An **[REDACTED]** *in our Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to* **[REDACTED]** *in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such an event, the market price of our Shares could decline, and you may lose all or part of your* **[REDACTED]**. *The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this document.*

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to doing business in Taiwan; and (iii) risks relating to the **[REDACTED]**. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business performance depends on our reputation in the industry, and any negative public perception of our brand or reputation may negatively affect our results of operations and prospects.

Our success to date depends on a significant extent on our reputation as a quality and reliable medical aesthetic service provider in Taiwan. Our brand image and market recognition are subject to various factors including:

- the service offerings and quality of the Clinics operated under our brand, including the Doctors' and our ability to effectively control the quality of the services performed by our respective personnel at the Clinics, and to monitor the performance of such personnel as we continue to expand;
- our ability to maintain a convenient, standardised and reliable consumer experience as consumer preferences evolve and as we expand our service offerings, particularly our expansion into the TCM market and potentially international markets;
- our ability to increase brand awareness among existing and potential consumers through various means of marketing and promotional activities; and
- any negative publicity, claims, complaints or legal proceedings to which our Group, our staff members, the Clinics, the Doctors and the medical professionals hired by them are subject.

Any failure to maintain our brand image and any incident that erodes consumers' trust in the service quality of the Clinics could substantially reduce our brand value and recognition, thereby reducing the demand for our services.

In particular, any negative review, comment or allegation regarding our Company, the Clinics, or our respective employees and services by the media, our customers, our former employees or the public in the media or on online social networks may, regardless of merit, harm our brand, public image and reputation. This may in turn result in a loss of Clinic customers, Doctors and business partners, and materially and adversely impact on our business, results of operations and financial condition.

Our services may fail to meet Members' expectations or deliver satisfactory results.

Clinic clients may have expectations on the magnitude of improvement of physical appearance resulting from the services of the Clinics. However, neither the Doctors nor we can guarantee the results of the Clinics' services since results vary depending on various factors, such as the medical history of Members, their adherence to our pre-treatment and post-treatment instructions, their respective responses to the treatments received, unknown or undisclosed allergies and other subjective factors beyond control of both the Doctors and us. It is also an inherent risk that the results of the Clinics' services may lead to undesirable or unexpected outcomes, such as complications and injuries, or otherwise fail to meet our Members' expectations. Such undesirable or unexpected outcomes may result in negative sentiments, requests for refunds, or complaints, claims or legal actions against the Doctors or us, which may lead to negative publicity. Any negative publicity may adversely harm our brand image and reputation and cause a deterioration in the level of market recognition of and trust in our services, thereby resulting in decreased sales and potential loss of Clinic clients.

Furthermore, given the subjective views on the quality and results of our services, we have been and will continue to be susceptible to complaints, claims and legal actions associated with our services and products. Apart from negative publicity, any such complaints or claims may result in substantial liabilities and any uninsured loss could have a material adverse impact on our business, results of operations and financial condition.

Our business performance may be negatively affected by unfavourable public perception of the overall medical aesthetic management service industry.

Some of the existing and potential Clinic clients are cautious about the risks inherent in medical aesthetic services, and are particularly sensitive to any negative comments, reports or allegations against any medical aesthetic service providers. From time to time, there are negative news and media reports on the health risks relating to medical aesthetic services as well as accidents relating to medical aesthetic services.

Any allegations, complaints, or negative news or media reports on any accidents, instances of medical malpractice or professional negligence, unfair selling practices, ineffectiveness of services, or health risks or poor service standard relating to medical aesthetic service industry or medical aesthetic services may, regardless of merit, lead to a deterioration in market confidence in medical aesthetic services and a reduction in the overall demand for such services. While such allegations, complaints or negative news or media reports may be unrelated to us, the demand for services of the Clinics may decline and the entire medical aesthetic service industry and its participants, including the Doctors and us, could consequently be exposed to reputational harm, which may materially and adversely affect our business, results of operations, financial condition and prospects.

We may not be able to retain the Doctors who currently use our platform services or attract new Doctors to purchase our services.

Our business operation is dependent on our ability to attract Doctors to purchase our platform services and operate and expand our service coverage to Clinics. The number of Doctors with the necessary experience and qualifications in the market is limited, and we are competing for suitable candidates with other medical aesthetic service providers. As at 31 December 2025, 19 Doctors had been using our services for the operation of Clinics.

Furthermore, in the event that the Doctors cease to purchase our platform services, there is no assurance that we will be able to find suitable and timely replacements. There is also no assurance that we will be able to attract and retain Doctors to support our continuous business growth and cope with our business expansion. If we are unable to attract suitable Doctors to establish Clinics under our brand, our business operations may be interrupted, which could materially and adversely affect our results of operations, financial condition and prospects.

We are exposed to inherent risks of medical incidents, malpractice, medical negligence, misconduct claims arising from our operations.

The safety and quality of the services provided at the Clinics are vital to the success of our business which depends significantly on the performance of the Doctors and other service personnel at the Clinics. As a medical aesthetic service provider, we require the Doctors to strictly adhere to relevant medical standards and the safety of the Clinic clients is of utmost importance to our operations. However, we may still face the risk of exposure to malpractice, medical negligence or misconduct and claims on account of alleged deficiencies in our service. We may not be able to avoid malpractice, medical negligence or misconduct exposure, including on account of error by doctors or nursing personnel, machine or equipment error, or the lack of pre-operative advice or post-operative nursing to Clinic clients.

The key medical devices we leased to the Doctors are mainly used for the medical aesthetic services provided at the Clinics. Such medical devices have been thoroughly evaluated and assessed by the Doctors, based on their clinical knowledge and experience, to ensure that they are safe and capable of producing the desired results for our clients. During the treatment procedure, the operation by a Doctor can also affect safety and effectiveness of such medical device, which is backed by sufficient clinical knowledge and experiences of the Doctor. To protect Clinic clients and maintain our reputation, we have internal procedures in place to ensure the Doctors' compliance in using the medical devices. However, despite our efforts to ensure Doctors' compliance in using the medical devices, if the Doctors misuse the medical devices and cause injuries to the Clinic clients, claims may be brought against the relevant Doctors or Clinics. Negative publicity associated with these claims or actions may also affect our reputation and business operation.

In addition, Clinic clients rely on the Doctors and other service personnel in the Clinics to make informed decisions regarding the appropriate treatment and evaluation, particularly due to their position as the front-line staff which have high degree of interactions with the Clinic clients. However, any miscommunications or misconducts between the Doctors and other service personnel on one hand, and the Clinic clients on the other hand, and/or incorrect decisions on the part of the Doctors and other service personnel may result in undesirable or unexpected outcomes, including complications, unexpected side effects and injuries. While Doctors, as members of the Taiwan Medical Association, maintain professional malpractice liability and are entitled to, subject to certain exclusions, indemnity, advice and legal representation in relation to claims, investigations and proceedings arising from or in connection with their professional practices, there is no assurance that the protection offered thereunder will cover the full extent of losses, damages or liabilities arising from any professional misconduct or medical negligence of the Doctors. Furthermore, if the Doctors are involved in medical disputes and/or subject to investigations, they may have to allocate time and resources in handling such disputes or investigations, which may affect the business operations of the Clinics and the revenue we derive from the Clinics. If they were eventually convicted of professional misconduct or medical negligence, they would be subject to disciplinary actions, including suspension from practice for a certain period or indefinitely.

Any medical incidents, malpractice, medical negligence, or misconducts occurring at the Clinics may also result in claims or legal proceedings against us, which, regardless of merit or settlement status, could adversely affect our industry reputation, divert management resources and cause us to incur significant costs. In addition, any settlement or successful claim against us may result in significant legal costs, damages and compensation. If such claims or proceedings are beyond the scope of or involving damages which are beyond the maximum amount covered by our existing insurance schemes, we may face significant financial liabilities and any uninsured loss may materially and adversely affect our business, results of operations and financial condition.

Medical aesthetic services carried out at the Clinics are subject to certain health risks.

Medical aesthetic services carried out at the Clinics are subject to a certain degree of health risks. Allergic reaction, undesirable or unexpected outcome, injury or death may occur as a result of undergoing medical aesthetic treatments. We cannot assure you that medical incidents resulting in allergic reaction, undesirable or unexpected outcome, injury or death will not occur in the course of the business operations of the Clinics in the future. In the event that such incidents occur, we may be subject to legal proceedings, substantial liabilities and negative media coverage, which could materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

Professional duties and responsibilities of our registered medical practitioners to clients may not always be in line with our commercial interests in maximising profits.

The Doctors are required to comply with the Physicians Act, Medical Care Act and Code of Medical Ethics for Physicians (醫師倫理規範), and their duties thereunder include (i) considering the best interests of patients and respecting patients' autonomy; (ii) keeping abreast of advances in medical knowledge and improving medical skills by undertaking continuing education, staying current with medical developments, and enhancing the quality of medical services; (iii) caring for patients and prioritizing their health and welfare, ensuring that no circumstances adverse to patients' interests interfere with the Doctors' independent professional judgment; and (iv) acting in the best interests of patients by recognizing their own limitations and the capabilities of other doctors, refraining from performing medical practices beyond their competence, and assisting patients in seeking consultations or referrals when the cause of illness is uncertain or when appropriate treatment cannot be provided.

Such professional duties and obligations may place additional burdens on the Doctors and may not always be in line with our commercial interest in maximising profits of the Clinics.

Operations of the Clinics in Taiwan are subject to certain general laws and regulations, and we may face potential penalties for non-compliance where the relevant government authorities and/or the courts take a different interpretation on the relevant laws and regulations.

Operations of the Clinics in Taiwan are subject to certain general laws and regulations in relation to medical practitioners, trade description and safety of consumer goods, medical advertisement and importation and dealing in and sale of pharmaceutical products and drugs and skin care products. Therefore, the Doctors and we may face potential penalties for any non-compliance. Our management is required to devote time and resources to handle compliance-related matters.

In addition, any changes in laws and regulations, or any changes of interpretation thereof, could require the Clinics to obtain additional licences, permits, approvals, registration or certificates, or result in the invalidation of the Clinics' currently owned licences, permits, approvals, registrations or certificates, or result in the Clinics being regarded as not in compliance with the relevant laws and regulations thereby subjecting the Doctors, or even us, to penalties and/or other legal consequences. For example, our interpretation of the Medical Care Act as set out in "Regulatory Overview – Laws and Regulations relating to our Group's Business and Operation in Taiwan" may be subject to change and/or challenge. The relevant regulatory authorities may interpret that the Medical Care Act is applicable to our business, and we and our Directors may be subject to the penalties for breach of the Medical Care Act, and we may need to temporarily suspend our business and restructure our relationship with our doctors so that the relevant regulatory authorities consider that the Medical Care Act does not apply to our business. The temporary suspension of our business will have a material adverse impact on our business, results of operations, financial condition and prospects.

If the Clinics or we fail to obtain or renew any necessary licences, permits, approvals, registrations and certificates, or are found to be non-compliant with any of these laws, regulations or rules, we may face penalties, suspension of operations or even revocation of operating licences, permits, approvals, registrations or certificates, depending on the nature of the findings, any of which could materially and adversely affect our business, results of operations, financial condition and prospects.

We may not be able to seek compensation from our registered medical practitioners.

The Doctors have agreed to compensate us for damages we suffered as a result of their violation of any terms of the Service Framework Agreements, including but not limited to: (i) any costs and expenses incurred by us to comply with, or arising from non-compliance with, medical, pharmaceutical and medical device related laws and regulations in Taiwan, or any form of penalty, sanction, or disposition suffered by us from government authorities; (ii) costs related to operational adjustments, customer communication, legal consultation, engagement of lawyers, and administrative processing; and (iii) damage or loss to our brand image and reputation.

Nevertheless, there is no assurance that we will be able to seek compensation and recover all losses and damages from the relevant Doctors in the event of claims of professional misconduct or negligence against them. In particular, there is no assurance that the relevant losses or damages are within the scope of the insurance policy maintained by the relevant Doctors, or that the relevant Doctors have sufficient financial means to fulfil their obligations in compensating our Group. If we are unable to seek compensation from the relevant Doctors and such claims are not fully covered by our insurance policies, our Group may incur substantial liabilities or losses.

We face certain risks associated with the use of our medical aesthetic platform by Doctors.

Our platform is built upon a cooperation model with licensed medical Doctors to establish and operate Clinics, whereby we provide comprehensive non-medical operational support, enabling a "plug-and-play" environment for the Doctors to focus exclusively on delivering medical services. Under our Service Framework Agreement with the Doctors, we derive fees from the Doctors, including monthly fees based on the Clinics' monthly revenues. This business model subject us to a number of risks, each of which may impact our ability to collect fees from the Doctors, may harm the goodwill associated with our brands, and may adversely impact our business and results of operations.

- *Control over the Clinics.* The Doctors manage their businesses independently and are responsible for the day-to-day operation of the Clinics. As a result, we cannot fully control their action and our contractual rights and remedies are limited. If the Doctors do not perform their obligations pursuant to their Service Framework Agreements with us, including but not limited to obtaining the relevant operating permits or complying with the applicable laws and regulations, or if the Doctors do not successfully operate the Clinics in a manner consistent with our required standards, or project an image inconsistent with our brands and values, our brands' image and reputation could be harmed, which in turn could hurt our business and operating results. There is no guarantee that the Doctors will share our vision, and they may refuse to take actions that are only beneficial in the long term.

- *Revenues realised from the Clinics.* The revenues we realise from the Clinics are partly dependent on the ability of the Doctors to grow their sales. If the Doctors do not experience sales growth, our revenue and margins could be negatively affected. Also, if sales trends worsen for the Doctors, their financial results may deteriorate, which could result in, among other things, Clinic closures or delayed or reduced payments to us.

- *Bankruptcy*. A Doctor's bankruptcy could have a substantial negative impact on our ability to collect payments due under the Service Framework Agreement with him/her, and may have a negative impact on our brand image.

- *Litigation*. The Doctors are subject to a variety of litigation risks, including, but not limited to, consumer claims, personal-injury claims, employee allegations of improper termination. As stipulated in our Service Framework Agreement, we will not be held liable for the claims against the Doctors, for instance, in a dispute brought by a consumer in the Clinics. Although we are not directly liable for the costs involved in these types of litigations, each of these claims may increase the costs of the Doctors and adversely affect their profitability, and may therefore limit the funds available for them to pay fees due to us, or limit their ability to renew the Service Framework Agreement with us. On the contrary, the Doctors may have disputes with us for various issues, such as breach of the Service Framework Agreement. Such direct or indirect litigation risks could in turn adversely affect our business and operating results and may have negative impact on our brand image.

The medical aesthetic service market may not grow as anticipated, which would materially and adversely affect our business, results of operations and financial conditions.

The future demand for the medical aesthetic platform services provided by us and the medical aesthetic services provided by the Clinics is difficult to anticipate since it depends on various factors, many of which are beyond our control, such as technological advancement in devices and skin care products, introduction of substitute products or treatments, evolving perception by consumers of medical aesthetic services, and consumers' willingness to pay for such services.

In addition, demand for the Clinics' services and consumers' spending power are particularly sensitive to changes in general economic conditions and our customers' disposable incomes. We cannot assure you that the local economy in the places where we operate can sustain stable growth in customer spending. In addition, any economic downturn in Taiwan may also cause consumers to become less willing to pay for services at the Clinics, which are not considered as fundamental demand.

We may not be able to maintain and increase the sales and profitability of the Clinics.

Our ability to increase our sales depends in part on our ability to successfully implement our initiatives to increase client traffic and spending per Member at the Clinics. For example, the number of consumer visits increased from 234,559 in FY2024 to 257,465 in FY2025, the number of Active Members served increased from 86,921 in FY2024 to 91,804 in FY2025, and average spending per Active Member increased from NT$34,200 in FY2024 to NT$34,292 in FY2025. However, there can be no assurance that we will be able to continue to achieve sales growth and profitability for the Clinics. In addition, we may continue to experience negative same-store growth rate across our developing and matured Clinics. The Clinics may even operate at a loss if they could not grow sufficiently at the rate we expect and incur larger amount of costs and expenses at the same time. In addition, if Doctors intend to operate Clinics in our existing geographic markets, the sales performance and client traffic of existing Clinics near such new Clinics may decline as a result of increased competition.

Failure to enhance sales and marketing efficiency of the Clinics could harm their ability to increase sales and achieve broader market reception.

The Clinics rely on our brand image and reputation in marketing and selling their services. As there are an increasing number of potential consumers who may seek services at the Clinics based on our reputation and brand in the medical aesthetics service industry, we will need to constantly manage our reputation and brand image and further enhance consumer education through promotions, advertisements and online marketing activities. Our ability to increase our membership base and achieve broader market reception of the Clinics' services will depend to a significant extent on our ability to enhance the sales and marketing efficiency of the Clinics. However, there is no guarantee that we will be successful in attracting and maintaining Clinic clients, and our ability to control selling and marketing expenses may significantly affect our profitability. Even if we are successful in expanding our membership base, these efforts paid to analyse their needs and market the services of the Clinics to them would divert our limited resources away from existing Members, our ability to attract and maintain our current Members would be negatively impacted, which might cause a loss of our current membership base and adversely affect our business operation and financial results.

Our onsite service personnel may be incentivised to adopt inappropriate and excessive sales practices in advising customers to purchase unnecessary or unsuitable services or products.

Following Clinic clients' consultation with the Doctors, our consultation specialists explain to the Clinic clients (i) the prices of the treatments; and (ii) the promotion and packages available to such treatments. Some Clinic clients may feel uncomfortable with the selling process and may lodge complaints and claims against us. Also, the remuneration package of our employees includes basic salary, allowance and bonus. In particular, our clinic managers and consultation specialists and other onsite service personnel may be remunerated with bonus that is assessed mainly based on the sales performance of the Clinics. Therefore, our onsite staff may be incentivised to adopt inappropriate and excessive sales practices, which may involve advising consumers to purchase unnecessary or unsuitable services or products, in order to boost their sales.

We were not involved in any litigation or material legal proceedings in relation to inappropriate or excessive sales practices during the Track Record Period and up to the Latest Practicable Date. However, any incidents of inappropriate and excessive sales practices which lead to unnecessary or unsuitable services or products sold to our customers may results in complaints, claims and legal actions to be brought by dissatisfied Members. Such dissatisfied Members may request refunds, complain on the Internet or media, or to his/her peers, or file legal claim against us, where such actions may materially and adversely affect our market reputation and consumer perception, thereby weakening their affinity to our brand, causing deterioration in the level of trust among our Members and potential Clinic clients in the services of the Clinics and resulting in reduced sales and potential loss of Members.

In addition, unscrupulous sales practices are regulated and restricted by Taiwan laws and regulations, the violations of which would subject us to penalties and/or other legal consequences. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalty involving material non-compliance in relation to unscrupulous sales practices. Any changes in the existing laws and regulations, or any changes of interpretation thereof, or any promulgation of new laws and regulations in the Taiwan in relation to unscrupulous sales practices could require us to incur additional compliance costs, or result in us being regarded as not in compliance with the relevant laws and regulations thereby subjecting us to penalties and/or other legal consequences.

There are restrictions in advertising and marketing our business, and we rely on referrals by existing clients to attract new clients.

We are subject to certain Taiwan laws and regulations relating to the advertisement and promotion of our services, including, but not limited to, the Medical Care Act, Pharmaceutical Affairs Act, Medical Devices Act. See "Regulatory Overview – Laws and Regulations relating to our Group's Business and Operation in Taiwan – Medical Institutions and Medical Services – Medical Services – Medical Service Advertisement and Pharmaceutical Products, Medical Devices, Cosmetics, Food, and Health Food" for further details. For example, we are subject to certain restrictions on the promotion, publication, marketing and dissemination of information of the professional services and practices of the Clinics. Such restrictions may hinder our ability to further enhance our brand awareness in the industry, and attract new Doctors to expand our service coverage to Clinics and Clinic clients. Furthermore, any change in such laws, regulations and professional codes as well as their interpretation may render us or the Doctors in breach of the relevant laws, regulations and professional codes. We may be subject to substantial liabilities and other legal consequences, whereas the Doctors may be exposed to risks of disciplinary actions. All such circumstances may have a material adverse impact on our reputation, business, results of operations and financial condition.

There is no assurance that we will be able to attract sufficient number of new Doctors and Clinic clients to support our continuous business growth. If we fail to attract new Doctors and Clinic clients, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Any inability to keep abreast of the latest technological advancement or market trends in the medical aesthetic service industry may materially and adversely affect our business performance.

We operate in an industry with rapidly changing consumer needs and preferences which challenge us to continuously keep up with the latest developments and trends in the medical aesthetic service industry and respond to the changing requests and preferences of consumers. Consumers are constantly looking for innovative and high-performance services and products at reasonable prices. In order to keep up with the latest developments and trends in the medical aesthetic service industry and respond to the changing needs and preferences of consumers, we need to upgrade the treatment devices we supply to the Doctors, invest in new treatment devices and diversify the service offerings of the Clinics from time to time.

If we are unable to anticipate or adapt to the latest technological developments or market trends in the medical aesthetic service industry, we may not be able to meet consumers' expectations and the demand for the Clinics' services may decline. Furthermore, if our competitors are more sensitive to changes in client preferences or more responsive to emerging technology in the industry, our medical aesthetic services may become less competitive. We may lose our existing Members, or even Doctors, and may be unable to attract new Members and Doctors, which could have a material adverse impact on our business performance. There is also no assurance that we will be able to recover the expenditure associated with the purchase of new treatment devices. Any of the abovementioned circumstances may materially and adversely affect our results of operations, financial condition and prospects.

Our efforts in developing, launching and promoting new services may not be successful.

We have consistently devoted our efforts to developing new services, and exploring new technology in order to not only adapt to evolving consumer preferences, but also influence market trends with innovation. In light of the highly competitive and volatile environment, our future growth depends on our ability to continue to expand and diversify our service portfolio. The launch of new service offerings and entry into new service categories involve inherent risks, such as those relating to evolving consumer preferences, market demand and new brand images and pricing. For example, we have strategically expanded into the TCM industry as an extension of our "external beauty, internal health" value proposition since 2024.

Failure to successfully diversify our services to adapt to the constantly changing consumer preferences and market trends may cause our profit margin to decrease as we will not be able to recoup the associated costs, may jeopardise our competitive advantage and market share, and result in continued reliance on our existing services, products and brands. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

Newly opened Clinics may not achieve operating results as anticipated.

As disclosed in "Business - Our Business Strategies - Strategically expand our integrated medical aesthetic and wellness platform in Taiwan", we intend to partner with Doctors to establish ten medical aesthetics Clinics and 15 TCM Clinics in the next three years. It typically takes newly opened Clinics a period of time to achieve a utilisation rate comparable to existing Clinics, due to factors such as time needed to build consumer awareness and to integrate such stores' operations into our existing infrastructure. Furthermore, a Doctor may not be able to immediately utilise a new Clinic as anticipated, due to factors such as his/her inability to obtain or material delay in obtaining the required approvals, permits or licenses, and any substantial increase in costs to ramp up operations and utilisation. In addition, the operating results generated at the newly opened Clinic may not be comparable to the operating results generated at any of the existing Clinics. The new Clinics may even operate at a loss, which could materially and adversely affect our results of operations.

Any substantial increase in rent or non-renewal of head lease agreements may affect our business operations and financial condition.

As all Clinic premises are currently situated at leased properties, we are particularly vulnerable to fluctuations in the property rental market. Our depreciation of right-of-use assets amounted to approximately HK$21.1 million, HK$18.7 million and HK$25.4 million for the FY2023, FY2024 and FY2025, respectively. Before the expiry of each of our head leases, we have to negotiate the terms of renewal with our respective lessors. As at the Latest Practicable Date, the number of Clinic head leases expiring in 2026, 2027 and 2028 and beyond were one, three and twelve, respectively. There is no assurance that our existing leases would be renewed on similar or favourable terms, in particular with respect to the amount of rent and the term of the lease, or at all. Any substantial increase in the rent of our leased properties may increase our property rental and related expenses, which could materially and adversely affect our profitability. There is also no assurance that our existing leases will not be terminated early by the lessors before the expiry of the relevant term.

In the event that we are required to relocate the Clinics, there is no assurance that we will be able to identify comparable locations in a timely manner or at all, and that we will secure a lease on comparable terms. We may also incur substantial relocation and renovation costs. Any non-renewal of leases may have a material adverse effect on our business, results of operations and financial condition.

We do not have full control over the quality of medical and beauty equipment, medical supplies, injection materials, skincare products and other consumables we use in providing our services.

We have established a comprehensive service protocol, internal control and strict quality control system. Even though we are selective in choosing our suppliers, we cannot assure you that the medical device, injectables, daily facial and body care products and other consumables we procure (including our private label offerings) from our suppliers are safe, free of defects and meeting the relevant quality standards. In the event of any quality issues, we could be subject to complaints and product liability claims by consumers of the Clinics. We may not be able to seek indemnification from our suppliers and if we engage in legal proceedings against our suppliers, such proceedings may be time consuming and costly regardless of the outcomes.

We have engaged a limited number of suppliers, which may render us vulnerable to supply shortages and price fluctuations.

We engaged a limited number of suppliers for certain medical devices, consumables, pharmaceuticals, and skincare products during the Track Record Period. Any interruptions or changes in the supply, or our inability to obtain substitute suppliers meeting our quality standards at acceptable prices in a timely manner may impair our ability to meet the demands of our customers. Moreover, we expect our demand for medical and beauty equipment, medical supplies, injection materials, and skincare products increase as we continuously expand our business scale, and we cannot guarantee that our current suppliers have the capacity to meet our increasing demand going forward.

In the event that our major suppliers terminate their business relationships with us, or fail to provide us with adequate supply to meet our needs, we may not be able to find suitable alternative suppliers within a short period of time. Moreover, prices of certain principal medical and beauty equipment, medical supplies, injection materials, and skincare products may increase significantly, in which case we may not be able to increase the prices of our services to offset the impacts. Therefore, if our suppliers increase prices of or reduce discounts and we fail to secure replacement for such products at a better price, we may experience a decline of our profits.

If our employees, customers, suppliers or other business partners engage in illegal, fraudulent, improper or unethical conduct, such as bribery and corruption, we may be subject to potential liability and negative publicity, and our reputation as well as business could be harmed.

We are exposed to the risk that our employees, customers, suppliers, or other business partners we have contracted may engage in illegal, fraudulent, improper or unethical conduct. Misconduct by these individuals and institutions could include intentional, reckless and/or negligent conduct that violates the relevant laws and regulations, including those requiring the reporting of true, complete and accurate information and data to regulatory authorities, data privacy and security, product quality, efficacy claims and manufacturing standards, and other relevant laws and regulations in Taiwan. Such misconduct could also involve fraud, corruption, bribery (such as offering or accepting kickbacks and rebates that may constitute bribery), tax evasion and other illegal practices. In addition, our business partners such as medical institutions may be subject to greater regulatory scrutiny in their operations, in particular, their compliance with applicable anti-bribery and tax laws and regulations.

In particular, sales, marketing and other business arrangements in our industry are subject to extensive laws and regulations intended to prevent fraud, bribery, misconduct, kickbacks, self-dealing and other abusive practices. In recent years, regulatory scrutiny and enforcement in sales, marketing and other business arrangements involving medical institutions, such as medical aesthetic service providers, have increased, and regulations in our industry or those of our business partners may further tighten in the future. We could be potentially liable for actions taken by our employees, customers, suppliers or other business partners that violate anti-bribery, anti-corruption and other related laws and regulations in Taiwan or other countries, as well as suffer from negative publicity associated with these actions, over which we may not have full control. Our employees or other third parties may fail to comply with such laws and regulations, and the relevant government authorities with discretion may interpret the laws and regulations in the way inconsistent with our understanding, both of which may expose us to potential risks and penalties. Although we had not been subject to fines or penalties for any breach of such laws and regulations in the past, we cannot assure you that there will not be any such fines or penalties imposed on us in the future.

The risk of breaches by our employees, customers, suppliers or other business partners, whether intentionally or inadvertently, could also potentially be higher in light of the recent regulatory scrutiny. We may not be able to identify and deter any misconduct by such foregoing persons, and the precautions we take to detect and prevent such misconduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could severely disrupt our business operations, or result in failure to continue the marketing and sales of our products and obtain regulatory approval for our product candidates. The government authorities may seize the products involved in any illegal or improper conduct by our employees and other third parties, and we may be subject to claims, fines or suspension of our operations. Our brands and reputation, business, results of operations and financial position could be adversely affected if we are associated with any potential liabilities as well as negative publicity as a result of illegal, fraudulent, improper or unethical conduct, or allegations of such, by our employees and other business partners.

Our success depends on our ability to retain our senior management, key personnel and to attract, retain and motivate qualified personnel.

We have been, and will continue to be, heavily dependent on the continued services of our senior management team and other key employees, including our clinic managers and consultation specialists, in particular their familiarity with our business operations and their experience and expertise in the medical aesthetic service industry in Taiwan. Competition for competent candidates in the industry is intense and the pool of competent candidates is limited. If we lose the services of our key personnel, we may not be able to locate suitable or qualified replacements in a timely manner or at all and may incur additional expenses to recruit and train new personnel. Consequently, our business could be disrupted, the implementation of our business strategies could be delayed, and our financial condition and results of operations could be adversely affected. In addition, if any member of our senior management team or key employees joins a competitor or forms a competing business, we may lose know-how, members and key service personnel and staff.

In addition, our future growth and our ability to implement our business strategies will depend on, among other factors, the successful retention and recruitment of experienced management and other key personnel. We cannot assure you that we will be able to retain or hire such employees and the failure to do so may materially and adversely affect our business, results of operations, financial condition and prospects.

We could be exposed to risks related to our management of consumer data.

During our ordinary course of business, we collect certain data of Members, primarily including name, gender, contact information, purchase records, and other service-related non-medical records. We collect such information primarily for communications, and delivery of our services properly. We are required by applicable laws to properly keep and maintain Members' information , and to protect their information from being leaked. We are also subject to, among others, regulations on personal information protection in Taiwan which limits the use of personal information of the Members collected by us for such purposes for which they were collected. We have adopted various measures to ensure legal compliance. For details, see "Business – Data Privacy and Protection". However, these measures may not always be effective in protecting the Members' data and there is no guarantee that we can completely prevent the information from leakage and constantly maintain compliance under evolving and complex regulatory environment, for example, we may need to enhance and prioritise our internal control measures, security management and information technology systems, such as multi-layer protection scheme. Our information technology systems could be breached through hacking activities. Personal information we maintain could be leaked due to any theft or misuse of personal information caused by misconduct or negligence. In addition, although we do not make Clinic clients' data available to the public, we use such data for better understanding of consumer needs and preferences.

Our insurance coverage may not be sufficient to cover all risks involved in our business operations.

We have taken out insurance policies to cover the risks generally associated with our business operations. See "Business – Insurance" for details relating to our insurance coverage. However, there are certain types of risks, such as acts of god, for which insurance coverage is generally not available on commercially acceptable terms or at all. There is no assurance that our current insurance coverage will be able to cover all types of risks involved in our business operations, or be sufficient to cover the full extent of losses, damages or liabilities arising therefrom. If we suffer any losses, damages or liabilities in the course of our business operations arising from events for which we do not have any or adequate insurance coverage, we will have to bear all or a certain portion of such losses, damages or liabilities. In such circumstances, our business operations, financial condition and results of operations may be materially and adversely affected.

In addition, there is no assurance that our insurance premium will not increase or that we will not be required by law to obtain additional insurance coverage in the future. Any increase in insurance costs may materially and adversely affect our financial condition and results of operations.

Any disruption, malfunction or breakdown of our IT infrastructure systems may interrupt our business operations.

Our business operations depend on the satisfactory performance, stability and reliability of our IT infrastructure and related software programmes, which are critical to our storage of Members' information, management of inventory, as well as computation of operational and sales data. However, our IT infrastructure may experience disruption, malfunction, breakdown or other performance problems due to reasons such as (i) increasing pressure on our servers and network capacities as a result of growing client base and expanding operations; (ii) undetected programming errors, bugs, flaws, corrupted data or other defects; (iii) hacking or other attacks on our network infrastructure and system programmes; and (iv) floods, fires, extreme temperatures, power loss, telecommunications failures, technical error, computer viruses or similar events. Any disruption, malfunction, breakdown or other performance problems of our IT infrastructure may significantly disrupt our business operations and reduce our work efficiency, which may have a negative impact on the quality of our services.

There is no assurance that our IT infrastructure will not experience disruption, malfunction, breakdown or other performance problems in the future. There is also no assurance that we will be able to effectively upgrade our existing systems or develop new systems to support our expanding business operations in a timely manner. Any failure to do so may materially and adversely affect our business, results of operations, financial condition and prospects.

We may fail to maintain effective quality assurance systems for our services.

Service quality is critical to our success. Maintaining consistent service quality depends significantly on the effectiveness of our quality assurance systems, which in turn depends on a number of factors, including the design of our quality control systems and implementation and compliance with those quality control policies and guidelines. Due to the scale of operations of the Clinics, we also face the risk that certain of the Doctors and their employees may not adhere to our mandated quality procedures and requirements. There can be no assurance that our quality assurance systems will prove to be effective. Any significant failure of or deviation from these quality assurance systems could have a material adverse effect on our business, reputation, results of operations and financial condition.

There is no assurance that our business strategies and future plans will be successfully implemented.

The successful implementation of our business strategies and future plans may be hindered by risks set out in this section and is subject to numerous factors, including but not limited to:

- our ability to adapt to changing industry and market trends and keep up with the latest technological developments;
- the availability of management and financial resources;
- our ability to retain our existing clients and attract new ones to match our increased service capacity;
- our ability to negotiate favourable terms with our suppliers; and
- our ability to hire, train and retain registered medical practitioners and other skilled personnel to operate our business.

There is no assurance that we will be able to successfully implement our business strategies or future plans. Even if our business strategies or future plans are implemented, there is no assurance that they will successfully increase our market share or enhance our market position.

We may be unable to identify or execute acquisition opportunities as planned.

As disclosed in "Business – Our Business Strategies – Expand market coverage and prudently evaluate acquisition target in Japan", we intend to enter into the Japan medical aesthetics market by way of acquiring a medical aesthetic operator in the Greater Tokyo Area. We may not be able to identify suitable acquisition targets, negotiate commercially acceptable terms for acquisitions, or successfully integrate any acquired assets or businesses in the future. Even if we are able to identify suitable targets, such acquisitions can be difficult, time consuming and costly to execute and integrate, and we may not be able to secure necessary financing for the acquisitions. Unsuccessful acquisition may have an adverse effect on our business and financial condition. Businesses that we acquire may have unknown or contingent liabilities, including liabilities for failure to comply with the relevant laws, regulations and rules. We may also suffer reputational and financial harm for actual or alleged inferior service or harm that occurred at the clinics operated by the acquired operator prior to our acquisition, and need to respond to claims initially as unsatisfied customers will likely pursue their claims against us. In addition, future acquisitions and subsequent integration of newly acquired assets and businesses into our own would require attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. Acquired assets or businesses may not generate the financial results we expect. Going forward, from time to time, we may evaluate various acquisition opportunities, and any future acquisition through equity, acquisition through asset or business, or investment in an associate may entail numerous risks. These risks include increased cash requirements, additional indebtedness, contingent or unforeseen liabilities.

We may fail to expand into new geographic areas in a timely and cost-effective manner.

We have significantly expanded our business over the past few years. Our organisation may become larger and more complex with our intended plans to expand into new geographic areas, including Japan, through a combination of acquisitions and organic growth. The execution of our expansion plans is expected to require management attention and efforts and incur additional expenditures. Our ability to successfully expand into new markets depends on many factors including, among others, our ability to:

- identify suitable geographic markets for the type of services we offer;

- identify ideal locations of the stores premise and negotiate acceptable terms for leasing or acquiring the properties, including desirable tenant allowances;
- identify local consumer preferences;
- address local market competition;
- avoid potential cannibalisation;
- hire, train and retain a growing workforce;
- successfully integrate new stores into our existing control structure and operations, including our information technology systems;
- avoid competition of our new direct stores with our franchised stores in the same areas as we expand into new geographic areas; and
- secure financing or maintain sufficient capital to invest in new stores or making acquisitions of well-established medical aesthetic service institution

In addition, to manage our growth and expansion, and to attain and maintain profitability, we will continue to place demands on our management, physicians and our administrative, operational and financial personnel and infrastructure. We cannot assure you that we will be able to implement our expansion plans or manage any future growth effectively and efficiently, and any failure to do so may adversely affect our ability to capitalise on new business opportunities, which in turn may have an adverse effect on our business and financial results.

Our business may be affected by natural disasters, epidemics and other acts of God.

Our business may be affected by natural disasters, epidemics and other acts of God which are beyond our control. The occurrence of earthquakes, sandstorms, snowstorms, fire or drought, or the outbreak of epidemics such as Middle East Respiratory Syndrome (MERS), Severe Acute Respiratory Syndrome (SARS), H5N1 avian flu, human swine flu (also known as Influenza A (H1N1)), H7N9, Sika Virus Disease or COVID-19 and its variants may have a material adverse impact on the economic and social conditions in the affected regions. For details of risks relating to COVID-19, see "– Risks Relating To Our Services and Products – Our operations and business plans may be adversely affected by the COVID-19 pandemics" in this section. In addition, any natural disasters, epidemics and other outbreaks that are beyond our control may be expected to directly impact our operations, including straining our facilities and employees, exposing employees to personal risks, disrupting regular business operations, imposing additional health or safety measures upon our stores, exposing our stores to potential liability for any actions taken or not taken.

The share-based compensation expenses associated with the Pre-[REDACTED] Share Option Scheme will adversely affect our results of operations and any exercise of the options granted may result in a dilution of our Shareholders' shareholdings.

For the purpose of motivating the grantees of the Pre-**[REDACTED]** Share Options (the "**Grantees**") to optimise their future contributions to our Group and/or rewarding them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with the Grantees who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, we adopted the Pre-**[REDACTED]** Share Option Scheme, details of which are set out in "Statutory and General Information – D. Share Option Schemes – Pre-**[REDACTED]** Share Option Scheme" in Appendix IV to this document. Based on the valuation carried out by our valuer, the fair value of the Pre-**[REDACTED]** Share Options is estimated to be approximately HK$9.5 million, of which approximately HK$4.4 million had been recognised as share-based compensation expenses in our combined statement of profit or loss and other comprehensive income for FY2025.

The issue of Shares on any exercise of the Pre-**[REDACTED]** Share Options in the future will result in a reduction in the percentage ownership of the Shareholders in our Company and may result in a dilution in the earnings per Share and net asset value per Share, as a result of the increase in the number of Shares outstanding after such issuance.

RISKS RELATING TO DOING BUSINESS IN TAIWAN

Economic, political and social conditions and government policies in Taiwan could affect our business and prospects.

All of our revenue is derived from our businesses in Taiwan and substantially all of our assets are located in Taiwan. We anticipate that Taiwan will remain our primary market in the foreseeable future. Accordingly, our financial condition, results of operations and prospects are, to a material extent, subject to economic, political and legal developments in Taiwan. Should there be any adverse change in the GDP and/or consumer spending growth in Taiwan, our results of operations, financial condition and growth prospects may be materially and adversely affected.

The Taiwan economy differs from the economies of developed countries in many respects, including, among other things, the degree of government involvement, control of investment, level of economic development, growth rate, foreign exchange controls and resource allocation. We cannot predict whether changes in the political, economic and social conditions in Taiwan or changes in the laws, regulations and policies promulgated by the Taiwan government will have any adverse effect on our current or future business and financial conditions and results of operations. For example, our financial condition and results of operations may be adversely affected by government policies on the medical aesthetic service industry in Taiwan or changes in tax regulations applicable to us. If the business environment in Taiwan deteriorates, our business in Taiwan may also be materially and adversely affected.

Before the Reorganisation is completed, the payment of dividends is subject to restrictions under the Taiwan law.

Under Taiwan laws, dividends may be paid only out of distributable profits. Distributable profits are our net profit as determined under the generally accepted accounting principles in Taiwan, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been unprofitable. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

Failure to comply with workplace safety regulations in Taiwan leading to penalties or fines may adversely affect our reputation and business operation.

Our operations are subject to applicable workplace health and safety, fire safety, fire prevention laws and other regulations. Such laws and regulations are increasingly stringent, and we may need to allocate more resources or capital expenditure in order to ensure compliance with the relevant laws and regulations. If we fail to comply with such laws or regulations, we may be required to take corrective action, and/or pay penalties or fines. Any of these factors may have a material adverse effect on our business operations and results.

You may experience difficulties effecting service of legal process and enforcing judgments against us and our management in Taiwan.

Our Taiwan Legal Advisors have advised us that any final judgment obtained against us in any court other than the courts of Taiwan in respect of any legal suit or proceeding arising out of or relating to the **[REDACTED]**, will be enforced by the courts of Taiwan without further review of the merits only if the Taiwan court in which enforcement is sought is satisfied with the following:

- the court rendering the judgment has jurisdiction over the subject matter according to the laws of Taiwan;
- the judgment and the court procedures resulting in the judgment are not contrary to the public order or good morals of Taiwan;
- if the judgment was rendered by default by the court rendering the judgment, (i) we were duly served within a reasonable period of time within the jurisdiction of such court in accordance with the laws and regulations of such jurisdiction, or (ii) process was served on us with judicial assistance of Taiwan; and
- judgments of the courts of Taiwan are recognised in the jurisdiction of the court rendering the judgment on a reciprocal basis.

We may be subject to governmental approvals, registrations and foreign exchange controls in Taiwan when using the [REDACTED] of the [REDACTED] to provide financial support to our Taiwan operations, which could delay or limit our ability to use such [REDACTED] effectively.

We may be unable to promptly provide financial support to our Taiwanese subsidiary, JC Taiwan, or our branch office in Taiwan due to regulatory requirements imposed by Taiwanese governmental authorities under applicable laws. Any loans we may make to JC Taiwan or our Taiwan branch office may be subject to approval, registration or reporting requirements under applicable Taiwan laws and regulations, depending on factors such as the loan term, currency denomination and the identity of the lender. In addition, any additional capital contributions to JC Taiwan or contributions of operational funds to our Taiwan branch office are subject to, among other things, prior approvals from the relevant Taiwanese authorities, including the Department of Investment Review of the Ministry of Economic Affairs.

Furthermore, to the extent that any loans, capital contributions or operational funding are provided in currencies other than New Taiwan Dollars, the conversion of such foreign currencies into New Taiwan Dollars may be subject to Taiwan foreign exchange regulations and registration or reporting requirements. See "Regulatory Overview – Laws and regulations relating to our Group's business and operation in Taiwan – Exchange Control" for further information.

Due to these regulatory approval, registration, reporting and foreign exchange requirements, we may not be able to obtain the necessary governmental approvals or complete the required registrations or filings on a timely basis, or at all, in connection with future loans to or investments in JC Taiwan or our Taiwan branch office. As a result, we may face uncertainty regarding our ability to provide timely financial support to our Taiwan operations when needed and to deploy the **[REDACTED]** of the **[REDACTED]** as intended. Any delay or failure in obtaining required approvals or completing required registrations could restrict or prevent our effective use of the **[REDACTED]** of the **[REDACTED]**, delay or impede our ability to fund operations or growth initiatives in Taiwan, and adversely affect our business, financial condition and results of operations.

Before the completion of the Reorganization, we may depend on dividends and other distributions from our Taiwan subsidiary to meet our cash and financing needs, and any limitation on our Taiwan subsidiary's ability to make such payments could materially and adversely affect our business.

We are a company incorporated in the Cayman Islands and, prior to the completion of the Reorganization, we may rely on dividends and other equity distributions from our Taiwanese subsidiary, JC Taiwan, to satisfy our cash and financing requirements, including funds necessary to pay dividends or other cash distributions to our shareholders or to service any indebtedness we may incur. JC Taiwan is incorporated in Taiwan and is treated as a Taiwan tax resident for purposes of the Taiwan Income Tax Act. Dividends distributed by JC Taiwan to its shareholders that are foreign profit-seeking enterprises without a fixed place of business or business agent in Taiwan, including us, are subject to Taiwan withholding tax. Under the Taiwan Income Tax Act and the Standards of Withholding Rates for Various Incomes, dividends paid by a Taiwan subsidiary to its foreign parent company are generally subject to a withholding tax of 21%, which would reduce the amount of cash we receive from JC Taiwan. See "Regulatory Overview – Laws and regulations relating to our Group's business and operation in Taiwan – Tax" for further information.

In addition, under Taiwan law, dividends may be paid only out of distributable profits. Distributable profits are determined based on JC Taiwan's net profits calculated in accordance with generally accepted accounting principles in Taiwan, after deducting accumulated losses and making required appropriations to statutory and other reserves. As a result, JC Taiwan may not have sufficient, or any, distributable profits to permit dividend distributions to its shareholders, including us, in certain periods, including periods in which JC Taiwan's operations are unprofitable. Although any distributable profits not distributed in a given year may be retained and available for distribution in subsequent years, there can be no assurance that JC Taiwan will generate sufficient distributable profits or declare dividends in any given period. Any restriction on, delay in, or reduction of dividends or other distributions from JC Taiwan, whether due to tax withholding, statutory reserve requirements, operating losses or other regulatory or legal constraints, could limit our ability to meet our cash obligations, fund our operations, pay dividends to our shareholders or pursue growth initiatives, and could materially and adversely affect our business, financial condition and results of operations.

We may be deemed a Taiwan tax resident under Taiwan law upon the implementation of the place-of-effective-management rules, which could subject us to Taiwan enterprise income tax on our global income and adversely affect our financial condition.

Taiwan has enacted, but has not yet implemented, a statutory framework for determining the tax residency of foreign-incorporated companies based on the concept of "place of effective management." Article 43-4 of the Taiwan Income Tax Act was promulgated in July 2016, and the Regulations Governing Application of the Place of Effective Management have also been issued. However, neither Article 43-4 nor the related regulations has yet become effective, and their respective effective dates will be announced by the Executive Yuan and the Ministry of Finance. Once these rules become effective, a foreign-incorporated enterprise, including our Company, may be deemed a Taiwan tax resident if its place of effective management is determined to be located in Taiwan.

Under Article 43-4 of the Taiwan Income Tax Act, this determination may be based on factors such as whether major operational, financial or personnel management decisions are made in Taiwan, whether accounting books and records or board or shareholder meeting minutes are maintained in Taiwan, or whether substantive core business activities are conducted in Taiwan. The application and interpretation of these criteria will be subject to the discretion of the Taiwan tax authorities. If our Company were determined to have its place of effective management in Taiwan after the implementation of these rules, the Company could be treated as a Taiwan tax resident and become subject to Taiwan enterprise income tax on its worldwide income, rather than only on Taiwan-source income. Such treatment could result in increased tax liabilities, additional compliance and reporting obligations, and potential uncertainty in our tax planning. Any such increased tax exposure or uncertainty could materially and adversely affect our financial condition, results of operations and the returns to our shareholders.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares and the liquidity and market price of our Shares may be volatile.

Prior to the **[REDACTED]**, there was no public market for our Shares. We cannot assure you that a public market for our Shares with adequate liquidity will develop and be sustained following the completion of **[REDACTED]**. In addition, the **[REDACTED]** of our Shares may not be indicative of the market price of our Shares following the completion of the **[REDACTED]**. If an active public market for our Shares does not develop following the completion of the **[REDACTED]**, the market price and liquidity of our Shares could be materially and adversely affected.

You will incur immediate and significant dilution and raising additional capital may cause further dilution or restrict our operation.

The **[REDACTED]** of the **[REDACTED]** is higher than the net tangible asset value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset value. If we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, limitations on our ability to acquire or license intellectual property rights or declaring dividends, or other operating restrictions.

We are a Cayman Islands exempted company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles and by the Cayman Islands Companies Act and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority Shareholders may be located. For details, see "Appendix IV – Summary of the Constitution of our Company and Cayman Islands Company Law". As a result of all of the above, minority Shareholders may enjoy different remedies when compared to the laws of the jurisdiction such shareholders are located in.

Our Controlling Shareholders have substantial control over our Company and their interests may not align with the interests of the other Shareholders.

Prior to and immediately following the completion of the **[REDACTED]**, our Controlling Shareholders will retain substantial control over our Company. Subject to our Articles of Association and the Cayman Islands Companies Act, the Controlling Shareholders will be able to exercise significant control and exert significant influence over our business or otherwise on matters of significance to us and other Shareholders by voting at the general meeting of the Shareholders and at Board meetings. The interests of our Controlling Shareholders may differ from the interests of other Shareholders and they are free (other than on any matters that they are required to abstain from voting on) to exercise their votes according to their interests. To the extent that the interests of the Controlling Shareholders conflict with the interests of other Shareholders, the interests of other Shareholders can be disadvantaged and harmed.

There will be a time gap before trading of our Shares commences, and the price of our Shares when trading begins could be lower than the [REDACTED] in this document.

The indicative **[REDACTED]** is HK$**[REDACTED]** to HK$**[REDACTED]** per Share, and trading of our Shares on the Hong Kong Stock Exchange will only commence when they are delivered, which is expected to be on **[REDACTED]**. As a result, **[REDACTED]** may not be able to sell or otherwise deal in the Shares before the commencement of trading. Accordingly, holders of our Shares are subject to the risk that the price of the Shares when trading begins could be lower than the **[REDACTED]** as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

We cannot assure you that we will declare and distribute any dividends in the future.

There can be no assurance that we will declare and pay dividends because the declaration, payment and amount of dividends are subject to the discretion of our Directors, depending on, among other considerations, our operations, earnings, cash flows and financial position, operating and capital expenditure requirements, our strategic plans and prospects for business development, our constitutional documents and applicable law. For more details of our dividend policy, see "Financial Information – Dividends".

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "aim", "anticipate", "believe", "continue", "could", "expect", "estimate", "intend", "may", "plan", "potential", "predict", "project", "propose", "seek", "should", "will", "would" or similar terms. Those statements include, among other things, the discussion of our growth strategy and expectations concerning future operations, liquidity and capital resources. **[REDACTED]** of our Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations that our plans or objectives will be achieved and **[REDACTED]** should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. For details, see "Forward-Looking Statements" in this document.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong in making your **[REDACTED]** decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the **[REDACTED]** or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, **[REDACTED]** should not rely on any such information, reports or publications in making their decisions as to whether to **[REDACTED]** in our **[REDACTED]**. By applying to purchase our Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the **[REDACTED]**.