Potential investors should consider carefully the risk factors set out below, together with any and all of the other information set forth in this document, in particular, the section headed "Financial information", our consolidated financial statements, and related notes, in deciding whether or not to invest in our Shares. In the event that any of the said risks occur, our business, financial condition, results of operations or cash flow could be materially and adversely affected, which could result in the decline of the trading price of our Shares and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS AND OPERATION

Given the short development history of the EAM market, we may face significant risks and challenges in a rapidly evolving market, which makes it difficult to effectively assess our future prospects.

Our Operating Subsidiary, Keystone Capital, commenced its provision of asset management services in 2016. Given the short development history of the EAM market, our future revenue and cash flow may fluctuate significantly, which make it difficult to create a projection of our future operations and prospects.

There is no assurance that we will sustain profitability or positive cash flow from our existing operations or from any expanded or new operations, nor that we will be able, upon the completion of the **[REDACTED]**, to expand operations beyond our current level. You should consider our business and prospects in light of the risks and challenges we encounter, or may encounter, given the rapidly evolving market in which we operate and our relatively short operating history. These risks and challenges include our ability to, among other things:

- build a well-recognised "Keystone" brand;
- maintain and expand our client base;
- ensure that the quality of our services meets client expectations;
- maintain and enhance our relationships with our partners;
- attract, retain and motivate qualified employees;
- anticipate and adapt to changing market conditions in a competitive landscape;
- respond effectively to technological changes and advancements in our industry;
- mitigate potential cybersecurity threats and protect sensitive client and company data;
- manage our future growth;
- ensure that the performance of our services meets client expectations;
- maintain or improve our operational efficiency;
- navigate a complex and evolving regulatory environment; and
- defend ourselves in any legal or regulatory actions against us.

If we fail to address and/or mitigate any or all of the said risks and challenges, our business may be materially and adversely affected. As our business grows and develops, we may continue to introduce new service offerings, make adjustments to our existing services, or make adjustments to our business operations in general, in response to competition. There is no assurance that we will sustain profitability or positive cash flow from our existing operations or from any expanded or new operations, nor that we will be able, upon the completion of the **[REDACTED]**, to expand operations beyond our current level. Any significant change to our business model that does not achieve expected results could have a material and adverse impact on our financial condition and results of operations. It is therefore difficult to effectively assess our future prospects.

Our reliance on our financial institution network for Retrocession Fees and referral business income exposes us to significant concentration risk.

For the two years ended 31 December 2024 and 2025, the Retrocession Fees and referral business income from our top five partner financial institutions accounted for 91.4% and 94.0% of our total revenues, respectively, and the Retrocession Fees and referral business income from our largest partner accounted for 37.6% and 26.7% of our total revenue, respectively. Our revenue base is fairly concentrated, as we rely on our financial institution network for Retrocession Fees and referral business income. Also, we currently do not have any binding long-term contractual obligations or exclusivity arrangements with any of our key financial institution network. As a result, these financial institution network may unilaterally choose to reduce or terminate their business relationships with us at any time, with or without prior notice, and are under no obligation to continue the Retrocession Fees and referral business income arrangement. If we lose any of these key financial institution network, or if they decide to terminate or reduce their engagements with us, our revenue could be materially and adversely affected. During the Track Record Period, one relationship with two partner financial institution terminated. For details, please refer to the paragraph headed "Business – V Customers – 5. Our financial institutions network" in the document. In addition, the loss of any such relationships could negatively impact client confidence, limit our access to preferred investment platforms and could impair our ability to effectively invest our clients' funds in optimal investment products or strategies, which could in turn materially and adversely affect our business, financial condition, and results of operations.

Since Retrocession Fees and referral business income in the asset management industry typically depends on the ongoing relationship and volume of engagements with financial institutions, there is no assurance that we can continue to secure engagements for our financial institutions network at levels comparable to those in previous years. If our financial institutions network decide to change their strategic focus, or face financial or regulatory challenges, they may discontinue or reduce their engagements with us, and this in turn impacts our revenue streams. In addition, there are risks inherent in a large portion of our receivables being concentrated among a limited number of our financial institutions network. If one or more financial institution network owing a large portion of our receivable experience financial difficulties and be unable to pay us timely, our revenues and operating results will be adversely affected. Further, we may experience pressure on our Retrocession Fees and referral business income or fee rates as financial institution network may make their offers less favourable than previously. We believe that any downward pressure on Retrocession Fees and referral business income or fee rates would lower our revenues, which in turn would adversely affect our profitability. While we aim to diversify our revenue sources and expand our financial institutions network and referral business income, there is no guarantee that we will be successful in reducing our concentration risk. If we are unable to secure new partners to replace any lost engagements, our business, financial condition and cash flow may be materially and adversely affected.

If we are unable to retain existing clients or attract new clients, or if we fail to offer services to address the needs of our clients as we evolve, our business and results of operations may be materially and adversely affected.

Keystone Capital does not charge performance fees or management fees on its discretionary account service clients during the Track Record Period, and it generates its income through Retrocession Fees from partner financial institutions. The Retrocession Fees are determined based on a pre-agreed mechanism outlined in the respective external asset management agreements with our partner financial institutions. Although our clients do not directly pay us performance fees or management fees for our services during the Track Record Period, they remain to be the ultimate source of our income as the Retrocession Fees paid to us by partner financial institutions were originated from them. If there is insufficient demand for our asset management services, Keystone Capital might not be able to maintain and increase its revenue as it expects, and its business and results of operations may be adversely affected.

Keystone Capital's success depends largely on its ability to retain existing clients. Keystone Capital's clients may not continue to engage it to manage their assets if it cannot deliver satisfactory returns. Failure to deliver satisfactory returns will cause our clients to lose confidence in us and reduce or entirely withdraw the funds placed under our management, which in turn will materially and adversely affect our business. Even if Keystone Capital is able to provide satisfactory return to its clients, we cannot assure you that it will be able to retain existing clients due to reasons out of its control, such as its customers' personal financial reasons or the deterioration of the capital markets condition.

Keystone Capital must stay abreast of the needs and preferences of its clients to serve their evolving trading needs as their investment demands change. If it fails to retain its existing clients by offering services that cater to their evolving investment needs, Keystone Capital may not be able to maintain and continue to grow the size of assets under management, and our business and results of operations may be adversely affected.

Keystone Capital cannot guarantee the profitability or return on the client's assets under its management. The profitability or return of its clients' investment is directly affected by elements beyond our control, such as economic and political conditions and broad trends in business and finance. Although our engagements with clients contain prominent disclaimers, our clients may seek to hold us responsible when they rely on our asset management services and suffer financial loss, or if their investments are not as profitable as they have expected.

We may face actual or perceived conflicts of interest as a result of our dependence on Retrocession Fees, which may adversely affect our business, reputation, and client trust.

During the Track Record Period, a majority of our revenue was derived from Retrocession Fees paid to us by partner financial institutions to which we introduced our clients. These fees are earned for facilitating account openings, placing funds under custody, and enabling clients to invest and/or purchase investment products and services. The Retrocession Fees are determined based on a pre-agreed mechanism outlined in the respective external asset management agreements with our partner financial institutions. As such, we may have an incentive to recommend or maintain client placements with financial institutions that offer higher Retrocession Fee arrangements, rather than those that may be most suitable for our clients based on their individual investment objectives and best interests.

This dependence on Retrocession Fees creates actual or perceived conflicts of interest between our interests and those of our clients. Although we are subject to applicable regulations and internal policies that require us to act in the best interests of our clients, and we disclose the nature of our fee arrangements to them, clients may nonetheless view our recommendations as conflicted. Any perception that our recommendations are influenced by compensation arrangements may adversely affect our reputation and client trust, resulting in the loss of existing clients, limiting our ability to attract new clients, and could lead to regulatory scrutiny or enforcement actions.

Furthermore, if Hong Kong regulators impose restrictions on Retrocession Fee arrangements or require increased transparency and disclosure, our ability to maintain such revenue streams may be impaired. Any such developments could materially and adversely affect our business, financial condition and results of operations.

Our failure to appropriately identify and address conflicts of interest could materially and adversely affect our business.

As we expand the scope of our business and our client base, it is critical for us to be able to address actual, potential, or even perceived conflicts of interest, including situations where we may encounter conflicts of interest arising among: (i) our clients and us, (ii) our various clients, (iii) our employees and us or (iv) our clients and our employees.

In light of the complexity and difficulty in appropriately identifying and dealing with potential conflicts of interest, our internal control procedures that are designed to identify and address conflicts of interest may not be sufficient. Our failure to manage conflicts of interest could harm our reputation and erode client confidence in us. In addition, potential or perceived conflicts of interest may also give rise to litigation or regulatory actions. The occurrence of any of the foregoing events could materially and adversely affect our business, results of operations and reputation.

A portion of our clients are based in the Chinese Mainland, and any adverse changes in the regulatory or economic environment in the Chinese Mainland could affect our client relationships and business development efforts.

While all of our operations are located in Hong Kong, a portion of our clients are based in the Chinese Mainland. All client accounts are opened and maintained in Hong Kong under our management, and all our investment transactions and order executions are conducted in Hong Kong.

Although our services are provided entirely from Hong Kong, our ability to maintain and grow relationships with Chinese Mainland-based clients may be influenced by changes in cross-border regulatory policies, macroeconomic conditions in the Chinese Mainland and geopolitical developments. Any adverse changes in the Chinese Mainland, including, economic downturns, regulatory changes, political instability, trade restrictions, currency devaluation, or shifts in government policies could significantly impact the willingness or ability of such clients to maintain or expand their relationship with us, and in turn, could have a negative impact on our business development efforts and revenue potential both in the short-term and long-term.

Our revenue and profitability are highly unpredictable, since our AUMs are prone to significant fluctuations and is difficult to predict.

Our revenues and profitability depend on the size of clients' funds placed under our management i.e. our AUMs, which are often affected by factors beyond our control, including economic and political conditions, and broad trends in business, finance and changes in the markets. Weaknesses in the markets in which the clients' funds are invested, including economic slowdowns, will result in reduced AUMs for us. Declines in AUMs in turn will result in lower revenues from Retrocession Fees we receive from our partner financial institutions. This factor could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business is also subject to general economic and political conditions, in particular the economic and political conditions in Hong Kong, China and worldwide, such as macroeconomic and monetary policies, legislation and regulations affecting the financial and securities industries, upward and downward trends in the business and financial sectors, inflation, currency fluctuations, availability of short-term and long-term funding sources, cost of funding and the level and volatility of interest rates. As a result of these risks, our business, income and operating results may be subject to significant fluctuations.

Our businesses depend on our key management and professional staff, and our business may suffer if we are unable to recruit and retain them.

Our businesses depend on the skills, reputation and professional experience of our key management executives and wealth managers, the network of resources and relationships they generate during the normal course of their activities, and the synergies among the diverse fields of expertise and knowledge held by our senior professionals. Therefore, the success of our business depends on the continued services of these individuals. If we lose their services, we may not be able to execute our existing business strategy effectively, and we may have to change our current business direction. These disruptions to our business may take up significant energy and resources of our company, and materially and adversely affect our future prospects.

Moreover, our business operations depend on our professional staff and wealth managers, our most valuable assets. Their skills, reputation, professional experience, and client relationships are critical elements in providing quality services to clients, managing our compliance and risks, and obtaining and executing client engagements. We devote considerable resources and incentives to recruiting and retaining these personnel. However, the market for quality professional staff and wealth managers is increasingly competitive. Loss of our professional staff and wealth managers and failure to recruit replacement will materially and adversely affect our business operations. We expect to face significant competition in hiring such personnel. Additionally, as we mature, the current compensation scheme designed to attract employees may not be as effective as it was in the past. The intense competition may require us to offer more competitive compensation and other incentives to our talent, which could materially and adversely affect our financial condition and the results of operations. As a result, we may find it difficult to retain and motivate these employees, and this could affect their decisions about whether they continue to work for us. If we do not succeed in attracting, hiring and integrating quality professional staff, or retaining and motivating existing personnel, we may be unable to grow effectively and our business may be adversely affected.

We are exposed to risks associated with the retention and recruitment of licensed and/or qualified personnel.

We are heavily reliant on human resources for the provision of asset management services. Should our business growth fall behind our increase in headcount, our financial results and business performance might be adversely affected. In addition, the impact from the improvement of human resources may not be as significant as expected due to factors beyond our control, such as the general market conditions, labour market, competition for talents against other financial services providers, geopolitical tensions, remote work preferences, and evolving workplace expectations, travel restrictions, and border control that may be taken by the government to control any possible future pandemic, the economic environment in Hong Kong, and the political environment overseas. Such factors may cause a delay in realizing our business growth and our expansion plan, which may cause our financial results, in particular our profitability, to be adversely affected. We also cannot assure you that we can employ a sufficient amount of suitable and competent staff to realise our growth strategies.

We may not be able to implement our business strategies and [REDACTED] successfully.

Our business strategies and **[REDACTED]** are set out in the paragraph headed "Business – III. Our strategies" and in the section headed "**[REDACTED]** and **[REDACTED]**" in this document. The successful implementation of these strategies and plans depends on a number of factors including:

- our ability to recruit and retain qualified and experienced professional staff;
- our ability to cope with increased exposure to financial risk, operational risk, market risk, and credit risk arising from our expanded scope of business;
- our ability to maintain a sound internal control system;
- our ability to comply with all regulatory requirements and maintain/obtain the qualifications on the range of financial services we provide or intend to provide to our clients;
- our ability to secure sufficient financial resources;
- clients' acceptance and demand for our services and our ability to compete with our competitors; and
- our ability to adapt to the changes in the market and government policies.

Many of these factors are beyond our control and by nature, are subject to uncertainty. As such, there is no assurance that our business strategies and **[REDACTED]** can be implemented successfully or may be materialised in accordance with our expected timetable, or at all, despite our capital commitments and investments into the same. Any failure or delay in the implementation of any or all of these strategies and plans may have a material adverse effect on our profitability and prospects.

In addition, our **[REDACTED]** may place substantial demands on our managerial, operational, technological, financial, and other resources. To manage and support our growth, we may need to improve our existing operational and administrative systems, improve our financial and management controls and enhance our ability to recruit, train and retain existing and/or additional qualified personnel and staff. All of these endeavours will require substantial attention and time from management and significant additional expenditures. We cannot assure you that we will be able to manage any future growth effectively and efficiently, and our ability to capitalise on new business opportunities may be materially and adversely affected if we fail to do so, which could in turn materially and adversely affect our business, results of operations, financial condition and prospects.

Our business and prospects may be materially and adversely affected if our risk management and internal control systems are ineffective or inadequate. We may fail to update our risk management policies and procedures as needed and such policies and procedures may otherwise be ineffective, which may expose us to unidentified or unexpected risks.

We are dependent on our risk management and internal control policies and procedures and the adherence to such policies and procedures by our risk management and other staff to manage the risks inherent in our business. Any deficiencies in our internal control systems could (i) adversely affect our ability to timely and accurately record, process, summarise and report financial or other data; and (ii) adversely affect our operational efficiency and increase the potential likelihood of making financial reporting errors and/or lead to non-compliance with rules and regulations. Our policies, procedures and practices used to identify, monitor and control a variety of risks are carried out by the corresponding departments. However, some of our methods for managing risks are discretionary by nature and are based on internally developed controls and observed historical market behaviour, and also involve reliance on standard industry practices. These methods may not adequately prevent losses, particularly as they relate to extreme market movements, which may be significantly greater than historical fluctuations in the market. There is no assurance that our internal control policies in place could or would be properly implemented, or be strictly adhered to, or are adequate or effective under the continuously changing business environment in which we operate. In addition, we may fail to update our risk management system as needed and the system may fail to effectively function, thus exposing us to unidentified or unexpected risks.

We may not be able to obtain additional capital when desired, on favourable terms, or at all. If we fail to meet the capital requirement when needed, our business operations and performance will be adversely affected.

We may require additional funding for further growth and development of our business, including any investments or acquisitions we may decide to pursue. Due to the unpredictable nature of the capital markets and our industry, we cannot assure you that we will be able to raise additional capital on terms favourable to us, or at all, if and when required, especially if we experience disappointing operating results. If adequate capital is not available to us as required, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our technology platforms and operational capabilities or respond to competitive pressures could be significantly limited, which would adversely affect our business, financial condition and results of operations. If our existing resources are insufficient to satisfy our requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets, and the Hong Kong financial industry. If we do raise additional funds through the issuance of equity or convertible debt securities, the ownership interests of our shareholders could be significantly diluted. These newly issued securities may have rights, preferences or privileges senior to those of existing shareholders. In addition, our SFC-licensed Operating Subsidiary is required under the FRR to maintain certain levels of liquid capital. If they fail to maintain the required levels of liquid capital, the SFC may take regulatory actions against our Operating Subsidiary, which would adversely affect our business and results of operations.

We may be subject to litigation, arbitration, regulatory proceedings, negative publicity or other legal proceeding risks, in particular, we may be subject to various professional liabilities and claims.

In the ordinary course of our business, we provide professional asset management services and provide information in relation to securities transactions to our clients. If our clients rely on such services or information and incur losses, we could be subject to claims in legal and regulatory proceedings for compensation and/or other relief for negligence, provision of false or misleading information, breach of fiduciary duties or employee misconduct. Although we have adopted relevant internal control measures, we cannot assure that such measures currently in place or as updated from time to time can completely eliminate the aforesaid risks of liabilities and claims. Any claims or lawsuits against us arising from professional negligence and/or employee misconduct and claims that result in substantial amounts of compensation may have a material and adverse impact on our business activities, reputation, results of operations and financial conditions.

We and our Directors and officers may from time to time become subject to or involved in various claims, controversies, lawsuits, and regulatory/legal proceedings. Claims, lawsuits and litigations are subject to inherent uncertainties, and we are uncertain whether the foregoing claim would develop into a lawsuit. Lawsuits and litigations may cause us to incur defence costs, utilise a significant portion of our resources and divert management's attention from our day-to-day operations, any of which could harm our business. Any settlements or judgments against us could have a material adverse impact on our financial condition, results of operations and cash flows. In addition, negative publicity regarding our business, key personnel claims or judgments made against us may damage our reputation and may result in a material adverse impact on us.

Illegal or improper activities, violation of professional standards and the misconduct of our personnel or third parties could harm our reputation and businesses and are difficult to detect or deter.

We are subject to the risk of fraud, illegal act or misconduct committed by our directors, licensed employees, agents, clients or other third parties. Misconduct includes entering into unauthorised transaction, improperly using or divulging inside information, recommending transactions not suitable for our clients, engaging in fraudulent activities, or engaging in improper or illegal activities. There is no assurance that our directors, employees, agents, clients or other third parties would not commit incidents of fraud or other misconduct in the future, and we cannot assure that our procedures and policies would fully prevent or detect illegal or improper activities in our business operations. Such incidents may result in investigation and regulatory sanction against us and cause us to suffer financial loss and reputational harm. We may also need to incur costs to commence and participate into any legal proceedings against them to recover our loss. The potential harm to our reputation and to our business caused by such fraud or misconduct is impossible to quantify.

We are also subject to a number of obligations and standards arising from our business. The violation of these obligations and standards by any of our directors, officers, employees, agents, clients, or other third parties could materially and adversely affect us and our investors. For example, we are required to properly handle confidential information. If our directors, officers, employees, agents, clients, or other third parties were to improperly use or disclose confidential information, we could suffer serious harm to our reputation, financial position, and existing and future business relationships.

We may incur losses or experience disruption of our operations as a result of unforeseen or catastrophic events, including financial market disruptions, pandemics, terrorist attacks or natural disasters.

An outbreak and prevalence of pandemic such as COVID-19 would adversely impact economic activities and conditions worldwide and led to significant volatility and disruption to financial markets. On 11 March 2020, the World Health Organization declared COVID-19 a pandemic, which had spread throughout the world and had resulted in the implementation of stringent governmental measures, including lockdowns, closures, quarantines, and travel bans or restrictions, temporary closure of businesses, intended to control the spread of the virus by different countries.

Though the impact of outbreaks of pandemic such as COVID-19 is temporary and not permanent, the frequent outbreak of different kinds of epidemics and pandemics including the new or more severe strains of the virus and their variants are highly uncertain and unpredictable, and the resultant anti-pandemic measures would inevitably result in slowdown of economic activities and volatility of financial and securities markets in both Hong Kong and worldwide which, in totality, may adversely affect or delay our potential clients' plans to invest and/or conduct portfolio management.

In addition, our business could also be materially and adversely affected by financial market disruptions, catastrophic events or other business continuity problems, such as natural or man-made disasters, fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, political unrest, terrorist attacks or similar events may give rise to server interruptions, breakdowns, system failures, technology platform failures or Internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to operate, including communicating with clients and the relevant **[REDACTED]** authorities. Moreover, besides COVID-19, our business and ability to operate could also be adversely affected by Ebola virus disease, Zika virus disease, H1N1 flu, H5N1 flu, H7N9 flu, avian flu, Swine flu, SARS or other epidemics and/or pandemics.

Our headquarters are located in Hong Kong, where our Directors, management and employees currently reside. Consequently, we are highly susceptible to factors adversely affecting Hong Kong. A disaster or a disruption in the infrastructure that supports our businesses, a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or a disruption that directly affects our headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. Our business could also be adversely affected if our employees are affected by pandemics. In addition, our results of operations could be adversely affected to the extent that any pandemic harms the Chinese or Hong Kong economy in general. The incidence and severity of disasters or other business continuity problems are unpredictable, and our inability to timely and successfully recover could materially disrupt our businesses and cause material financial loss, regulatory actions, reputational harm or legal liability.

Our business is subject to various cyber security risks and other operational risks, such as the failure or malfunction of our information technology infrastructure and the failure to maintaining relationships with our vendors, which may cause disruptions to our business operation and tarnish our reputation.

As a financial services company, our Operating Subsidiary faces various cyber security and other operational risks relating to our businesses on a daily basis. Our operations depend upon the secured processing, storage and transmission of confidential and other information in their information technology infrastructure and they are vulnerable to unauthorised access such as cyber-attacks, distributed denial of service attacks and ransomware attacks, malicious code and computer viruses by activists, hackers, organised crime, foreign state actors and other third parties, or other events that could lead to a security breach. They may also be subject to cyber-attacks involving the leak and destruction of sensitive and confidential client information and our proprietary information, which could result from an employee's or agent's failure to follow data security procedures or as a result of actions by third parties, including actions by government authorities. As the breadth and complexity of our information technology infrastructure continue to grow, the potential risk of security breaches and cyber-attacks increases. Developing and enhancing new products and services, which is necessary for us to remain competitive, may involve the use or creation of new technologies, which further exposes us to cybersecurity and privacy risks that cannot be completely anticipated and increase the risk of security breaches and cyber-attacks.

While we have adopted various means to safeguard the integrity of our computer system and information technology infrastructure, these systems and infrastructure may fail to operate properly or become disabled as a result of events which are beyond our control, such as human error, natural disasters, power failures, client misuse, computer viruses, cyber-attacks, spam attacks, unauthorised access and data loss or leakage. All of which may cause shutdown or disruption of operations (including data loss or corruption, interruption to our data storage system, delay or cessation in the services provided through our securities dealing and brokerage system and our online trading platform), account takeovers and unauthorised gathering, monitoring, misuse, loss, total destruction and disclosure of data and confidential information of ours, our clients, our employees or other third parties, or otherwise materially disrupt our or our clients' or other third parties' network access or business operations. The occurrence of one or more of such events could jeopardise the confidentiality of information processed, stored and transmitted through our computer systems and networks or otherwise disrupt our operations, which could result in reputational damage, disputes with clients and relevant parties, and financial losses.

Our Operating Subsidiary also depends on various third-party software and platforms as well as other information technology systems provided by our information technology vendor in our business operations. These systems, including third-party systems, may fail to operate properly or become disabled as a result of tampering or a breach of our network security systems or otherwise, including for reasons beyond our control. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair our operations, affect our reputation, and adversely affect our businesses. There is no guarantee that we are able to maintain our existing relationship with the information technology vendor of our software system or information technology infrastructure. In the event that any vendor is unable or unwilling to continue to provide existing services to our Operating Subsidiary, our Operating Subsidiary may not be able to replace them with service providers of equivalent expertise in a timely manner and thus resulting in disruption to our business operations.

The occurrence of any disruption to our computer system and/or other information technology infrastructure or those of our business partners' may render us unable to meet client requirements in a timely and efficient manner, and/or lead to unauthorised disclosure of personal information or any other unexpected associated losses and damages. As a result, our reputation may be tarnished and we may also face complaints, disciplinary action by regulatory authorities, and legal proceedings being brought against us (which can be costly and time-consuming to defend and which may significantly divert the efforts and resources of our management personnel away from our usual business operations) and may potentially result in us having to pay damages. This could materially and adversely affect our financial condition, prospects, and results of operations.

Failure to comply with data privacy, data protection, or any other laws and regulations related to data privacy and security, or the failure to protect client data or prevent breaches of our information systems, could expose us to liability or reputational damage and materially and adversely affect our business, financial condition, and results of operations.

As a financial services group, in providing our services to clients, we manage, utilise and store sensitive and confidential client data, including personal data. As a result, we may be subject to a variety of data privacy, data protection, cybersecurity, and other laws and regulations related to data, including those relating to the collection, use, sharing, retention, security, disclosure, and transfer of confidential and private information, such as personal information and other data. These laws and regulations may apply not only to third-party transactions, but also to transfers of information within our organization, which relates to our investors, employees, contractors and other counterparties. These laws and regulations may restrict our business activities and require us to incur increased costs and efforts to comply, and any breach or non-compliance may subject us to proceedings against us, damage our reputation, or result in penalties and other significant legal liabilities, and thus may materially and adversely affect our business, financial condition and results of operations.

If any person, including any of our employees, negligently disregards or intentionally breaches our established controls with respect to client data, or otherwise mismanages or misappropriates that data, we could be subject to significant monetary damages, regulatory enforcement actions, fines and/or criminal prosecution. Unauthorised disclosure of sensitive or confidential client data, whether through systems failure, employee negligence, fraud or misappropriation, could damage our reputation and cause us to lose clients. In addition, vulnerabilities of our external service providers and other third parties could also pose security risks to client information and data. Although we have taken steps to reduce the risk of such threats, our risk and exposure to a cyber-attack or related breach remains heightened due to the evolving nature of these threats, our routine transmission of sensitive information to third parties, the current global economic and political environment, external extremist parties and other developing factors. Similarly, unauthorised access to or through our information systems, whether by our employees or third parties, including a cyber-attack by third parties who may deploy viruses, worms or other malicious software programs, could result in negative publicity, significant remediation costs, legal liability, regulatory fines, and damage to our reputation and could have adverse effects on our results of operations. Any actual or perceived breach of the security of our technology, or media reports of perceived security vulnerabilities of our systems or the systems of our third-party service providers, could damage our reputation, expose us to the risk of litigation and liability, disrupt our operations, increase our costs with respect to investigations and remediation, reduce our revenues as a result of the theft of intellectual property, and otherwise adversely affect our business. Further, any actual or perceived security breach or cyber-attack directed at other financial institutions or financial services companies, whether or not we are impacted, could lead to a general loss of client confidence in the use of technology to conduct financial transactions, which could negatively impact us. The occurrence of any of these events could have adverse effects on our business and results of operations.

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

As our operations are concentrated in Hong Kong, our business performance is highly influenced by the conditions of the domestic market. Unfavourable market and economic conditions and the material deterioration of the political and regulatory environment globally could materially and adversely affect our business, financial condition, prospects and results of operations.

All our business operations are carried out in Hong Kong, and we are a financial service provider for the asset management sector of Hong Kong. Therefore, our operations and prospects are highly susceptible to the economic, social, political, and legal development in Hong Kong. Events with adverse impacts on investors' confidence and risk appetites, such as the general deterioration of the local economy, may lead to a reduction in investment or trading activities and in turn our business performance. Any change in the local economic, social and political environment, all of which are beyond our control, may lead to a prolonged period of sluggish market activities which would in turn have material adverse impact on our business.

The financial market and the economic conditions in general of Hong Kong are highly sensitive to conditions of the capital markets, political, social and economic conditions globally. When there are unfavourable changes to the global or local market conditions, the financial market and the economy in Hong Kong may experience negative fluctuations in its performance. Any prolonged slowdown in the global economy may affect potential clients' confidence in the financial market as a whole and have a negative impact on our business as a whole, the demand for our services, our pricing strategies, the level of our business activities and consequently our revenue derived therefrom. This may materially and adversely affect our financial condition and the results of operations. Additionally, continued turbulence in the international financial markets may adversely affect our ability to access the capital markets to meet liquidity needs. Financial markets and economic conditions could be negatively impacted by many factors, both economically and politically, and are beyond our control, such as the inability to access capital markets, control of the foreign exchange, changes in exchange rates, rising interest rates or inflation, slowing or negative growth rate, government involvement in the allocation of resources, inability to meet financial commitments in a timely manner, terrorism, pandemics such as the COVID-19 pandemic, political uncertainty, the outcome of the Sino – U.S. trade dispute, fiscal or other economic policy of Hong Kong or other governments, and the timing and nature of any regulatory reform.

The current heightened tensions in international economic relations, such as the one between the United States and China, may also give rise to uncertainties in global economic conditions and adversely affect the capital market of Hong Kong. Amid these tensions, the U.S. government has imposed and may impose additional measures on entities in China, including sanctions. The U.S. government has imposed and has continued to propose to impose additional, new, or higher tariffs on certain products imported from China to penalise China for what it characterises as unfair trade practices. China has responded by imposing, and proposing to impose additional, new, or higher tariffs on certain products imported from the United States. Unfavourable financial market and economic conditions in Hong Kong, the Chinese Mainland, and elsewhere in the world, and the escalations of the tensions that affect trade relations may lead to slower growth in the global economy in general, could negatively affect our clients' business and materially reduce demand for our services and increase price competition among financial services firms seeking such engagements, and thus could materially and adversely affect our business, financial condition, and results of operations. In addition, our profitability could be adversely affected due to our fixed costs and the possibility that we would be unable to reduce our variable costs without reducing revenues or within a timeframe sufficient to offset any decreases in revenues relating to changes in the market and economic conditions.

There is fierce competition within the external asset management services industry in Hong Kong. We may not be as competitive as our competitors.

Due to there being a vast number of market players, the financial and securities services industry in Hong Kong is highly competitive. Compared to us, our competitors may have a better brand recognition and reputation, proven track record, operations in more geographic locations, stronger human and financial resources, wider range of services and stronger shareholders' background. We foresee that, with the increase of market players entering into the market, competition will be intensified. So long as new participants have engaged the appropriate qualified professionals and obtained the requisite regulatory licenses and permits, they may enter into the market. Given the keen competition, we cannot assure that we will be able to maintain our competitive edge in response to the fast-changing business environment. In addition, competition creates an unfavourable pricing environment, as we may have to reduce our fees in order to compete with other market players. This could place significant pressure on our ability to maintain gross margins and is particularly serious during market slowdowns, and will, in turn, materially and adversely affect our market share, financial condition and results of operations.

We are subject to rigorous and ever-changing regulatory requirements, the non-compliance may result in penalties, limitations and prohibitions on our future business activities or suspension or revocation of our licences, which may materially and adversely affect our business, financial condition and results of operations. In addition, we may, from time to time, be subject to regulatory inquiries and investigations by relevant regulatory authorities or government agencies in Hong Kong or other applicable jurisdictions.

The Hong Kong financial market and asset management services industry in which we operate are highly regulated. Our business operations are subject to applicable laws, regulations, guidelines, circulars and other regulatory guidance, and many aspects of our businesses depend on obtaining and maintaining approvals, licenses, permits, or qualifications from the relevant regulators. Serious non-compliance with regulatory requirements could result in investigations and regulatory actions, which may lead to penalties, including reprimands, fines, limitations, or prohibitions on our future business activities or, if significant, suspension or revocation of our licenses. Failure to comply with these regulatory requirements could limit the scope of businesses in which we are permitted to engage.

Furthermore, additional regulatory approvals, licenses, permits, or qualifications may be required by relevant regulators in the future, and some of our current approvals, licenses, permits, or qualifications are subject to periodic renewal. Although our Operating Subsidiary, Keystone Capital, was not subject to any public disciplinary actions by the SFC for the last five years, any such public disciplinary actions may affect our ability to conduct business, harm our reputation and, consequently, materially and adversely affect our business, financial condition, results of operations, and prospects.

Our Operating Subsidiary, Keystone Capital, is an SFC-licensed corporation that is subject to various requirements, such as remaining fit and proper at all times, maintaining minimum liquid and paid-up capital requirements, satisfying notification requirements, submission of audited accounts, submission of financial resources returns and annual returns, continuous professional training, under the SFO and its subsidiary legislation and the codes and the guidelines issued by the SFC from time to time. If Keystone Capital fails to meet the regulatory capital requirements in Hong Kong, the local regulatory authorities may impose penalties on us or limit the scope of our business, which could, in turn, have a material adverse effect on our financial condition and the results of operations. Moreover, the relevant capital requirements may be changed over time or subject to different interpretations by relevant governmental authorities, all of which are out of our control. Any increase in the relevant capital requirements or stricter enforcement or interpretation of the same may adversely affect our business activities. Any non-compliance with applicable laws, regulations, guidance or codes or any negative findings made by the regulators may result in (i) fines, deterrent penalties, or disciplinary actions against us, our responsible officers, licensed representatives or any of our personnel; or (ii) suspension or revocation of some or all of (a) our registrations or licenses for carrying on our business activities; or (b) the approvals or licenses granted to our personnel enabling them to carry out their responsibilities in our Group. For instance, conditions may be imposed on our licenses restricting us from carrying on our business, or our responsible officers or licensed representatives may be banned from the industry for a specific period of time. Accordingly, our business operation, reputation, financial condition, and results of operations might be materially and adversely affected.

Furthermore, any material changes to the laws and regulations applicable to us could significantly affect our operations. We cannot assure you that the business model and operations we currently have in place would be in compliance with any changes or updates to the regulatory requirements. Costs of compliance could increase and our fee structure may have to be adjusted. For instance, we may need to increase our headcounts if requirements over asset management work become more stringent or obtain more licenses if the licensing requirements change. In response, we will need to continue to enhance our internal controls and systems in respect of our sponsor work in accordance with new regulatory requirements or guidance.

From time to time, Keystone Capital may be subject to or required to assist in inquiries or investigations by the relevant local regulatory authorities or government agencies, including the SFC or other jurisdictions, relating to its own activities or activities of third parties such as its clients. The SFC conducts on-site reviews and off-site monitoring to ascertain and supervise our business conduct and compliance with relevant regulatory requirements and to assess and monitor, among other things, our financial soundness. We, our directors, and/or our employees, may be subject to such regulatory inquiries and investigations from time to time, regardless of whether we are the target of such regulatory inquiries and investigations. If any misconduct is identified as a result of inquiries, reviews or investigations, the SFC may take disciplinary actions that would lead to revocation or suspension of licenses, public or private reprimand or imposition of pecuniary penalties against us, our responsible officers, licensed representatives, directors, or other officers. Any such disciplinary actions taken against us, our responsible officers, licensed representatives, directors, or other officers may have a material and adverse impact on our business operations and financial results. In addition, we are subject to statutory secrecy obligations under the SFO whereby we may not be permitted to disclose details on any SFC inquiries, reviews or investigations without the consent of the SFC.

In addition, responding to any action will likely result in a significant diversion of our management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could materially harm our business, results of operations, and financial condition.

RISKS RELATING TO THE [REDACTED]

Possible setting of the [REDACTED] after making a Downward [REDACTED] Adjustment.

We have the flexibility to make a Downward **[REDACTED]** Adjustment to set the **[REDACTED]** at up to 10% below the bottom end of the indicative **[REDACTED]** range per **[REDACTED]**. It is therefore possible that the **[REDACTED]** will be set at HK$[**[REDACTED]**] per **[REDACTED]** upon the making of a Downward **[REDACTED]** Adjustment. In such a situation, the **[REDACTED]** will proceed and the requirements under Rule 14.24 of the GEM Listing Rules will not apply. If the **[REDACTED]** is set at HK$[**[REDACTED]**] and assuming the **[REDACTED]** is not exercised, the estimated **[REDACTED]** we will receive from the **[REDACTED]** will be reduced to approximately HK$**[REDACTED]** million (after deducting the **[REDACTED]** fees and expenses related to the **[REDACTED]**), and such reduced **[REDACTED]** will be used as described in the paragraph headed "**[REDACTED]** and **[REDACTED]** – **[REDACTED]**" in this document.

There has been no prior public market for our Shares, their market price may be volatile and an active trading market in our Shares may not develop.

Prior to **[REDACTED]**, there is no public market for our Shares. The **[REDACTED]** of, and the permission to deal with, our Shares on the Stock Exchange do not guarantee the development of an active public market or the sustainability thereof following completion of the **[REDACTED]**. Factors such as variations in our Group's revenue, earnings and cash flows, strategic acquisitions made by our Group or our competitors, loss of key personnel, litigation, fluctuations in the market prices for our services in Hong Kong, the liquidity of the market for our Shares, the general market sentiment regarding the EAM market could cause the market price and trading volume of our Shares to change substantially. In addition, both the market price and liquidity of our Shares could be adversely affected by factors beyond our Group's control and unrelated to the performance of our Group's business, especially if the financial market in Hong Kong experiences a significant price and volume fluctuation. In such cases, investors may not be able to sell their Shares at or above the **[REDACTED]**.

Future sales, or market perception of sales, of substantial amount of our Shares in the public market, including any future [REDACTED], could have a material adverse effect on the market price of our Shares and make it difficult for you to recover the full value of your investment.

The market price of our Shares could decline as a result of future sales of substantial amount of our Shares or other securities relating to our Shares in the public market, or the issuance of new Shares or other securities relating to our Shares, or the perception that such sales or issuance may occur. Future sales, or perceived sales, of substantial amount of our Shares could materially and adversely affect the market price of our Shares and may also materially and adversely affect our ability to raise capital in the future. In addition, our Shareholders would experience dilution in their holdings upon our issuance or sale of additional securities in future **[REDACTED]**.

Investors for our Shares may experience dilution if we issue additional Shares in the future.

If we issue additional Shares in the future, investors of our Shares in the **[REDACTED]** may experience further dilution in their ownership percentage. We may need to raise additional funds in the future to finance expansion of or new developments relating to our existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the percentage ownership of such Shareholders in our Company may be reduced or such new securities may confer rights and privileges that take priority over those conferred by our **[REDACTED]**.

RISKS RELATING TO THE STATEMENTS IN THIS DOCUMENT

We cannot guarantee the accuracy of information and statistics with respect to certain information derived from various official government publications and other publicly available publications in this document.

This document, particularly the section headed "Industry overview" contains information and statics relating to the asset management market. Certain information and statistics in this document are extracted from various official government publications and other publicly available publications. We believe that the sources of information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of our or their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]**, and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.