



Dear Client,

To give you a sense, set out herein is an investment teaser.

In the classic tradition of management textbooks all over the world, we have used a "widget" company, "ABC Widget Co., Ltd", as the business that is looking for investors.

ABC Widget is a fictitious company, and please note that the teaser set out herein is solely for reference and not exhaustive.

We do not believe in a boiler plate approach.

Each client has a different value proposition, which must be brought to bear, and clearly articulated.

As such, we invest significant time; and work with our clients to deliver a unique, credible and executable equity story.

Each teaser is therefore unique and is based on the client's strategy, business plan and financial projections thereon.

Thank you.

Please do not hesitate to contact us if we can be of assistance at enquiry@c-consultancy.com.

Teaser: ABC Widget Co., Ltd

Key Investment Theme:

- **Leading Widget Manufacturer**
- **First Mover Consolidation Play**
- **High Growth Widget Segment**
- **Long Term, Stable & Scalable**
- **Strong Growth Drivers**
- **Industry Veterans Management**
- **Solid Financials With IPO Potential**

More than a decade of track record and the start of a widget consolidation play.

Established in 2000, ABC Widget Co., Ltd ("ABC") has more than a decade of a track record in working with leading widget distributor operators such as High Flyer Ltd, Power Play Ltd and Winner Group Ltd, to deliver widget distributor solutions for domestic and international brands. In September 2011, ABC became the first widget distributor company in China to be awarded a Beijing widget manufacturing concession via a public tender process. ABC believes that this marks the start of a new era during which all future awarding of widget manufacturing concessions will be subject to a public tender process. With its first mover advantage in this regard, ABC is therefore uniquely positioned to lead the consolidation of the lucrative widget manufacturing market, and is now seeking US\$10 million investment.

Well positioned in a fast growth segment with a long term, stable and scalable business model.

According to CTR China, widget manufacturing grew 24% for the first three quarters of 2020, which outperformed the 14% growth for the market as a whole. Continued growth in widget manufacturing will be underpinned by Beijing's plan to expand its widget network from approximately 300 tons to 1,000 tons by 2025. Through the public tender, ABC secured the widget concessions of four regional markets for a period of up to 8 years (5 years with first right of refusal for 3 more years); and is confident of securing similarly long term widget concessions for two more regional markets, for a total of six regional markets by 2023. Additionally, ABC also has a contract to sell widget related accessories on all regional markets for ten years. As the franchise fees payable under these various widget concessions are substantially fixed in nature, ABC is well positioned to benefit from a fast growing widget segment through its long term, stable and scalable business model.

Teaser: ABC Widget Co., Ltd

Pipeline of widget manufacturing concessions and initiatives will provide efficient growth drivers.

During 2020-23, five additional regional widget markets are expected to be opened for tender. Leveraging on its successful public tender in September 2019, ABC is currently laying the groundwork for securing the widget concessions for these five markets. Additionally, ABC is also in various stages of assessing, developing and negotiating a number of initiatives to improve widget functions and usage with; and these include the deployment of mobile technology and interactive touch screen, and the wider adoption of GPD enable location based technology. As a focused widget operator, ABC will be able to swiftly integrate these widget concessions and initiatives into its existing portfolio of widget manufacturing solutions for sale, and this will provide a steady stream of efficient growth drivers for the next 5 years without a significant increase to its existing headcount.

Top management comprises of widget distributor veterans. Collectively, ABC top management has close to 50 years of widget manufacturing and distributor experience in China, dating back to the late 1990s when they worked in US-based XYZ Ltd, the world's largest widget company. Mr. Li KS, the Chairman of ABC, joined XYZ Ltd in 1983 before founding ABC in 2000. Mr. John Lee, the general manager, joined XYZ Ltd in 1998, and has since worked with leading industry operators including Power Play Ltd and High Flyer Ltd. Mr. Zheng BS, deputy general manager, joined XYZ Ltd in 1999 before co-founding ABC in 2000. Mr. Peter Chen, operations general manager, joined XYZ Ltd in 2000 and was involved in the planning and establishment of widget manufacturing media in Tianjin and Shenzhen.

Expect solid financial performance with IPO potential. Based on widget concessions of six regional markets and widget accessories, ABC expects to turnover more than RMB80 million in 2020, which it projects will increase to more than RMB300 million in 2016, representing a CAGR of more than 35%. As 2019 is the first year of the widget concessions, ABC's projected a loss of approximately RMB6 million but expects 2020 to turnaround with net profit of more than RMB10 million. Subsequent increase in annual net profit from 2021 to 2025 is projected at 40%-50% per year. This financial projection is based on actual contractual terms and what ABC believes to be prudent assumptions having regards to the market environment, in particular those assumptions relating to selling price and market conditions. Further, the accretive effect of ABC's pipeline has not been factored into this projected financial performance. Accordingly, ABC is committed and believes that it will deliver a financial performance for a potential

overseas IPO in 2025 or 2026, subject to market conditions and meeting other listing requirements.

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Important Note:

This paper is prepared for discussion with interested parties. Neither ABC Widget Co., Ltd nor any of its directors, employees or advisors makes any representation as to the accuracy or completeness of this paper or of any other information provided, whether written or oral. In particular, there is no guarantee that any description, projection, estimation or data concerning the future contained in this paper is either a promise or representation of the future. Widget Co., Ltd reserves the right to make amendments to information contained herein without notice or explanation.