

SUMMARY

This summary aims to give you an overview of the information contained in this [REDACTED]. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole [REDACTED] before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors” in this [REDACTED]. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

We are a medical aesthetic service provider in Hong Kong and operate two medical aesthetic centres in the prime locations of Causeway Bay and Central under our brand “CosMax”. We offer a broad range of non-surgical medical aesthetic services and skin care products to our clients with an aim to improve their skin conditions as well as to enhance their physical appearance. Our non-surgical medical aesthetic services can be broadly classified into (i) energy-based procedures; (ii) injection procedures; and (iii) other treatments.

Our history can be traced back to 2009 when we set up our first medical aesthetic centre, namely the CWB Centre, which occupies an entire floor of Soundwill Plaza at Causeway Bay, Hong Kong. Seeing continuous growth potential in our business, we opened our Central Centre in April 2014. Information of our medical aesthetic centres is set out as follows.

	CWB Centre	Central Centre
Location	Soundwill Plaza, Causeway Bay	Club Lusitano, Central
Year of commencement of operation	2009	2014
GFA	7,156 sq. ft	3,092 sq. ft
Number of treatment rooms	16	9
Number of treatment devices	37	23

Our Group is led by Mrs. Gigi Ma, our chairlady, executive Director and chief executive officer, together with an experienced and dedicated management team with strong execution capabilities. In addition to her daily involvement in our operations, Mrs. Gigi Ma has been a prominent icon of our business, whose public image has enhanced our brand awareness in Hong Kong, which has helped attract new clients through word-of-mouth and supported the continuous growth of our client base and business operations.

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We provide an all-round treatment solution that is tailored for our clients’ individual needs and our treatments are performed through our doctors and/or trained therapists. As at the Latest Practicable Date, our clients were served by our (i) three full-time Servicing Doctors and one part-time Servicing Doctor with practising experience in the medical aesthetic service industry ranging from eight to 10 years; and (ii) 14 trained therapists with on average seven years of experience in the medical aesthetic service industry who had served our Group for on average five years. The carrying out of consultation services that involve the practice of medicine, medical diagnosis, prescription of pharmaceutical products and medicines and certain types of treatments (such as injection of botulinum toxin type A and dermal fillers) at our CWB Centre and Central Centre constitute the practice of medicine and therefore must be carried out by our registered medical practitioners pursuant to relevant laws and regulation. Our Group has complied with such requirements during the Track Record Period and up to the Latest Practicable Date. See “Regulatory Overview — Laws and Regulations — Regulations on Medical Practitioners and Medical Facilities” beginning on page 60 of this [REDACTED] for details.

We require our newly recruited therapists to undergo a six-month training program comprising theoretical and practical trainings, which is conducted by our training manager at our training centre, CosMax Academy. As at the Latest Practicable Date, we had 60 treatment devices for performing various treatment procedures involving the use of laser, radiofrequency, ultrasound and iontophoresis. All treatment devices deployed by us have been critically evaluated and assessed by our doctors, based on their clinical knowledge and experience, to ensure that they are safe and capable of producing the desired results for our clients.

Aiming to provide an exclusive and premier experience and to promote privacy and peace-of-mind for our valued clients, we have rented premises occupying the entire floor in a building for both of our CWB Centre and Central Centre to carry out our business. As a result of our professional services and superior client experience, we have achieved client satisfaction which drives repeat clients and client referrals. For FY2015, FY2016 and 1Q2017, our repeat clients represented 61.6%, 68.8% and 86.1% of our active clients, respectively. During the same periods, 53.1%, 50.9% and 49.5% of our new clients were referred by our existing clients, respectively, as further detailed below:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
Number of active clients <i>(Note 1)</i>	4,852	4,848	2,736	2,840
Number of repeat clients <i>(Note 2)</i>	2,991	3,334	2,344	2,444
Proportion of repeat clients amongst active client	61.6%	68.8%	85.7%	86.1%
Number of new clients <i>(Note 3)</i>	1,861	1,514	392	396
Number of referred clients	989	770	199	196
Referral rate	53.1%	50.9%	50.8%	49.5%

Notes:

1. Clients who have made at least one purchase of services or products, or received at least one treatment session in the relevant financial year/period.

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2. Clients who have (i) made at least one purchase of services or products or received at least one treatment session in the relevant financial year/period; and (ii) have previously consulted us or made purchase of services or products in the past.
3. Clients who for the first time have made at least one purchase of services or products in the relevant financial year/period.

Apart from our treatment services, we offer to our clients more than 45 skin care products, including those under our brands, “CosMax” and “Cospeutic”, and other branded products, including cleanser, toner, moisturiser, eye care product, and ultraviolet (UV) protection product aiming to improve their skin conditions and enhance the results of treatments.

Our Group is among the 12 providers of non-surgical medical aesthetic services in Hong Kong with revenue in 2015 between HK\$50 million and HK\$100 million, with a market share of approximately 2.7% in terms of revenue, as indicated by the Frost & Sullivan Report. See “Industry Overview — Competitive Analysis” beginning on page 55 of this [REDACTED] for details.

The following table sets out our revenue by service and product offerings, and the key operating data in respect of our treatment services segment for the years/periods indicated:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)							
Treatment services	63,882	86.3	74,081	88.9	17,828	88.3	21,655	90.4
Consultation services	773	1.0	613	0.7	175	0.9	162	0.7
Prescription and dispensing of medical products	2,487	3.4	2,797	3.4	708	3.5	676	2.8
Sale of skin care products	4,199	5.7	3,842	4.6	967	4.8	981	4.1
Forfeited revenue from expired prepaid packages/cash coupons	2,659	3.6	2,019	2.4	517	2.5	486	2.0
Total revenue	74,000	100.0	83,352	100.0	20,195	100.0	23,960	100.0

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	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
Number of clients who received at least one treatment session	4,003	4,082	2,367	2,506
Average revenue per client for treatment services (HK\$)	15,958	18,148	7,532	8,641
Number of treatment sessions conducted	27,953	28,374	7,266	7,736
Average revenue per treatment session (HK\$)	2,285	2,611	2,454	2,799

The price of our non-surgical medical aesthetic services is determined with reference to a number of factors, such as the device supplier’s recommended market reference price, price of similar treatments on the market, size of the treatment area and cost of treatment consumables. Our consultation services are charged at a fixed rate. For medications and skin care products, pricing is determined on a cost-plus basis. See “Business — Our Services and Products” on page 93 of this [REDACTED] for details.

The following table sets forth the revenue and net profit contribution from our medical aesthetic centres for the years/periods indicated:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Revenue:								
CWB Centre	59,172	80.0	62,465	74.9	15,420	76.4	17,235	71.9
Central Centre	14,828	20.0	20,887	25.1	4,775	23.6	6,725	28.1
Total revenue	<u>74,000</u>	<u>100.0</u>	<u>83,352</u>	<u>100.0</u>	<u>20,195</u>	<u>100.0</u>	<u>23,960</u>	<u>100.0</u>
	Year ended 31 March		Three months ended 30 June		2015		2016	
	<i>HK\$'000</i>		<i>HK\$'000</i>		<i>HK\$'000</i>		<i>HK\$'000</i>	
Net profit contribution (after tax):								
CWB Centre	14,921	18,000	4,610	5,316				
Central Centre	4,830	8,637	1,961	3,162				
Unallocated expenses ^(Note)	(6,256)	(8,149)	(1,871)	(3,518)				
Profit for the year/period	<u>13,495</u>	<u>18,488</u>	<u>4,700</u>	<u>4,960</u>				

Note: Unallocated expenses mainly include overheads not directly related to our operation of the respective medical aesthetic centres, such as staff costs for our administrative and back office staff and rental expenses for CosMax Academy (our training centre) and our headquarters.

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OUR COMPETITIVE STRENGTHS

We believe our success is attributable to, among other things, (i) our medical aesthetic professional team; (ii) the broad range of treatment procedures utilising various treatment devices with prevailing technologies; (iii) offering superior client experience with a track record of business growth; (iv) our CosMagazine; and (v) our competent management team. See “Business — Our Competitive Strengths” beginning on page 88 of this [REDACTED] for details.

OUR AWARD

In 2016, we were awarded the status of “Manpower Developer” under the “ERB Manpower Developer Award Scheme 2015–16” for two years from April 2016 to March 2018 by the Employees Retraining Board in 2016 to recognise our achievement in manpower training and development and in fostering an organisational culture conducive to life-long learning.

OUR CUSTOMERS

All of our clients during the Track Record Period were individual retail clients. For FY2015, FY2016 and 1Q2017, revenue from our five largest clients was HK\$1.0 million, HK\$1.2 million and HK\$0.6 million, respectively, representing 1.4%, 1.5% and 2.4% of our revenue for the same periods. All of our five largest clients during the Track Record Period are Independent Third Parties. See “Business — Customers” beginning on page 109 of this [REDACTED] for details.

OUR SUPPLIERS

Our major suppliers during the Track Record Period are mainly distributors and trading companies. For FY2015, FY2016 and 1Q2017, the aggregate purchases from our five largest suppliers amounted to HK\$4.6 million, HK\$5.4 million and HK\$1.9 million, respectively, representing 59.9%, 63.8% and 74.9% of our respective total purchases. During the same periods, the purchases from our largest supplier amounted to HK\$1.8 million, HK\$2.2 million and HK\$0.6 million, respectively, accounting for 23.7%, 25.3% and 23.5% of our total purchases, respectively. None of our Directors, their associates or any Shareholder (which to the knowledge of our Directors owns more than 5% of our share capital) had any interest in any of our five largest suppliers during the Track Record Period. See “Business — Our Suppliers, Procurement and Inventory Management” beginning on page 113 of this [REDACTED] for details.

SALES AND MARKETING

Our clients are mostly introduced to us through client referrals and/or word-of-mouth. Apart from certain means we deploy to promote our medical aesthetic centres such as search engine optimisation, we also launch the sale of prepaid cash coupons as part of our client retention efforts. See “Business — Sales and Marketing” on page 113 of this [REDACTED] for details.

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OUR BUSINESS STRATEGIES

The business strategies that we intend to implement are to (i) expand our network of medical aesthetic centres in Hong Kong; (ii) broaden the variety of treatment services and product offering; (iii) refurbish our CWB Centre; (iv) upgrade our IT infrastructure; and (v) continue to attract and retain experienced personnel through training and professional development. See “Business — Our Business Strategies” beginning on page 90 of this [REDACTED] for details.

HIGHLIGHTS OF RISK FACTORS

We believe that there are certain risks involved in an investment in the Shares. See “Risk Factors” beginning on page 24 of this [REDACTED] for further details of the risks we are exposed to. Some of the risks which are considered to be material by our Directors include: (a) our business performance depends on our reputation in the industry, and any failure to maintain our reputation may negatively affect our results of operations and prospects; (b) we rely on the public image of our chief executive officer; (c) we may not be able to retain the services of our existing registered medical practitioners or attract suitable registered medical practitioners to join our Group; (d) our registered medical practitioners and other staff members may be subject to investigations, claims or legal proceedings relating to professional misconduct or negligence, which may subject us to substantial liabilities and harm our reputation; (e) our medical aesthetic services are subject to certain health risks; (f) we derive all of our revenue from Hong Kong and any adverse economic, social or political conditions in Hong Kong may negatively affect our business performance and financial condition; (g) we may be subject to claims or complaints with respect to our selling practices; and (h) we recorded net current liabilities as at 31 March 2015.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] and the [REDACTED], Mr. Patrick Ma and Mrs. Gigi Ma, through Sunny Bright, together hold [REDACTED]% of our Company’s entire issued share capital (without taking into account the Shares which may be allotted and issued pursuant to the exercise of any options that may be granted under the Share Option Scheme), and will remain as our Group’s Controlling Shareholders. See “Relationship with Controlling Shareholders” beginning on page 137 of this [REDACTED] for details.

SUMMARY OF FINANCIAL INFORMATION

Highlight of our combined statements of profit or loss and other comprehensive income

	Year ended 31 March		Three months ended 30 June	
	2015 <i>HK\$’000</i>	2016 <i>HK\$’000</i>	2015 <i>HK\$’000</i>	2016 <i>HK\$’000</i>
			(Unaudited)	
Revenue	74,000	83,352	20,195	23,960
Profit before tax	15,232	21,951	5,754	6,321
Profit for the year/period	13,495	18,488	4,700	4,960

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We recorded an increase in total revenue by 12.7%, from HK\$74.0 million for FY2015 to HK\$83.4 million for FY2016. Our revenue further grew by 18.8%, from HK\$20.2 million for 1Q2016 to HK\$24.0 million for 1Q2017, as we continued to see growth in the demand of our medical aesthetic services. We also recorded an increase in net profit by 37.0%, from HK\$13.5 million for FY2015 to HK\$18.5 million for FY2016. Our net profit (excluding [REDACTED]) further grew by 23.4%, from HK\$4.7 million for 1Q2016 to HK\$5.8 million for 1Q2017.

Revenue from treatment services

The following table sets forth a breakdown of revenue from treatment services by types of treatments for the years/periods indicated:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)							
Energy-based procedures	51,753	81.0	57,309	77.4	13,843	77.6	16,099	74.3
Injection procedures	9,756	15.3	14,445	19.5	3,285	18.4	4,789	22.1
Other treatments	<u>2,373</u>	<u>3.7</u>	<u>2,327</u>	<u>3.1</u>	<u>700</u>	<u>4.0</u>	<u>767</u>	<u>3.6</u>
Total revenue from treatment services	<u><u>63,882</u></u>	<u><u>100.0</u></u>	<u><u>74,081</u></u>	<u><u>100.0</u></u>	<u><u>17,828</u></u>	<u><u>100.0</u></u>	<u><u>21,655</u></u>	<u><u>100.0</u></u>

Increases in revenue from treatment services were mainly driven by the growth in revenue derived from our injection procedures, as a result of the launch of new injection procedures in September 2015.

The following table sets forth a breakdown of revenue from treatment services by our doctors and trained therapists for the years/periods indicated:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)							
Doctors	24,514	38.4	29,814	40.2	7,049	39.5	9,469	43.7
Trained therapists	<u>39,368</u>	<u>61.6</u>	<u>44,267</u>	<u>59.8</u>	<u>10,779</u>	<u>60.5</u>	<u>12,186</u>	<u>56.3</u>
Total revenue from treatment services	<u><u>63,882</u></u>	<u><u>100.0</u></u>	<u><u>74,081</u></u>	<u><u>100.0</u></u>	<u><u>17,828</u></u>	<u><u>100.0</u></u>	<u><u>21,655</u></u>	<u><u>100.0</u></u>

During the Track Record Period, the percentage of revenue from treatment services contributed by our doctors and trained therapists remained relatively stable, at roughly 40% for doctors and 60% for trained therapists.

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See “Financial Information — Description of Components of Combined Statements of Profit or Loss and Other Comprehensive Income” beginning on page 152 of this [REDACTED] for further details of our revenue from treatment services.

Our major cost components

Set forth below is a breakdown of our major cost components for the years/periods indicated:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(Unaudited)	
Cost of inventories and consumables	7,543	8,081	1,982	2,509
Staff costs	28,678	29,391	6,893	7,753
Property rental and related expenses	8,780	9,406	2,309	2,388
Depreciation	6,593	6,174	1,618	1,497

Staff costs represented the largest portion of our operating expenses during the Track Record Period. For FY2015, FY2016 and 1Q2017, our staff costs accounted for 48.2%, 47.6% and 43.9% of our total cost of operations respectively.

See “Financial Information — Description of Components of Combined Statements of Profit or Loss and Other Comprehensive Income” beginning on page 152 of this [REDACTED] for further details of our cost of operations.

Highlight of our combined statements of financial position

	As at 31 March		As at 30 June
	2015	2016	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	23,396	20,805	20,230
Current assets	45,216	63,307	66,852
Non-current liabilities	1,782	2,073	1,939
Current liabilities	55,970	63,291	61,435
Net current (liabilities)/assets	(10,754)	16	5,417
Total equity	10,860	18,748	23,708

Our net current liabilities position of HK\$10.8 million as at 31 March 2015 was primarily attributable to the cash outflows in connection with financing our capital expenditures of HK\$15.6 million for the opening of the Central Centre. Our net current liabilities position improved and we recorded net current assets of HK\$16,000 as at 31 March 2016, which was primarily attributable to the cash flows generated from our operations.

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Deferred revenue

Our deferred revenue represents receipts from the sales of prepaid packages and prepaid cash coupons at the point of sales. The balance of deferred revenue will either be recognised as revenue in the combined statements of profit or loss when treatments are delivered to our clients from time to time, or recognised as forfeited revenue upon expiry of the validity periods of the prepaid packages and prepaid cash coupons. The following table sets forth an aged analysis of our deferred revenue as at the dates indicated:

	Year ended 31 March				Three months ended 30 June	
	2015		2016		2016	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Within 6 months	30,668	59.0	39,016	68.0	31,733	60.6
7 to 12 months	13,725	26.4	8,204	14.3	9,592	18.3
13 to 18 months	4,768	9.2	4,150	7.2	5,320	10.2
19 to 24 months	1,954	3.8	4,146	7.2	3,425	6.5
25 to 30 months	706	1.4	1,320	2.3	1,429	2.7
More than 30 months	137	0.2	552	1.0	859	1.7
	<u>51,958</u>	<u>100.0</u>	<u>57,388</u>	<u>100.0</u>	<u>52,358</u>	<u>100.0</u>
Total deferred revenue						

The aged analysis illustrates the length of time that the deferred revenue has been recorded in the combined statements of financial position since its initial recognition (i.e. the date of purchase of prepaid packages or prepaid cash coupons by our clients). As at 31 March 2015, 31 March 2016 and 30 June 2016, 94.6%, 89.5% and 89.1% of our deferred revenue aged less than 18 months respectively. Deferred revenue that aged over 18 months was attributable to those prepaid packages whose validity period had been extended at our discretion taking into account certain client specific reasons, such as pregnancy and skin allergy. See “Business — Prepaid packages — Expiry, extension and refund” on page 111 of this [REDACTED] for details of our extension policy.

Highlight of our combined statements of cash flows

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating cash flows before working capital changes	21,549	27,837	7,290	7,804
Net cash generated from operating activities	32,022	9,293	2,343	29,395
Net cash used in investing activities	(15,562)	(2,179)	(2,024)	(966)
Net cash used in financing activities	(10,600)	(10,600)	—	—

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The decrease in net cash generated from operating activities from HK\$32.0 million for FY2015 to HK\$9.3 million for FY2016 was mainly attributable to the advances made to Mrs. Gigi Ma of HK\$24.0 million in FY2016, which were subsequently repaid during 1Q2017.

The decrease in net cash used in investing activities from HK\$15.6 million for FY2015 to HK\$2.2 million for FY2016 was mainly attributable to the purchase of treatment devices when Central Centre commenced its operations in April 2014.

Key financial ratios

	Year ended 31 March		Three months ended 30 June
	2015	2016	2016
Net profit margin	18.2%	22.2%	20.7% ^(Note)
Return on equity	124.3%	98.6%	83.7% ^(Note)
Return on total assets	19.7%	22.0%	22.8% ^(Note)
Current ratio	0.8 time	1.0 time	1.1 times
Inventory turnover days	59.9	67.4	60.6
Trade receivables turnover days	4.5	5.4	3.2
Trade payables turnover days	20.6	26.9	32.6
Gearing ratio	Nil	Nil	Nil

Note: Taking out the effect of the non-recurring [REDACTED] of HK\$[REDACTED] incurred for the three months ended 30 June 2016, our profit for the period, net profit margin, return on equity and return on total assets would be HK\$5.8 million, 24.1%, 97.5% and 26.5%, respectively.

See “Financial Information” beginning on page 147 of this [REDACTED] for a further discussion and analysis of our financial information.

RECENT DEVELOPMENT

Subsequent to the Track Record Period and up to the Latest Practicable Date, we have continued to focus on developing our business of provision of non-surgical medical aesthetic services to our clients in Hong Kong. The total number of treatments we conducted for the seven months ended 31 October 2016 was 17,998, and the number of active clients was 4,016 for the same period. There was no change in the number of our medical aesthetic centres, whilst we have rented an additional office unit to expand our headquarters at Leighton Centre, Causeway Bay in October 2016 to cater for the needs of our back office functions. As at the Latest Practicable Date, we had a total of four Servicing Doctors and 14 trained therapists providing services to our clients.

To prepare for the planned opening of a new medical aesthetic centre in Kowloon around mid-2017, we employed (i) an additional doctor in October 2016 who has been undergoing our internal training to ensure proficiency in our service standards, and has not commenced to serve our clients as at the Latest Practicable Date; and (ii) two additional trainee therapists who are still undergoing our internal training as at the Latest Practicable Date.

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Our Directors confirm that save for the expenses in connection with the [REDACTED], which are non-recurring in nature, subsequent to the Track Record Period and up to the date of this [REDACTED], there has been no material adverse change in the financial or trading position or prospects of our Group.

[REDACTED]

Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative range of the [REDACTED] stated in this [REDACTED], the estimated total [REDACTED] are approximately HK\$[REDACTED], of which approximately: (i) HK\$[REDACTED] is directly attributable to the issue of [REDACTED] in the [REDACTED] and will be accounted for as a deduction from equity upon [REDACTED]; and (ii) HK\$[REDACTED] is chargeable as expenses to our profit and loss accounts for FY2017. Out of this amount, approximately HK\$[REDACTED] had been charged to our profit and loss account for 1Q2017 and the remaining amount of approximately HK\$[REDACTED] is expected to be charged to our profit and loss account for FY2017. The actual amounts to be recognised to the profit and loss of our Group or to be capitalised are subject to adjustments based on audit and changes in variables and assumptions. **[REDACTED] should note that our financial results for FY2017 will be adversely affected by the non-recurring [REDACTED] described above, and may not be comparable to the financial performance of our Group in the past.**

REASONS FOR THE [REDACTED] AND USE OF PROCEEDS

To further expand our presence in Hong Kong, we intend to establish one new medical aesthetic centre in a prime location in Kowloon, which requires a significant amount of capital investment. Our Directors believe that the [REDACTED] will allow us to gain access to different fund raising means to implement our business expansion plan. Furthermore, we believe that a [REDACTED] status on [REDACTED] will enhance our corporate profile and recognition, which will assist our future business development and strengthen our competitiveness. See “Statement of Business Objectives and Use of Proceeds — Reasons for the [REDACTED] and Use of Proceeds” beginning on page 187 of this [REDACTED] for further details.

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Based on the [REDACTED] of HK\$[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 HK\$[REDACTED]. Our Company currently intends to use the net proceeds from the [REDACTED] to implement our Group’s strategies as follows:

	From the Latest Practicable Date to					Approximate % of the total net proceeds	
	For the six months ending						
	31 March 2017	30 September 2017	31 March 2018	30 September 2018	31 March 2019		Total
	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	
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]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

STATISTICS OF THE [REDACTED]

[REDACTED]

Notes:

1. The calculation of the [REDACTED] of the Shares is based on [REDACTED] Shares in issue immediately after completion of the [REDACTED] and the [REDACTED].
2. The unaudited pro forma adjusted combined net tangible assets attributable to owners of our Company per Share is calculated based on [REDACTED] Shares assumed to be in issue immediately upon completion of the [REDACTED] and the [REDACTED].

DIVIDEND

Under the Companies Law and our Articles, dividends may be paid out of the profits of our Company, or subject to solvency of the Company, out of sums standing to the credit of our share premium account. However, no dividend shall exceed the amount recommended by our Directors.

SUMMARY

During the Track Record Period, interim dividends of HK\$10.6 million had been declared and paid for each of FY2015 and FY2016.

We currently do not have a formal dividend policy or a fixed dividend distribution ratio. The declaration, payment and the amount of dividends are dependent on the results of operations, cash flows, financial condition, future prospects and other factors that our Directors may consider relevant. Holders of the Shares will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the Shares. There can be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by our Company in the future.