

STATEMENT OF BUSINESS OBJECTIVES AND USE OF PROCEEDS

BUSINESS OBJECTIVES AND STRATEGIES

Our objective is to enhance our market share in the medical aesthetic service industry and continue to strengthen our competitive strengths. See “Business — Our Business Strategies” in this [REDACTED] for details of our business strategies.

IMPLEMENTATION PLANS

We will endeavour to achieve the following milestone events during the period from the Latest Practicable Date to 31 March 2019. The respective scheduled completion times are based on certain bases and assumptions as set out in “Bases and Key Assumptions” in this section. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors as set out under “Risk factors” in this [REDACTED]. Therefore, there is no assurance that our business plans will materialise in accordance with the estimated time frame and that our future plans will be accomplished at all.

For the period from the Latest Practicable Date to 31 March 2017

<i>Business strategies</i>	<i>Implementation plans</i>	<i>Sources of funding</i>
Expand our network of medical aesthetic centres in Hong Kong	— Confirm the lease of the new medical aesthetic centre at a selected location in Kowloon	[REDACTED]
	— Commence renovation works	[REDACTED]
	— Identify and recruit experienced doctors and therapists	Our internal resources
Continue to attract and retain experienced personnel through training and professional development	— Provide training to our doctors and therapists	Our internal resources
	— Arrange our doctors to attend overseas medical aesthetic conference and exposition	Our internal resources

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For the six months ending 30 September 2017

<i>Business strategies</i>	<i>Implementation plans</i>	<i>Sources of funding</i>
Expand our network of medical aesthetic centres in Hong Kong	— Complete the renovation works and commence operation of the new medical aesthetic centre	[REDACTED]
	— Procure treatment devices for the new medical aesthetic centre	[REDACTED]
	— Identify and recruit experienced doctors and therapists for the new medical aesthetic centre	Our internal resources
Broaden the variety of treatment services and product offering	— Procure new treatment devices for body contouring	[REDACTED]
Continue to attract and retain experienced personnel through training and professional development	— Provide training to our doctors and therapists and arrange our doctors to attend overseas medical aesthetic conference and exposition	Our internal resources
	— Recruit one experienced therapists for each of CWB Centre and Central Centre to cope with continuous growth	Our internal resources

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For the six months ending 31 March 2018

<i>Business strategies</i>	<i>Implementation plans</i>	<i>Sources of funding</i>
Broaden the variety of treatment services and product offering	— Source new treatment devices to broaden the variety of our treatment services	[REDACTED]
Refurbish our CWB Centre	— Design new center layout and carry out renovation work	[REDACTED]
Upgrade our IT infrastructure	— Develop our human resources management system — Develop and upgrade our POS system by introducing the doctor module and diagnosis module	[REDACTED] [REDACTED]
Continue to attract and retain experienced personnel through training and professional development	— Provide training to our doctors and trained therapists and arrange our doctors to attend overseas medical aesthetic conference and exposition	Our internal resources

For the six months ending 30 September 2018

<i>Business strategies</i>	<i>Implementation plans</i>	<i>Sources of funding</i>
Broaden the variety of treatment services and product offering	— Source new treatment devices to broaden the variety of our treatment services	[REDACTED]
Upgrade our IT infrastructure	— Develop and upgrade our POS system by enhancing our inventory management module — Develop and upgrade our accounting system	[REDACTED] [REDACTED]

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<i>Business strategies</i>	<i>Implementation plans</i>	<i>Sources of funding</i>
Continue to attract and retain experienced personnel through training and professional development	<ul style="list-style-type: none"> — Provide training to our doctors and therapists and arrange our doctors to attend overseas medical aesthetic conference and exposition — Recruit experienced therapists for our medical aesthetic centres 	Our internal resources Our internal resources

For the six months ending 31 March 2019

<i>Business strategies</i>	<i>Implementation plans</i>	<i>Sources of funding</i>
Broaden the variety of treatment services and product offering	<ul style="list-style-type: none"> — Source new treatment devices to broaden the variety of our treatment services 	[REDACTED]
Upgrade our IT infrastructure	<ul style="list-style-type: none"> — Complete the upgrade of our POS system — Develop our customer relationship management system 	[REDACTED] [REDACTED]
Continue to attract and retain experienced personnel through training and professional development	<ul style="list-style-type: none"> — Provide training to our doctors and therapists and arrange our doctors to attend overseas medical aesthetic conference and exposition 	Our internal resources

BASES AND KEY ASSUMPTIONS

Our Directors have adopted the following principal assumptions in the preparation of the implementation plan up to 31 March 2019.

- (a) there will be no material change in the existing political, legal, fiscal or economic conditions in Hong Kong;
- (b) there will be no outbreak of contagious diseases or occurrence of *force majeure* events or natural disasters in Hong Kong, which would materially disrupt our business operations or cause substantial loss, damage or destruction to our properties or facilities;
- (c) there will be no material change in the existing laws, regulations, policies or industry standards in Hong Kong or any part of the world relating or applicable to us;
- (d) there will be no material change in the bases or rates of taxation in Hong Kong or in any other places in which any member of our Group operates or will operate or is incorporated;

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- (e) the [REDACTED] will be completed in accordance with and as described in "Structure of the [REDACTED]" in this [REDACTED];
- (f) our Group is able to retain our key management personnel, doctors, employees, clients and suppliers;
- (g) our Group will not be materially affected by any risk factors set out in "Risk Factors" in this [REDACTED];
- (h) there will be no change in the effectiveness of any licences and permits obtained by us;
- (i) we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate; and
- (j) our Group will be able to continue its operations in substantially the same manner as our Group had been operating during the Track Record Period and our Group will be able to carry out the development plans without disruptions adversely affecting its operations or business objectives in any way.

REASONS FOR THE [REDACTED] AND USE OF PROCEEDS

Our Directors believe that the [REDACTED] could enhance our capital base and the net proceeds from the [REDACTED] will strengthen our financial position and enable us to implement our business objectives set out in this section. Furthermore, a public [REDACTED] status on [REDACTED] will allow us to access to capital market for future corporate finance exercises, which will assist in our future business development and strengthen our competitiveness.

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Based on the [REDACTED] of [REDACTED] per Share, being the mid-point of the indicative range of the [REDACTED] stated in this [REDACTED], the net proceeds of the [REDACTED], after deduction of [REDACTED] fees and other expenses payable by our Company in relation to the [REDACTED], are estimated to be approximately [REDACTED]. Our Company currently intends to use the [REDACTED] as follows:

	For the six months ending						Approximate % of the total net proceeds
	From the Latest Practicable Date to		31 March		31 March		
	31 March 2017 <i>(HK\$ million)</i>	30 September 2017 <i>(HK\$ million)</i>	31 March 2018 <i>(HK\$ million)</i>	30 September 2018 <i>(HK\$ million)</i>	31 March 2019 <i>(HK\$ million)</i>	Total <i>(HK\$ million)</i>	
Expand our network of medical aesthetic centres in Hong Kong	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Broaden the variety of treatment services and product offering	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Refurbish our CWB Centre	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Upgrade our IT infrastructure	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

To the extent that the [REDACTED] are not immediately required for the above purposes and to the extent permitted by applicable laws and regulations, if we are unable to effect any part of our future plans as intended, it is the present intention of our Directors that such net proceeds be placed in short-term interest bearing deposit accounts held with authorised financial institutions in Hong Kong. In the event that we would require additional financing apart from the net proceeds from the issue of the [REDACTED] for our future plans, the shortfall will be financed by our internal resources and bank financing as appropriate.

In the event that the [REDACTED] is fixed at [REDACTED] or [REDACTED] (being the respective low-end and high-end of the indicative range of the [REDACTED] as stated in this [REDACTED]), the net proceeds of the [REDACTED] to be received by our Company are approximately [REDACTED] and [REDACTED], respectively, after deduction of all [REDACTED] fees and expenses paid and payable by us in relation to the [REDACTED]. We currently intend to apply the aforesaid net proceeds in the same manner and in the same proportion as shown above.