

REGULATORY OVERVIEW

LAWS AND REGULATIONS IN HONG KONG APPLICABLE TO OUR BUSINESS

All of our business operations are based in Hong Kong and are subject to various laws, regulations, rules, and policies in Hong Kong. This section sets out a summary of the major laws, regulations, rules, and policies which are relevant and material to our business operations in Hong Kong.

Laws and Regulations on Business Registration

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) ("BRO")

Every person (a company or individual) who carries on a business in Hong Kong is required under the BRO to apply for a business registration certificate from the Inland Revenue Department within one month from the date of commencement of the business, and to display a valid business registration certificate at the place of business. Business registration does not serve to regulate business activities and it is not a licence to trade. Business registration serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. Business registration certificate will be issued on submission of the necessary document(s) together with payment of the relevant fee. A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK\$5,000 and to imprisonment for one year.

During the Track Record Period and as at the Latest Practicable Date, the Group held valid business registration certificates.

Laws and Regulations on Healthcare Professionals

Chinese Medicine Ordinance (Chapter 549 of the Laws of Hong Kong) ("CMO")

Pursuant to sections 75 and 76 of the CMO, a person may only practice Chinese medicine if he is (i) a registered Chinese medicine practitioner who is registered under section 69 of the CMO with a practicing certificate; (ii) a listed Chinese medicine practitioner under the transitional provisions listed under section 90 of the CMO; or (iii) a person with limited registration for treating patients in the course of educational or research purposes who is registered under section 85 of the CMO. Under section 108(2) of the CMO, any person who is not a registered Chinese medicine practitioner or listed Chinese medicine practitioner practices Chinese medicine commits an offense and is liable to a fine of HK\$100,000 and imprisonment for three years, or on conviction upon indictment to imprisonment for five years.

As some of our treatments are based on the application of traditional Chinese medicine theory and meridian-related concepts, we have employed eight Chinese medicine practitioners, all of whom hold valid and subsisting practicing certificates issued by the Registrar of Chinese Medicine Practitioners, as at the Latest Practicable Date. All of our Chinese medicine practitioners in Hong Kong are registered Chinese medicine practitioners.

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Laws and Regulations on Advertisements

Undesirable Medical Advertisements Ordinance (Chapter 231 of the Laws of Hong Kong) ("UMAO")

The UMAO regulates the advertising of medicines and treatments in Hong Kong, with the purpose of protecting the public from misleading, false, or potentially harmful claims relating to medical products and services. UMAO restricts certain advertisements relating to medical and health matters. It aims to protect public health through prohibiting or restricting the publication of advertisements for medicine, surgical appliance or treatment that may induce the seeking of improper management of certain health conditions.

According to Section 3 of the UMAO, unless by or with due authorisation from relevant authorities, no advertisement shall be published or caused to be published if it is likely to lead to the use of any medicine, surgical appliance or treatment for: (a) the treatment or prevention of any disease or condition listed in column 1 of Schedule 1 to the UMAO, except for a purpose specified in column 2 of the said Schedule; and (b) the treatment of human beings for any purpose listed in Schedule 2 to the UMAO.

Section 2 of the UMAO defines "medicine" to include any kind of medicament or other curative or preventive substance, and whether a proprietary medicine, a patent medicine, a Chinese herbal medicine, a proprietary Chinese medicine, or purported natural remedy. "Advertisement" includes any notice, poster, circular, label, wrapper or document, and any announcement made orally or by any means of producing or transmitting light or sound.

Section 3B of the UMAO provides that no person shall publish, or cause to be published, an advertisement for an orally consumed product which makes for the product a claim specified in column 1 of Schedule 4 to the UMAO, or any similar claim, except as allowed under the provisions in column 2 of that Schedule 4.

Any person who contravenes Section 3 or 3B of the UMAO commits an offence and shall be liable upon a first conviction to a fine at level 5 of HK\$50,000 and imprisonment for 6 months and upon a second or subsequent conviction for an offence under the same section to a fine at level 6 of HK\$100,000 and imprisonment for 1 year.

Under the UMAO, the Group and its advertising practices should not purport to advertise on its treatment or health products if it is likely to lead to their use for the treatment or prevention of the disease or conditions set out under column 1 of Schedule 1 to the UMAO except for a purpose specified in column 2 of the Schedule 1.

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Laws and Regulations on the Supply of Goods and Services

Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) ("TDO")

The TDO seeks to prohibit false trade description, misleading, false or incomplete information, false marks and misstatements in relation to goods and services supplied in the course of trade. Under Section 2 of the TDO, the definition of trade description is broad and includes, inter alia, references to quantity, method of manufacture, composition, fitness for purpose, availability, compliance with a standard specified or recognised by any person, price, approval by any person, a person by whom they have been acquired, the goods being of same kind as goods supplied to a person, place or date of manufacture, etc. Section 2 of TDO further provides that a trade description which is false to a material degree, or which, though not strictly false, is misleading such that it is likely to be taken as a materially false description, will be regarded as a false trade description.

Section 7A makes it an offence for a trader to apply a false trade description to a service supplied or offered to a consumer, or to supply or offer such a service. Sections 13E, 13F, 13G, 13H and 13I of the TDO provide that a trader commits an offence if the trader engages, in relation to a consumer, in a commercial practice that is a misleading omission, or is aggressive, or constitutes bait advertising, or constitutes a bait and switch, or wrongly accepting payment for a product. Pursuant to Section 18 of the TDO, any person who commits an offence under Sections 7, 7A, 13E, 13F, 13G, 13H or 13I shall be liable, on conviction on indictment, to a fine of HK\$500,000 and to imprisonment for 5 years, and on summary conviction, to a level 6 fine of HK\$100,000 and imprisonment for 2 years. However, Sections 30L and 30M empower an officer authorised by the Commissioner of Customs and Excise or the Communications Authority, with the written consent of the Secretary for Justice, to accept a written undertaking from a business or individual not to continue, repeat or engage in conduct constituting an offence under the TDO. Upon acceptance of such an undertaking, neither the Commissioner of Customs and Excise nor the authorised officer may commence or continue an investigation or proceedings in respect of the matter to which the said undertaking relates.

The TDO applies to representations made regarding the Group's treatments, equipment and health products. Claims relating to the effectiveness and scientific basis of the pain-management treatment must be accurate, substantiated and presented with material qualifications. The same considerations apply to statements that the Group's technology is capable of addressing the root cause of pain or capable of producing a particular success rate. The information crucial to customers including prices, package limitations, cancellation arrangements and material treatment conditions should also be disclosed clearly. Awards and testimonials should not be presented in a way that creates a misleading impression of medical endorsement or guaranteed efficacy.

The Hong Kong Government launched a public consultation on 29 June 2026 on proposed amendments to the TDO, with a particular focus on enhancing consumer protection in relation to pre-paid consumer contracts in the beauty, fitness, and similar services industries. The consultation paper mentions the regulation of services involving the use of energetic procedures for beautifying purposes, such as through the use of ultrasound devices to improve body features.

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The major amendments proposed include:

- stipulating a statutory cooling-off period on beauty and fitness services contracts to provide consumers with room to reconsider their pre-payment decisions following the conclusion of contracts;
- imposing a statutory limit on contract duration and other restrictions on beauty and fitness services contracts to prevent consumers from making a large amount of pre-payment, and shorten the duration in which they are exposed to the risks of pre-payment mode of consumption; and
- including Section 13I of the TDO pertaining to the offence of wrongly accepting payment into Schedule 1 to the Organised and Serious Crimes Ordinance to empower the Customs and Excise Department with additional investigatory and enforcement powers.

With regards to our Group's business and service offerings, whereby we rely on energy-based devices to provide pain management and function enhancement services, this may come under the intended regulation of services proposed by the consultation paper – which include contracts for beauty services (e.g., energetic procedures for beautifying purposes). Under the consultation paper, private healthcare facilities and registered healthcare professionals offering beauty or fitness services are also subject to the proposed regime.

If the above proposals come into force, the business operations of our Group may have to observe the newly-implemented statutory requirements with regards to our prepaid packages – including introducing a cooling-off period, limit on contract duration, and the limit on the amount of pre-payment with regards to our service contracts to be entered into with our customers in the future. The above proposed amendments are still subject to the outcome of the public consultation and have not yet been enacted. As the regulatory requirements are still evolving, there is uncertainty as to the final form and scope of the amendments and how they may apply to our business operations. Please refer to the section headed "Risk Factors" for further details on the potential impact of the proposed TDO amendments on our Group's business.

Consumer Goods Safety Ordinance (Chapter 456 of the Laws of Hong Kong) ("CGSO")

The CGSO imposes a statutory duty on manufacturers, importers and suppliers of consumer goods (i.e. goods which are ordinarily supplied for private use or consumption) to ensure that such consumer goods are safe. Section 6 of CGSO provides that no person may supply, manufacture or import consumer goods into Hong Kong unless such consumer goods comply with the general safety requirement under the CGSO or with any applicable safety standard(s) or safety specification(s) approved by the Secretary for Commerce and Economic Development for that category of consumer goods. A person who contravenes Section 6 commits an offence and is liable (i) on first conviction, to a level 6 fine of HK\$100,000 and imprisonment for 1 year; (ii) on subsequent convictions, to a fine of HK\$500,000 and to imprisonment for 2 years; and (iii) in case of a continuing offence, a further fine of HK\$1,000 for each day during which the offence continues, in addition to the penalties above.

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Where the Commissioner of Customs and Excise reasonably believes that consumer goods do not comply with an approved standard, or with a safety standard or safety specification established by regulation, the Commissioner is empowered under the CGSO to (i) serve a prohibition notice prohibiting a person from supplying those consumer goods for a specified period not exceeding 6 months; and (ii) serve a recall notice requiring the immediate withdrawal of any consumer goods if there is a significant risk that the consumer goods will cause a serious injury and do not comply with the approved standard or a safety standard or safety specification established by regulation. Any person who fails or refuses to comply with such prohibition notice or recall notice commits an offence and is liable (i) on first conviction, to a level 6 fine of HK\$100,000 and imprisonment for 1 year; (ii) on subsequent convictions, to a fine of HK\$500,000 and to imprisonment for 2 years; and (iii) in case of a continuing offence, a further fine of HK\$1,000 for each day during which the offence continues, in addition to the penalties above.

Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) ("SOGO")

The SOGO governs the formation, performance and enforcement of contracts for the sale of goods in Hong Kong and the transfer of title in goods sold. The SOGO also sets out certain implied terms or conditions and warranties relating to the safety and suitability of goods supplied under a contract of sale for goods in Hong Kong, including:

- (i) where there is a sale of goods by description, the goods shall correspond with the description;
- (ii) where the seller sells goods in the course of a business, the goods shall be of a merchantable quality, i.e. (a) as fit for the purpose or purposes for which the goods of that kind are commonly bought; (b) of such standard of appearance and finish; (c) as free from defects (including minor defects); (d) as safe; and (e) as durable, as it is reasonable to expect having regard to any description applied to them, the price (if relevant) and all the other relevant circumstances; and
- (iii) where the seller sells goods in the course of a business and the buyer makes known to the seller (whether expressly or by implication) any particular purpose for which the goods are being bought, the goods supplied under the contract shall be reasonably fit for that purpose.

Section 55 of the SOGO provides that where a seller is in breach of a warranty, the buyer is not entitled, solely on that basis, to reject the goods. Instead, the buyer may either rely on the breach of warranty to reduce or extinguish the price payable, or bring an action against the seller for damages for such breach of warranty.

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Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong) (“SSITO”)

The SSITO stipulates that in a contract for the supply of service, where the supplier is acting in the course of a business, there is an implied term that the supplier will carry out the service with reasonable care and skill. The SSITO provides that where, under a contract for the supply of a service by a supplier acting in the course of a business, the time for the service to be carried out is not fixed by the contract, is not left to be fixed in a manner agreed by the contract or is not determined by the course of dealing between the parties, there is an implied term that the supplier will carry out the service within a reasonable time. The SSITO also provides that where, under a contract for the supply of a service, the consideration for the service is not determined by the contract, is not left to be determined in a manner agreed by the contract or is not determined by the course of dealing between the parties, there is an implied term that the party contracting with the supplier will pay a reasonable charge.

Control of Exemption Clauses Ordinance (Chapter 71 of the Laws of Hong Kong) (“CECO”)

The CECO limits the extent to which a business may avoid civil liability through contractual terms, waivers, disclaimers or notices. Section 7 provides that a person cannot exclude or restrict liability for death or personal injury resulting from negligence by reference to a contract term or notice. This prohibition is absolute and is not cured merely because the customer signed the relevant document. In the case of other loss or damage, a person cannot so exclude or restrict his liability for negligence except in so far as the term or notice satisfies the requirement of reasonableness.

The CECO also provides that unless the concerned terms satisfy the test of reasonableness, a person dealing as consumer cannot by reference to any contract term be made to indemnify another person (whether a party to the contract or not) in respect of liability that may be incurred by the other for negligence or breach of contract.

The considerations for reasonableness are set out in schedule 2, including (a) the relative bargaining positions of the parties, (b) whether the customer received an inducement to agree to the term, (c) whether the customer knew or ought reasonably to have known of the term, (d) whether compliance with a condition was practicable and (e) whether the service was adapted to the customer’s special requirements.

Unconscionable Contracts Ordinance (Chapter 458 of the Laws of Hong Kong)

The Unconscionable Contracts Ordinance (Chapter 458 of the Laws of Hong Kong) empowers the court to, with respect to a consumer contract, refuse to enforce the contract, enforce the remainder of the contract without the unconscionable part, or limit the application of, revise or alter any part which is found to be unconscionable so as to avoid any unconscionable result.

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Laws and Regulations on Food Safety and Health Products

Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) ("PHMSO")

The legal framework governing food safety in Hong Kong is primarily set out in Part V of the PHMSO and its subsidiary legislation. Under the PHMSO, food manufacturers and sellers are required to ensure that all food intended for sale is fit for human consumption and complies with applicable requirements on food safety, food standards and labelling.

Section 50 of the PHMSO prohibits the manufacture, advertising and sale in Hong Kong of food and drugs that is injurious to health. A contravention of this provision constitutes an offence punishable by a level 3 fine of HK\$10,000 and imprisonment for 3 months. Section 52 of the PHMSO provides that, subject to the statutory defences set out in Section 53 of the PHMSO, a seller who sells to the prejudice of a purchaser any food and drugs which is not of the nature, substance, or quality demanded commits an offence which likewise carries a penalty of level 3 fine of HK\$10,000 and imprisonment for 3 months. According to Section 54 of the PHMSO, any person who sells or offers for sale any food and drugs that is intended for, but unfit for, human consumption commits an offence punishable by a level 5 fine of HK\$50,000 and imprisonment for 6 months. Section 61 of the PHMSO makes it an offence for any person to sell or display for sale any food and drugs accompanied by a label that falsely describes the food and drugs or is likely to mislead as to its nature, substance, or quality, unless it can be shown that the person neither knew nor could, with reasonable diligence, have discovered the false or misleading nature of the label. It is likewise an offence to publish, or to be involved in the publication of, any advertisement that falsely describes food and drugs or is likely to mislead as to its nature, substance, or quality. An offence under Section 61 of the PHMSO is punishable by a level 5 fine of HK\$50,000 and imprisonment for 6 months.

The Food and Environmental Hygiene Department ("FEHD") is the authority responsible for the enforcement of the relevant food safety laws and regulations. It may take samples of all kinds of food products at their point of entry to Hong Kong. It may prohibit or restrict their importation. In addition, under Section 59 of the PHMSO, the FEHD may examine any food which is, or which appears to be, intended for human consumption, and seize and remove such food or its packaging if it appears to be unfit for human consumption.

Given that the Group's business encompasses the sale of dietary supplement products in our service centres and online shop of our website, its operations fall within the regulatory ambit of the PHMSO and its subsidiary legislation. The Group is required to ensure that all such products offered for sale comply with the applicable statutory requirements on food safety, standards, and labelling.

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Food and Drugs (Composition and Labelling) Regulations (Chapter 132W of the Laws of Hong Kong) ("FDCLR")

FDCLR is a subsidiary legislation of PHMSO which regulates the advertising and labelling of food.

Regulation 3 of the FDCLR requires that food and drugs manufactured shall conform to the standards set out in Schedule 1 thereof. Any person who advertises for sale, sells or manufactures for sale any food which does not meet these standards commits an offence and is liable to a level 5 fine of HK\$50,000 and imprisonment for 6 months. Regulation 4A of the FDCLR provides that unless exempted under Schedule 4, prepackaged food and drugs must be marked and labelled in accordance with Schedule 3. The required particulars under Schedule 3 to the FDCLR in relation to prepackaged food include:

- (i) the food name or designation;
- (ii) the list of ingredients;
- (iii) durability indication, i.e. "best before" or "use by" date;
- (iv) statement of special conditions for storage or instructions for use;
- (v) name and address of manufacturer or packer;
- (vi) count, weight or volume; and
- (vii) language requirement, i.e. the marking or labelling of prepackaged food and drugs shall be in either English or Chinese or in both languages.

Regulation 4B of the FDCLR further requires that prepackaged food to be marked and labelled with its energy value and nutrient content as prescribed in Part 1 of Schedule 5, and provides that any nutrient claims made on the packaging or in advertisement should comply with Part 2 of Schedule 5. Contravention of Regulations 4A and/or 4B of the FDCLR is an offence punishable by a level 5 fine of HK\$50,000 and imprisonment for 6 months.

Laws and Regulations on Competition

Competition Ordinance (Chapter 619 of the Laws of Hong Kong)

The Competition Ordinance (Chapter 619 of the Laws of Hong Kong) aims, inter alia, to prohibit conduct that prevents, restricts or distorts competition in Hong Kong, and to prohibit mergers that have the effect of substantially lessening competition in Hong Kong. There are three competition rules under the Competition Ordinance, namely, the First Conduct Rule, the Second Conduct Rule and the Merger Rule.

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The First Conduct Rule prohibits anti-competitive agreements if the object or effect of the agreement, concerted practice or decision is to prevent, restrict or distort competition in Hong Kong. The Second Conduct Rule prohibits abuse of market power if the object or effect of the conduct is to prevent, restrict or distort competition in Hong Kong. Penalties for infringement of the First Conduct Rule and the Second Conduct Rule that may be imposed by the Competition Tribunal include, among others, financial penalty that may amount to 10% of the turnover of the companies concerned for up to 3 years in which the contravention occurs, disqualification order against a director and prohibition order, etc.

Laws and Regulations on Intellectual Property

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) ("TMO")

The TMO governs the registration, use and protection of registered trade marks in Hong Kong. Trade mark protection in Hong Kong is territorial in nature, therefore, trade marks registered in other countries or regions do not automatically enjoy protection in Hong Kong. In order to obtain protection as registered trade marks in Hong Kong, trade marks must be registered under TMO and the Trade Marks Rules (Chapter 559A of the Laws of Hong Kong). According to Section 10 of the TMO, a registered trade mark is a property right obtained by registration under the ordinance, and the owner of a registered trade mark has the rights and is entitled to the remedies provided by the ordinance. Section 14 further provides that the owner of a registered trade mark has exclusive rights in the trade mark which are infringed by use of the trade mark in Hong Kong without his consent.

Our Group is the registered owner of the trade marks as set out in "Appendix IV – Statutory and General Information – B. Further Information about our Business – 2. Our material intellectual property rights". Conducts which amount to infringement of a registered trade mark are set out in Section 18 of TMO, which include, among others, (i) the use, in the course of trade or business, of a sign identical to the registered trade mark in relation to goods or services to those for which it is registered; (ii) the use, in the course of trade or business, of a sign identical to the trade mark in relation to goods or services which are similar to those for which it is registered; and the use of the sign in relation to such goods or services is likely to cause confusion on the part of the public. Pursuant to Section 22 of the TMO, the registered owner of a trade mark is entitled to commence infringement proceedings once any infringement by third parties occurs, and is entitled to seek remedies including damages, injunctions, taking of accounts or such other relief as is available in respect of infringement of any other property right. The trade mark owner may also apply to the court for an order for delivery up and an order for disposal pursuant to Sections 23 and 25 of the TMO.

Copyright Ordinance (Chapter 528 of the Laws of Hong Kong) ("Copyright Ordinance")

The Copyright Ordinance provides comprehensive protection for recognised categories of work including artistic work. The Copyright Ordinance restricts certain acts such as copying and/or issuing or making available copies to the public of a copyright work without the authorisation from the copyright owner as it may constitute primary infringement. The Copyright Ordinance provides that a person may also incur liability for secondary infringement if that person possesses, sells, distributes or deals with a copy of a work which is, and which he knows or has reason to believe to be, an infringing copy of work for the purposes of or in the course of any trade or business without the consent of the copyright owner.

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Laws and Regulations on Data Protection

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ("PDPO")

The PDPO aims to safeguard the privacy of individuals in relation to personal data. Section 2 of the PDPO defines "personal data" as any data (i) relating directly or indirectly to a living individual; (ii) from which it is practicable for the identity of the individual to be directly or indirectly ascertained; and (iii) in a form in which access to or processing of the data is practicable. The PDPO regulates the conduct of a data user, i.e. person who, either alone or jointly or in common with other persons, controls the collection, holding, processing or use of the personal data. The PDPO sets out six data protection principles which all data user need to comply with, namely:

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| Principle 1 | Purpose and manner of collection:

Personal data should be collected by means which are lawful and fair, and should be collected for a lawful purpose directly related to a function or activity of the data user. The data collected should be necessary, adequate but not excessive. The data subject should be informed of the purpose and the classes of persons to whom the data may be transferred. |
| Principle 2 | Accuracy and duration of retention:

Practicable steps shall be taken to ensure that the personal data is accurate and is not kept longer than is necessary. |
| Principle 3 | Use of personal data:

Unless consent of the data subject is obtained, personal data must only be used for the purpose for which the data is collected or for a directly related purpose. |
| Principle 4 | Security of personal data:

Practicable steps shall be taken to ensure that the personal data held by a data user are protected against unauthorised or accidental access, processing, erasure, loss or use. |
| Principle 5 | Information to be generally available:

Practicable steps shall be taken to ensure that personal data policies and practices are generally available to the public regarding the types of personal data it holds and the main purposes for which the personal data is used. |
| Principle 6 | Access to personal data:

Data subjects must be given access to their personal data and be allowed to make corrections of their personal data. |

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Section 38 of the PDPO empowers the Privacy Commissioner for Personal Data to initiate an investigation against a data user if a complaint is received, or if there is reasonable ground to believe that the data user has done an act or practice or engaged in an act or practice in relation to personal data that may contravene the PDPO. The Commissioner may, under Section 50, issue an enforcement notice directing the data user to remedy the contravention and/or take steps to prevent its recurrence. A data user who fails to comply with an enforcement notice commits an offence and is liable, on first conviction, to a level 5 fine of HK\$50,000 and imprisonment for 2 years on a first conviction. As the Group collects personal information such as names, email addresses and telephone numbers from customers who receives their services and via online purchases, it qualifies as a data user pursuant to the PDPO and is subject to the principles and requirements as set out therein. In this regard, the Group has established internal guidelines to ensure compliance with the PDPO.

Laws and Regulations on Employee Protection

Employment Ordinance (Chapter 57 of the Laws of Hong Kong) ("Employment Ordinance")

The Employment Ordinance regulates the general conditions of employment and matters connected therein in Hong Kong. It provides for the payment of wages, restrictions on deductions from wages, the grant of statutory holidays, and the termination of contract, among other things. In addition, employees under a continuous contract are entitled to benefits such as maternity leave, sickness allowance, paid annual leave, rest days, severance and long service payment under the Employment Ordinance.

Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) ("ECO")

The ECO establishes a no-fault, non-contributory employee compensation system for work injuries, and lays down the rights and obligations of employees and employers respectively in respect of injuries sustained by, or death of, employees as a result of an accident arising out of and in the course of employment, or in respect of specified occupational diseases suffered by the employees. If an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer shall be generally liable to pay compensation in accordance with the ECO.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) ("MWO")

The MWO provides that an employee is entitled to be paid wages not less than the minimum wage in respect of any wage period. The prescribed minimum hourly wage rate at present is HK\$43.10 per hour, effective from 1 May 2026. Pursuant to Section 15, a provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void. The MWO applies to every employee being engaged under a contract of employment to which the Employment Ordinance applies, except those who are employed as a domestic worker in, or in connection with, a household and who dwells in that household free of charge, a student intern, or a work experience student during a period of exempt student employment.

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Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) ("MPFSO")

The MPFSO provides for the establishment and regulation of non-governmental mandatory provident fund schemes, enabling for members of the workforce to accumulate financial benefits for retirement. Unless otherwise exempted, employers are required to arrange their employees who are aged between 18 and 64 and employed for not less than 60 days to be enrolled as a member of a mandatory provident fund scheme ("MPF Scheme"). An employer who without reasonable excuse fails to enroll his employees in a MPF Scheme commits an offence and is liable on conviction to a fine of HK\$350,000 and to imprisonment for 3 years, while an employer who without reasonable excuse fails to comply with the contribution requirement is liable to a fine of HK\$450,000 and to imprisonment for 4 years.

Laws and Regulations on General Compliance

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("IRO")

The IRO is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong) ("OLO")

Our Group conducted our business on leased properties and we are considered to be the occupier of such properties under the OLO. As such, we are required to comply with the OLO, which regulates the obligations of a person occupying or having control of premises on which injury or damage resulting to persons or goods lawfully on the land or other property from dangers.

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) ("OSHO")

The purpose of the OSHO is to ensure the safety and health of employees when they are at work; to prescribe measures that will contribute to making the workplaces of employees safer and healthier for them; to improve the safety and health standards applicable to certain hazardous process, plant and substances used or kept in workplaces; and generally to improve the safety and health aspects of working environments of employees. The employer shall ensure the safety and health at work of all his employees by (i) providing and maintaining plant and work systems that are safe and without risks to health; (ii) making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances; (iii) providing all necessary information, instruction, training and supervision as may be necessary to ensure the safety and health at work of his employees; (iv) maintaining the workplace in a condition that is safe and without risks to health; (v) providing or maintaining safe means of access to and egress from the workplace; and (vi) providing and maintaining a working environment that is safe and without risks to health.

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Failure to comply with the above requirements constitutes an offence and the employer is liable on conviction to a fine of HK\$200,000. An employer who fails to comply intentionally, knowingly or recklessly commits an offence and is liable on conviction to a fine of HK\$200,000 and to imprisonment for 6 months. Under Sections 9 and 10 of the OSHO, the Commissioner for Labour may serve an improvement notice on an employer, or an occupier of premises where a workplace is located, if the employer or occupier contravenes the provisions of the ordinance, or the Commissioner for Labour may serve a suspension notice to the employer or the occupier of premises where there is an imminent risk of death or serious bodily injury in the premises. Failure to comply with the improvement notice constitutes an offence and is liable to a fine of HK\$200,000 and to imprisonment for 12 months, while failure to comply with the suspension notice constitutes an offence and is liable to a fine of HK\$500,000 and to imprisonment for 12 months.