***An* [REDACTED] *in our Shares involves significant risks. You should carefully consider all the information in this document, including the risks and uncertainties described below, before making an* [REDACTED] *in our Shares. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, prospects, financial condition, results of operations, cash flows and ability to pay dividends. In any such case, the* [REDACTED] *of our Shares could decline, and you may lose all or part of your* [REDACTED].**

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. 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.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risks Relating to Our Business

Our reliance on Hanmi Group and the relevant strategic cooperation agreement may expose us to pricing, supply and contractual risks.

Our medicine marketing, promotion and sales business line is highly dependent on Hanmi Group, our major supplier for pharmaceutical products and services. The key pharmaceutical products that we purchased from Hanmi Group during the Track Record Period include Yitanjing, Mamiai, Yianping and Lidong. All the products supplied by Hanmi Group collectively contributed to 94.0%, 93.2% and 94.6% of our total revenue from medicine marketing, promotion and sales business in 2023, 2024 and 2025, respectively. See "Business – Our Products and Services – Medicine Marketing, Promotion and Sales Business" for details of our relationship with Hanmi Group. Although we continue to diversify our supplier base, such high concentration means our cost structure, profit margins and operational continuity are significantly affected by Hanmi Group's pricing policies. Any material increase in product prices or adverse adjustments to pricing terms would increase our procurement costs and negatively affect our profitability.

Our cooperation with Hanmi Group is supported by a long-term strategic cooperation agreement with Beijing Hanmi Pharmaceutical Co., Ltd., a subsidiary of Hanmi Group (the "**Strategic Cooperation Agreement**"). While the Strategic Cooperation Agreement provides us with first offer rights to accept new distribution terms offered by Hanmi Group, it does not include minimum purchase commitments and may be terminated under customary contractual conditions. Accordingly, there can be no assurance that the Strategic Cooperation Agreement will continue on terms favorable to us, or at all. Any termination, non-renewal or material modification of the Strategic Cooperation Agreement could adversely affect our supply arrangements, pricing structure and market position.

We also face supply disruption risks if Hanmi Group encounters operational issues, such as production delays, regulatory sanctions, financial distress or failure to maintain required regulatory licenses. Although Hanmi Group benefits from our nationwide medicine marketing, promotion and sales network and regulatory qualifications, there is no assurance that such mutual dependence will prevent adverse changes to our supply arrangements. Hanmi Group may choose to supply competing distributors, adjust its distribution strategy or prioritize other markets, and identifying alternative qualified suppliers would be costly, time-consuming and uncertain given stringent regulatory and technical requirements. Any transition to alternative suppliers may result in additional costs, delays or supply gaps.

We cannot assure you that our business strategies will succeed or deliver sufficient growth.

We have adopted, and may continue to adopt, various business strategies to enhance our market position, expand our customer base and improve our operational efficiency. These strategies may include expanding into new markets, introducing new products or services, enhancing our technology capabilities and pursuing strategic cooperation or investment opportunities. However, there is no assurance that these strategies will be successfully implemented or will achieve the intended results. Our ability to execute these strategies is subject to various factors beyond our control, including changes in market conditions, customer preferences, competitive landscape, regulatory environment and our ability to attract and retain qualified personnel. If we fail to effectively execute our business strategies, or if these strategies do not generate the expected benefits, our growth prospects, financial condition and results of operations could be materially and adversely affected.

Our products and services may contain certain defects that expose us to customer complaints or product liability and other claims, which could damage our reputation, cause us to incur significant expenses, reduce market demand and attract increased regulatory scrutiny.

We derive the majority of our revenue from our medicine marketing, promotion and sales business, where the quality, accuracy and compliance of our services are essential to our reputation and client relationships. Despite our internal controls and training programs, we cannot assure you that our employees or outsourced service providers will not make errors, act negligently or engage in misconduct, such as misrepresenting product information, promoting products for unapproved indications, or violating applicable promotional or anti-bribery regulations. Because we rely on information provided by our clients, any inaccuracies or omissions in such information may also lead to inadvertent dissemination of misleading product claims. Although we do not manufacture the pharmaceutical products we promote under our medicine marketing, promotion and sales business, we may still be named in product liability claims, regulatory investigations or consumer complaints, which could subject us to financial liabilities and reputational damage.

In addition to our medicine marketing, promotion and sales services, the quality and safety of our maternity and supplements products are equally critical. Contamination, spoilage, equipment malfunction, inadequate storage, or the supply of substandard raw materials may occur during production and transportation. Certain raw materials may also contain harmful or restricted substances that are unknown to us or undetectable with current technology. Any product defect or contamination could result in recalls, product returns, consumer complaints, litigation, regulatory sanctions or suspension of production. Although this business line currently contributes less revenue than our medicine marketing, promotion and sales business, any adverse incident in our products could materially undermine consumer confidence in our brand and adversely impact both our maternity and supplements product sales and our medicine marketing, promotion and sales business relationships.

Any actual or alleged service deficiency, product defect or compliance failure, whether in our medicine marketing, promotion and sales services or our own products, may result in termination of client contracts, penalties, regulatory scrutiny, significant compensation costs, reputational damage and reduced demand. Even isolated incidents could disproportionately affect trust in our brand. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We may fail to successfully develop and commercialize new products or respond to evolving market demand, which could adversely affect our business and growth prospects.

Innovation and new product development are central to our long-term growth strategy. We are advancing multiple R&D projects, including: (i) weaning nutrition therapy, (ii) upper respiratory tract infection treatment microbiome; (iii) metabolic disease microbiome therapeutic agents; (iv) HMO substitute; and (v) herita. In addition, we are advancing our own product pipeline, which will require significant additional research and development efforts, regulatory submissions and commercialization activities. We rely on both our in-house R&D capabilities and collaborations with research institutes and other organizations to drive these initiatives.

The research and development process is inherently costly, time-consuming and uncertain. In 2023, 2024 and 2025, our research and development expenses amounted to USD2.2 million, USD0.8 million and USD1.8 million, respectively. We cannot assure you that such investments will result in commercially viable outcomes. Our pipeline products may fail to complete development, meet technical, clinical or regulatory requirements, or obtain necessary approvals in a timely manner, or at all.

Even if successfully developed and launched, new products or services may not achieve market acceptance or generate the expected level of demand. Our ability to succeed depends on our capacity to anticipate, identify and respond to evolving consumer preferences, dietary habits, health trends and regulatory developments, particularly in our maternity and supplements business. Consumer concerns, whether substantiated or not, regarding ingredients such as fat, cholesterol, calories, sodium, lactose, sucrose or bacteria, as well as adverse publicity or regulatory developments, may reduce demand for our products, require reformulation or result in returns, inventory write-downs or price reductions. Similarly, in our medicine marketing, promotion and sales business, our competitiveness depends on our ability to respond to evolving market trends, client needs and changes in healthcare delivery and engagement models. If we fail to adapt to new therapeutic areas, innovative drug launches or increasing demand for digital and data-driven marketing solutions in a timely and cost-effective manner, our clients may reduce their reliance on our services or turn to alternative providers.

Any failure to successfully develop, commercialize or adapt our products and services in line with market demand could result in R&D write-offs, lost market opportunities, reduced customer demand and reputational harm, and may materially and adversely affect our business, financial condition, results of operations and prospects.

Failure to grow our marketing capabilities and effectively maintain or promote our brands may adversely affect our future success or the brand name and reputation of our products and services.

Our success depends significantly on the strength of our core brands, particularly Ofmom (妈咪爱), which has established strong recognition and loyalty in the market as a trusted provider of maternity and supplements products spanning probiotics, infant formula and functional foods. Any negative publicity relating to our products, industry, Company, directors, employees, suppliers or other business partners, whether justified or not, could damage our reputation, reduce consumer confidence and adversely affect demand for our products. The continued success of our brands depends on offering an attractive value proposition; if perceived value narrows relative to competitors or our offerings fail to meet evolving consumer needs, demand may decrease and our market position may be undermined.

In addition, in our medicine marketing, promotion and sales business, our reputation for delivering accurate, compliant and effective marketing campaigns is equally critical. Any errors, misrepresentations, or non-compliant practices, even if inadvertent, could damage our reputation and client relationships, leading to legal action, loss of clients, or reduced contract value.

Our marketing strategies for both branded products and medicine marketing, promotion and sales services require substantial investment in digital and traditional media channels. However, we cannot guarantee that our current and planned marketing budgets will be sufficient or that our marketing strategies will achieve the expected results. Failure to adequately invest in marketing capabilities, increased regulatory restrictions on promotional activities in the pharmaceutical sector, or changes in advertising regulations affecting healthcare products, could adversely affect our ability to maintain and grow market share, brand equity and overall financial performance.

We rely on suppliers and other third parties with respect to the products and services we provide. Failure to effectively maintain business relationships with our suppliers and such other third parties, control the stability, reliability and quality of our procurement, as well as any delays or interruptions in delivery, can disrupt our supply chain or business collaboration and pose a risk to our ability to deliver solutions to customers.

Our business depends significantly on our ability to procure raw materials, finished products and services from a number of suppliers and third parties to support both our medicine marketing, promotion and sales business and our maternity and supplements products. We work closely with certain major suppliers. In 2023, 2024 and 2025, purchases from our five largest suppliers in each year accounted for 68.5%, 64.1% and 65.5% of our total purchases for the same years, respectively. We cannot assure you that these suppliers will continue to supply us on a timely basis, honor their contractual obligations, or renew supply agreements upon expiry. Any failure to maintain these relationships, or any delays or interruptions in supply, may impair our ability to deliver products to customers and adversely affect our business and financial performance.

We rely on a wide range of raw materials and components to manufacture our maternity and supplements products, including milk powder, protein powder and fermented oat powder. In 2023, 2024 and 2025, we incurred raw material costs of USD2.4 million, USD7.1 million and USD5.5 million, respectively. Any shortage in supply or fluctuations in global commodity prices may adversely affect the purchase prices we have negotiated with our suppliers. We cannot assure you that the prices we currently pay for such materials will remain stable, as they are susceptible to factors beyond our control, including global supply and demand dynamics, exchange rate movements and changes in governmental agricultural policies. Any increase in raw material prices may require us to seek alternative and potentially less cost-effective suppliers or materials, which may adversely affect product quality or competitiveness. Our ability to pass on such cost increases to consumers depends on market conditions, and we may decide not to raise prices despite higher costs, which would negatively impact our profitability. In addition, the production of our infant formula products involves stringent requirements, and the raw materials must be sourced from designated brands or suppliers, and there can be no assurance that such supply will remain sufficient to meet our needs or the increasing demand associated with our growth strategy.

Our manufacturing operations and those of our suppliers are subject to operational and external risks. The production of our products involves exacting and complex processes, including strict quality and safety controls, and certain stages must occur in sterile or temperature-controlled environments to preserve product quality and minimize contamination risks. Any breakdown in such processes, whether due to equipment malfunction, power outages, quality defects in raw materials or failure to follow required protocols, could compromise product quality, cause production delays and lead to increased costs or product recalls. In addition, our operations and those of our suppliers are vulnerable to events beyond our control, such as adverse weather conditions, natural disasters, transportation disruptions, labor shortages or geopolitical developments, including the Sino-U.S. trade conflict, the Russia-Ukraine conflict and disruptions in the Red Sea, which may affect the supply and pricing of raw materials. Any material disruption in the supply or production of raw materials, including whole milk powder, skimmed milk powder and whey, could impair our ability to fulfill customer orders, constrain our growth and adversely affect our business, financial condition and results of operations.

We have limited control over our distributors and sub-distributors, and any non-compliance, adverse publicity or disorderly competition arising therefrom, as well as any instability in distributor relationships, may adversely affect our reputation, sales, business prospects and profitability.

We generally sell products to distributors, who in turn resell them to retail points of sale, including clinics and pharmacies, as well as sub-distributors. In 2023, 2024 and 2025, we entered into distribution agreements with 589, 517, and 437 distributors, respectively. Because these distributors and sub-distributors are independent third parties, our ability to oversee or manage their business practices and compliance with applicable laws and contractual obligations is limited. In addition, although we may enter into tripartite arrangements with sub-distributors, we primarily rely on our distributors to manage such sub-distributors, and we have even more limited visibility and control over their activities. We could be held liable for actions taken by our distributors or sub-distributors, including potential violations of applicable laws in connection with the marketing or sales of pharmaceutical products. While primary liability generally rests with the distributor or sub-distributor directly responsible, we may still be held liable if we are deemed to have participated in, instructed or condoned such conduct, or failed to fulfill our supervisory duties. Any non-compliance or negative publicity by distributors or sub-distributors could harm our reputation, disrupt our sales channels and impair our ability to achieve our sales targets.

In addition, we engage multiple distributors and sub-distributors within certain regions to enhance market coverage and operational flexibility. While this approach supports broader customer reach, it may lead to overlapping territories and excessive competition among distributors and sub-distributors. Although we provide pricing guidance and incentive mechanisms to promote orderly market practices, we are unable to control the resale prices set by our distributors. As a result, competition among distributors and sub-distributors, including aggressive discounting or conflicts, may result in sales cannibalization, depress retail prices and margins, and negatively affect consumer perception of our brands. Any such developments could impair the stability and efficiency of our distribution network and materially and adversely affect our business, financial condition and results of operations. For details, see "Business – Sales and Distribution Channels – Our Distributors" in this document.

Consistent with industry practice, we typically enter into one-year contracts with our distributors and sub-distributors, and there is no assurance that our distributors or sub-distributors will renew their agreements with us, maintain their historical level of purchases, or meet agreed performance targets. Any reduction in their purchases or cooperation could adversely affect our sales. Furthermore, product returns driven by factors such as strategic cooperation adjustments or changes in market demand could reduce our revenue and gross profit and increase inventory costs. For example, we experienced a one-time decision of product returns from distributors in June 2025. For details, see "Business – Sales and Distribution Channels – Product Returns" in this document. We cannot assure that such returns will not recur, which could materially and adversely affect our business, financial condition and results of operations.

If we experience delays in collecting trade receivables from our customers or loans from counterparties, or if there is a substantial deterioration in their financial condition, our cash flow, working capital, financial condition and results of operations could be adversely affected.

We cannot assure that our customers will continue to maintain relationships with us, purchase products at historical volumes or prices, or remain financially capable of meeting their payment obligations. Customers may experience financial difficulties, including bankruptcy, insolvency or liquidity problems, which could result in delayed collections, increased allowances for doubtful accounts, write-offs or other credit losses. We may also be exposed to credit risks from loans extended to counterparties. Any counterparty default could result in credit losses, and our risk control measures may not fully mitigate such exposure.

In addition, any slowdown in the PRC or global economy, adverse changes in consumer spending or commercial investment, or other macroeconomic or industry-specific factors could lead customers to reduce, modify, delay or cancel their purchases. Such events could materially and adversely affect our cash flow, working capital, financial condition and results of operations, and could limit our ability to fund our growth initiatives or meet our financial obligations.

Some pharmaceutical products distributed by us are subject to and will continue to be subject to price regulation and price competition in China, which limits our ability to set or raise the prices of such products and could adversely affect our profitability and results of operations.

The pharmaceutical industry in China is subject to evolving regulation, including product pricing and reimbursement. The National Healthcare Security Administration and the Ministry of Human Resources and Social Security, together with other government authorities, regularly review the inclusion or removal of drugs from the National Reimbursement Drug List (the "**NRDL**"). The NRDL determines a pharmaceutical product's reimbursement standards for program participants under the National Medical Insurance Program. Under the National Medical Insurance Program, patients are entitled to full or partial reimbursement of costs for pharmaceutical products listed in the NRDL. A pharmaceutical product's inclusion in or exclusion from the NRDL and its tier under the NRDL will significantly affect the demand for such product in China.

Furthermore, China's Volume-based Procurement (the "**VBP**") programs, aim to reduce drug prices by purchasing drugs that have passed consistency evaluations in bulk, which helps lower patient costs and drive industry development. For companies selected in the VBP process, drug sales volumes are guaranteed by national and provincial governments, enabling cost reductions through economies of scale. This not only minimizes marketing and sales expenses but also allows generic drug manufacturers to manage costs and preserve profit margins.

In recent years, the government has expanded the VBP programs, adjusted the NRDL on a regular basis. These regulation evolvements have also led to reductions in the sales prices of certain pharmaceutical products and intensified competition among market participants.

As a result, our ability to determine or raise the sales prices of certain products is limited, and we may be required to further reduce our prices in response to market competition or policy requirements. Even under the current market-based pricing system, there can be no assurance that pharmaceutical products will not face downward price pressure, particularly as other companies, including large multinational pharmaceutical enterprises, compete aggressively on price. In addition, the continued implementation of Centralized Procurement and potential further policy initiatives may reduce our margins, alter our sales mix, or otherwise affect demand for pharmaceutical products. The pace and scope of future regulation in China's healthcare sector may continue to evolve. If the government adopts additional pricing regulation, procurement mechanisms or reimbursement adjustments, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Any changes to the products that are included in the NRDL could have a material adverse effect on our business, financial condition, results of operations and prospects.

In the PRC, pharmaceutical products listed in the NRDLs are entitled to full or partial reimbursement from the social medical fund, making them generally more competitive on pricing.

The NRDLs are subject to periodic review based on various factors, including treatment requirements, frequency of use, efficacy and price. We cannot assure that our existing products will remain included in the catalogs, and any removal could significantly reduce their sales. Significant uncertainty also exists regarding reimbursement coverage for newly approved pharmaceutical products. Any non-inclusion of our new products in the NRDLs could materially and adversely affect our business, financial condition, results of operations and prospects.

If we fail to manage our and our distributors' inventories effectively, our financial condition, results of operations and liquidity may be materially and adversely affected.

Our business depends on maintaining sufficient inventory to meet customer demand and ensure the smooth operation of our business, while avoiding excessive inventory that may result in obsolescence or write-downs. We are subject to a variety of risks relating to inventory management. These include, among others, rapid product life cycle changes, evolving consumer preferences, uncertain market acceptance of new product launches, manufacturer backlogs and supply chain disruptions.

In particular, demand for the products may fluctuate significantly between the time we place orders and the time such products are delivered or launched, making demand forecasting especially challenging. Certain pharmaceutical and healthcare products are subject to expiry or regulatory shelf-life requirements, exposing us to heightened risk of write-downs and disposal losses in the event of excess inventory. Conversely, underestimating demand or delays in supplier deliveries may lead to inventory shortages, unfulfilled orders, and damage to customer relationships.

Our medicine marketing, promotion and sales business also entails inventory risk, as unsold products sourced or managed on behalf of pharmaceutical companies may increase our working capital requirements or result in contractual penalties if sales targets are not achieved. For our own-branded products, inaccurate demand projections may lead to over-production or excess procurement of raw materials, both of which could negatively impact cash flows and profitability.

In 2023, 2024 and 2025, our inventory turnover day was 45, 88 and 95, respectively. There is no assurance that our inventory control systems and forecasting methodologies will be effective in addressing these risks. Any failure to maintain appropriate inventory levels may result in increased holding costs, impairment losses, adverse effects on liquidity and working capital, and a material adverse impact on our business, financial condition, results of operations and prospects.

From time to time, we may evaluate and potentially consummate strategic alliances, investments or acquisitions, which could require significant management attention, disrupt our business and adversely affect our financial results, and we may not be able to achieve the benefits we expect from the alliances, investments or acquisitions.

Our ability to grow through acquisitions or strategic partnerships depends on our ability to identify, evaluate, negotiate, complete and integrate suitable opportunities, and to obtain any required governmental or third-party consents, approvals or permits in a timely manner. Even upon consummation, we may face difficulties integrating acquired companies, technologies, personnel, products or operations with our existing business, harmonizing quality control, financial and risk management systems, information systems and customer service functions, and implementing management and internal controls across an expanded scope of operations. We may also face disputes with or breaches by joint venture partners or strategic partners, delays in realizing anticipated benefits, higher-than-expected integration costs, diversion of management attention and difficulties retaining key employees. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects.

We face risk associated with our investment, including the exposure of fair value changes for our financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income and valuation uncertainty.

During the Track Record Period, certain of our financial assets measured at FVPL and financial assets measured at FVOCI are measured at fair value, determined using significant unobservable inputs and valuation techniques. As of December 31, 2023, 2024 and 2025, we recorded financial asset measured at FVOCI of USD3.1 million, USD4.6 million and USD7.9 million, respectively, representing our investment in a private company and investment in listed equity securities. The value of these financial asset measured at FVOCI can fluctuate due to various factors, such as market volatility, changes in interest rates, shifts in our creditworthiness and other market-driven variables. The valuation of these financial assets can be highly uncertain, especially when unobservable inputs are used in valuation models. These inputs might not accurately reflect actual market conditions or could be based on assumptions that may not materialize, leading to potential discrepancies between the recorded fair value and the price we might obtain in an actual transaction. In addition, any changes in the fair value change of financial assets measured at FVPL may adversely affect our profit and loss statements, potentially impacting our overall financial condition and results of operations. Our results of operations are affected by changes in the fair value of our financial assets. As of December 31, 2023, 2024 and 2025, our financial assets measured at FVPL amounted to USD2.3 million, USD2.1 million and USD2.1 million, respectively, representing our investment in unlisted convertible bonds. There can be no assurance that we will recognize fair value gains from financial assets in the future. See Note 17 and Note 28(f) to the Accountants' Report in Appendix I to this document.

We use significant unobservable inputs, such as the expected yield of the underlying investment portfolio and discount rate, in valuing such financial assets. Accordingly, such determination requires us to make significant estimates, which may be subject to material changes. Factors beyond our control can significantly influence and cause adverse changes to the estimates and thereby affect the fair value. These factors include, but are not limited to, general economic conditions, changes in market interest rates and stability of the capital markets. The valuation may involve a significant degree of judgment and assumptions which are inherently uncertain, and may result in material adjustment, which in turn may materially and adversely affect our results of operations.

Our significant cash outflow from operating activities may indicate financial challenges and could have a material adverse effect on our business, financial condition and results of operations.

We experienced a significant cash outflow from operating activities for the years ended December 31, 2024 and 2025. This outflow may indicate challenges in generating sufficient cash from core business operations, which could affect our ability to fund ongoing operations, meet debt obligations, or invest in growth opportunities. If we are unable to improve cash flow from operations or secure alternative sources of liquidity, we may face financial pressures that could have a material adverse effect on our business, financial condition and results of operations.

We may need to raise additional capital to pursue business objectives and respond to business opportunities, challenges or unforeseen circumstances, and financing may not be available on terms acceptable to us, or at all.

As of December 31, 2025, we had cash and cash equivalents of USD9.2 million. However, our expenditures may exceed current expectations due to changes in business conditions or other future developments, and we may require additional funding to support our operations, growth initiatives, product development, marketing, acquisitions or other strategic objectives.

Our future liquidity needs may require us to raise funds through the sale of additional equity or debt securities or by obtaining credit facilities. Additional equity issuances could dilute existing shareholders, while additional debt could increase debt service obligations and impose operational or financial covenants that limit our flexibility.

In addition, there can be no assurance that financing will be available in a timely manner, on commercially acceptable terms, or at all, given uncertainties including our financial condition, market conditions and economic and political conditions in the PRC and elsewhere. Failure to raise sufficient funds could materially and adversely affect our business, financial condition and results of operations.

We operate in a highly competitive market. We may not be able to compete successfully against our existing or potential competitors.

We face intense competition across all of our business lines, including our medicine marketing, promotion and sales business and our maternity and supplements products. Our competitors have their own strengths in differentiation, technology and channel strategy, and many enjoy advantages such as longer operating histories, broader product portfolios, larger customer bases, stronger brand recognition, more extensive distribution networks, and greater financial, marketing and technical resources than we do.

In particular, for medicine marketing, promotion and sales business, our competitors include large national and regional distributors and retail pharmacy chains, as well as local distributors and foreign pharmaceutical service companies. Many of these competitors benefit from broader geographic coverage, deeper market penetration and substantially greater financial, research, marketing and operational resources. Rapid technological change in medicine marketing, promotion and sales services further intensifies competition, as new entrants may respond more quickly to evolving user requirements or regulatory developments.

Overall, competition in our markets is expected to remain intense and may increase further as industry consolidation, new entrants and disruptive technologies emerge. Competitive pressures may require us to reduce prices, increase marketing expenditures, accelerate innovation or accept lower margins, all of which could materially and adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that we will be able to continually differentiate our offerings, maintain strong customer relationships or preserve market share.

Risks Relating to Intellectual Property

Any failure to effectively obtain, maintain, protect, defend, or enforce our intellectual property rights may materially and adversely affect our business, financial condition and results of operations.

Our success depends largely on protecting our proprietary technology, healthcare products and drug candidates from competition through obtaining, maintaining, defending and enforcing intellectual property rights. We seek to secure the broadest possible rights under the laws of each jurisdiction and actively apply for and register patents, trademarks and designs both domestically and internationally. For further information, see "Business – Intellectual Property." However, we cannot guarantee that our intellectual property or other rights are not or will not be misappropriated or infringed, and any enforcement through litigation or arbitration could result in significant costs, divert management attention, and harm our business.

Moreover, if we or our licensors, contractors or collaborators are unable to obtain or maintain patent protection for our drug candidates, products or technologies, our business, financial condition, results of operations and prospects could be materially adversely affected.

Counterfeiting of our products or any failure to maintain trademark registrations could negatively impact our revenue, brand reputation, business and results of operations.

Counterfeiters may illegally manufacture and market formula milk products, pharmaceutical products, functional supplements or other products under our brand. Pharmaceutical products are particularly susceptible given their value and the difficulty of verifying authenticity without specialized equipment. We cannot guarantee that the products we provide will not be subject to counterfeiting or imitation, and any adverse effects on consumers from counterfeit products could result in negative publicity and reputational harm. Counterfeit products may also compete with our genuine products in the market, potentially reducing revenue and affecting our business and results of operations. While we had not encountered material counterfeiting issues during the Track Record Period up to the Latest Practicable Date, we may not be able to effectively enforce our rights against counterfeiters under current legal or regulatory frameworks. Any such counterfeiting could materially and adversely impact our business, financial condition, results of operations and brand reputation.

We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that our employees or third parties have wrongfully used or disclosed trade secrets owned by others.

We rely on a substantial number of trade secrets and know-how related to proprietary product formulations, technologies and production processes, which are not covered by patents and are material to our operations. We have implemented confidentiality and non-compete agreements with key employees and technical personnel to protect sensitive information and prevent disclosure to competitors. During the Track Record Period and up to the Latest Practicable Date, we had not identified any significant breaches of confidentiality or misuse of proprietary information. However, we cannot guarantee that our trade secrets or proprietary information will be fully protected against unauthorized use, misappropriation or disclosure, or that enforcement proceedings would be successful if such events occur. In addition, we may face claims that our employees, collaborators or other third parties have unlawfully used or disclosed trade secrets purportedly owned by others. Defending such claims, regardless of merit, could require substantial time, financial resources and management attention, and could result in reputational harm, operational disruption or adverse legal outcomes.

We rely on collaboration with third parties to develop our core technologies, and any failure to maintain these collaborations or disruptions in our business relationships could adversely affect our ability to develop and commercialize our products.

Our development of certain products depends on intellectual property, including patent rights, obtained through collaboration agreements with third parties, with patents from joint research being co-owned. While these agreements include provisions for protecting intellectual property and assigning liability for breaches, we cannot guarantee that the jointly owned patents will provide exclusive rights to exploit the underlying technology in all fields or territories. Disagreements with collaborators regarding the management, licensing or enforcement of jointly owned patents could lead to costly litigation, delay product development, or limit commercialization opportunities. If the patents fail to provide intended exclusivity, competitors may develop and commercialize competing products. Additionally, future collaboration agreements may include terms more favorable to collaborators, potentially granting third parties rights to use or license jointly owned intellectual property. Any of these events could materially and adversely affect our competitive position, business, financial condition, results of operations and prospects.

We may be subject to intellectual property infringement or misappropriation claims by third parties, which could result in significant costs, liabilities or injunctions and materially and adversely affect our business operations.

Although we currently rely on internally developed intellectual property and assess infringement risk as minimal, we cannot assure third parties, including competitors and licensing-related parties, will not assert intellectual property claims against us. Specifically, for licensed-in drugs, risks include expired or breached licenses, challenged or invalidated underlying IP, or unauthorized sale allegations, which may force sales suspension, legal liabilities or revenue loss.

The risk of such claims may increase as we expand our operations and diversify our product portfolio, and with numerous patent applications pending, we may be unable to determine with certainty whether our products, processes or technologies infringe the rights of others. Any such claims, regardless of merit, could involve us in costly and time-consuming litigation or administrative proceedings, divert management and technical resources, and result in reputational harm. If claims are successful, we may be required to obtain licenses, pay compensation, or cease production or distribution of the affected products. These outcomes could materially and adversely affect our business, financial condition, results of operations and prospects.

Risks Relating to Compliance with Laws and Regulations

The pharmaceutical industry is highly regulated, and the regulatory framework, requirements and enforcement trends may change from time to time. If we are not able to respond promptly to such changes, our business may be affected.

The pharmaceutical industry in the jurisdictions where we operate, including China, Korea and Italy, is highly regulated. We are governed by various local, regional and national regulatory regimes in all aspects of our operations, including importing and distributing pharmaceutical products and environmental protection. We cannot assure you that the legal framework, licensing and certification requirements and enforcement trends in the pharmaceutical industry will not change or that we will be successful in responding to such changes. Such changes may result in increased costs of compliance, which would adversely affect our business, financial condition and results of operations. Any such new laws and regulations and any changes to existing laws and regulations may materially and adversely affect our business.

We are subject to extensive regulation in multiple jurisdictions, and failure to comply with applicable requirements or obtain necessary approvals could materially and adversely affect our business.

Our operations are regulated in various jurisdictions, including China, Korea and Europe, and are subject to a wide range of laws and regulations covering, among others, pharmaceuticals, medical devices, health supplements, environmental protection, advertising and data protection. The regulatory frameworks governing our industry are complex, subject to change and may differ significantly across jurisdictions. For example, the same product may be subject to different classifications and regulatory requirements in different markets, resulting in varying approval processes, compliance obligations and marketing restrictions. Any such differences or changes may lead to delays in product launches, increased compliance costs or restrictions on our market access.

In addition, pharmaceutical distribution, wholesale, retail and manufacturing companies in China are required to obtain permits and licenses from various PRC governmental authorities, which are subject to periodic renewal and reassessment by relevant regulatory authorities. The standards for obtaining or renewing such approvals may change from time to time, and we cannot assure you that we will be able to successfully obtain or renew all required approvals in a timely manner, or at all. Any failure to do so may result in suspension or disruption of our operations.

Furthermore, we are subject to regular inspections, examinations, inquiries and audits by regulatory authorities. Any failure to comply with applicable requirements during the course of such inspections or otherwise may result in administrative penalties, fines, suspension of production or sales, product recalls, withdrawal of approvals or other sanctions. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks arising from trade policies, sanctions, and import and export controls, which could materially and adversely affect our business.

Because we operate in multiple jurisdictions, including China, Korea and Italy, our business is sensitive to changes in international trade policies and regulatory frameworks. Governments may impose or adjust tariffs, trade barriers, embargoes or sanctions with little or no advance notice, for geopolitical, economic or national security reasons. Such measures may restrict our ability to import or sell products, increase our operating costs, or disrupt our supply chains.

Our raw material suppliers may be affected by developments of geopolitical events. These tensions may lead to retaliatory tariffs, tighter customs controls or restrictions on technology transfer, any of which could materially affect our competitiveness and profitability. Changes in trade policies or the imposition of new sanctions could also force us to alter business strategies, restructure supply chains or withdraw from certain markets. Such actions could increase costs, reduce operational flexibility and materially and adversely affect our business, financial condition and results of operations.

For example, the U.S., the United Kingdom, the European Union, the United Nations and other jurisdictions have, through executive orders, passing of legislation or other governmental means, implemented measures that impose economic sanctions or export control restrictions on certain countries or jurisdictions, persons or organizations within these countries or jurisdictions, or targeted industry sectors, groups of companies, or persons. Specifically, the U.S., in coordination with the United Kingdom and the European Union, among others, has implemented sanctions and export control measures targeting Russia and Russian-controlled regions of Ukraine. These measures include, among others, (i) blocking sanctions prohibiting dealings with various Russian senior government officials and companies in various sectors important to the Russian economy, including major Russian financial institutions; (ii) expanded sectoral sanctions related to designated Russian entities' ability to raise capital; (iii) the disconnection of certain Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") financial messaging network; (iv) bans on new investment in Russia; (v) bans on the conduct of business or investment activity in the Russian-controlled regions of Ukraine; and (vi) ban on exporting, selling or supplying certain services to Russia, including accounting and management consulting services. As of the Latest Practicable Date, these sanctions and export control regimes had not had any material adverse impact on our business, nor have we been subject to liabilities arising from any violation of these sanctions or export control-related measures. Existing or future export controls and economic sanctions imposed on transactions with entities in countries or regions subject to such restrictions (including Russia) could limit or prevent us from pursuing future business opportunities in those jurisdictions. Any violation by us or our business partners of applicable sanctions or export control laws could expose us to liabilities, financial losses and reputational harm. In addition, the ongoing conflict between Russia and Ukraine may continue to contribute to disruption, instability and volatility across global markets and industries, any of which could adversely affect our operations. The potential impact of sanctions, export controls and the conflict remains highly uncertain, and material changes in such legal regimes could impose additional compliance obligations or otherwise adversely affect our global business.

Furthermore, in recent years, the U.S. has increased export controls restrictions through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce, which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the "**Entity List**"). In recent years, the U.S. has placed certain entities, including a number of entities in China and Russia, on the Entity List, which imposes licensing requirement for the export, re-export and/or transfer (in-country) of items that are subject to the EAR. As of the Latest Practicable Date, such restrictions had not had any material adverse effect on our business operations, and based on our current understanding and interpretation, we do not expect that they would materially and adversely impact our business operations. However, we cannot be certain what additional export control-related actions the U.S. government may take that could impact our offerings, suppliers or customers.

Separately, we may be subject to review and enforcement under laws governing foreign investment and acquisitions. In both U.S. and non-U.S. jurisdictions, these regulatory frameworks may apply differently depending on the nature of a company and its investor profile. For example, on October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Outbound Investment Rule, which became effective on January 2, 2025. The Outbound Investment Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. The U.S. government may expand the scope of sectors and technologies subject to the Outbound Investment Rule or introduce additional laws further restricting outbound investment involving China. For instance, on February 20, 2025, President Donald Trump issued a memorandum entitled "America First Investment Policy," proposing a potential expansion of the technologies of concern and a reassessment of existing exceptions under the Outbound Investment Rule, including possible changes to the exception for publicly traded securities. Any expansion of these restrictions or the introduction of new legislation could limit the ability of companies (including our own) to raise capital from U.S. investors and could restrict or prohibit U.S. investors from trading the securities of such companies, potentially adversely affecting the value of those securities.

Moreover, on December 27, 2024, the U.S. Department of Justice, or the DOJ, issued the Final Rule implementing the Executive Order on Preventing Access to Americans' Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern. The Final Rule became effective on April 8, 2025, and prohibits or restricts certain transactions that may result in access to bulk U.S. sensitive personal data or government-related data by countries of concern, including China, and requires service providers to strengthen their technology infrastructure to meet specified security requirements. This rule and similar regulations that have been or may be implemented relating to cross-border data transfers impose substantial financial, operational, administrative and compliance burdens on us, and failure to comply with these requirements could result in suspension of the relevant business, significant fines and other administrative penalties, regulatory investigations or enforcement actions against us, serious harm to our reputation, or even criminal liability.

It remains uncertain what further actions may be taken by the U.S. or other governments in relation to international trade policy, cross-border commerce, or other trade-related matters. The implementation of new tariffs, economic sanctions, export controls, or other relevant legislation or regulations, or the renegotiation of existing trade agreements, could materially and adversely affect our business, financial condition, and results of operations.

We may be subject to claims, disputes, regulatory investigations, and other legal proceedings in the ordinary course of our business, which could materially and adversely affect us.

From time to time, we may be involved in claims, disputes and legal proceedings arising in the ordinary course of business. Such matters may relate to, among others, alleged breaches of contract, employment or labor disputes, infringement of intellectual property rights, environmental issues, tax or other regulatory and commercial matters.

In particular, the manufacture and sale of products expose us to potential product liability claims if any products fail, or are alleged to have failed, to meet applicable health, safety or other regulatory requirements, or are claimed to have caused illness or adverse health effects. If we are unsuccessful in defending against such claims, we may be subject to substantial damages or penalties. Even claims without merit could result in significant costs, diversion of management resources and harm to our reputation.

Furthermore, claims or proceedings may arise in connection with defective supplies or raw materials provided by our suppliers. In such cases, we may not be able to obtain timely or adequate indemnification from those suppliers, if at all, which could exacerbate the financial and operational impact of such claims. In addition, from time to time we may also be subject to disputes or regulatory investigations and proceedings relating to tax. For example, we were subject to a tax investigation conducted by the Korean National Tax Service ("**NTS**") from December 2024 to March 2025. The investigation relates to the fair value of the early redemption rights under the convertible bonds originally issued by Ofmom HK in June 2014 to NMSESG LLC, a financial institution. Mr. Lim, our founder, executive Director and Controlling Shareholder, designated us as the party entitled to exercise such early redemption rights. The NTS challenged the valuation method used by us, which valuation had been obtained from a Hong Kong valuation agency and relied upon by us, and further asserted that we should be taxed on the profit realized from the conversion of the convertible bonds into shares in 2019. Upon conclusion of this investigation, the NTS issued a tax assessment on October 17, 2025 against us for an additional tax liability of KRW5.3 billion, which also includes a surtax. We have paid this tax liability in full and subsequently filed an appeal with the Korean tax tribunal on October 21, 2025. As the assessed amount of KRW5.3 billion, including the applicable surtax, has already been paid and the appeal process is currently ongoing, we believe that the likelihood of any contingent liability arising from this matter appears to be low.

However, the results and impact, including financial and reputational, of these proceedings are inherently difficult to estimate, and accordingly any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our expansion into international markets may be subject to significant risks.

International markets represent an important component of our growth strategy, and we have already established operations in China, Korea and Italy. In 2023, 2024 and 2025, our revenue generated from overseas markets amounted to USD5.1 million, USD4.5 million and USD3.3 million, respectively, representing 1.5%, 1.6% and 1.1% of our total revenue, respectively. While we intend to continue expanding internationally, our efforts expose us to a number of additional risks that may not be present in our domestic operations. These include the difficulty of effectively enforcing contractual rights in foreign jurisdictions, uncertainties in establishing and maintaining collaboration or licensing arrangements with third parties for sales, marketing and distribution, and the potential diversion of management resources in pursuing such arrangements.

Our international operations are also vulnerable to unexpected changes in trade policies, including tariffs, sanctions, embargoes and other trade restrictions, as well as evolving regulatory requirements that could increase our costs or limit our market access. Compliance with local tax, employment, immigration and labor laws adds further complexity and may increase our operating expenses. In addition, we are subject to currency fluctuations, which could adversely affect our revenues and operating results when translated into our reporting currency.

Moreover, our international business may be disrupted by geopolitical events such as conflicts, wars or acts of terrorism, or by natural disasters such as earthquakes, floods, typhoons or other catastrophic events, any of which could impair our supply chains and reduce our ability to procure raw materials or equipment on a timely basis. These and other risks could materially and adversely affect our ability to generate or sustain revenues from international markets and could have a material adverse effect on our business, financial condition and results of operations.

Failure to comply with environmental, fire protection, or health and safety laws and regulations could subject us to fines, penalties, increased costs or operational disruptions.

We are subject to a wide range of environmental, fire protection, and health and safety laws and regulations in the jurisdictions where we operate. These requirements govern, among other things, laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous substances, such as chemical reagents and lubricating oils, which may generate hazardous by-products. Any such incident could expose us to liability for damages, remediation obligations or personal injury claims, which could exceed our resources or insurance coverage.

In addition, compliance with evolving environmental, fire protection and occupational safety regulations may require significant investments in new systems, equipment or processes, such as upgrading our wastewater treatment facilities, implementing stricter workplace safety measures or adopting new fire prevention systems. These compliance costs could be substantial and adversely impact our operating results. Moreover, any actual or perceived failure to comply with applicable requirements could result in administrative or judicial sanctions, including fines, penalties, suspension of operations, or revocation of licenses. Any such occurrence could materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to comprehensive construction project approval, acceptance and safety requirements, and may be exposed to compliance costs, rectification obligations and potential liabilities.

Under PRC laws and regulations, construction entities are required to complete a broad range of approvals, filings and acceptance procedures before commencement and before the relevant facilities are put into use.

During the Track Record Period, certain construction projects in our Zhangjiakou facilities did not fully comply with the applicable approval, filing, planning or acceptance requirements. These historical issues primarily relate to incomplete filings with local authorities of the National Development and Reform Commission, land use and construction planning permits, construction commencement permits, acceptance inspections, and filings or reports required for environmental protection, fire protection, occupational disease prevention and safety facilities. As of the Latest Practicable Date, we also had several self-built premises in our Zhangjiakou facilities that had not completed the relevant procedures and therefore had not obtained the relevant real property ownership certificates. Failure to complete such procedures may give rise to administrative actions in connection with such self-built premises by the relevant local authorities, including warnings, fines, requirements to undertake remedial measures or, where considered necessary by the authorities, orders to suspend production or operations.

We have implemented, and expect to continue refining, internal policies requiring our PRC subsidiaries to comply with the relevant regulatory requirements and to designate dedicated personnel to monitor implementation, with a view to preventing similar issues in the future.

We believe that the Zhangjiakou facilities have limited revenue contribution and operational significance to us. As such, any fines or potential suspension of these facilities, if imposed, are not expected to have a material adverse impact on our overall business operations or financial performance. Although we believe that the above historical non-compliance incidents will not have a material adverse impact on our business, financial condition or results of operations, we cannot assure you that the competent authorities will not impose penalties, rectification orders or operational restrictions on us as a result of these matters. We also cannot guarantee that additional or more stringent approval, acceptance or safety requirements will not be imposed in the future, or that we will be able to fully comply with all such requirements in a timely manner.

We face certain risks relating to our leased properties, including any legal defects and unforeseen lease terminations of such properties.

As of the Latest Practicable Date, we leased 14 properties in the PRC with a total gross floor area of approximately 15,419 sq.m. The properties we lease are primarily used for office premises, warehouses and laboratories. Certain of our leased properties had not been registered with the relevant local authorities. There is no assurance that the lessors will cooperate and complete the lease registration in a timely manner. Failure to complete the lease registration will not affect the legal effectiveness of the lease agreements according to PRC law, but the real estate administrative authorities may require the parties to the lease agreements to complete lease registration within a prescribed period of time, and the failure to do so may subject the parties to fines from RMB1,000 to RMB10,000 for each of such lease agreements. As of the Latest Practicable Date, we had not been ordered by any PRC government authorities to register any lease agreements. However, if we are fined for unregistered leases, we may be unable to recover those penalties from our lessors.

Furthermore, we cannot assure you that we are able to renew our lease on commercially acceptable terms upon expiry, or at all. Among our leased properties, certain leased properties have been used for purposes other than the lease certificate, and subject to mortgage. If the title of any of our leased properties is controversial or the validity of the relevant lease is challenged by any third party, or if we fail to renew our lease upon expiry, we may be compelled to relocate from the affected premises. Such relocation may result in additional expenses or business interruption, which could, in turn, have an adverse effect on our business, financial condition and results of operations.

Any delay in the payment of social insurance and housing provident funds for our employees in accordance with applicable rules and regulations may have an adverse impact on us.

Pursuant to applicable PRC laws and regulations, we are obliged to contribute to social insurance and housing provident funds for all our employees. During the Track Record Period, the payment of social insurance and housing provident funds for certain of our employees was delayed due to their late commencement of employment. We have since made the supplementary contributions for those employees. However, we cannot assure you that similar delays will not occur in the future. As a result, we may face supplementary contribution demands, late fees, and/or penalties. In 2023, 2024 and 2025, the shortfall amount of social insurance and housing provident fund contributions was USD5,286.4, USD5,568.9 and USD6,343.5, respectively.

During the Track Record Period, certain of our PRC operating entities engaged third-party human resources agencies to make such payments, which may not be viewed as valid contributions made by us. If these third-party agencies fail to make full and/or timely payments of social insurance or housing provident funds for the relevant employees, or if the validity of such arrangements is challenged by the authorities, we may be subject to supplementary contribution requirements, late fees, and/or penalties imposed by the relevant authorities. We might also face potential labor disputes with the affected employees arising from these arrangements.

As of the Latest Practicable Date, we had not received any administrative penalties or notices from relevant authorities regarding the above arrangements. However, we cannot guarantee that the competent PRC authorities will not require us to make supplemental social insurance and housing provident fund contributions, or impose fines and legal sanctions in relation to our failure to make social insurance and housing fund contributions for all employees, or our practice of engaging third-party agencies to make payments, any of which could adversely affect our business, financial condition and results of operations.

Failure to comply with anti-corruption, anti-bribery and anti-money laundering ("AML") laws and regulations, or to effectively monitor the conduct of our employees, affiliates and business partners, could materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

We are subject to extensive anti-corruption, anti-bribery and AML laws and regulations in the jurisdictions where we operate, as well as international frameworks such as the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and sanctions administered by the U.S. Office of Foreign Assets Control. These laws impose strict requirements on our operations and on the conduct of our employees, affiliates, suppliers, distributors and other business partners.

While we have adopted internal compliance programs and policies, including codes of conduct, training and monitoring measures, these may not be sufficient to ensure compliance at all times. We have limited ability to control the behavior of third parties with whom we conduct business. If any of our employees, affiliates, suppliers, distributors or other partners engage in conduct that violates applicable anti-corruption, anti-bribery or AML laws – even if without our knowledge – we may be subject to civil or criminal penalties, fines, sanctions, disgorgement of profits, reputational damage and other consequences.

In addition, regulatory authorities may adopt stricter requirements or interpret existing laws and regulations in ways that differ from our understanding, thereby increasing our compliance burden. Any actual or alleged non-compliance, regardless of its materiality, may subject us to investigations, enforcement actions, penalties or litigation. Even unsuccessful allegations could result in negative publicity and harm our corporate reputation, brand and relationships with customers, regulators and business partners.

Failure to comply with these laws and regulations, or failure to effectively monitor and manage the conduct of those acting on our behalf, could materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

Risks Relating to Our Employees and Other Operations

Increases in labor costs, shortages of labor or deterioration in labor relations may hinder our growth and materially and adversely affect our business, financial condition and results of operations.

Labor costs in the PRC and other markets where we operate have been rising and may continue to increase due to regulatory changes, inflationary pressures, social insurance obligations and competition for skilled workers. Although we have made improving operational efficiency and automation a key long-term strategy to mitigate cost pressures, if labor costs increase at a pace that outstrips our productivity gains, or if we are unable to partially pass such cost increases on to customers through product innovation and value-added services, our margins and profitability may come under pressure.

In addition, we rely heavily on maintaining an adequate workforce to support our manufacturing, distribution and research operations. Any labor shortage, whether as a result of demographic shifts, regulatory restrictions, public health crises or industry competition, may hinder our ability to meet production schedules, execute growth initiatives, or expand our operations.

We also depend on stable labor relations. Although we have not experienced any material labor disputes to date, we cannot guarantee that disputes, strikes, slowdowns or other disruptions will not occur in the future. Deterioration in our labor relations could lead to interruptions in our operations, loss of skilled employees and institutional know-how, increased recruitment and training costs, and potential reputational damage. Any increase in labor costs, labor shortages, or deterioration in labor relations could therefore materially and adversely affect our business, financial condition, results of operations and prospects.

Our business depends substantially on the continuing efforts of our management and key employees, and any failure to attract, motivate or retain such personnel could materially and adversely affect our business, financial condition and results of operations.

We rely on the expertise and dedication of our executive officers, R&D personnel and other key employees to develop, gain regulatory approval for, and commercialize pharmaceutical products. Recruiting and retaining qualified scientific, clinical, manufacturing and sales personnel is critical to our success, but the pool of suitably skilled candidates is limited, competition for talent is intense, and replacement of key personnel may be difficult and time-consuming. Although we use performance-based rewards, and ongoing training programs to retain talents, any inability to attract, retain or motivate high-quality personnel could impede our research, development and commercialization efforts and materially limit our growth strategy.

Any misconduct or non-compliance with relevant laws and regulations by our employees, affiliates, customers, suppliers or other business partners, which we may not be able to prevent or detect, could disrupt our business, damage our reputation, and materially and adversely affect our business, financial condition and results of operations.

We may be exposed to fraud, bribery, or other misconduct by employees, customers or third parties, which could result in financial losses, regulatory sanctions and reputational harm. Although we have internal control procedures designed to monitor operations and ensure compliance, such procedures may not identify all incidents of non-compliance, suspicious transactions or corruption in a timely manner or at all. It is not always possible to detect or prevent fraud, bribery or other misconduct, and our preventive measures may be ineffective. Any occurrence of such events could generate negative publicity and materially and adversely affect our business, financial condition and results of operations.

Any significant failure, weakness, interruption, cyber event, incident or breach of security of our operational systems could expose us to cybersecurity risks and materially affect the availability and effectiveness of our solutions.

Our information technology systems may be vulnerable to damage or interruption from events beyond our control, including power outages, fire, natural disasters, system failures, viruses or security breaches. Significant system failures, or loss or leakage of confidential information, could disrupt operations, result in transaction errors, processing inefficiencies or loss of sales and customers, and materially harm our business. Security breaches, whether from hacking, unauthorized access, intentional or inadvertent transmission of malware, or other malicious or inadvertent actions, could compromise our data, software, hardware or corporate systems. Such breaches could also affect customer data stored in our systems, undermine confidence in our security measures, result in financial losses, trigger remediation or investigation costs, and damage our reputation. Any of these events could materially and adversely affect our business, financial condition and results of operations.

The appraised value of our investment property may be different from its actual realizable value and is subject to change.

The appraised value of our investment property as set forth in the property valuation report contained in Appendix III is based on multiple assumptions that include elements of subjectivity and uncertainty. Although Colliers Valuation Italy S.r.l has adopted valuation methodologies commonly employed for comparable real estate assets in preparing the valuation report, the assumptions made may not be fully accurate or aligned with the actual conditions of the market and the property. As a result, the appraised value of our investment property may differ materially from the price we would receive in an actual sale of the property in the market and should not be taken as its actual realizable value or a forecast of its realizable value. Unforeseeable changes as well as national and local economic conditions may affect the value of our investment property.

In addition, the appraised value of our investment property is based on key assumptions including the property's market position, levels of reversionary capitalization rate, rent and/or price. See "Financial Information – Discussion of Certain Key Statement of Financial Position Items – Properties and Valuation" for details.

Our future share-based payments may cause shareholding dilution to our existing Shareholders, which may have a material and adverse effect on our financial performance.

During the Track Record Period, we did not provide share-based awards to our employees. However, we believe the granting of share-based awards may enhance our ability to attract and retain key personnel and employees in the future. As a result, to incentivize our employees, we may incur share-based payment expenses in the future. Issuance of shares with respect to such share-based payments may cause shareholding dilution to our existing Shareholders. Moreover, the expenses incurred with respect to such share-based payments may also increase our operating expenses and therefore have a negative effect on our financial performance.

Our insurance coverage may not be adequate to protect us from all business risks, which could subject us to significant costs and business disruption.

We may not have sufficient insurance to cover all potential risks and losses that could arise in the course of our operations. Events such as natural disasters, fires, severe weather, power outages, accidents or other disruptive incidents may not be fully covered by our insurance policies. If our business operations are disrupted or interrupted for a significant period, we could incur substantial costs or losses, which could materially and adversely affect our business, financial condition and results of operations.

Pandemics, epidemics, natural catastrophic events, terrorist activities, political unrest and other outbreaks could materially and adversely affect our business, financial condition and results of operations, and the extent of such impact cannot be predicted.

Outbreaks of contagious diseases or other public health emergencies, as well as natural disasters, political unrest or terrorist activities, could disrupt business operations, restrict access to raw materials, and impede manufacturing, shipping or other essential activities. Such events could lead to temporary closures of facilities, operational delays and reduced production capacity. Any of these disruptions could materially and adversely affect our business, financial condition, and results of operations.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in the economic, political or social conditions or laws, regulations and government policies and uncertainties in the interpretation and enforcement of laws and regulations in the countries and regions where we operate could affect our business, financial condition and results of operations.

Our operations are substantially conducted in the PRC, and we are subject to numerous government regulations in China. Complying with current and future regulatory requirements may involve costs, which could affect our business. Our operations across pharmaceuticals, pharmaceutical marketing, maternal and infant products, dairy and probiotics are supervised by regulatory authorities such as the National Medical Products Administration ("**NMPA**") and the State Administration for Market Regulation ("**SAMR**"), covering product development, manufacturing, packaging, sales and promotion. As the regulatory framework continues to develop, changes in interpretation and enforcement may affect our operations and compliance costs.

In the pharmaceutical and pharmaceutical marketing sectors, we are required to comply with comprehensive regulations related to drug approval, distribution, and promotion. For instance, the Good Supply Practice ("**GSP**") sets out specific requirements for our distribution operations. At the same time, government policies such as VBP may affect the pricing and profitability of certain pharmaceutical products, and our marketing activities must adhere to the Anti-Unfair Competition Law and other relevant laws.

Similarly, our maternal and infant, dairy and probiotics businesses are subject to extensive food safety laws and standards, including specific manufacturing and labeling requirements. The Measures on the Registration of Infant Formula Recipes being one of the key regulations applicable to our maternal and infant business. For products with health functions, such as probiotics, their advertising and health claims must also comply with relevant laws and regulations to ensure accuracy.

We believe we have obtained the material licenses and permits required for our current business operations, but these are subject to expiration and renewal. However, we cannot assure that future regulations will not change or that existing regulations will not be reinterpreted. Adapting to new regulatory requirements may require additional resources or operational adjustments, and any non-compliance may result in penalties, fines, product recalls or suspension of licenses, adversely affecting our business, financial condition and results of operations.

PRC laws and regulations evolve in accordance with economic and social developments, and their interpretation and enforcement by regulatory authorities involve inherent uncertainties. We may not be able to anticipate or fully comply with all regulatory developments on a timely basis. In addition, PRC authorities have broad discretion in the interpretation and enforcement of laws, and administrative or judicial proceedings may result in substantial costs, diversion of management attention and adverse outcomes. Regulatory authorities may also impose new requirements, conduct investigations or take enforcement actions, which could significantly affect our operations, our ability to obtain financing and the trading price of our Shares.

Regulations regarding acquisitions impose significant regulatory approval and review requirements, which could make it more difficult for us to pursue growth through acquisitions and subject us to fines or other administrative penalties.

Under the PRC Anti-monopoly Law, companies undertaking certain investments and acquisitions relating to businesses in China must notify and obtain approval from the SAMR, before completing any transaction where the parties' revenues in China exceed certain thresholds and the buyer would obtain control of, or decisive influence over, the other party, or where other merger control filing obligations are triggered. In addition, we need to notify other PRC regulatory authorities if the investment or acquisition is in certain industries. The SAMR, the Cyberspace Administration of China (the "**CAC**") and other regulatory agencies in China are enhancing merger control review in key areas, including national interest and people's livelihood, finance, technology and media. On August 8, 2006, six PRC regulatory agencies, including the Ministry of Commerce ("**MOFCOM**"), the State-owned Assets Supervision and Administration Commission of the State Council, the State Taxation Administration (the "**STA**"), the State Administration for Industry & Commerce (the "**SAIC**"), the CSRC, and the PRC State Administration of Foreign Exchange ("**SAFE**"), jointly adopted the Interim Provisions on the Takeover of Domestic Enterprises by Foreign Investors, or the M&A Rules, effective September 8, 2006, and amended June 22, 2009. Under the M&A Rules, the approval of MOFCOM is required when overseas companies established or controlled by PRC enterprises or residents acquire domestic companies affiliated with them. Applicable PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review.

The Provisions of the State Council on the Thresholds for Filing of Concentration of Undertakings (《國務院關於經營者集中申報標準的規定》) as amended on January 22, 2024, raise revenue-based filing thresholds; the amended PRC Anti-monopoly Law, effective August 1, 2022, increases penalties for failure to file and introduces a "stop-clock mechanism"; and the Provisions on the Review of Concentration of Undertakings (《經營者集中審查規定》), effective April 15, 2023, provide detailed rules allowing the SAMR to suspend review timelines under certain circumstances. Interpretation and enforcement of these regulations remain uncertain, and compliance with filing and approval requirements, including SAMR review, may be time-consuming and subject to regulatory discretion, which could delay or prevent transactions and adversely affect our business expansion and acquisition strategy. Under the PRC Anti-monopoly Law, acquisitions of control, joint control or decisive influence over target companies meeting prescribed revenue thresholds in China, including those exceeding RMB800 million, are subject to SAMR merger control review. Failure to obtain required approvals may result in penalties, including divestitures or restrictions on our operations, which could materially and adversely affect our business, financial condition and results of operations as well as the **[REDACTED]** of our Shares.

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) which were promulgated by the CSRC on February 17, 2023 and took effect on March 31, 2023, and the supporting guidelines promulgated by the CSRC from time to time (collectively, the "**Overseas Listing Trial Measures**"), if a Chinese overseas listed company issues overseas listed securities to acquire assets, such issuance shall be subject to filing requirements. Accordingly, these regulations may restrict our ability to make investments, and may subject any proposed investments to additional delays as well as heightened scrutiny, including after the investments have been made.

Our investment and acquisitions strategy is subject to these laws, rules and regulations. Compliance could be time-consuming, and required approvals from regulatory authorities may impair our ability to complete such transactions, potentially affecting future investments and acquisitions in a timely manner or at all.

Any discontinuation of preferential tax treatments, government grants or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.

Our financial condition and results of operations could be adversely affected by the discontinuation of preferential tax treatments and government grants or the imposition of additional taxes. We have benefited from government grants and preferential tax policies in the PRC and Hong Kong, some of which are non-recurring or conditional. For example, we received one-off subsidies in 2023, including a comprehensive bonded zone financial contribution subsidy for Beijing Medi'Care and an equipment purchase subsidy for Ofmom China. The expiration of these one-time grants means that similar future expenditures will need to be funded entirely through our own operational cash flow. While one of our subsidiaries, Coree Wuhan, is eligible for certain financial contribution subsidies from 2024 to 2028, there is no guarantee that the eligibility requirements will be met or that any funds will be received.

In addition, some PRC subsidiaries benefit from preferential income tax rates applicable to small-scale enterprises, which are subject to ongoing qualification requirements, and our Hong Kong subsidiary, Ofmom HK, benefited from a reduced dividend withholding tax rate in 2023, which is granted on a case-by-case basis and may not be available in the future. Failure to maintain eligibility for such benefits or the withdrawal of such concessions would increase our tax burden and reduce our net income and cash flows. Furthermore, the PRC tax system is complex and subject to interpretation, and any adverse determination by tax authorities could result in additional tax liabilities. Any of the foregoing, or the imposition of new taxes or surcharges, could materially and adversely affect our business, financial condition and results of operations.

***Regulations on the remittance of RMB into and out of China and currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your* [REDACTED].**

A substantial portion of our revenue is denominated in Renminbi. The Renminbi under the "current account", including dividends, trade and service-related foreign exchange transactions is readily convertible. The currency conversion of Renminbi under "capital account", including foreign direct investment and loans, requires approval from or registration with appropriate governmental authorities or designated banks. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiaries. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our Shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration or filings with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. Pursuant to the SAFE Circular 19, a foreign-invested enterprise may convert up to 100% of the foreign currency in its capital account into RMB on a discretionary basis according to the actual needs. The SAFE Circular 16 extends this discretionary conversion standard to all China-registered enterprises, while restricting converted RMB funds from being used for: (i) expenditures outside the enterprise's business scope; (ii) investment in securities or non-principal-secured financial products; (iii) loans to non-affiliated enterprises (unless permitted within the business scope); and (iv) construction or purchase of non-self-used real estate (except for developers). SAFE Circular 43 further refined these restrictions by removing the prohibition on purchasing residential properties for non-self-use purposes (except for real estate and leasing enterprises), while the remaining three restrictions continue to apply. The PRC government may further restrict access to foreign currencies for current or capital account transactions at its discretion. Such restrictions could prevent us from obtaining sufficient foreign currencies to pay dividends to Shareholders, and there is no assurance that future regulations will not further limit RMB remittances into or out of China.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas listings issued by PRC government authorities.

We are subject to evolving PRC laws and regulations regarding overseas listings, and any failure to comply with these new requirements could materially and adversely affect our business, financial condition, and ability to **[REDACTED]** securities in the future.

The PRC regulatory landscape for overseas-listed companies is rapidly evolving, most notably through the Overseas Listing Trial Measures, which establish a comprehensive filing-based system for both direct and indirect overseas offerings and listings by PRC domestic companies. As our primary business operations are conducted within the PRC, we are subject to these new filing requirements for this **[REDACTED]** and any future **[REDACTED]** of securities. The interpretation and implementation of these new rules are still developing, which creates significant uncertainty regarding our future capital-raising activities.

Under the CSRC regulatory framework, we are required to submit a filing with the CSRC within three working days after submitting our **[REDACTED]**. The CSRC filing process requires the submission of extensive documentation and undertakings regarding our compliance with PRC laws and regulations. We cannot guarantee that we will receive the CSRC's clearance for **[REDACTED]**, or any future **[REDACTED]**, in a timely manner, or at all. The filing process could be time-consuming, involve substantial compliance costs, and may subject us to additional scrutiny from PRC authorities. Any comments or concerns raised by the CSRC during the filing process may require us to adjust our **[REDACTED]**, disclose additional information, or could even lead to a suspension of the **[REDACTED]**.

Failure to comply with these filing requirements, or the imposition of more stringent regulations by the CSRC or other PRC authorities, could result in warnings, monetary penalties, rectification orders, prohibitions on future **[REDACTED]**, or **[REDACTED]** restrictions on our securities. Such outcomes would materially hinder our ability to access international capital markets, and potentially causing a decline in the **[REDACTED]** of our shares.

It may be difficult to effect service of process upon us or our Directors or officers, or to enforce foreign court judgments in the jurisdictions where we operate and where our assets are located.

As our assets and personnel are primarily located in the PRC, and most of our directors and senior management reside there, it may be difficult to effect service of process outside of the PRC upon us or these individuals. This could prevent you from initiating legal proceedings against us or our management in a court outside of the PRC, even if you believe you have a valid claim.

On July 14, 2006, Hong Kong and Chinese Mainland entered into the Arrangement between the Courts of the Mainland and Courts of the Hong Kong Special Administrative Region on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters Where the Parties Involved Have a Choice of Court Agreement (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), or the 2006 Arrangement. Pursuant to the 2006 Arrangement, a final judgment on civil or commercial matters entered by Hong Kong courts can be recognized and enforced in Chinese Mainland by application to a competent court of Chinese Mainland if the judgment awards monetary payment and the parties thereto have agreed in writing to submit the matter exclusively to Hong Kong courts for resolution. Similarly, a final judgment entered by a PRC court on civil or commercial matters are enforceable in Hong Kong if the judgment awards monetary payment and the parties thereto have agreed in writing to submit the matter exclusively to PRC courts for resolution.

On January 18, 2019, the Supreme People's Court of the PRC and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**2019 Arrangement**"), which seeks to establish a bilateral legal mechanism that provides clarity and certainty for the recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and Chinese Mainland, based on criteria other than a written choice of court agreement. The 2006 Arrangement was superseded upon the effectiveness of the 2019 Arrangement on January 29, 2024 but will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement takes effect.

We may be deemed to be a PRC tax resident under the PRC Enterprise Income Tax Law (the "EIT Law") and our global income may be subject to a 25% PRC enterprise income tax.

Under the EIT Law and its implementation rules, an enterprise established outside the PRC with a "de facto management body" within China is considered a "resident enterprise." The rules define "de facto management bodies" as bodies that exercise substantial and overall management and control over the production and operations, personnel, accounting, and properties of the enterprise. Furthermore, the Notice of the SAT Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) sets out specific criteria for such a classification, which include an assessment of whether: (i) the senior management and core operational departments are located in the PRC; (ii) financial and personnel decisions are made or approved in the PRC; (iii) the main properties, accounting books, corporate seals and board and shareholders meeting minutes are located or maintained in the PRC; and (iv) a majority of the directors or senior management with voting rights habitually reside in the PRC.

As a significant portion of our operational management is based in the PRC, the PRC tax authorities may determine that our Company qualifies as a PRC resident enterprise, subjecting us to a uniform 25% enterprise income tax on our worldwide taxable income. This would significantly increase our overall tax burden and subject us to PRC enterprise income tax reporting obligations.

Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax laws.

Under the EIT Law, if our Company is classified as a "PRC resident enterprise," any dividends paid by us to our non-PRC Shareholders, as well as any gains realized by such Shareholders from the transfer of our shares, may be treated as income derived from sources within the PRC. PRC tax law currently imposes a 10% withholding tax on dividends paid by a PRC resident enterprise to its non-PRC resident enterprise shareholders and a 20% withholding tax on dividends paid to non-PRC individual shareholders, unless any such rate is reduced under an applicable tax treaty. Similarly, any gain realized by non-PRC resident enterprise Shareholders from the transfer of our shares may be subject to a 10% PRC tax, and a 20% tax may be imposed on gains realized by non-PRC individual Shareholders.

The classification of our company as a "PRC resident enterprise" depends on a number of factors concerning our management and control. Although we do not believe we should be treated as a PRC resident enterprise, the PRC tax authorities have ultimate discretion in this determination.

If we were to be treated as a PRC resident enterprise, the imposition of such PRC withholding taxes would reduce the net cash returns available to our non-PRC Shareholders. This could have a material and adverse effect on the value of your **[REDACTED]** and the **[REDACTED]** of our shares. Furthermore, any requirement for you to comply with PRC tax reporting procedures could create an additional administrative burden. There can be no assurance that the PRC tax authorities will not impose such taxes on our non-PRC Shareholders in the future.

We rely principally on dividends paid by our subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business.

As a holding company, our ability to meet our cash requirements, including the payment of any future dividends to our Shareholders and our corporate and operational expenses, depends on the dividends and other distributions from our PRC subsidiaries, which are subject to restrictions under PRC laws and regulations. Dividends may only be paid out of accumulated after-tax profits determined in accordance with PRC accounting standards, and our PRC subsidiaries are required to set aside a portion of their after-tax profits as statutory reserve, which are not distributable as cash dividends. In addition, the ability of our subsidiaries to make distributions depends on their financial performance, profitability and cash flow needs, including working capital, capital expenditure and debt, and is subject to the discretion of their boards of directors. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could restrict our ability to fund our operations and pay dividends to our Shareholders, which could materially and adversely affect our business, financial condition and the **[REDACTED]** of our Shares.

Tensions between South Korea and North Korea could have an adverse effect on the Company and the* [REDACTED] *of our Shares.

A portion of our business is related to South Korea, exposing us to geopolitical risks on the Korean Peninsula. The region has a long history of instability, and North Korea's continued development of nuclear weapons and ballistic missile technology, along with periodic provocations, could escalate into military conflict with significant regional repercussions.

Although our primary operations are located within China, our business related to South Korea makes us susceptible to the economic and political fallout, including depreciation of the Korean Won, economic contraction, supply chain disruptions, and adverse impacts on our South Korean business partners.

Furthermore, any significant political instability or military conflict on the Korean Peninsula could dampen **[REDACTED]** sentiment towards companies with regional exposure, regardless of direct operational impact. Consequently, any deterioration in inter-Korean relations could materially and adversely affect our business, financial condition, results of operations, and the **[REDACTED]** of our Shares.

Fluctuations in exchange rates may result in foreign currency exchange losses or a decrease in our gross profit margin.

Fluctuations in exchange rates may result in foreign currency exchange losses or a decrease in our gross profit margin. We are subject to foreign exchange risk through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency. The currencies giving rise to this risk are primarily Korea Won, Euro and RMB. Our foreign exchange difference, net amounted to a gain of USD0.3 million, a loss of USD1.1 million and a gain of USD0.9 million in 2023, 2024 and 2025, respectively. The value of USD, our functional currency, against other currencies may fluctuate, subject to changes resulting from relevant government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact those exchange rates in the future.

RISKS RELATING TO THE [REDACTED]

There has been no prior* [REDACTED] *for our Shares prior to this* [REDACTED]*, and there can be no assurance that an active* [REDACTED] *would develop, especially taking into account that certain of our existing Shareholders may be subject to a lock-up period, and the* [REDACTED] *and* [REDACTED] *of our Shares may be volatile.

Prior to the **[REDACTED]**, there has been no **[REDACTED]** for our Shares. The **[REDACTED]** for our Shares to the **[REDACTED]** will be the result of negotiations between us and the **[REDACTED]**, and the **[REDACTED]** may differ significantly from the **[REDACTED]** of our Shares following the **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]**, the Shares. A **[REDACTED]** on the Stock Exchange, however, does not guarantee that an active and **[REDACTED]** for our Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]**, or that the **[REDACTED]** of our Shares will not decline following the **[REDACTED]**. The **[REDACTED]** and **[REDACTED]** of our Shares may be volatile.

Moreover, companies listed on the Stock Exchange with operations and assets in China have historically experienced significant share price volatility. Our Shares may similarly be subject to changes in price not directly related to our performance and as a result, **[REDACTED]** in our Shares may suffer substantial losses.

You will incur immediate and significant dilution and raising additional Shares or other equity securities in the future 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 order to expand our business, we may consider raising additional capital. 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 make certain types of investments, or declaring dividends. Furthermore, we may issue Shares pursuant to the equity plans, which would further dilute Shareholders' interests in our Company.

Future sales or perceived sales of substantial amount of our Shares in the* [REDACTED]*, especially by our directors, executive officers and substantial shareholders, could materially adversely affect the prevailing* [REDACTED] *of our Shares and our ability to raise capital in the future.

Our Shares held by our Controlling Shareholders are subject to certain lock-up periods, the details of which are set out in the section headed "**[REDACTED]**" in this document. However, there is no assurance that after the restrictions of the lock-up periods expire, our Controlling Shareholders will not dispose of any Shares. Sale of substantial amounts of our Shares in the **[REDACTED]**, or the perception that these sales may occur, may materially and adversely affect the prevailing **[REDACTED]** of our Shares.

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from public sources or other sources contained in this document.

Facts, forecasts and other statistics in this document regarding the jurisdictions and the market where we operate have been derived from publications and we can guarantee neither the quality nor the reliability of such source materials. They have not been prepared or independently verified by us, the Sole Sponsor or the **[REDACTED]** or any of its or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may be affected by flawed collection methods or inconsistent standards and may not be comparable across sources. Accordingly **[REDACTED]** should exercise their own judgment as to the weight placed on such information.

There can be no assurance whether and when we will pay dividends in the future.

Our ability to declare future dividends will depend on distributions from our operating subsidiaries, which are subject to legal and constitutional restrictions. Differences between applicable accounting standards and HKFRS may prevent subsidiaries from paying dividends even when profitable under HKFRS, potentially leaving insufficient distributable profits for distributions. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Law and will be at the absolute discretion of our Board. Our Shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. See "Financial Information – Dividends."

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

[REDACTED] are strongly advised to read this entire document carefully and should not rely on any press or media coverage relating to our Group and the **[REDACTED]**. Our Directors do not accept responsibility for the accuracy or completeness of any such external information, which is neither sourced from nor authorized by our Directors or management. **[REDACTED]** should rely only on the financial, operational and other information included in this document.

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

Immediately upon completion of the **[REDACTED]** and assuming the **[REDACTED]** is not exercised, our Controlling Shareholders will be interested in approximately **[REDACTED]**% of our total issued share capital. Our Controlling Shareholders will have significant influence on us on various important corporate actions requiring the approval of Shareholders, such as mergers and acquisitions, disposal of assets, election of Directors, and timing and amount of dividends and other distributions (if any). This concentration of control may limit your ability to influence such decisions, and potential conflicts between the interests of our Controlling Shareholders and those of other Shareholders could leave minority **[REDACTED]** at a disadvantage.

Forward-looking information in this document is subject to risks and uncertainties.

This document contains forward-looking statements that involve risks and uncertainties, and the underlying assumptions may prove inaccurate, rendering the forward-looking statements incorrect. These statements should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and should be considered alongside the risk factors set forth in this section.

Subject to the requirements of the Listing Rules, we do not intend to publicly update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, undue reliance should not be placed on such statements, all of which are qualified by reference to this cautionary statement.