

## **Risk Factors**

The Issuer believes that there are numerous risks involved in the development, maintenance and running of the Company, many of which are beyond the control of the Issuer. Each Investor should peruse, comprehend and consider carefully the risks described below before deciding to participate in the offering. Participating in the offering shall be an action based upon prudent decision and will be deemed as the relevant Investor having been fully aware of and agreed to take all the risks below

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Risk Related to;

## **TWEX Ltd.**

### **Security Weakness**

Regardless of the Issuer's effort to keep the system secure, anyone may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements which the security measures adopted by the Issuer is unable to prevent or remedy. This may consequently result in the loss of TWEX Preferred Shares held by an Investor.

### **Blockchain Technology**

Blockchain is evolving and cannot guarantee absolute security at all times. Advances in the technology, such as code cracking, or technical advances such as the development of quantum computers, could present risks to all blockchain-based systems. This could result in the theft, loss, disappearance, destruction or devaluation of the TWEX Units held by any person. To a reasonable extent, the Issuer will be prepared to take proactive or remedial steps to update the protocol underlying the issuer in response to any advances in blockchain and to incorporate additional reasonable security measures where appropriate. The future of blockchain or security innovations is unpredictable while the Issuer will try its best to accommodate the continuing changes in the domains of blockchain and security.

### **Insufficient Information Availability**

The Issuer is at the stage of development as of the date of this Prospectus and its philosophy; consensus mechanism, algorithm, code and other technical specifications and parameters could be updated and changed frequently and constantly. While the TWEX Whitepaper contains up-to-date key information of the Issuer, it is not absolutely complete and is subject to adjustments and updates that the Issuer might make from time to time for certain purposes. The Issuer is not in a position, nor obliged, to keep the Investors closely posted on every detail of the Company's development (including its progress and expected milestones whether rescheduled or not) and therefore will not necessarily provide the Investors with timely and full access to all the information relating to the Company that may emerge from time to time. The insufficiency of information disclosure is inevitable and reasonable. Similarly the Company is not obligated to give any reports on the health of its main employees and management.

### **Development Failure or Abortion**

The Issuer is still in the process of development for its hardware wallet even if it is ready to launch. Due to the any complexity of the Issuer's system, the Issuer could be faced with unforeseeable and/or insurmountable difficulties from time to time. Accordingly, the development of the issuer could fail or abort at any time for any cause (including insufficiency of funds). Although the hardware wallet will be licensed and registered but, the development failure, theft of idea or abortion would result in huge loss to the Issuer.

### **Unfavorable fluctuation of currency value**

The proceeds of the sale of TWEX Tokenized Preferred Shares will be denominated in Euros and may, at Issuer discretion, be converted into other currency denominations. If the value of other

currencies fluctuates unfavorably during or after the Sale Period, the Issuer may not be able to fund development, or may not be able to maintain the Platform in the manner that it intended.

### **Management Decisions**

The functioning and performance of TWEX Ltd. depends on the management's decision making ability and efficiency & skills of the technical personnel working on the platform. This factor thus plays a key role in generating revenue for our organization.

### **Difficult Predictions**

Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline. The economic environment, pricing pressure and decreased employee utilization rates could negatively impact our revenues and operating results.

### **Compliance with new and changing Corporate Governance**

Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and may increase our costs in the future.

### **Expansion of global business**

Our company's strategies include expanding of its business in markets outside UK pursuing international growth opportunities. Increased investments may result in expenses growing at a faster rate than revenues.

### **Intellectual Property**

While the Company seeks to protect its intellectual property, it may not be adequately protected in certain countries and areas. In addition, there are cases that the Company's products are developed, manufactured and sold by using licenses received from third parties. In such cases, there is the possibility that the company could not receive necessary licenses from third parties, or could only receive licenses under terms and conditions less favorable than before. With regard to the intellectual property rights related to the company's products, it is possible that a third party might file a lawsuit against the Company or its customers claiming patent infringement, or the like, and that as a result the manufacture and sale of the affected products might not be possible in certain countries or regions.

### **Subject to Litigation**

We may be the subject of litigation which, if adversely determined, could harm our business and operating results. We may also be liable to our clients for damages caused by disclosure of confidential information, system failures, errors or unsatisfactory performance of services.

### **Additional Risks related to the Funded Companies**

All investors must accept our risks factors entirely including risk factors of all companies listed with us. The return payable to the investor depends on the performance of the various funded companies listed on our platform. Thus investors are also requested to refer their risk factors mentioned on each company profile available on the "Project Listing" tab on our website.

## **TKRS Ltd.**

### **Quality Output**

The quality of the movie depends on the skills & technical knowledge of the production team and technology that can be used by us in order to deliver a high quality output.

### **Competition**

As the company is involved in movie production there are many huge competitors making big Hollywood and Bollywood movies. Thus, the revenue of the company depends highly on its ability to entertain & satisfy the audience.

### **Star-caste Issues**

The company has decided on a list of artists to be casted for the film. But the company cannot guarantee the same as this depends on the availability of the artists.

### **Target Audience Satisfaction**

The revenue and profits from our project cannot be ascertained accurately as it will depend on the reviews and likes of the movies produced.

### **Piracy of our content**

Piracy of our content may adversely impact our revenues and business. Our business is highly dependent on maintenance of intellectual property rights in the entertainment products and services we create and acquire.

## **ADSL Ltd.**

### **Our Operating Results May Fluctuate Significantly**

Our quarterly operating results have fluctuated significantly in the past and are expected to fluctuate significantly in the future based on a number of factors, many of which are not in our control. Our operating expenses, which include product development costs and selling, general and administrative expenses, are relatively fixed in the short-term.

### **Volatile nature of Markets & Supply**

Market fluctuations, which are caused by such factors as economic cycles in each region and shifts in demand of end customers, affect our revenue. Although ADSL carefully monitors changes in market conditions, it is difficult to completely avoid the impact of market fluctuations due to economic cycles in countries around the world and changes in the demand for end products. Market downturns, therefore, could lead to decline in product demand and increase in production and inventory amounts, as well as lower sales prices.

### **We have very limited experience in making our own movie productions**

Being a start-up company, ADSL has limited experience in movie production & providing software services. Alpen Design Studio Ltd. may thus, face various obstacles in approaching and convincing consumers to avail of the services provided by us. It may take a substantial amount of time to build the companies goodwill in the market and hence, may gain profits only after a prolonged period of time.

### **Target Audience Satisfaction**

The commercial success of our projects depends largely on our ability to plan, produce, acquire and broadcast programming that matches viewer preferences and attracts high audience shares. There can be no assurance that we will continue to be able to cater to viewer preferences, or that viewers will continue to watch programs on our channels as often as in the past. We cannot be certain that a new program, whether produced by a third party producer or by us, will be popular until it is launched. In addition, even if our programs appeal to viewers, their success is also affected by the quality of and viewer preference for competing simultaneously aired social media programming, as well as the availability of alternative forms of entertainment and other leisure activities. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Advertising is also affected by general economic conditions and a downturn in the economy generally or in particular industries and markets served by our advertising customers may cause advertisers to decrease advertising budgets.

### **Exchange Rate Fluctuations**

ADSL engages in business activities in all parts of the world and in a wide range of currencies. ADSL's businesses, performance, and financial condition may be adversely influenced by these fluctuations.

### **Rapid Technological Evolutions**

The market in which the Group does business is characterized by rapid technological changes and rapid evolution of technological standards. Therefore, if the Group is not able to carry out appropriate research and development, the Group's businesses, performance, and financial condition may all be adversely affected by product obsolescence and the appearance of competing products.

### **Intellectual Property**

While the Company seeks to protect its intellectual property, it may not be adequately protected in certain countries and areas. In addition, there are cases that the Company's products are developed, manufactured and sold by using licenses received from third parties. In such cases, there is the possibility that the company could not receive necessary licenses from third parties, or could only receive licenses under terms and conditions less favorable than before. With regard to the intellectual property rights related to the company's products, it is possible that a third party might file a lawsuit against the Company

or its customers claiming patent infringement, or the like, and that as a result the manufacture and sale of the affected products might not be possible in certain countries or regions.

**Some of our revenues are dependent on advertising income, which could decline due to a variety of factors**

A part of the source of revenue of our Company is advertising income, which is influenced by various factors, including primarily the viewership of our programs. Advertising is also affected by general economic conditions and a downturn in the economy generally or in particular industries and markets served by our advertising customers may cause advertisers to decrease advertising budgets. The loss of any of our major advertisers could cause our advertising income to decline.

**We may not be able to successfully diversify and expand our movie production division**

Further, we also cannot guarantee that we will be able to carry out future movie production projects and that our division will be successful in its future ventures. If we are not able to produce, release and run successfully our movies, it may adversely affect our financial results and profitability.

**Difficult Predictions**

Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline. The economic environment, pricing pressure and decreased employee utilization rates could negatively impact our revenues and operating results.

**Inability to manage our Growth**

Any inability to manage our growth could disrupt our business and reduce our profitability. We may face difficulties in providing end-to-end business solutions for our clients, which could lead to clients discontinuing their work with us, which in turn could harm our business. We have experienced rapid growth which places a significant strain on our limited personnel and other resources. To manage our expanded operations effectively, we will need to further improve our operational, financial and management systems. We will also need to successfully hire, train, motivate and manage our employees. We may not be able to manage our growth effectively, which could have a material adverse effect on our business. Also, we are seeking to hire additional skilled development engineers, who are currently in short supply. Our business could be adversely affected if we encounter delays in hiring additional personnel.

**Intense Competition**

Competition in the animation industry is intense. Intense competition in the market for technology services could affect our cost advantages, which could reduce our share of

business from clients and decrease our revenues. In addition, competition in our markets comes from companies of various sizes, many of which are significantly larger and have greater financial and other resources than we do and thus can better withstand adverse economic or market conditions. The Company is exposed to fierce competition from rival companies around the world in areas such as product performance, structure, pricing and quality. In particular, certain of our competitors have pursued acquisitions, consolidations, and business alliances, etc. in recent years and there is a possibility to have such moves in the future as well. As a result, the competitive environment surrounding our Company may further intensify. To maintain and improve competitiveness, ADSL takes various measures including development of leading edge technologies, standardizing design, cost reduction, and consideration of strategic alliances with third parties or possibility of further acquisitions but in the event that the Company cannot maintain its competitiveness, the company's market share may decline, which may negatively impact its financial results.

**Our Promoter plays a key role in our functioning and we heavily rely on their knowledge and experience in operating our business**

It is critical for our business that our Promoter remains associated with us. Our success also depends upon the continued services of our promoter and our ability to retain them. Further, our Promoter has also promoted other companies and may continue to do so. If he diverts his attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoter or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

**Failure to complete fixed-timeframe**

Our failure to complete fixed-price, fixed-timeframe contracts or transaction-based pricing contracts within budget and on time may negatively affect our profitability.

**Failure to anticipate and develop new services & Rapid Technological Evolutions**

Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and in the industries on which we focus. Disruptions in telecommunications, system failures, or virus attacks could harm our ability to execute our Global Delivery Model, which could result in client dissatisfaction and a reduction of our revenues. Disruptions in telecommunications, system failures, or virus attacks could harm our ability to execute, which could result in client dissatisfaction and a reduction of our revenues.

**Piracy of our content**

Piracy of our content may adversely impact our revenues and business. Our business is highly dependent on maintenance of intellectual property rights in the entertainment products and services we create and acquire. Piracy of media products, including digital and

internet piracy and the sale of counterfeit consumer products, may decrease revenue received from the exploitation of our content. Consumer awareness of illegally accessed content and the consequences of piracy are lower in India than in other countries and the move to digital formats has facilitated high-quality piracy in particular through the internet and cable television. Monitoring infringement of our acquired and produced content rights is difficult and the protection of these rights may not be effective & possible globally.

### **Expansion of global business**

Our company's strategies include expanding of its business in markets outside UK pursuing international growth opportunities. Increased investments may result in expenses growing at a faster rate than revenues.

### **Subject to Litigation**

We may be the subject of litigation which, if adversely determined, could harm our business and operating results. We may also be liable to our clients for damages caused by disclosure of confidential information, system failures, errors or unsatisfactory performance of services.

### **The Company requires a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of its business.**

The Company requires a number of approvals, licenses, registrations and permits in ordinary course of its business. Additionally, the Company would need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. The Company cannot provide an assurance that the relevant authorities will issue any or all requisite permits or approvals in the timeframe anticipated by it, or at all. If such permits and licenses are not renewed, the Company's business operations and reputation may be adversely affected. Further, some of the Company's permits, licenses and approvals are subject to several conditions and the Company cannot provide an assurance that the Company will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to the Company, could result in delaying the operations of its business, which may adversely affect the Company's business, financial condition, results of its operations and prospects.

### **Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The



primary market risk to the company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

While the Company has been procuring business funds by methods such as borrowing from financial institutions and other sources, in the future it may become necessary to procure additional financing to implement business and investment plans, expand manufacturing capabilities, acquire technologies and services, and repay debts. It is possible that ADSL may face limitations on its ability to raise funds due to a variety of reasons, including the fact that the Group may not be able to acquire required financing in a timely manner or may face increasing financing costs due to the worsening business environment in the semiconductor industry, worsening conditions in the financial and stock markets, and changes in the lending policies of lenders. In addition, some of the borrowing contracts executed between the Company and some financial institutions stipulate articles of financial covenants. If the company breaches these articles due to worsened financial base, the Company may lose the benefit of term on the contract, and it may adversely influence the Company's business performance and financial conditions.

#### **Fluctuations in the value of assets held**

The Financial position of the company may also be affected due to the fluctuations in the value of assets held by it.

#### **Fluctuations in the interest rates of financial instruments**

The profits & returns paid back to the investors may fluctuate based on any unforeseeable changes in the interest rates due to various external factors or changes in governmental policies.

#### **Deferred tax assets**

The Company recognizes deferred tax assets based on projections for future taxable income. Should projections for future taxable income change, all or part of the deferred tax assets may be deemed unrecoverable, and this could have an adverse effect on the operational results and financial condition of the Companies.

#### **Business Activities Worldwide**

The Company conducts business worldwide, which can be adversely affected by factors such as barriers to long-term relationships with potential customers and local enterprises; restrictions on investment and imports/exports; tariffs; fair trade regulations; political, social, and economic risks; outbreaks of illness or disease; exchange rate fluctuations; rising wage levels; and transportation delays. As a result, the Company may fail to achieve its

initial targets regarding business in overseas markets, which could have a negative impact on the business growth and performance of our Company.

### **Research and development**

The Company is vigorously carrying out research and development to rapidly commercialize new technologies and new products that will meet customer needs. The research and development conducted by the Company may sometimes extend over a long period of time, particularly when it includes discovery research in order to create next-generation businesses. In the event that the subject of such research and development is not put to practical use, or if the development of new products is significantly delayed or abandoned, the competitiveness of the Company may be diminished, which may have an adverse effect on operational results and financial condition of the Company.

### **Quality Output**

Although the company may take effective steps in order to provide quality services there may be discrepancies or defects and there is a possibility that such unexpected quality problems may adversely affect the revenue and Financial Condition of the company.

### **Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows**

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital as well as capital intensive. We further propose to incur capital expenditure for various purposes including working capital, movie production and acquiring additional media content. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

### **Accounting policies**

The methods, estimates and judgments that ADSL uses in applying in its accounting policies could have a significant impact on its results of operations. Such methods, estimates and judgments are, by their nature, subject to substantial risks, uncertainties and assumptions, and factors may arise over time that leads ADSL to change its methods, estimates and judgments. Changes in those methods, estimates and judgments could significantly affect ADSL's results of operations. Due to the volatility in the financial markets and overall economic uncertainty, the actual amounts realized in the future on ADSL's debt and equity investments may differ significantly from the fair values currently assigned to them. The application of new or revised accounting standards may significantly affect ADSL's financial condition and its results of operations.

### **Governmental Decisions**

There may be substantial changes in regulations regarding the Animation, Software and Deployment of IT and Communications Infrastructure, Including the Size and Timing of Governmental Expenditures in the areas of our operation. Such as

- changes in export or import restrictions;
- changes in the tax system or rate of taxation in the countries; and
- economic, social, and political risks

These changes or risks may have a significant impact on our operations and revenue.

### **Information Management**

The Company has in its possession a great deal of confidential information and personal information relating to its business activities. While such confidential information is managed according to law and internal regulations specifically designed for that purpose, there is always the risk that information may leak due to unforeseen circumstances. Should such an event occur, there is a likelihood that leaks of confidential information may result in damages to our competitive position and customer confidence and social trust would deteriorate, resulting in a negative effect on the Company's performance.

### **Overall Management Strategies**

The Company may implement a variety of business strategies and structural measures, including making the mid-term growth strategy and reforming the organizational structure of the Company, to strengthen the foundations of its profitability. Implementing these business strategies and structural measures requires a certain level of cost and due to changes in economic conditions and the business environment, factors whose future is uncertain, and unforeseeable factors, it is possible that some of those reforms may become difficult to carry out and others may not achieve the originally planned results. Furthermore, additional costs, which are higher than originally expected, may arise. Thus these issues may adversely influence our company's performance and financial condition.

### **Securing Human Resources**

The Group works hard to secure superior human resources for management, technology development, sales, and other areas when deploying business operations. However, since such superbly talented people are of limited number, there is fierce competition in the acquisition of human resources. Under the current conditions, it may not be possible for the Group to secure the talented human resources it requires.

### **Natural Disasters**

Natural disasters such as earthquakes, typhoons, and floods, as well as accidents, acts of terror, infection and other factors beyond the control of the Group could adversely affect the Group's business operation.

### **Civil disturbances, regional conflicts and other political instability may have adverse effects on our operations and financial performance**

Terrorist attacks, civil unrest, power-losses, cyber-attacks, telecommunication failure and other acts of violence or war involving countries might result in investor concern about stability in the region, which could adversely affect the price of our services.

### **Micro Logic Technologies**

#### **Cyber related risks and technical issues**

‘Cyber risk’ means any risk of financial loss, disruption or damage to the reputation of an organisation from some sort of failure of its information technology systems. Cyber risks and technical issues may cause potential harm to our systems affecting our company infrastructure set-up and hence decreasing revenue greatly.

#### **Initial Phase Difficulties**

During the initial phases of integration and coding, requirements might conflict. Moreover, developers may find that even the specification is unclear or incomplete.

#### **Compromising on Designs**

In order to get stuck into the next ‘real’ tasks, developers tend to rush the design-process. This may lead to waste of programming hours, as designing is the most critical part of software development.

#### **Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

#### **We may not pay cash dividends on the Shares. Consequently, you may not receive any return on investment**

While investors will be paid part of funded company profits in respect of the Shares, there can be no assurance if there will be profits made by our company yearly. Any decision to declare the amount of distributable profit and payback in the future will be made at the discretion of our Board of Directors and will depend on, among other things, the availability of distributable reserves, our capital expenditure plans and other cash requirements in future periods and other factors that our Board of Directors may deem relevant. As a result,

you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them.

### **Demand in the Economy**

The demand for our services will be different in various countries. Also not all of our customers may be satisfied with the software as they may have different requirements and preferences. A decline in the demand rate might lead to a fall in our profits and therefore resulting in low returns to the investors. We may also face difficulties in providing end-to-end business solutions for our clients, which could lead to clients discontinuing their work with us, which in turn could harm our business.

### **Skills and ability of the Core Technical Personnel and Management team**

The performance of the organization depends on the decisions taken by the management team. Our success also depends largely upon our highly skilled technology professionals and our ability to hire, attract, motivate, retain and train these personnel. Increasing competition for technology professionals may impact our ability to retain personnel.

### **Compliance with new and changing Corporate Governance**

Services by us are offered to multi-national companies which require us to comply with the rules and regulations of the respected countries. Legislation in certain countries in which we operate, including UAE and the United Kingdom, may restrict companies in those countries from outsourcing work to us, or may limit our ability to send our employees to certain client sites. Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our policies and increases our costs of compliance.

### **Employee Turnover**

Every project has a number of developers working on it. When a developer leaves, he or she may take critical information with him/her. This can delay, and sometimes derail an entire project.

### **Market Competition**

The IT Industry is a vast market with organizations providing advanced software technologies. The huge number of competitors is a great risk and may thus affect our cost advantages and decrease our revenue.

### **Research & Development**

Research & Development plays a key role in our organizational structure in order that our company stays updated with the latest technologies and is able to make a thorough market analysis. Also the efficiency of our software and services depends immensely on our research proficiency. Thus, the cost for research and development may be high and might affect our profits.

### **Failure to complete fixed-timeframe**

The unique nature of individual software projects creates problems for developers and managers in estimating and scheduling development time. Our failure to complete fixed-price, fixed-timeframe contracts or transaction-based pricing contracts within budget and on time may negatively affect our profitability.

### **Sudden Growth in requirements**

As a project progresses, issues that are not identified earlier can create a last-minute hurdle to meeting deadlines. This may lead to increased expenditure or delay in schedules.

### **Subject to Litigation**

Due to various Compliance, Intellectual Property Rights or other issues the company in future may be subject to litigation though no such suit has occurred in the past.

## **Above & Beyond Normal Ltd**

### **Our company can face various challenges firstly due to the BREXIT impact**

The BREXIT may impact our decisions making. Changes in policies or laws due to BREXIT may affect our business plans and forecasts. Britain's construction industry will probably be one of the worst affected by the BREXIT vote. But is it all doom and gloom? In the immediate aftermath of the BREXIT vote, construction output had fallen at its fastest pace since 2009. Although it did bounce back, we can expect that in the coming months and possible years to follow, just like the UK government, the construction industry will go through significant challenges.

### **Sudden increase in building costs can also affect our profits or revenue**

The costs involved in our infrastructure projects are projections and are subject to change as per the project requirements.

### **Changes in Bank personnel not supporting growth plans**

This too is a possible factor that may affect the growth of our project.

### **Delays in openings can also cause unexpected decrease in revenue**

Due to any undue delays or postponement in the opening or completion of our project, there can be a decrease in revenue. Such delays are not foreseeable and may increase the company's expenditure.

### **Poor supply of local trade people can be a risk factor**

Easy availability of labor i.e., workforce that is skilled for the completion of the project cannot be ensured. This may increase our costs as well as may cause delays in the completion of the project.

### **Our Risk Management Policies and Procedures May Leave Us Exposed to Unidentified or Unanticipated Risk**

We have devoted significant resources to develop our risk management policies and procedures and expect to continue to do so in the future. Nonetheless, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risk are based upon our use of observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate.

## **Technovaa Plastics Industries Ltd.**

### **High Initial Capital investment**

The initial investment or money used to start the business may be higher than the forecast made by the management of the company. The funds, or capital, may come from a bank loan, a government grant, outside investors, or the business owner's personal savings. The money is used to cover such start-up costs as purchasing building, purchasing equipment and supplies, and hiring employees thus resulting in high costs and low distributable profits.

### **Initial cost of product development**

Initially the cost to develop the product may be higher than expected. Such risks can cause a slump in sales.

### **Fragmented industry with unorganized players**

The output of the organisation depends greatly on the performance of the management's decisions and skills & knowledge of the employees in the development team. Profits may fluctuate due to lack in proficiency of the company personnel.

### **Currency fluctuation**

The fluctuation in currency value based on the economic conditions of the country of operation may also affect the returns to investors.

## **Joy Hotels & Resorts Private Ltd.**

### **Source of Data – a systematic risk**

The findings contained in the company reports reflect analysis of primary and secondary sources of information. Sources quoted or referred to in this report are deemed reliable; however, we do not guarantee their accuracy.

### **Difference between Planned versus Actuals - a non-systematic risk**

Conclusions reached by the consulting team regarding the proposed facility are based on trends & assumptions. There may be differences between the projected & actual results because events and circumstances frequently do not occur as expected and those differences may be material. Findings contained in this report are also based on our evaluation of the present economy for the region and do not make provision for political instability or any sharp rise or decline in the economic conditions, not presently foreseeable.

### **Absence of Data due to confidentiality – a non-systematic risk**

It must be emphasized that in some instances the consultants were unable to procure necessary data or / and were unable to get up-to-date data. They were informed that certain data was confidential or not officially collected at all. In such instances, qualitative assessments have, where appropriate, been made.

### **Data unavailability on Occupancy – non-systematic Risk**

Chandigarh has a unique feature as a city that is a popular business as well as a leisure destination. It has the distinction of being the only city in the world that is the capital of two states as well as a Union Territory. Being the capital city of Punjab and Haryana, the richest states in India, makes it a must destination for government and commercial related travel. Although there is a significant industrial presence in the city, the new investments are concentrated in Mohali, DeraBassi and Patiala in Punjab as well as Baddi-Barotiwala-Nalagarh (BBN) district in neighbouring Himachal Pradesh. The city also is a commercial centre with a number of corporates locating to Chandigarh for representation to two of the richest states in the country. No official figures are presently available but it is estimated by the travel trade that more than 70% of tourist arrivals are business related.

## **Onpointe Management Group Inc.**

### **Financial Factors**

The company has assets of \$5.2m right now in real property. This may fluctuate as we undertake various projects. The Financial analysis and cost projections are forecasts and are subject to variations based on the success of the project.

### **Time Schedule**

The project completion duration is subject to various delays due to any future unforeseeable situations.

## **MND (My New Departure)**

### **Regarding structural costs and fixed costs**

Everything has been thought upstream to avoid unnecessary expenses in order to ensure sustainability of the company both at start-up and in its expansion. Moreover, we have an important asset in our process, the internet. All operations will be in computer operation, some of which will be carried out directly with our partners. Despite this, there may be unforeseeable fluctuations in our costing projections which may thus affect our revenue.

### **Management Efficiency**

The company has a well experienced management team. Thus the efficiency of the output of our company may increase or decrease based on the knowledge & decision making ability of the managerial and key personnel.

## **FundTonic Service Private Ltd.**

### **Market Risk – Increase in Competition:**

FundTonic is now an established name in the Startup and Co-Working community. But, the risk of many competitors might affect our revenue & profit projections.



**Identifying timely and affordable commercial real estate:**

There is sufficient supply of real estate available in India in regions where FundTonic proposes to expand. We have already identified properties for expanding our Co-Working business and should be able to sign the agreements immediately on closure of fund raise. But, there may be unexpected expenditure due to the increase in the rates of commercial real estate.

**Fulfilling demand:**

FundTonic has a track record of fulfilling up 100% of capacity within 6 months of operations. With our network of associates and direct digital and offline marketing, we continue to remain confident of filling up capacities. Despite the efficient track record there may be delays due to various external & internal factors affecting the working of the organization.

**SSK Holdings FZE****Initial Costs**

As the company is a start-up there may be additional costs & expenditure required for the development of the company's projects, infrastructure, and marketing & for hiring employees.

**Longevity Risk**

This includes the risk of the insured living longer than expected that dilutes the investment returns. The only risk factor associated with the SLS Asset Class is the Longevity risk which implies that an insured person may live longer than originally estimated at the time of determination of the Life Expectancy of the SLS portfolio.

**Market Risk**

We may incur significant losses from our operational insurance activities due to market fluctuations and volatility. A market downturn could lead to a decline in the volume of transactions that we execute for our customers and, therefore, to a decline in the revenues we receive from commissions and spreads. The market risk could exacerbate other risks that we face.