversely affect our business, financial condition, results of operations and prospects.

(iii) Monoculture risk, pests or diseases

Our plantation activities are largely concentrated on the cultivation of a single type of crop, which is oil palm. As such, we are exposed to monoculture risk, the risk related to the cultivation of a single crop in a given area, and our oil palm may be susceptible to attacks by pests or diseases, including diseases caused by infectious organisms (also known as plant pathogens) and outbreaks of leaf-eating insects such as nettle caterpillars and bagworms. Diseases and pests can cause lower FFB yields, and in extreme cases, these attacks by pests or diseases could destroy large areas of oil palm crops. Fungal diseases such as 'Ganoderma basal stem rot' and 'Stem Rot disease' are examples of diseases that typically infect oil palm crops, while pests that attack oil palm crops include rats, leaf eaters (bagworm and nettle caterpillars) and rhinoceros beetles. We have not experienced any material occurrence of monoculture risk, pests or diseases in the past. However, the occurrence of such attacks may adversely affect the operations, production and yield of our plantations. There can also be no assurance that fungal diseases, bacterial-related diseases, and pests will not adversely affect our business, financial condition, results of operations and prospects.

9.1.2 Our business operations and financial performance may be affected by prolonged or significant disruption to our production, storage and distribution facilities, and transportation infrastructure

Our plantation business is highly dependent on our production, storage and distribution facilities or transportation infrastructure that we use to ensure smooth operation. We face a number of operational risks at our plantation estates and POMs, POME facilities, biomethane generation and planned bio-CNG facilities. Our production, storage and distribution facilities or transportation infrastructure that we use are subject to being partially or completely shut down, temporarily or permanently, as a result of a number of circumstances, such as adverse weather conditions, catastrophic events, environmental remediation, equipment or machinery breakdowns, strikes, lock-outs or other events. For example, major disruptions in the supply of utilities such as water or electricity or other operational difficulties at our production facilities, could reduce the amount or quality of products that we are able to produce and/or cause us to incur additional expenses. Our production facilities are also subject to a number of risks such as extreme weather conditions, fires, explosions, natural disasters, third-party interference, war or terrorism, civil unrest, and mechanical failures of equipment. Any of these occurrences may disrupt our operational activities including our FFB production, which could negatively affect the volume of CPO and PK we produce.

An example of an incident which may give rise to disruption in our operations is the fire incident which occurred at the biomethane plant on 25 October 2023 as disclosed in Section 7.18.4 of this Prospectus. Another example of operation risk is that our production facilities may require unscheduled downtime or unanticipated maintenance, which could reduce our revenues and increase our costs during the affected period. We experienced a total plant shutdown for 10 days at our Sedenak POM in 2022 due to the downtime experienced by our multistage turbine. However, this did not materially affect our results of operations as we were able to divert all of the FFB from Sedenak POM to our other mills, thereby avoiding a material loss from unused or spoiled FFB or a material decline in CPO and PK production. Outages or extended downtime at our production facilities such as this could lead to our inability to continue our production, whether prolonged or within a short period, which in turn will lead to a loss of product or diminished product quality.

We have not experienced any material occurrence of prolonged interruption in our production, storage and distribution facilities or transportation infrastructure in the past. However, any prolonged interruption could disrupt the flow of our business operations, impact our ability to serve our customers in a timely manner, and adversely affect results of operations and financial performance.

9.1.3 Our major customers typically account for a significant portion of our revenue each year

We sell our products in large quantities to a relatively small number of customers each year and at prices above the market average after taking into account the costs related to our sustainable practices. As a result, certain major customers typically account for a significant portion of our revenue in a single year. We generally do not enter into long term contracts with our customers, and both parties have the ability to seek significant changes to the terms of, or discontinue, our business arrangements.

During the Financial Years/Period Under Review, a significant portion of our revenue was derived from sales to 3 of our major customers, as follows:

Major customers / Length of business relationship as at 31 July 2023	**FYE 2020**		**FYE 2021**		**FYE 2022**		**FPE 2023**	
	Revenue contribution (RM'000)	**(%)**	**Revenue contribution (RM'000)**	**(%)**	**Revenue contribution (RM'000)**	**(%)**	**Revenue contribution (RM'000)**	**(%)**
Intercontinental Specialty Fats Sdn Bhd / 8 years	419,484	41.1	658,033	42.5	730,868	41.7	222,427	35.7
Palmaju Edible Oil Sdn Bhd / 25 years	34,682	3.4	143,290	9.2	391,634	22.4	148,400	23.8
PGEO Group Sdn Bhd / 11 years	74,556	7.3	100,988	6.5	33,624	1.9	107,608	17.3
Total	**528,722**	**51.8**	**902,311**	**58.2**	**1,156,126**	**66.0**	**478,435**	**76.8**

We have not experienced any termination of relationship by major customers in the past. However, if one or more of our major customers terminates their relationship with us or decides to purchase less products than expected, our results of operations could be adversely affected if we are unable to procure substitute orders of comparable size and on comparable terms from other customers in a timely manner. In addition, as we typically commit a large portion of our production volume to a small number of customers, our business may be adversely affected by risks and unexpected adverse developments affecting those customers.

9.1.4 We are dependent on foreign workers for our plantation operations

The plantation industry in Malaysia, including us, relies heavily on foreign labour. Oil palm plantations require extensive manpower in nurturing of seedlings, palm planting, manuring, harvesting and other routine maintenance work to achieve optimal yields. As such, we rely on employing foreign workers mainly from Indonesia and Bangladesh for our oil palm plantation operations. As at the [LPD], we employed a total of 4,973 estate workers (out of which 3,765 are foreign workers) to work on our plantation estates, and these foreign workers represented approximately 75.7% of our total field workers.

We obtain 12-month work permits for all of our foreign workers, which may be renewed up to a maximum period of 10 years. In order to obtain the necessary documents for foreign workers to work in Malaysia, applications for these permits must be made to the Ministry of Home Affairs of Malaysia and simultaneously, to the relevant embassies of the origin countries of the foreign workers in Malaysia. If the policies on granting such necessary documents were to change in Malaysia and/or the respective source countries, and if such changes result in a more difficult process, it may be more challenging for us to maintain a sufficient workforce for our oil palm plantation operations.

Any adverse changes to the policies relating to the employment of foreign workers between Malaysia and the countries from which our foreign workers are sourced, any significant increase in labour wages or any other inability to hire and retain foreign workers may adversely affect our business operations and financial performance.

For example, in 2020, the implementation of the MCO by the Government in response to the COVID-19 pandemic prevented new intakes of foreign workers starting from 18 March 2020. In 2021, the continuing effects of the COVID-19 pandemic, namely a prolonged freeze in new recruitment of foreign workers and continuous attrition of experienced workers returning to their home countries, resulted in an unprecedented acute shortage of labour. In Malaysia, supply of labour was constrained as well, especially in the plantation industry. Further, although COVID-19-related restrictions on movement have now been relaxed in Malaysia, Indonesia and elsewhere where we hire our foreign workers, some of our foreign workers have chosen to remain in their home countries, including some of those with significant experience and knowhow. As a result, we have hired workers that require more training and closer supervision while they develop their skills and knowhow, which has resulted in lower FFB yields in the short term due to inefficient harvesting by inexperienced workers as compared to pre-COVID-19 levels. Another example was an increase in the foreign worker levy in Malaysia which came into effect on 1 February 2016 and consequently increased our labour costs by approximately RM0.2 million for the FYE 2016.

There can be no assurance that our business operations and financial performance will not be materially and adversely affected arising from any changes in policies relating to the employment of foreign workers in the future.

9.1.5 Our business operations may be affected by loss of right of use of the estates that we rent which contribute a substantial amount of our FFB production

We rent the Malay Reserved Estates from JCorp and they collectively contributed approximately 185,320 MT, 164,954 MT, 178,912 MT and 80,877 MT of FFB, representing approximately 16.2%, 15.9%, 16.1% and 16.7% of the FFB produced on our owned and rented plantation estates during the Financial Years/Period Under Review respectively. Based on the terms of the Renewal Tenancy Agreement, the term of our tenancy for the Malay Reserved Estates will expire on 30 June 2026. To provide certainty on our continuous usage of the Malay Reserved Estates, JCorp and our Company had on 1 March 2024 executed the Second Supplemental Agreement to further amend the terms of the Tenancy Agreement, by stipulating the termination event of the tenancy in respect of the Malay Reserved Estates and providing certainty on the tenancy term following its expiry on 30 June 2026, subject to the terms of the Second Supplemental Agreement.

Pursuant to the terms of the Second Supplemental Agreement, if our Company shall be desirous of renewing the tenancy of the Malay Reserved Estates upon the expiration of any Extended Term (as defined in Section 7.9 of this Prospectus), our Company shall, not more than 6 months and not less than 3 months before the date of expiration of the Extended Term, give to JCorp notice in writing of such desire to renew, and if at the time the aforesaid notice in writing is given, the integrated sustainable palm oil complex to be constructed on Pasir Logok Estate continues to be in operation and there shall not be any existing breach or non-observance of any of the covenants, provisions and stipulations on the part of our Company contained in the Tenancy Agreement (including up-to-date payment by our Company of all accrued total rental payable under the Tenancy Agreement), JCorp will, at the cost and expense of our Company, let the Malay Reserved Estates to our Company for a further fixed period of 3 years, commencing from the date next following the date of expiration of the Extended Term.

Notwithstanding the express right granted to us under the Second Supplemental Agreement to renew our tenancy of the Malay Reserved Estates for subsequent terms, JCorp is entitled to terminate the Tenancy Agreement in the event we breach any of the covenants under the Tenancy Agreement and fail or neglect to remedy such breach within the stipulated period provided therein. If the Tenancy Agreement is terminated as a result thereof, JCorp is entitled to claim for the remaining balance of the total rent for the tenancy or forfeit the balance of the total rent for the tenancy paid in advance (as the case may be) for the remaining tenancy period during the term of the tenancy as liquidated damages, and we will lose our right to use the Malay Reserved Estates, including our right to use our integrated sustainable palm oil complex to be constructed on Pasir Logok Estate, and we will have to identify alternative estate for the relocation of our integrated sustainable palm oil complex. This will have a material adverse effect on our business, financial condition, results of operations and prospects.

Additionally, while we are entitled to claim from JCorp the NBV of the assets (including oil palm plantations and palm oil and palm products processing facilities) developed or constructed on the Malay Reserved Estates and the NBV of the planting and/or replanting cost of the palm oil plantation as at the date of termination as agreed liquidated damages should JCorp commit an event of default under the or prematurely terminates the tenancy or revoke our right of use of and/or access to the Malay Reserved Estates, we are however not entitled to claim for any loss of future income expected to be generated from the operation of the integrated sustainable palm oil complex.

Please refer to Section 7.1 of this Prospectus for the estimated revenue contribution from the Malay Reserved Estates and Section 7.9 of this Prospectus for the terms of the Tenancy Agreement which has been renewed via the Renewal Tenancy Agreement.

9.1.6 We may not be able to continuously renew the term of the Tenancy Agreement

Pursuant to the terms of the Second Supplemental Agreement, we are entitled to renew the tenancy of the Malay Reserved Estates upon expiration of any Extended Term (as defined in Section 7.9 of this Prospectus), so long as the integrated sustainable palm oil complex to be constructed on Pasir Logok Estate continues to be in operation, and there is no existing breach or non-observance of any of the covenants and provisions on our part contained in the Tenancy Agreement. This indicates that the continuous renewal of the term of the Tenancy Agreement is subject to the fulfillment of the aforementioned conditions.

If we cease operation of the integrated sustainable palm oil complex to be constructed on Pasir Logok Estate or we breach any of our covenants provided in the Tenancy Agreement, JCorp may, upon receiving our notice in writing to renew the Extended Term, decline the renewal of the Extended Term, and following thereto, our tenancy with JCorp pertaining to the Malay Reserved Estates will cease immediately upon the expiry of the relevant Extended Term. Thereafter, we will lose our right to use the Malay Reserved Estates, including our right to use our integrated sustainable palm oil complex constructed on Pasir Logok Estate, and we will have to identify alternative estate for the relocation of our integrated sustainable palm oil complex. This will have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, if JCorp chooses not to renew the term of the Tenancy Agreement as a result of our failure to comply with any of the aforementioned requirements, we will not be entitled to claim any liquidated damages as compensation from JCorp.

9.1.7 Our right to use the integrated sustainable palm oil complex may be compromised as our interest on the Pasir Logok Estate is non-registrable

The Pasir Logok Estate, which has been identified for the construction of our integrated sustainable palm oil complex, forms part of the Malay Reserved Estates currently rented by our Company from JCorp pursuant to the Tenancy Agreement and the Renewal Tenancy Agreement.

Unlike a lease arrangement whereby the lessee's interest must be registered against the land, our right under the Tenancy Agreement and the Renewal Tenancy Agreement is non-registrable. In other words, we are not permitted to register our tenancy in respect of the Malay Reserved Estates at the relevant land registry. As such, in the event the registered proprietor of the Malay Reserved Estates, i.e. JCorp or Kulim (as the case may be), disposes of or leases the Pasir Logok Estate to another party without taking into account our interest under the Tenancy Agreement and the Renewal Tenancy Agreement, our legal recourse against the Malay Reserved Estates would be limited. While we have the option to seek damages from JCorp or Kulim (as the case may be), we would nonetheless be compelled to vacate and deliver the estates to the new registered proprietor or lessee. Consequently, we will have to identify alternative estate for the relocation of our integrated sustainable palm oil complex, and this will have a material adverse effect on our business, financial condition, results of operations and prospects.

9.1.8 Our business operations are dependent on our Managing Director and Key Senior Management

We are dependent on the experience, knowledge and skills of our Managing Director and Key Senior Management for our oil palm plantation operations:

(i) Mohd Faris Adli Bin Shukery, our Managing Director, oversees the entire oil palm business and expansion strategies and initiatives of the palm oil business, and has more than 18 years of experience in the plantation industry;

(ii) Aziah Binti Ahmad, our Chief Financial Officer, oversees all of our accounting functions, including financial reporting, budgeting and cash flow management, and has more than 34 years of experience in accounting, finance, and audit in various industries;

(iii) Mohamad Yami Bin Bakar, our Head of Plantation, oversees the operation of all of our plantation estates and POMs, and has more than 30 years of experience in the plantation industry;

(iv) Amran Bin Zakaria, our Head of Group Human Capital, oversees all matters related to human resources, and has more than 28 years of experience in human resources in various industries; and

(v) Wan Adlin Bin Wan Mahmood, our Head of Sustainability and Innovation, oversees the management of our sustainability system, innovation management and project management, and has more than 19 years of management experience in the plantation industry.

The loss of services of our Managing Director or any of our Key Senior Management without suitable and timely replacement may adversely affect our business operations and financial performance. Please refer to Sections 5.2.1 and 5.3.1 of this Prospectus for the profiles of our Managing Director and Key Senior Management respectively.

9.1.9 We may not be able to renew or obtain licences, permits and certificates required to carry out our business operations or meet our regulatory or customer requirements as they evolve

We require various approvals, licences, permits and certificates to operate our oil palm plantations, POMs and renewable energy facilities to produce and sell FFB, CPO, PK and biofuels. Save and except for the expired licences which are currently pending issuance of the renewed licences as set out in Annexure A of this Prospectus, we have obtained all major approvals, licences, permits and certificates which we are dependent on for our business operations in Malaysia as at the LPD.

We have adapted our plantation operations to adhere to requirements for sustainable and traceable palm oil production that are set by RSPO as well as quality standards that are set by our various customers. Our ability to adhere to the RSPO requirements may also depend on our ability to screen for and select certified FFB from our external FFB suppliers that meet our quality standards. Furthermore, we are required to ensure our continued compliance with these requirements and standards if they are modified in the future or if we are required or choose (as the case may be) to comply with the requirements or standards of other regulatory bodies or customers. Our ability to adapt to changes and to anticipate future requirements and standards could become a factor in maintaining or improving our competitive position and prospects for growth.

We may also have to incur substantial unanticipated costs to comply with these new standards. There is no assurance that we will not encounter problems in obtaining and/or maintaining such required approvals in the future, or that we will be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the palm oil industry in general.

Failure by us to renew, maintain or obtain the required approvals, licences, permits and certificates may interrupt our operations, delay or prevent the implementation of any capacity expansion or new projects and may have a material adverse effect on our business, financial condition, results of operations and prospects.

9.1.10 Our business operations could be affected by legal, regulatory, or political changes

Our business is subject to various laws, regulations, policies, and the political and social environment in Malaysia, and legal, regulatory or political changes could increase our costs and expenses. For example, the Government increased the minimum wage in May 2022 by 25% from RM1,200 a month to RM1,500 a month, which led to an increase in our labour costs. We are exposed to the risk of enforcement actions and investigations should we fail to comply with such relevant laws, regulations, and policies.

We are subject to the risk that regulatory authorities may, from time to time, impose additional standards and requirements, which could be more stringent or onerous than those which currently apply to us. If there is non-compliance, these licences and approvals may be revoked or may not be renewed upon expiry. For example, the European Union Deforestation Regulation that is scheduled to come into force at the end of December 2024 will apply to any company which imports or exports CPO, PK, refined palm oil products or basic oleochemicals to the European Union. While we do not export our CPO, we are aware that the ultimate end-user of at least some of our palm oil products is in the European Union. The European Food Safety Authority has also agreed in principle to limit mineral oil aromatic hydrocarbons content due to its possible cancer causing properties. These and similar regulations could adversely affect our business, financial condition, results of operations and prospects. Similarly, any breach of these conditions, laws and regulations can result in penalties, fines, potential prosecution against us and/or our directors, restrictions on operations and/or remedial liabilities.

We may be subject to legal, regulatory, political and policy changes which we may not be able to anticipate, including disputes with local communities over land-related issues, that could adversely affect our business, financial condition, results of operations and prospects.

Although RSPO membership is voluntary, as a member, we are subject to the grievance process implemented by RSPO to address any complaints lodged against us for environmental and social breaches. Any such complaints made against us may have negative effects on our reputation and may cause us to be subject to further penalties if the RSPO grievance panel concurs with the allegations made against us.

There may also be continued pressure for plantation businesses to adopt more stringent sustainability practices arising from more scrutiny imposed on oil palm plantation companies globally. Such practices include environment-friendly and socially responsible operations and sustainable sourcing as part of the efforts to reduce the environmental and social impact of palm oil production.

9.1.11 Legal disputes or proceedings could expose us to liability and negatively impact our reputation

We may be involved in potential legal disputes or proceedings that could have an adverse impact on our reputation, business, financial condition, results of operations and prospects. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular dispute or any adverse judgments arising from the legal proceeding will not have a material adverse effect on our future cash flow, results of operations or financial condition. We may incur substantial legal expenses due to any litigation or legal proceedings. We are currently involved in a legal proceeding initiated by DOSH for breach of Section 15(1) of the OSHA, details of which are provided in Sections 7.19.3(v) and 14.7 of this Prospectus.

9.1.12 We may suffer uninsured losses or losses in excess of insured limits

We maintain insurance policies in line with general business practices, where practicable, with adequate policy specifications and insured limits. Our insurance policies cover risks such as fire, flood, riot, strike, malicious damage and public liability, to protect against property damage, business interruption and general liability.

There are, however, certain types of losses arising from wars, acts of terrorism or acts of God that are generally not insured as they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits or a failure of insurers to fulfil their obligation for the sum insured occur, we could be required to pay compensation and/or lose the capital we invested in the property, as well as anticipated future revenue from that property.

Any such loss could adversely affect our business, financial condition, results of operations and prospects. As at the LPD, we do not have any unresolved uninsured losses or loss in excess of insured limits or material outstanding claims against insurers for insured losses.

An example of an incident which may give rise to loss or damage is the fire incident which occurred at the biomethane plant on 25 October 2023 as disclosed in Section 7.18.4 of this Prospectus. While the loss and damage caused by such fire incident was ultimately not material from a business, financial condition or operational perspective, there can be no assurance that material losses will not occur in the future that exceed the coverage obtained or compensation received or that adequate insurance coverage will be available in the future on commercially reasonable terms or rates.

9.1.13 We could be impacted by matters affecting reputation, litigation, regulatory or other matters due to our association with our Promoters

We are associated with our Promoters, namely JCorp and Kulim. As an indirect subsidiary of JCorp, we believe that we benefit from the industry reputations of both of our Promoters in our business dealings, including with our customers and suppliers. Any negative publicity on our Promoters or changes in the public opinion regarding them could harm our reputation and the confidence in and use of our products.

If our Promoters do not successfully maintain a strong and trusted brand, our business, financial condition, results of operations and prospects could be adversely affected even if we are not involved. We may incur additional costs in addressing such matters regardless of merit or outcome and this may also divert our management's time and attention.

9.1.14 We may not be able to acquire new plantation land to increase our FFB production capacity or maintain the right of use of the plantation estates that we rent

We compete with other plantation companies and other agricultural companies to secure suitable plantation land to carry out our plans to acquire additional landbank for oil palm, including rental of plantation estates, as well as through arrangements to manage third-party plantation estates. We may also acquire oil palm landbank from other oil palm planters as part of our expansion strategy. We rent the Malay Reserved Estates and Kuala Kabong Estate from JCorp. We may also rent additional plantation estates from third parties in the future.

While we have not encountered any difficulties in renewing the tenancy for our rented plantation estates, there can be no assurance that we will be able to renew all our rentals at commercially reasonable costs or on similar or more favourable terms at all, or that we will be able to obtain suitable rentals at alternative sites, and any such failure to secure renewal or an alternative rental could materially and adversely affect our business, financial condition and results of operations.

There can be no assurance that we will be able to acquire new plantation land (including land rentals) in the future to support our growth strategy. If we are unable to expand our operations to increase our FFB production capacity, we would be required to increase our purchases from third-party FFB suppliers to increase our CPO and PK production, and there may not be sufficient certified FFB from third-party FFB suppliers to support our growth or the cost of such certified FFB from third-party FFB suppliers may increase our costs and affect our margins.

As we are committed to environmental conservation and due to our membership with the RSPO, any future land acquisitions (including land rentals) of suitable plantation land will require us to consider the social and environmental impact of our activities on the said land in accordance with our sustainability commitment, which could result in fewer land areas being deemed as suitable acquisition targets for us. The Government has also signaled that it plans to reduce the frequency of new land clearing to promote RSPO certification compliance. As a result, there can be no assurance that we will be able to source suitable land for expansion of our landbank in the future.

9.1.15 We may experience land disputes and our existing lands may also be subject to compulsory acquisition

We may experience land disputes in the future. Such land disputes may arise over land ownership or overlapping land usage (where an area of land that has been allocated by the government authorities to a party for a specific purpose overlaps with other areas that have also been allocated by other government authorities to other parties for other purposes or reserved by the government for a specific purpose only). We have not experienced any material occurrence of land disputes in the past.

Our land sites may also be compulsorily acquired by the Government based on reasons such as, among others, public use or due to public interest. If such land sites are compulsorily acquired and the NBV of such land sites is greater than the compensation paid by the Government, our business, financial condition, results of operations and prospects may be materially and adversely affected.

9.1.16 Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees

Some of our operations staff and workers, including foreign workers, are members of the All Malayan Estates Staff Union or National Union of Plantation Workers. Although we have not experienced any material labour unrest during the Financial Years/Period Under Review, there can be no assurance that we will not experience disruptions at work due to disputes or other problems with our workforce, which may adversely affect our ability to continue our business operations.

Any labour unrest directed against us could, directly or indirectly, prevent or hinder our normal operating activities, and if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, financial condition, results of operations and prospects. As at the LPD, there have been no significant incident of strike, work stoppages, increased wage demands or other kind of dispute. As at the LPD, we have not received any notices from the labour department or labour union in respect of any dispute involving us with our employees.

9.1.17 Our research and development cycles are lengthy and uncertain, and new business opportunities may not materialise

We undertake research and development initiatives to remain competitive in our industry and to support our plantation business, including cloning and plant breeding to develop higher yielding planting materials and seed production, crossing programmes and experimental plot.

The process of developing and commercialising new planting materials may involve multiple phases. We may dedicate significant financial and other resources to these initiatives before we achieve our research and development objectives. The introduction of new proprietary planting materials by our competitors may render the products of our research and development initiatives less competitive or less marketable. If our research and development cycles are prolonged or our research and development initiatives do not materialise, this may adversely affect our business, financial condition, results of operations and prospects.

9.1.18 We may incur additional costs to comply with environmental and health and safety regulations and may be exposed to liabilities if we fail to comply with these regulations

We are subject to various environmental and health and safety laws and regulations in Malaysia, including requirements related to the emission and discharge of hazardous materials, air or water from our facilities, safety and integrity of our POMs, solid waste management and emergency planning. As these laws and regulations become more stringent, they may require us to purchase and install new or additional pollution control equipment or to make operational changes to limit actual or potential impacts on the environment or the health of our employees.

Our principal environmental concerns relate to land and forest clearance for plantation development and emission and discharge from our POMs. We have been complying with the relevant environmental and health and safety regulations save and except that during the Financial Years/Period Under Review, there were instances of non-compliance with the OSHA arising from the occurrence of accidents as disclosed in Section 7.19.3(v) of this Prospectus.

Any health and safety or environmental claims or the failure to comply with any present or future regulations could result in the assessment of damages, the imposition of fines, criminal sanctions or the suspension or cessation of our facilities and operations, which may adversely affect our business, financial condition, results of operations and prospects.

9.1.19 We are exposed to risks in relation to work safety and occurrences of accidents and may also be involved in disputes and legal and other proceedings arising from our operations

Our production facilities require individuals to work with equipment, chemicals and other materials that have the potential to cause harm and injury when used without due care. The non-compliance of our workers with the operational safety and health policies may cause potential hazardous situations. In addition, many of our employees are engaged in harvesting and transportation activities whereby harm and injury could be caused.

In the past, we had instances where employees working in our operations were killed or injured as a result of operating our production equipment, handling various chemicals, raw materials and other items utilised or generated in our business as well as in transportation-related accidents. Please refer to Sections 7.19.3(v) and 14.7 of this Prospectus for further details of the fatal accident at our Sedenak POM.

Although we have occupational health and safety policies and procedures in place such as, among others, developed standard operating and maintenance procedures, regular inspection of tools and equipment, providing training on proper wearing of protective equipment, empowering workers to report unsafe acts and conditions, regular announcements and circulars relating to standard operating procedures, there are inherent risks of work injuries or accidents occurring in the course of our business operations. An accident, injury or death that occurs at our production facilities could result in disruptions to our business, including our production capabilities, and have legal and regulatory consequences, such that we may be required to compensate such individuals or incur other costs and liabilities, any and all of which could adversely affect our reputation, business, financial condition, results of operations and prospects.

9.1.20 Our profitability could be materially and adversely affected if we are unable to improve our production efficiency

Our future success and earnings growth depends on our ability to be efficient in the production of our products in a highly competitive market. Failure on our part to reduce costs through productivity gains could adversely affect our profitability and weaken our competitive position. Productivity initiatives that we may implement could involve complex reorganisation of our FFB production and mill operations. Such realignment of operations may result in the interruption of production, which may negatively impact our production volume and margins and could adversely affect our business, financial condition, results of operations and prospects.

9.1.21 Adverse developments in the global capital and credit markets could negatively affect our liquidity, increase our costs of borrowing, and disrupt the operations of our suppliers and customers

Global capital and credit markets have experienced extreme volatility, disruption, and decreased liquidity in recent years, including recently, making it more difficult for companies to access them. Volatility and weaknesses in global capital and credit markets have added to the uncertainty of the global economic outlook and a number of countries are experiencing slowdown in economic activity. Although our direct exposure to the European and United States markets is limited, adverse developments in those markets have, in the past, led to, and in the future may cause, weaker market confidence, limitations on access to, and higher costs of, funding and adverse impacts on the industries and businesses of our customers.

If market conditions are unaccommodating due to economic, financial, political or other reasons, our ability to obtain bank financing and access the capital markets may be adversely affected and may be subject to higher costs. Our business could also be negatively impacted if our suppliers or customers experience disruptions resulting from tighter capital and credit markets or a slowdown in the general economy. Any or all of these developments could have a material adverse effect on our business, financial condition, results of operations and prospects.

9.1.22 Exposure to increases in interest rates

We are exposed to increases in interest rates which could reduce our profitability and adversely impact our ability to refinance existing debt. We have floating rate obligations for certain of our borrowings. As we do not manage our exposure to interest rate volatility, any increase in interest rates will increase the costs of these borrowings, which may in turn reduce our profitability and impair our ability to meet our debt obligations. An increase in interest rates could also limit our ability to refinance existing debt upon maturity or cause us to pay higher rates upon refinancing.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We face fluctuations in commodities and raw materials prices

As globally traded commodities, the prices of CPO and PK are fundamentally dependent on supply and demand conditions of the global oils and fats market. Global prices of the oils and fats are in turn affected by the availability of agricultural commodities, of which supply is affected by unpredictable factors such as weather conditions, while demand is affected by factors such as changes in population growth, changes in standards of living, biodiesel demand and global production of substitute and competitive crops, in addition to the world economy. Although the majority of the FFB that we process in our POMs is sourced from our own plantation estates, we also purchase FFB from third-party FFB suppliers or external plantation estates, including RSPO-certified FFB, which is relatively more scarce and costly. Increases in the price of FFB, palm oil products in general and palm oil alternatives have, in the past and in the future, may lead to increases in the prices of FFB that we purchase and adversely impact our margins and profitability.

Prices of FFB are also affected by a variety of other factors which are beyond our control, including environmental and conservation regulations, tariffs, and natural disasters. The markets for CPO and PK are also sensitive to changes in industry capacity and output levels. There can be no assurance that any price fluctuations will not have an adverse impact on our business operations and financial performance.

Our performance is largely affected by CPO prices which vary on a daily basis and as such, our earnings and profit margins are subject to market vagaries. In addition, the prices of our palm products and our profit margin are fundamentally dependent on supply and demand conditions of the global oils and fats market, including the prices of soybean and sunflower oil.

As the global economy recovers from the COVID-19 pandemic, demand for oils and fats further increased, far outstripping supply which was hampered by various reasons across the globe. The outcome was a sharp increase in the price of vegetable oils, with CPO prices hitting historic highs. Price of CPO averaged at RM4,407 per MT in 2021, which is approximately 64.1% higher than the average CPO selling price of RM2,686 per MT in 2020 according to MPOB. However, there can be no assurance that CPO prices will not fall in the future. Furthermore, fluctuations in the prices and supply of raw materials, which include fertilisers and fuel, may affect our business. The prices and availability of raw materials may be affected by factors such as changes in global supply and demand, state of the global economy, inflationary pressure, environmental regulations, tariffs, natural disasters, forest fires, weather conditions and labour unrest.

The prices of fertiliser and diesel fluctuate based on market conditions. Fertilisers, particularly nitrogenous and potash based fertilisers, fluctuate in line with crude oil prices by virtue of its key raw material being a by-product of crude oil and the use of crude oil in its production. During the Financial Years/Period Under Review, the prices of fertiliser and fuel remained relatively stable and there was no fluctuation in the prices and availability of materials that significantly affected our results of operations.

9.2.2 Any significant fluctuation in the supply of CPO or substitute products may adversely affect our business, financial condition, results of operations and prospects.

We are exposed to competition from other companies and substitute products. Both the Malaysian and global palm oil-based industry is highly competitive and comprises a large number of producers. Majority of the global CPO production is produced from Indonesia and Malaysia. According to the IMR Report, approximately 59.8% of the global supply of CPO in 2022 is produced in Indonesia, while approximately 24.3% is produced in Malaysia and approximately 4.2% is produced in Thailand.

A decline in prices of competing edible oils, produced either by our competitors or other producers of such edible oils, could have an impact on the demand of palm oil if consumers increase the usage of these edible oils in place of palm oil. As a result, our oil palm business and financial performance will be adversely affected.

Although we seek to continue to adopt appropriate strategies to remain competitive, there can be no assurance that competition from palm oil producers and other producers of substitute products of palm oil will not have an adverse impact on our business operations and financial performance.

9.2.3 Demand for vegetable oils including CPO and other palm oil-based products may be affected by current and future consumer trends and preferences

The edible oil business is characterised by frequent changes in consumer preferences. Our success and profitability will depend on our ability to anticipate and respond to the competitive factors affecting the industry including changing consumer preferences and prices of competing alternative edible oils, introduction of new products and economic conditions. There can be no assurance that we will be able to respond effectively in a timely manner and be able to retain our customers.

Demand for our palm oil products may be affected by changes in the perception of climate change costs and benefits connected with palm oil production as well as cost arising from the imposition and enforcement of more stringent environmental regulations. Demand for CPO and other palm oil-based products may be affected by campaigns brought by environmental groups. For example, environmental non-governmental organisations have challenged the sustainability of growth in palm oil production and whether the climate change benefits obtained from using biofuel outweigh the perceived environmental costs of increased palm oil production. These environmental groups have also raised concerns that oil palm plantations result in the destruction of large areas of tropical forests and wildlife habitats and have campaigned to promote sustainable oil palm cultivation and environmentally friendly practices on oil palm plantations. It is possible that our sustainable practices may be challenged and we may be required to dedicate significant resources to respond to such claims. It may also be possible that there will be increasing limitations placed on the operations of those in the oil palm-based industry in the form of government legislation or by internal policies adopted by customers.

Should changing consumer trends and/or preferences reduce the demand for CPO and other palm oil-based products, including as a result of environmental concerns, our business, financial condition, results of operations and prospects may be materially and adversely affected.

9.2.4 Our business operations and financial performance may be affected by outbreak of pandemics of infectious disease such as COVID-19 or other health epidemics

The outbreak of COVID-19 resulted in significant economic uncertainty and global instability during the Financial Years/Period Under Review which had led to a decline in the global economic activity, including in Malaysia. Although the Government had implemented various measures and restrictions on the conduct of activities to contain the spread of the virus, the MCO period did not have a material adverse impact on our operations.

If there is an outbreak of pandemics of infectious disease such as COVID-19 or other health epidemics, whether in Malaysia or in other countries, such developments may lead to the re-introduction of restrictions on economic activity, possibly for longer durations, which may result in material disruptions to our supply chain. These outbreaks in the future may create similar or worse economic uncertainty in financial and commercial markets, and may adversely affect our business, financial condition, results of operations, cash flows or prospects.

Please refer to Sections 7.18 of this Prospectus for details of interruptions to our business and operations.

9.3 RISKS RELATING TO OUR SHARES

9.3.1 The sale, or possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have a total of 2,500,000,000 Shares in issue, of which up to 875,000,000, representing up to 35.0% of our enlarged number of issued Shares, will be held by investors participating in our Listing, and the remaining 1,625,000,000 Shares, representing 65.0% of our enlarged number of issued Shares, will be held by our Promoters via their direct and/or indirect interests in our Company. Save for the restrictions pursuant to the moratorium and our lock-up arrangements as set out in Sections 2.2 and 4.7.3 of this Prospectus respectively, our Shares sold in our IPO will be traded on the Main Market of Bursa Securities without restrictions following our Listing.

Our Promoters and other shareholders, including the Selling Shareholders, could dispose some or all of our Shares that they hold after the moratorium period pursuant to their own investment objectives. If our shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected. Furthermore, if the trading volume of our Shares is low, price fluctuations may be exacerbated. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Final Retail Price of our Shares.

9.3.2 There is no prior market for our Shares and it is uncertain whether an active or sustainable market will ever develop

Prior to our IPO, there has been no prior public market for our Shares. Accordingly, there is no assurance that an active market for our Shares will develop upon Listing or, if developed, that such a market can be sustained. There can be no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares. There can be no assurance that the Final Retail Price will correspond to the price at which our Shares will trade on the Main Market of Bursa Securities upon our Listing. There also can be no assurance that the Final Retail Price will not decline below the price of our IPO Shares.

Our Promoter, Kulim, was listed on the Main Market of Bursa Securities in 1975 and was subsequently delisted in 2016. The price and liquidity of Kulim's shares prior to its delisting are not indicative of the future price and liquidity of our Shares and should not be considered when making an investment decision in relation to our Shares.

9.3.3 Certain holders of our Shares may not be able to participate in future equity or rights offerings and, as a result, may experience dilution of their holdings

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities and to elect to receive stock dividends in lieu of future cash dividends. However, we will not distribute such rights to holders of our Shares unless the distribution and sale of such rights and underlying securities are either exempt from registration under the U.S. Securities Act, with respect to all holders of our Shares, or are registered under the U.S. Securities Act. We cannot assure you that we will be able to establish an exemption from registration under the U.S. Securities Act with respect to any distribution of such rights and underlying securities, and we are under no obligation to file and have declared effective a registration statement with respect to these rights or underlying securities. Accordingly, certain holders of our Shares may be unable to participate in any such rights offerings and, as a result, may experience dilution of their holdings.

9.3.4 Our Share price and trading volume may be volatile

The performance of Bursa Securities is dependent on external factors such as the performances of the regional and global stock exchanges and the flows of foreign funds. The sentiment is also induced by factors such as economic and political conditions and the growth potential of the various sectors of the local economy. These factors constantly contribute to the volatility of share prices witnessed on Bursa Securities and this adds risks to the market price of our Shares. Nevertheless, our profitability is not dependent on the performance of Bursa Securities as our business activities have no direct correlation with the performance of the securities listed on Bursa Securities.

In addition, the market price of our Shares may fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

(i) trading liquidity of our Shares;

(ii) future sales of our Shares;

(iii) variations in our financial results and operations;

(iv) success or failure in our management team in implementing business and growth strategies;

(v) gain or loss of an important business relationship;

(vi) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;

(vii) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other related events or factors;

(viii) changes in market valuations and share prices of companies with similar businesses to our Group that may be listed on Bursa Securities;

(ix) additions or departures of our Key Senior Management;

(x) fluctuation in stock market prices and volume;

(xi) involvement in litigation;

(xii) perceived prospects of our business and the industry in which we operate;

(xiii) adverse media reports regarding us or our shareholders;

(xiv) changes in government policy, legislation or regulation;

(xv) general operational and business risks; or

(xvi) natural disasters, health epidemics and outbreaks of contagious diseases.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of our Shares.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility, which have affected the share prices of many companies. The share prices of many companies have experienced wide fluctuations which were not always related to the operating performance of those companies. There can be no assurance that the price and trading of our Shares will not be subject to similar fluctuations.

9.3.5 Uncertainty of dividend payments

Our ability to declare dividends to our shareholders is dependent on, among others, our future financial performance, cash flow position, capital requirements and other obligations, and our ability to implement our business plans. Deterioration of these factors could have an effect on our business, which in turn will affect our ability to declare dividends to our shareholders. As such, there is no assurance that we will be able to pay dividends to our shareholders.

We propose to pay dividends out of cash generated by our operations after setting aside necessary funding for capital expenditures and working capital needs. Dividend payments are not guaranteed, and our Board may decide, at its discretion, at any time and for any reason, not to pay dividends. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of any investment in our Shares may be reduced.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditures as well as our ability to make interest and principal repayments on any outstanding borrowings we may have at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all. Further, in the event we incur new borrowings subsequent to our Listing, we may be subject to covenants restricting our ability to pay dividends.

9.3.6 Failure or delay in our Listing

Our Listing could be delayed or terminated due to possible occurrences of certain events, which include the following:

(i) our Managing Underwriter and Joint Underwriters exercising their rights pursuant to the Retail Underwriting Agreement, or our Joint Global Coordinators and Joint Bookrunners exercising their rights under the Placement Agreement, to discharge themselves of their obligations under such agreements;

(ii) we are unable to meet the public shareholding spread requirement of the Listing Requirements of at least 25% of our enlarged number of issued Shares to be held by a minimum of 1,000 public shareholders holding not less than 100 Shares each, at the point of our Listing; or

(iii) the revocation of approvals from relevant authorities prior to our Listing or Admission for whatever reason.

Where prior to the issuance and allotment or transfer of our IPO Shares:

(i) if the SC issues a stop order under Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled, and we or such other person who received the monies shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

(ii) if our Listing is aborted, investors will not receive any of our IPO Shares and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our IPO Shares:

(i) if the SC issues a stop order under Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall forthwith be repaid without interest, and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC from the expiry of that period pursuant to Section 245(7)(b) of the CMSA; or

(ii) if our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:

   (a) the sanction of our shareholders by way of special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya), and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or

   (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our Directors.

9.3.7 The interest of our Substantial Shareholders who control our Group may not be aligned with the interest of our shareholders

Upon Listing, our Substantial Shareholders will hold in aggregate 65.0% of our enlarged number of issued Shares. As a result, they will be able to effectively control the business direction and management of our Group, including the election of Directors, the timing and payment of dividends and influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law, or by relevant guidelines or regulations.

There can be no assurance that the interests of our Substantial Shareholders will always be aligned with those of our other shareholders.

9.3.8 Forward-looking statements in this Prospectus may not be accurate

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations are forward-looking statements. Such forward-looking statements are made based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, among others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and government initiatives. Forward-looking statements can be identified by the use of forward-looking terminologies such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements involve known and unknown risks, uncertainties, and other factors, including COVID-19 related factors, risks, and challenges, which may cause our actual results, performance or achievements of our Group, or industry results, to be materially different from any future results, performance, achievements, or industry results expressed or implied by such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.