

## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

### OVERVIEW

Our history can be traced back to 2009 when our founder, Mrs. Gigi Ma, established CMM in preparation of opening our first medical aesthetic centre. Mrs. Gigi Ma made the decision to enter into the medical aesthetic industry as she was inspired by her brother, Mr. Lai Ying, who had been operating a skin care medical centre in Hong Kong, and envisioned the business potential of this industry. Mr. Lai Ying was unable to manage his business due to a car accident in May 2007. With a view to continuing Mr. Lai Ying’s passion in the medical skin care industry, we took over his business in late December 2009. We commenced the operation of our medical aesthetic centre, CWB Centre, situated on the whole of 22nd Floor, Soundwill Plaza, Russell Street, Causeway Bay, Hong Kong, in December 2009 to provide a broad range of non-surgical medical aesthetic services.

The following table sets forth the important milestones in the development of the business of our Group up to the Latest Practicable Date:

<b>Year</b>	<b>Event</b>
2009	G Max was incorporated in July 2009 in anticipation of commencement of our Group’s business and CMM was incorporated in December 2009 to operate our CWB Centre  Our CWB Centre opened in December 2009 occupying the whole of the 22nd Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong with a GFA of over 7,000 sq.ft. to provide a broad range of non-surgical medical aesthetic services
2014	Our Central Centre opened in April 2014 occupying the whole of the 19th Floor, Club Lusitano, 16 Ice House Street, Central, Hong Kong with a GFA of over 3,000 sq.ft. to provide a broad range of non-surgical medical aesthetic services for expanding our service capacity catering for business growth
2015	CosMax Academy was established in May 2015 in Sai Wan, where we host our regular in-house training programmes which were used to be held in our CWB and Central Centres before, for our trained therapists, covering, among other things, knowledge and operational procedures of equipment and machines, and skills and procedures in providing skin care treatments to clients
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 in recognition of our achievement in manpower training and development and in fostering an organisational culture conducive to life-long learning

As at the Latest Practicable Date, our clients were served by our four Servicing Doctors with a team of 14 trained therapists. As at the Latest Practicable Date, we had 60 treatment devices and offered more than 45 skin care products comprising cleanser, toner, serum, moisturiser, eye care product, ultraviolet (UV) protection product and mask including under our own brands of “CosMax” and “Cospeutic” and other brands.

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### CORPORATE HISTORY

The following sets forth the corporate development of each member of our Group since their respective dates of incorporation.

#### **Our Company**

Our Company was incorporated in the Cayman Islands with limited liability on 6 July 2016 and is the holding company of our subsidiaries. On incorporation, it had an authorised share capital of HK\$380,000 divided into 38,000,000 shares of a par value of HK\$0.01 each, of which one share was allotted and issued, credited as fully paid to an initial subscriber at par, an Independent Third Party, who then transferred it to Mrs. Gigi Ma on the same date at par value. On the same date, another one share was allotted and issued, credited as fully paid, to Mr. Patrick Ma at par on the same date.

On 13 September 2016, each of Mrs. Gigi Ma and Mr. Patrick Ma transferred the one issued Share held by her/him, together representing 100% of the issued share capital of the Company, to Sunny Bright at par value. As a result of the said transfers, our Company became wholly owned by Sunny Bright.

As a result of the Reorganisation, our Company, through Coresmax, became the holding company of our subsidiaries. The principal business activity of our Company is investment holding.

#### **Our subsidiaries incorporated in the BVI and Hong Kong**

##### *Coresmax*

Coresmax is an investment holding company for the purpose of holding interest in the Major Subsidiaries. It was incorporated in the BVI with limited liability on 6 July 2016. On incorporation, one share was allotted and issued, credited as fully paid, to each of Mr. Patrick Ma and Mrs. Gigi Ma at par. On 13 September 2016, each of Mrs. Gigi Ma and Mr. Patrick Ma transferred the one issued share in Coresmax held by her/him, together representing 100% issued share capital of Coresmax, to the Company at par value. As a result of the said transfers, Coresmax became wholly owned by our Company.

As a result of the Reorganisation, since 13 September 2016, Coresmax is the intermediate holding company of our subsidiaries directly holding the entire issued share capital of each of our Major Subsidiaries, namely, Cos Max Limited, G Max, CMM, CMM (Central), CM Technology, Cos Max Academy Limited, CMIP and Ocean Grand. See “Reorganisation” in this section for the summary of the major Reorganisation steps.

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### *CMIP*

CMIP was incorporated to mainly serve as the registered holder of our Group's material trademarks registered in Hong Kong. It was incorporated in the BVI with limited liability on 10 April 2014. Since incorporation, CMIP has an authorised share capital of 50,000 shares with a par value of US\$1.0 each. On incorporation, one share was allotted and issued, credited as fully paid, to Sunny Bright at par, representing the entire issued share capital of CMIP.

On 13 September 2016, as part of the Reorganisation, Sunny Bright transferred the one share in CMIP to Coresmax at the nominal consideration of HK\$7.8, which represents Sunny Bright's original investment cost for the establishment of CMIP. As a result of the said transfer, CMIP became wholly owned by Coresmax.

### *CM Technology*

CM Technology mainly serves as the contracting party in purchasing machinery and equipment for our Group. CM Technology was incorporated in Hong Kong with limited liability on 1 April 2014. On incorporation, one share was allotted and issued, credited as fully paid, to Sunny Bright at the then par value of HK\$1.0, representing the entire share capital of CM Technology.

On 13 September 2016, as part of the Reorganisation, Sunny Bright transferred the one share in CM Technology to Coresmax at the nominal consideration of HK\$1.0, which represents Sunny Bright's original investment cost for the establishment of CM Technology. As a result of the said transfer, CM Technology became wholly owned by Coresmax.

### *Cos Max Academy Limited*

Cos Max Academy Limited was specifically established for operating our training centre, CosMax Academy. It was incorporated in Hong Kong with limited liability on 1 April 2015. As at the date of incorporation, one share was allotted and issued, credited as fully paid, to Sunny Bright at the then par value of HK\$1.0, representing the entire share capital of Cos Max Academy Limited.

On 13 September 2016, as part of the Reorganisation, Sunny Bright transferred the one issued share in Cos Max Academy Limited to Coresmax at the nominal consideration of HK\$1.0, which represents Sunny Bright's original investment cost for the establishment of Cos Max Academy Limited. As a result of the said transfer, Cos Max Academy Limited became wholly owned by Coresmax.

### *Cos Max Limited*

Cos Max Limited was incorporated with limited liability in Hong Kong on 18 February 2005. Since the incorporation of Cos Max Limited, Ms. Chan Un, the mother of Mrs. Gigi Ma, had been its sole shareholder holding one share, representing its entire share capital. G Max acquired the entire issued share capital of Cos Max Limited from Ms. Chan Un on 3 December 2009 at the nominal consideration of HK\$1.0 which was fully settled on the same date and the transfer has been properly and legally completed.

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Subsequently, on 29 August 2011, G Max transferred the one issued share of Cos Max Limited to Sunny Bright at the nominal consideration of HK\$1.0 which was settled on the same date. Both of the abovementioned transfers have been properly and legally completed.

On 13 September 2016, as part of the Reorganisation, Sunny Bright transferred the one share in Cos Max Limited to Coresmax at the nominal consideration of HK\$1.0, which represents Sunny Bright's original investment cost for the acquisition of Cos Max Limited. As a result of the said transfer, Cos Max Limited became wholly owned by Coresmax.

### *CMM*

CMM was incorporated mainly to operate our CWB Centre, providing medical aesthetic services to our clients and sale of prepaid packages. CMM was incorporated in Hong Kong with limited liability on 2 December 2009. On incorporation, one share was allotted and issued, credited as fully paid, to G Max at the then par value of HK\$1.0, representing the entire share capital of CMM.

On 12 January 2010, G Max transferred the one share to Cos Max Holdings Limited, a company incorporated in Hong Kong and was then indirectly wholly owned by Mrs. Gigi Ma, at the nominal consideration of HK\$1.0 which was settled on the same date. On 29 August 2011, Cos Max Holdings Limited transferred the one share to Sunny Bright at the nominal consideration of HK\$1.0 which was fully settled on the same date. Both of the abovementioned transfers have been properly and legally completed and settled.

On 13 September 2016, as part of the Reorganisation, Sunny Bright transferred the one share in CMM to Coresmax at the consideration of HK\$1.0, which represents Sunny Bright's original investment cost for the acquisition of CMM. As a result of the said transfer, CMM became wholly owned by Coresmax.

### *CMM (Central)*

CMM (Central) was incorporated mainly to operate our Central Centre, providing medical aesthetic services to our clients and sale of prepaid packages. CMM (Central) was incorporated in Hong Kong with limited liability on 26 February 2014. On incorporation, one share was allotted and issued, credited as fully paid, to the initial subscriber which is an independent third party at the then par value and that one share was transferred to Sunny Bright on 27 February 2014 at the nominal consideration of HK\$1.0 which was settled on the same date and such transfer has been properly and legally completed.

On 13 September 2016, as part of the Reorganisation, Sunny Bright transferred the one share in CMM (Central) to Coresmax at the consideration of HK\$1.0, which represents Sunny Bright's original investment cost for the acquisition of CMM (Central). As a result of the said transfer, CMM (Central) became wholly owned by Coresmax.

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### *G Max*

G Max was incorporated mainly for the purpose of providing business management services to other members of our Group. It was incorporated in Hong Kong with limited liability on 17 July 2009. On incorporation, one share was allotted and issued, credited as fully paid, to Mrs. Gigi Ma at the then par value of HK\$1.0. On 3 December 2009, Mrs. Gigi Ma transferred the one share in G Max to Sunny Bright at the nominal consideration of HK\$1.0 which was settled on the same date. The transfer has been properly and legally completed.

On 13 September 2016, as part of the Reorganisation, Sunny Bright transferred the one share in G Max to Coresmax at the consideration of HK\$1.00, which represents Sunny Bright's original investment cost for the acquisition of G Max. As a result of the said transfer, G Max became wholly owned by Coresmax.

### *Ocean Grand*

Ocean Grand was incorporated in Hong Kong with limited liability on 24 March 1994 by Mrs. Gigi Ma's uncle and aunt and became wholly owned by Cos Max Limited in May 2007.

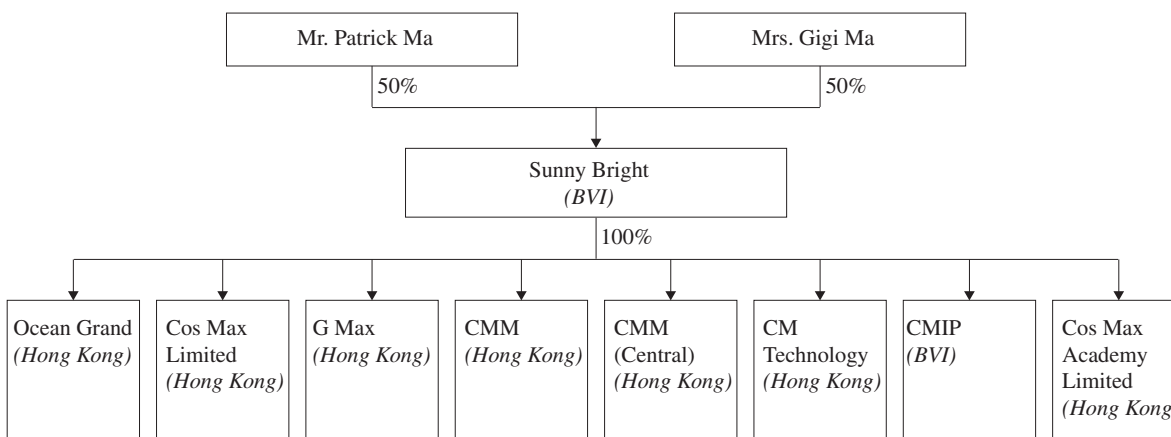
On 29 August 2011, Cos Max Limited transferred the 5,000,000 issued shares of Ocean Grand, representing the entire issued share capital of Ocean Grand, to Sunny Bright at a nominal consideration of HK\$5,000.0 which was fully settled on the same date. The said transfer has been properly and legally completed. As at the Latest Practicable Date, Ocean Grand was mainly engaged in providing business management services to other members of our Group.

On 13 September 2016, as part of the Reorganisation, Sunny Bright transferred the 5,000,000 shares in Ocean Grand to Coresmax at the total consideration of HK\$5,000.0 which was determined by reference to Sunny Bright's original investment cost for the acquisition of Ocean Grand. As a result of the said transfer, Ocean Grand became wholly owned by Coresmax.

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### CORPORATE STRUCTURE

The following diagram shows the shareholding and corporate structure of our Group immediately before Reorganisation:



### REORGANISATION

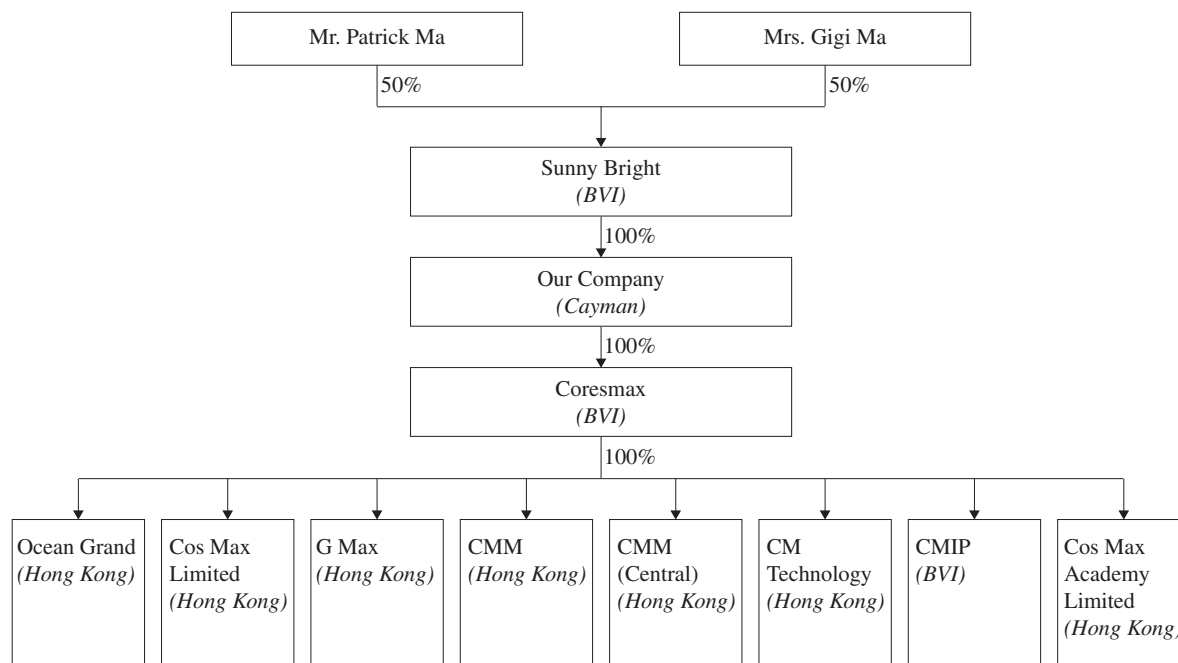
In contemplation of the [REDACTED], members of our Group have undergone the Reorganisation whereby a coherent structure of our Group has been established which is suitable for [REDACTED]. The Reorganisation involved the following steps:

1. Incorporation of our Company and Coresmax by Mr. Patrick Ma and Mrs. Gigi Ma;
2. Acquisition of Coresmax by our Company;
3. Acquisition of our Company by Sunny Bright; and
4. Acquisition of the entire issued share capital of each of our Major Subsidiaries by Coresmax from Sunny Bright.

See “Corporate History” in this section for further details of the abovementioned Reorganisation steps.

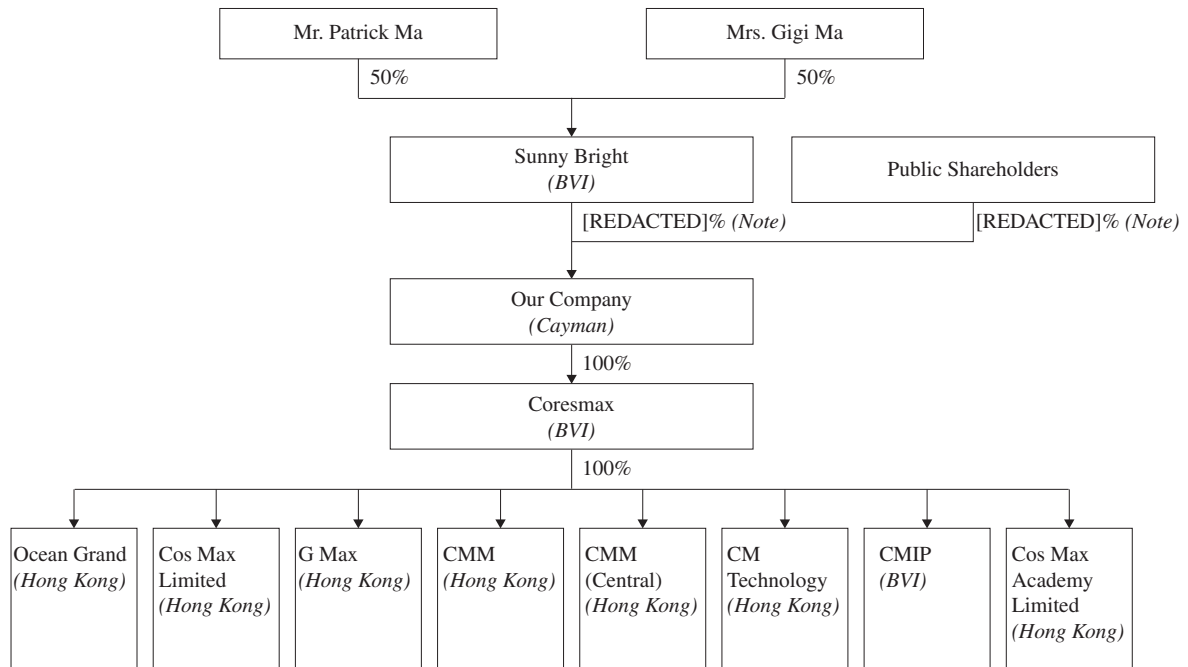
## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

As at the Latest Practicable Date, the Reorganisation has been legally completed. The follow diagram shows the shareholding and corporate structure of our Group immediately after completion of the Reorganisation but before completion of the [REDACTED] and the [REDACTED]:



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The following diagram shows the shareholding and corporate structure of our Group immediately after completion of the [REDACTED] and the [REDACTED] (without taking into consideration any Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme):



*Note:* Immediately upon completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be issued upon exercise of any options which may be granted under the Share Option Scheme), the public will hold in aggregate [REDACTED]% of the issued share capital of our Company and the shareholding interest of Sunny Bright, Mrs. Gigi Ma and Mr. Patrick Ma together will be diluted to [REDACTED]% of issued share capital of our Company.