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Prospective investors in the Offer Shares should consider carefully all of the information set forth in this prospectus and, in particular, the following risks in connection with an investment in our Company. Our business could be materially and adversely affected by any of these risks. The trading price of the Shares could decline due to any of these risks and you may lose all or part of your investment.

RISKS RELATING TO OUR GROUP

Our success depends on the market recognition of our brand names and we may be adversely affected by negative publicity.

Our Directors believe that brand awareness is important in slimming and beauty industry. Our brand name “Perfect Shape 必瘦站” is a well-recognised icon for the provision of quality and effective slimming services. We have made substantial efforts and have spent a large amount of financial resources in order to establish brand recognition. For the years ended 31 March 2009, 2010, 2011 and the four months ended 31 July 2011, we incurred HK\$46.9 million, HK\$47.3 million, HK\$56.4 million and HK\$23.1 million, representing 19.8%, 20.1%, 18.3% and 17.2% of our revenue, respectively, for our marketing. Our Directors believe that our success and continued growth depends on the public perception of our brand names and our ability to protect and promote our existing and new brand names in different markets.

If we fail to successfully promote our brand names or to maintain and further increase our brand awareness, or if we are subject to events such as client complaints which affect our corporate image, the market recognition of our brand names may deteriorate. Our business may also be adversely affected by negative publicity associated with our centres and services such as unfavourable publication of industry findings or research reports, health concerns relating to any of our services, allegations of poor standards or ineffectiveness of services, and allegations of cold calling potential customers by using illegal means and/or using promotion package price to attract customers to visit our service centres. Any such complaints and negative publicity, regardless of their validity, may reduce the number of clients. The results of our operations may therefore be materially affected.

We are subject to client complaints, claims and legal proceedings in the course of our operations.

Given the nature of the slimming industry and subjective views on the level of satisfaction of slimming services provided, on occasions, we are susceptible to complaints associated with our services. Common client complaints include (i) unsatisfactory results of our services; (ii) physical injury caused by our services; (iii) disputes over payment method (e.g. credit card instalment etc.); (iv) unsatisfactory staff services; (v) unsatisfactory treatment progress; (vi) client’s change of mind; (vii) subsequent argument on the terms of contracts; and (viii) dispute over implementation outcome of our refundable programmes. Some of the clients file their complaints with consumer protection authorities. There were one, 74, 22 and four complaints filed against us by our clients with the Hong Kong Consumer Council, and seven, six, one and two complaints filed against us by our clients

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with the Macau Consumer Council, for the years ended 31 March 2009, 2010 and 2011 and the period from 1 April 2011 up to the Latest Practicable Date, respectively. Some of the complaints substantiate into claims and litigation against us. For the years ended 31 March 2009, 2010, 2011 and the period from 1 April 2011 up to the Latest Practicable Date, there were 15, 29, four and nil Hong Kong Small Claims Tribunal cases, and one, two, nil and one Hong Kong District Court cases, against us filed by our clients and one ex-employee, respectively. Major grounds of complaints by claimants in the Hong Kong Small Claims Tribunal cases include unsatisfactory services of our staff and unsatisfactory results of our services. There were three claims which involved two clients and one claim involved one ex-employee filed against us with the Hong Kong District Court and all of them were in relation to personal injuries caused in the course of receiving slimming services and in the course of her employment respectively. The number of complaints and legal proceedings against us filed by our clients accounted for 0.14%, 0.47%, 0.09% and 0.02% of the total number of active members of our Group for the years ended 31 March 2009, 2010, 2011 and the period from 1 April 2011 up to the Latest Practicable Date, respectively.

For the years ended 31 March 2009, 2010, 2011 and the period from 1 April 2011 up to the Latest Practicable Date, the total amount of compensation paid by us in relation to all claims involved our Group including complaints filed with the Hong Kong Consumer Council and the Macau Consumer Council were HK\$0.2 million, HK\$0.5 million, nil and HK\$3,000, respectively; and the total amount in relation to legal proceedings against us were HK\$0.9 million, HK\$1.1 million, HK\$0.1 million and HK\$0.6 million, respectively. For the years ended 31 March 2009, 2010, 2011 and the period from 1 April 2011 up to the Latest Practicable Date, total compensation/refunds including those in relation to the complaints filed with the Hong Kong Consumer Council and the Macau Consumer Council and legal proceedings made by us in relation to handling of clients' complaints were HK\$1.8 million, HK\$1.9 million, HK\$2.4 million and HK\$2.3 million, respectively. We maintain insurances in Hong Kong to cover potential business interruption, money losses, public liability, personal accident, fidelity guarantee, damages to our equipments, and any accident or disease of employees.

Among the 68 client complaints which were unsettled or remained idle, one, 47, 18 and two client complaints were filed against our Group for the years ended 31 March 2009, 2010 and 2011 and for the period from 1 April 2011 up to the Latest Practicable Date, respectively. The above 68 client complaints were unsettled and remained idle as 42 of such complainants did not accept the offer made by us in relation to settlement; 21 of such complainants had asked for unreasonable terms of settlement which were not acceptable to us according to our policy; and five of such complainants were not contactable. We had followed our internal guidelines in handling these 68 client complaints. We had proactively contacted the relevant clients within three days upon receiving notification from the Hong Kong Consumer Council and been taking active approach to attempt to resolve the matter within one month of notification from the Hong Kong Consumer Council. However, we are unable to anticipate and it is beyond our control when such complainants will reach amicable settlement with us while we, according to our internal policy, have every intention to settle these complaints by making reasonable offers to all of them. The Directors confirm that there has been no follow-up action from the Hong Kong Consumer Council in relation

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to our Group's handling of the 68 complaints within the past one month before the Latest Practicable Date. The maximum potential claims arising from the said client 68 complaints amounted to HK\$2.8 million, which is immaterial as compared to our revenue.

As at the Latest Practicable Date, there are five out of the 48 legal proceedings filed against us at the Hong Kong Small Claims Tribunal which remained inactive as the Hong Kong Small Claims Tribunal has adjourned without assigning the days for further hearings for such five cases. The Hong Kong Small Claims Tribunal has granted the claimants the application for leave to discontinue for 22 cases. In respect of the said five adjourned inactive actions and 22 actions which the Hong Kong Small Claims Tribunal granted the claimants the application for leave to discontinue, the total amount of claims involved was HK\$0.7 million plus costs and interests. We have applied to the Hong Kong Small Claims Tribunal for dismissal of such actions for want of prosecution in October 2011 and we expect the same can be completed by the end of the first quarter of 2012.

For details of the complaints and legal proceedings filed by clients, please refer to "Business — Client Complaints" and "Business — Regulatory Compliance and Legal Proceedings — Legal proceedings" in this prospectus.

Regardless of merit of the claims, we need to divert management resources and incur extra costs to handle these complaints and litigation matters which could affect our corporate image and reputation in the industry if they were widely published by the media. In certain circumstances, we may settle the complaints and litigations with our clients which may result in financial losses to us. In addition, we have not purchased any professional indemnity insurance for claims relating to losses arising from our services. A successful liability claim against us can result in legal costs which in turn, can affect our revenue, results of operation and financial condition.

Our revenue from expired prepaid service packages may not recur in the future.

We follow the common practice in the slimming and beauty industry to charge clients for services by way of prepaid packages which have a validity period of one year. As part of our loyalty programme, we may, at our discretion, allow our clients to upgrade their existing slimming and beauty packages to new premium slimming and beauty packages before the expiry of the existing packages. The Directors believe that the upgrade arrangement also provides an option for the clients to experience the latest slimming technology without sacrificing the unutilised value of their existing packages. No upgrade is allowed after the expiry of the existing packages. In the event of package upgrade, contract of the existing package will be terminated and a new contract will be signed between us and the relevant client on the new premium package. Clients are required to pay the difference between the new premium package and the unutilised existing package value. Upon the signing of new contract, the new premium package will have a validity period of one year from the date of the new contract. For details of our loyalty programme, please refer to "Business — Marketing — Marketing and sales — Loyalty programme to clients" in this prospectus. For financial reporting purposes, prepaid packages over one year from the date of purchase are fully recognised as revenue. For the years ended 31 March 2009, 2010, 2011

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and the four months ended 31 July 2011, revenue recognised upon the expiry of prepaid packages amounted to HK\$86.0 million, HK\$72.8 million, HK\$73.3 million and HK\$35.1 million, representing 36.4%, 31.0%, 23.7% and 26.1% of our revenue, respectively.

Such revenue recognised upon the expiry of prepaid packages may not recur in the future. In such case, our financial results may be affected. In addition, should these prepaid packages not be utilised within the validity period, purchasers of these prepaid packages will not be entitled to enjoy our services. This may lead to complaints and claims against us and affect the image and reputation and hence our business.

We have large amount of deferred revenue and high operating leverage.

Our prepaid packages are recorded as deferred revenue in the balance sheet at the point of sales and have a validity period of one year. For financial reporting purposes, prepaid packages are recognised as revenue from time to time in the income statement when the service treatments are delivered to clients. Prepaid packages over one year from the date of purchase are also fully recognised as revenue. Our recognition method results in large amount of deferred revenue. As at 31 March 2009, 2010, 2011 and 31 July 2011, our deferred revenue amounted to HK\$118.3 million, HK\$122.4 million, HK\$148.7 million and HK\$147.0 million, respectively. The deferred revenue represented our major source of funding to finance operational cash flows. The ratio of deferred revenue to our revenue for the years ended 31 March 2009, 2010 and 2011 were 50.1%, 52.1% and 48.1%, respectively.

In the event that we can no longer charge our clients by way of prepayment method, our operations may be adversely affected. There is also potential risk that our recognised revenue may be insufficient to cover financial sources for our operations.

We may not be able to sustain or manage our future growth and implement our business expansion plans in the PRC.

We entered into the PRC market in 2009, and have achieved significant growth in our PRC operations. For the years ended 31 March 2009, 2010, 2011, the revenue contributed from the PRC market amounted to HK\$1.9 million, HK\$34.1 million, and HK\$162.9 million, which represented a CAGR of 825.8%, and accounted for 0.8%, 14.5% and 52.7% of our total revenue, respectively. We recorded revenue contributed from the PRC market in the amount of HK\$99.5 million, representing 74.0% of our revenue for the four months ended 31 July 2011.

However, there is no guarantee that any of our business development plans will be successful or materialised. In particular, the successful implementation of our business strategies may be affected by a number of factors, which may or may not be within our control.

If we were unable to carry out our future plans effectively, our business prospects could be adversely affected.

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It takes time for our new service centres to break even or reach the same level of profitability as mature service centres.

The success of our sales operation depends on a number of factors, such as the success of our sales and marketing efforts; our ability to provide quality and satisfactory services which can respond successfully and effectively to local client preferences; and our ability to compete with other slimming and beauty services providers. We constantly review our sales performance data, both by service centre and by region. Our expansion strategies are intended to benefit our growth in the long term. It takes time for new service centres to break even or reach the same level of profitability as mature service centres. Based on the experience of our Directors and the historical operating results, it generally takes six to 12 months for a new service centre to break even. To the extreme extent, our new service centres may be loss-making. If we are unable to increase the revenue of our service centres in line with increasing costs, our overall performance and profitability will be adversely affected.

Our success depends on our ability to attract and retain key personnel and qualified staff.

Our success depends, to a significant degree, upon the experience, expertise and continuity of our senior management personnel, most of whom have an in-depth understanding of our industry and operations and will be difficult to replace. Our senior management, including Dr. Au-Yeung, an executive Director, our chairman and CEO, Ms. Au-Yeung Wai, an executive Director and chief operating officer, and Ms. Au-Yeung Hung, an executive Director, are key to our success because of their expertise and experience in the industry, market development and expertise in managing our operations. Further, the relationship and reputation of our management team has established and maintained with our clients contribute to our ability to maintain good relationship with clients. If we were unable to retain our key management, our growth and future success could be impaired and our financial condition could be adversely affected.

We rely to a significant extent, upon experienced, skilled and qualified staff to deliver services to our clients. If we were to lose a substantial number of these staff for whatever reasons, we might not be able to replace them easily and in time or at all, our business might be disrupted and our financial condition and results of operations might be materially and adversely affected. Furthermore, if we failed to attract or retain a sufficient number of qualified staff and could not replace them in time, or we could not hire a sufficient number of these experienced, skilled and qualified staff to meet our needs, our business and prospects might be adversely affected.

We face possible infringement of our intellectual property rights.

Our principal intellectual property rights are our trademarks, as well as know-how in our business operations and provision of personalised services. We are susceptible to third parties' infringement of our intellectual property rights and there is no assurance that third parties will not copy or otherwise obtain and use our intellectual property rights without authorisation.

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We have registered our trademarks and have trademark applications pending in the PRC, Hong Kong and other jurisdictions, details of which are set out in “Further Information about our Business — Intellectual Properties Rights of our Group” in Appendix V to this prospectus. There is a possibility that we are unable to register our trademarks in our markets. It is also impossible for us to comply with, and seek every clearance under, the relevant laws of all possible jurisdictions for the protection and enforceability of our intellectual property rights and there is no guarantee that such registrations can completely protect us against any infringement or keep us at bay from any challenges by our competitors or other third parties. When necessary, we may have to expend a significant amount of financial resources to assert, safeguard and/or maintain our intellectual property rights. In the event that our intellectual property rights could not be enforced against infringement by our competitors or other third parties and/or we were unable to adequately protect or safeguard our intellectual property rights, our business, marketing plan and profitability could be adversely affected.

Any non-renewal of leases or substantial increase in rent may affect our business and financial performance.

The availability of commercially attractive locations for our service centres are important to our business. We strategically locate our service centres, particularly our flagship centres, at prime commercial districts in different geographical markets where we operate and where we intend to expand into. However, there is no assurance that we will be able to find suitable premises for our service centres with reasonable commercial terms. In such event, our plan for opening new service centres might be delayed or suspended, which could have a negative impact upon our growth.

As we operate all of our service centres on leased properties, we are exposed to the retail rental market. As at the Latest Practicable Date, we had 57 service centres which were located on premises leased from Independent Third Parties. During the Track Record Period, the operating lease rentals amounted to HK\$20.1 million, HK\$20.4 million, HK\$29.9 million and HK\$12.1 million, representing 8.5%, 8.7%, 9.7% and 9.0% of our revenue. Most of the lease terms in the PRC are five years whereas most of the terms in Hong Kong are two years.

Upon the expiry of each of the leases of our service centres, we have to negotiate terms of renewal with our landlord. As there has been a general increase in rentals for commercial properties in the PRC and Hong Kong recently, and as all of our service centres are located on premises leased from Independent Third Parties, there is no guarantee that we can renew the leases or negotiate new leases on similar or favourable terms (including, without limitation, on similar tenure and on similar rental charges) in the future or that the leases will not be terminated early by the landlords. In the event that we are required to find alternative locations for our service centres, there is no guarantee that we can secure comparable locations or negotiate leases on comparable terms. In addition, there may be substantial increase in the occupancy costs in the future. All these factors may, in turn, have an adverse impact upon our business, financial position and our future potential growth.

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Lessors of certain PRC sub-leased properties have not provided written authorisations by the property owners in relation to the sub-lease.

As at the Latest Practicable Date, we leased 48 properties in the PRC among which 44 properties were used as our service centres and four properties were used for office purpose. Lessors of two properties sub-leased to us are not able to furnish us with written authorisations by the property owners for sub-leasing the properties. One of these properties is used for service centre and another is used for office purpose. The relevant service centre contributed nil, nil, 1.1% and 1.7% of our revenue during the Track Record Period.

As advised by our PRC Legal Advisor, there is uncertainty in relation to the validity of the lease agreements of the two said properties. In case the relevant property owner challenges our use of the two said properties, we may no longer be able to use the two said properties.

We have been furnished a letter of representation by each lessor of the two said properties, pursuant to which the lessor confirmed that it has been duly authorised by the property owner to sub-lease the relevant property to us, and undertakes that in the event our use of the property is encumbered, or we suffer any direct or indirect losses as a result of the owner's challenges to the sub-leasing, it will make its best endeavors to keep us from any encumbrance and any adverse effect on our daily operation.

As at the Latest Practicable Date, we are not aware of any third parties challenging the validity of the relevant leases or requiring us to vacate these properties. We believe the uncertainty as to the validity of the lease agreements will not have a material adverse effect on our business operation as a whole. If we are not allowed to use the properties, we do not foresee any difficulties in finding an alternative location for our service centres and offices and we are able to seek indemnities from the lessors to the lease agreements at the same time.

As we source our slimming and beauty products from our suppliers, we may not be able to effectively control product qualities and may be subject to product liability claims.

We currently sell around 10 types of slimming and beauty products at our service centres. We source our products from independent manufacturers and the finished products are labelled and sold under our brands. Revenue contribution from the sales of products accounted for 3.0%, 5.8%, 10.6% and 11.6% of our total revenue for the years ended 31 March 2009, 2010, 2011 and the four months ended 31 July 2011. In order to ensure the quality of our products, we select our suppliers carefully and require them to provide quality testing reports.

Since we do not possess our own manufacturing line, we might not be able to effectively control their qualities or ensure that they fully comply with the applicable laws and regulations. Sub-standard or non-qualified products may reach our clients. In the event that products of our suppliers were found to be sub-standard or in breach of applicable laws and regulations, we might need to incur extra costs to rectify the situations. For instance, our "More Slim" and "EnerDay" slimming products were found to have to contain

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prohibited pharmaceutical substances of “Sibutramine” in breach of the Pharmacy and Poisons Regulations (Chapter 138A of the Laws of Hong Kong), details of which are set out in “Business — Historical Non-compliance” in this prospectus. Since we do not have product liability insurance, we may be subject to claims from our clients causing health problems as a result of consumption of such products and/or may be subject to product liability claims as a result of consumption of such products. In addition, any adverse publication of such incidents may have negative impact on our business.

We may not have sufficient insurance coverage.

We have insurance for potential business interruption, money losses, public liability, personal accident, fidelity guarantee, damages to our equipments and any accident or disease of employees. However, we may experience difficulty in claiming compensation from insurance companies as there may be delays in receiving such compensation or we may not be able to claim compensation in full or at all. Further, we have not purchased any professional indemnity insurance for claims relating to losses arising from the use of our services, which we believe there is no such insurance product in the market. This is consistent with the industry practice. If we incur losses which are not covered by our insurance policies, or the amount of compensation we receive from our insurers for our losses is significantly less than our actual losses, our financial condition and results of operations can be materially and adversely affected.

We have not paid certain social insurances and housing provident fund contributions for and on behalf of our employees during the Track Record Period.

During the Track Record Period, our PRC subsidiaries did not pay certain social insurances and housing provident fund contributions in strict compliance with the relevant PRC laws and regulations for and on behalf of our employees due to the following reasons:

- i. there are differences in local regulations and inconsistency in the implementation or interpretation by local authorities in the PRC. For example, according to the Interim Measures on Shenzhen Housing Fund Management (the “Interim Measures”), effective on 20 December 2010, the Shenzhen government authority does not compulsorily require enterprises or individuals to pay housing provident fund prior to the effective date of the Interim Measures;
- ii. registration procedures involve opening of bank accounts and change of employment information which take relatively long period of time. In the case of change of employment, the completion of registration is subject to the completion of transferring procedures by the former employer of the relevant employee which is not under our control;
- iii. personnel information of some migrant employees is not complete. Such employees have to return and bring back verifying materials of their identities so as to complete the registration procedures; and

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- iv. there are difference in the levels of acceptance of the housing provident fund and social security system by our employees. Some of our employees choose not to pay the housing fund and/or social insurances for their own reasons.

Pursuant to the Provisional Regulations on Payment of Social Insurances (社會保險費徵繳暫行條例) promulgated on 22 January 1999, the relevant authority may order an enterprise to pay the outstanding contributions within a prescribed time limit. If the enterprise fails to do so at the expiration of the time limit, in addition to the outstanding contributions, the enterprise will be imposed a fine equivalent to 0.2% of the outstanding contributions per day calculated from the date when the amount becomes overdue. For enterprises which have not registered with the relevant social insurance authority, or declare the payable social insurance contributions as per regulatory requirements, the relevant authority may order the defaulting enterprise to rectify within a specified period. Depending on the seriousness of the defaults, the responsible personnel of the defaulting enterprise may be fined an amount of not less than RMB1,000 but not more than RMB10,000. Our PRC Legal Advisor advised that any non-compliance after the effective date of the Social Insurance Law of the PRC (中華人民共和國社會保險法), which is 1 July 2011, may subject the defaulting enterprise to a fine equivalent to 0.05% of the outstanding contributions per day calculated from the date when the amount becomes overdue and if the defaulting enterprise failed to rectify within a prescribed period, a further fine equivalent to not less one time but not more than three times of the outstanding contributions. Pursuant to the Regulations on the Administration of Housing Accumulation Funds (住房公積金管理條例) promulgated on 3 April 1999, the relevant housing fund authority may order an enterprise to pay outstanding contributions within a prescribed time limit. If the enterprise fails to do so at the expiration of the time limit, the relevant housing fund authority may apply to the people's court for compulsory execution. As advised by our PRC Legal Advisor, we may be subject to administrative penalties to the extent provided by the above two regulations for our non-compliance in the Track Record Period.

As at 31 July 2011, the total amount of unpaid housing provident fund and social insurance contributions for the employees by us were RMB189,000. As part of remedial action, we have made enquiries with the relevant government authorities in charge of the social insurances and housing provident fund to pay back the unpaid contributions. We have subsequently paid RMB34,000 of unpaid housing provident fund and social insurance contributions according to the instructions of the relevant authorities. Based on our communication with the relevant government authorities, due to their unavailability of internal collection system, they will not seek for payment of the unpaid housing provident funds and social insurances in the total amount of RMB154,000, and we will settle the outstanding unpaid housing provident funds and social insurances in the amount of RMB1,000 by 31 March 2012. As at the Latest Practicable Date, we had not received any notice from the relevant housing fund or social security authorities ordering us to make outstanding payments or rectification, or any administrative penalties from the relevant authorities. As advised by our PRC Legal Advisor, we may be ordered to pay such social insurances and housing provident fund contributions within a stipulated deadline by the relevant PRC authorities. If we have made rectification and paid the outstanding sums within the prescribed time limits, as advised by our PRC Legal Advisor, our PRC subsidiaries and the relevant responsible personnel would not be subject to the relevant

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finances. Further, pursuant to the Interim Measures, it is unlikely that our subsidiaries in Shenzhen will be punished by the local housing fund authority for not paying certain housing provident fund prior to 20 December 2010, being the effective date of the Interim Measures.

Taking into account the advice from our PRC Legal Advisor and the aforesaid amount of unpaid contributions, our Directors consider that the unpaid housing provident fund and social insurance contributions is not material and thus no provision for such unpaid contribution was provided by our Group during the Track Record Period. However, we cannot guarantee that we will not be subject to other penalties by relevant PRC authorities for our past non-compliance. Any penalties against us in respect of outstanding housing fund or social security contributions could affect our reputation and cash flows. Our Controlling Shareholders have undertaken to indemnify us against any loss and penalty we may suffer as a result of such non-compliance.

We may be required to pay additional profits tax under enquiry by the Inland Revenue Department.

During the Track Record Period, we have received letters from the IRD enquiring on certain of our subsidiaries' holdover application of provisional profits tax, the said intercompany transactions under query by the IRD amounted to HK\$43.6 million and HK\$4.9 million for the years ended 31 March 2008 and 2009, respectively. We have submitted the background and reasons for the holdover to the IRD in 2010 and early 2011 and we believe the information submitted to the IRD at the time of application should be sufficient to substantiate the holdover application. However, we cannot guarantee that we will not be subject to additional profits tax imposed by the IRD. Any additional profits tax imposed by the IRD on our Group in respect of the holdover application of provisional profits tax could affect our cash flows and financial condition.

Some of our service centres in the PRC have not fully complied with the relevant fire safety laws and regulations.

According to the relevant PRC fire safety laws and regulations, different construction projects will have different fire safety regulatory treatment. For construction projects which will have a dense population and other special construction projects, enterprises carrying out such projects shall undertake review of the design and completion of the construction projects by the relevant fire safety authorities, and shall pass the pre-commencement fire safety examination before starting a business operation. For non-special construction projects, the enterprises carrying out such projects shall file the fire control design and completion inspection with the relevant fire safety authorities. The fire safety authorities will then determine whether such a project falls into their targets of random check. The construction project selected for random check shall prepare the documents required by the fire safety authorities for a check of its fire control.

Though the relevant laws and regulations provide the scope of construction projects of dense population and special construction projects depending on the area and usage of the project, the local fire safety authorities' view is not very clear in practice. Some of our service centers are treated in the manner of a special construction project which requires

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pre-commencement fire safety examination, while others are only required to file with the local fire safety authority. The process of applying for pre-commencement fire safety examination or filing of fire control completion inspection is complicated and usually takes a long period of time.

As at the Latest Practicable Date, five service centres have passed the review of completion of the construction projects by Guangzhou Public Safety and Fire Safety Bureau (廣州市公安消防局) and Shanghai Fire Safety Bureau (上海市消防局). However, they have not received the certificate showing they have passed the pre-commencement fire safety examination. As advised by our PRC Legal Advisor, according to the relevant PRC fire safety laws and regulations, relevant service centres, if recognised by the local fire safety authorities as special construction projects, may be ordered to suspend operation and only be permitted to continue the business after obtaining certificates of passing the pre-commencement examination, and we may be subject to a fine ranging from RMB30,000 to RMB300,000 for each of the service centre.

We have not received any notice from the relevant fire safety authorities showing that we are in default with the relevant pre-commencement or filing obligations. Our PRC legal advisor advised that it is unlikely the operation of the relevant service centres will be suspended because of the failure to obtain the pre-commencement fire safety examination certificates. We have approached the relevant fire safety authorities and were given to understand that no additional governmental filings, approvals or procedures including obtaining the outstanding fire safety certificates would be necessary for our two service centres in Guangzhou. In respect of the remaining three service centres, we have passed the fire safety review and are in the course of obtaining the outstanding fire safety certificates. Our applications in respect of the aforesaid three service centres have been accepted and we expect to complete all fire safety certificates by end of February 2012. We cannot assure you that we may not be subject to penalties by relevant PRC authorities for our past non-compliance, which may affect our reputation and financial conditions. Our Controlling Shareholders have undertaken to indemnify us against any loss and penalty we may suffer as a result of such non-compliance. We will ensure that for our new service centres, we comply with all applicable fire safety laws and regulations.

Some of our slimming programmes are refundable and may potentially affect our financial performance.

During the Track Record Period, apart from two slimming treatments, both of which were catered for new clients and were subject to refund depending on the achievement or non-achievement of agreed slimming results, all our packages are non-refundable. We generally do not guarantee any weight loss. Nevertheless, as part of our promotion, we from time to time offer slimming programmes which we may need to refund part or all to our clients. This depends on the attendance and the results of our promised slimming campaigns. For the years ended 31 March 2009, 2010, 2011 and the four months ended 31 July 2011, we made refunds to clients under refundable slimming programmes in the amount of nil, HK\$4.8 million, HK\$3.6 million and nil, which accounted for nil, 2.0%, 1.2% and nil of our total revenue, respectively. The amounts of revenue attributable to these refundable slimming programmes, were HK\$0.9 million, HK\$29.9 million, HK\$7.7

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million and HK\$0.3 million for the years ended 31 March 2009, 2010, 2011 and the four months ended 31 July 2011, respectively. Apart from our refundable slimming programmes, in exceptional circumstances, where there are good reasons and evidence in support, for example, clients are medically diagnosed as being unsuitable for the slimming programme, we may on a discretionary basis allow them to transfer their entitlements to slimming programmes to other persons. Only on certain exceptional situations, we may refund to our customer at our discretion. During the Track Record Period, we made compensations/refunds including those in relation to the complaints filed with the Hong Kong Consumer Council and the Macau Consumer Council and legal proceedings and under exceptional circumstances to our clients in the amount of HK\$1.8 million, HK\$1.9 million, HK\$2.4 million and HK\$2.3 million, which accounted for 0.8%, 0.8%, 0.8% and 1.7% of our total revenue, respectively. Refunds to our clients in the future may affect our financial performance.

We may not be able to effectively control the attitude of our staff in sales of service packages to clients.

As an incentive to our frontline staff, we offer commission to them upon successful sale of slimming and beauty packages to our clients. Unfortunately, there have been instances of complaints from clients in relation to the services of our staff. These instances can be difficult to prevent or investigate, but can result in financial losses to our Company and harm our reputation. In order to avoid similar instances from happening, we provide in-house training and have implemented internal procedures to our frontline staff with respect to their sales technique. We require our salespersons to go through every clause in the contract with the client to make sure that the client understands his/her rights and responsibilities before signing the contract. We may not be able to prevent all instances of fraud or other misconduct. Any fraud or misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse impact upon our business, results of operations and financial condition.

Our revenue from our operations in Hong Kong declined during the Track Record Period.

We take the view that the slimming and beauty market in Hong Kong has already saturated. There has been a fall in revenue from Hong Kong market from HK\$223.5 million for the year ended 31 March 2009 to HK\$188.1 million for the year ended 31 March 2010, and further fall to HK\$131.9 million for the year ended 31 March 2011. For the four months ended 31 July 2011, revenue from Hong Kong decreased to HK\$30.1 million from that of HK\$53.5 million for the same period in 2010. We cannot guarantee that revenue from our Hong Kong operations maintain the same level in the future.

We incurred net current liabilities during the Track Record Period.

For provision of slimming and beauty services, we normally charge our clients by way of prepaid packages which generally have a validity period of one year. For financial reporting purposes, the prepaid packages are recorded as deferred revenue, which are current liabilities, in the balance sheet at the point of sales and subsequently recognised as revenue in the income statement when the service treatments are delivered to clients. As a result, as at 31 March 2009 and 31 March 2011, we had net current liabilities of HK\$16.4

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million and HK\$17.6 million respectively. As a result of the increase in our cash flows from operating activities which strengthened our cash position, we recorded net current assets of HK\$2.7 million and HK\$11.3 million as at 31 March 2010 and 31 July 2011, respectively. Our Company recorded net current liabilities of HK\$43.9 million as at 30 November 2011, which was mainly due to the increase in the balance of dividend payable of HK\$71.1 million. In November 2011, special cash dividends of HK\$88.5 million were declared, please refer to “Financial Information — Dividend and Distributable Reserves” in this prospectus for details. We cannot guarantee that we will not incur net current liabilities in the future again.

We may suffer loss due to our investment decisions in financial assets.

We receive strong cash inflow from our business operation from time to time and purchase financial assets in order to protect the capital value and achieve appreciation of our idle cash. During the year ended 31 March 2011, we invested idle cash in the principal sum of approximately HK\$35 million in the PRC, in several entrusted investment funds which are usually short-term in nature. During the year ended 31 March 2011, in Hong Kong, we also purchased available-for-sale financial assets to secure a more favourable credit term from a local financial institution through which a significant portion of credit card and instalment sales were transacted. At the request of that financial institution, we pledged our available-for-sale financial assets for the security of its credit line with that local financial institution and such pledge was ceased as at 31 July 2011.

As at the Latest Practicable Date, we have sold out all our financial assets save and except for an investment fund with guaranteed interest rate in the principal sum of RMB5 million with maturity date in May 2012.

Upon Listing, we will continue to adopt conservative treasury policies, control tightly over our cash and strengthen our risk management. Our surplus cash will generally be placed in short-term deposits denominated in HK dollars and RMB. The amount to be invested by us in investments, in general, will not exceed 10% of the total amounts of surplus cash of our Group. For details of our investment policy, investment team and our control policy, please refer to “Financial Information — Cash flow statements” in this prospectus.

There is potential risk arising from our investment decisions due to impairment losses on our investment assets as a result of declines in their value, which could adversely affect our results of operations and financial condition.

We will be controlled by our Controlling Shareholders, whose interests may differ from those of our other Shareholders.

Upon the completion of the Global Offering and the Capitalisation Issue, assuming that the Over-allotment Option is not exercised at all, our Controlling Shareholders will beneficially own and control 75.0% of our equity interest. Subject to our Articles of Association, our Controlling Shareholders will continue to have the ability to exercise a controlling influence over the management, policies and business of our Company through the power to nominate and elect board members, determine the timing and amount of

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dividend distributions, approve or disapprove significant corporate transactions such as mergers and acquisitions, and approve or disapprove annual budgets. Our Controlling Shareholders may cause us to enter into transactions or make or refuse to make decisions that conflict with the best interests of our other Shareholders.

RISKS RELATING TO OUR INDUSTRY

We face competition in the slimming and beauty industry.

Our Directors believe that the slimming and beauty market, in particular in Hong Kong, is competitive. Market players compete with each other in terms of brand positioning, product and service variety and quality, service centre locations and decorations, pricing and financial resources.

Some of our competitors may have more financial, marketing and client service resources and better brand recognition than us. This may allow them to devote more resources to the development, promotion, sale and support of their services and products. As a result, we may not be able to compete effectively in certain target markets, and our products may not be as popular as we anticipate, competition can affect our business, financial condition and results of operation.

We require various permits, approvals and licences for the operation of our business in the PRC, Hong Kong and Macau. Any termination of or failure to renew any or all of the licences, approval and permits could adversely affect our business and operations.

Our business is subject to various laws and regulations in the PRC, Hong Kong and Macau. For details of the applicable laws and regulations, please refer to “Laws and Regulations” in this prospectus. Save as disclosed the paragraphs headed “We have not paid certain social insurances and housing provident fund contributions for and on behalf of our employees during the Track Record Period” and “Some of our service centres in the PRC have not fully complied with the relevant fire safety laws and regulations” in this section, as confirmed by our legal advisors, we have obtained the relevant licences, permits, approvals and certificates necessary to conduct our operations in the PRC, Hong Kong and Macau and has complied materially with applicable laws and regulations in these jurisdictions since our commencement of operations therein.

If we fail to maintain or renew any of these necessary licences, permits, approvals and certificates, or fail to comply with these applicable laws and regulations for whatever reason, we may have to temporarily or permanently suspend some or all of our operations, which can result in us being unable to meet our contractual obligations. This may adversely affect our business, financial condition and results of operations.

We may be adversely affected by a lack of growth in the consumer market or there is a general market downturn.

The continued growth in revenue from our operations is highly dependent upon the sustainable growth of consumer spending on slimming and beauty services. This in turn depends on the level of economic growth in the markets in which we operate. We cannot

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guarantee that the economy in our markets can sustain a stable growth rate. Moreover, if the governments of the markets where we operate implement measures to slow down the economy, consumer demand and spending on slimming and beauty services and products may fall. Recent tightening monetary policy in the PRC, global economic uncertainties and the euro zone sovereign debt crisis had resulted in adverse market conditions and the shrinking global consumer confidence index. Any continued economic slowdown or recession, whether globally or in regions where we rely heavily upon, or any new inhibitive measures, can have a material adverse effect upon our business and results of operation.

Changes in regulatory regimes in the jurisdictions in which we operate may have an adverse effect on us.

As we operate our business in the PRC, Hong Kong and Macau, we are subject to the PRC, Hong Kong and Macau legal regimes and a number of regulations and restrictions as set out in “Laws and Regulations” in this prospectus. Contravention of any laws or regulations may expose us and/or our Directors to criminal and civil liabilities including penalties, fines, damages and other sanctions. Further, there can be no guarantee that there will not be further restrictions and requirements imposed or that we will be able to obtain special approvals or exemptions from any of such restrictions or requirements. For example, Beijing Administration Bureau of Industry and Commerce issued the Guidance on the Transaction Agreements of Prepaid Consumption Services in Beijing (北京市消費類預付費服務交易合同行為指引) (the “Guidance”), which took effect since September 2011 in respect of the unused portion of expired prepaid packages, and pursuant to which, among others, upon expiry of the prepaid contracts, service providers shall offer one of the following options to their clients: (i) one free extension of the term of service for not less than half of the original term; (ii) refund of the unused service fees; (iii) provision of alternative service arrangements. The Guidance also requires service providers to provide to their customers a cooling-off period of seven days after payment. The Guidance provides no legal consequence of violation, is not mandatory in nature and is only applicable to transactions in Beijing after the effective date. Nevertheless, there may be possible complaints and/or legal proceedings by our clients in Beijing on the Group’s non-compliance with the Guidance. There is no guarantee on when or whether the PRC Government will promulgate or enforce the Guidance as a legislative regime. Any implementation of the Guidance as a legislative regime may have an adverse impact on our Group’s financial position and operation. There is also no assurance that the PRC Government will not promulgate similar legislative provisions in the future.

In addition, in January 2011, the Hong Kong government proposed that mandatory cooling-off period of seven days be imposed on contracts involving goods and/or services with a duration of not less than six months in its consultation paper on legislative proposals to enhance protection for consumers against unfair trade practices. The proposed implementation of mandatory cooling-off period shall allow consumers to consult third parties where necessary, and reconsider their decisions free from any undue influence that may have been exerted during the course of the transaction. Since October 2011, the proposal of imposing the mandatory cooling-off period has been deferred and is still being studied by the Hong Kong Government. Details of such new legislation in relation to

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mandatory cooling-off period have not yet been finalised or implemented in Hong Kong and to our best knowledge, there is no concrete timetable in respect of the said legislative proposal.

The introduction of legislative regime, if any, may result in increase in administrative and operation costs and may affect the current services and operational arrangement of our Group. These laws and regulations may not only restrict our present operations, but may also restrict our proposed future development plans. Therefore, our business and results of operations could be adversely affected by these limitations.

The Hong Kong government is reportedly considering revising various regulations relating to the prepaid package transactions. If such reports are accurate, there may be changes in the policies and regulations governing the beauty and slimming industries. There is no guarantee that our revenue model and our business will not be materially and adversely affected by any changes by the Hong Kong government on policies and regulations governing the beauty and slimming industries.

RISKS RELATING TO THE PRC

Our results of operations and financial condition are highly susceptible to changes in the PRC political, economic and social conditions.

During the Track Record Period, we derived 0.8%, 14.5%, 52.7% and 74.0% of our total revenue from our operations in the PRC. As estimated by our Directors, the revenue contribution from our PRC operation will continue to increase in the foreseeable future. As at the Latest Practicable Date, we operated 44 service centres in the PRC. The demand for our services is materially affected by growth of domestic consumption and overall economic progress in the PRC. With our planned expansion, we expect the PRC market to increase its contributions to our revenue. We are therefore susceptible to changes in the economic, political and social conditions of the PRC. The PRC used to be a planned economy. Over the past two decades, the PRC Government implemented economic and political reform measures. Such reforms have resulted in a significant economic and social advancement. However, as the PRC Government continues to play a big part in regulating industries by imposing new industrial policies, any change in the economic or political situation in the PRC and any new policies adopted by the PRC Government may affect our operations and its performance and profitability.

In addition, the global financial crisis in 2008 caused a slowdown in the growth of the global economy. There are signs of recovery in the global and Chinese economies. There can be no guarantee that any such recovery is sustainable. Further, if the financial crisis continues, there is no certainty as to its impact on the global economy or the PRC economy. As a result of global economic cycles, there can be no guarantee that the PRC economy will continue to grow at the rates achieved in the past, or at all. Any slowdown or recession in the PRC economy may have a material and adverse impact on our results of operations and financial condition.

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Restrictions imposed by the PRC Government on currency conversion and exchange rate fluctuation may limit our ability to remit dividends and affect our business.

Currently, Renminbi is not a freely convertible currency. We receive a substantial portion of our revenue in Renminbi and will need to convert Renminbi to foreign currency for payment of dividends, if any, to holders of our Shares. Existing restrictions on the conversion of Renminbi into foreign currencies may affect our ability to convert Renminbi into foreign currencies (and thus restrict the subsequent repatriation of those funds). Under existing PRC foreign exchange regulations, payment of current account items, including profit distributions, can be made in foreign currency without prior approval from SAFE upon compliance with certain procedural requirements. However, individual payments of capital items, for example the conversion of RMB into foreign currency to repay foreign loans, requires prior approval from the appropriate government authority. In addition, any tightening of such restrictions, including but not limited to the future imposition of restrictions on foreign exchange transactions for current account items such as the payment of dividends, may limit our ability to use resources generated in Renminbi to fund our business activities outside the PRC.

Further, the proceeds to be raised from the Global Offering will be denominated in HK dollars. There is no guarantee that HK dollars can be convertible into Renminbi at any time, and any restriction on such conversion may restrict our utilisation of, or even render us unable to utilise, the proceeds from the Global Offering for implementation of our future plans.

As a substantial portion of our revenue and operating costs are denominated in Renminbi, our business and operating results may be materially and adversely affected in the event of a severe increase or decrease in the value of Renminbi against other currencies. The value of Renminbi is subject to changes in the PRC governmental policies and to international economic and political developments. Any significant appreciation of Renminbi can affect the conversion of the proceeds from the Global Offering for our operations, and any material devaluation of Renminbi against the HK dollar could adversely affect the amount of any cash dividends we declare on our Shares in HK dollar terms.

We may elect to hedge our currency exchange risk if we decide that such action may be required, including entering into forward contracts or option contracts to buy or sell foreign currencies against Renminbi. As a result, we may suffer losses resulting from the fluctuation between the buy forward exchange rate and the sell forward exchange rate, or from the price of the option premium. We may from time to time review our hedging strategy and there is no guarantee that we will not suffer losses in the future as a result of these activities.

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PRC regulation on direct investments and loans by offshore holding companies to PRC entities may delay or limit our ability to use the proceeds of the Global Offering to make additional capital contributions or loans to our PRC operating businesses.

Any capital contributions or loans that we, as an offshore company, make to our PRC operating businesses are subject to PRC regulations. For example, any of our loans to our PRC operating businesses cannot exceed the difference between the total amount of investment our PRC operating businesses are allowed to make under relevant PRC laws and their respective registered capital, and must be registered with the local branch of the SAFE as a procedural matter. In addition, our capital contributions to our PRC operating businesses are subject to the approval of local PRC administrations for industry and commerce and other relevant local authorities. There is no guarantee that we will be able to obtain these approvals in time, or at all. If we fail to obtain such approvals, our ability to make equity contributions, provide loans to our PRC operating businesses or to fund their operations may be entirely prohibited or affected, which as a result, can affect their liquidity, their ability to fund their working capital and expansion projects, and meet their obligations and commitments.

Furthermore, the SAFE promulgated a new circular in August 2008, in relation to the administration of conversion of foreign exchange capital contribution by foreign invested enterprises into RMB. Pursuant to this new circular, RMB converted from foreign exchange capital contributions can only be used for activities within the approved business scope of such foreign invested enterprise, and cannot be used for domestic equity investments or acquisitions unless otherwise allowed by PRC laws or regulations. As a result, we may not be able to make additional capital contributions to our operating subsidiaries and convert such capital contributions into RMB for equity investments or acquisitions in the PRC.

The PRC Labour Contract Law may cause our labour costs to increase and we may be liable for fines and penalties for any material breach of this law.

On 29 June 2007, the Standing Committee of the NPC adopted the PRC Labour Contract Law (中華人民共和國勞動合同法) which became effective on 1 January 2008. The PRC Labour Contract Law imposes requirements relating to, among others things, minimum wages, severance payments; non-fixed term employment contracts; establishes time limits for probation periods and the circumstances in which an employee can be placed on a fixed-term employment contract. It also provides that social insurance is required to be paid on behalf of employees, and employees are entitled to unilaterally terminate the labour contract if this requirement is not being satisfied.

Pursuant to this new law, our PRC subsidiaries are required to enter into non-fixed term employment contracts with employees who have consecutively worked for them for more than 10 years or, unless otherwise provided under the new law, for whom a fixed-term employment contract has been concluded for two consecutive terms since 1 January 2008. Our PRC Legal Advisor, on reviewing our sample labour contracts used by our PRC subsidiaries and service centres is of the opinion that the sample labour contracts are valid and legally binding on due execution by the parties, and their terms and provisions are in compliance with the PRC Labour Contract Law. We may not be able to efficiently

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terminate employment contracts under the new law without demonstrating the cause. In addition, we are required to make severance payments to employees upon early termination of their employment contracts, unless the contract is terminated due to (i) the employee's misconduct, (ii) the employee voluntarily terminates the contract or (iii) the employee voluntarily rejects an offer to renew the contract in circumstances where the conditions offered by the employer are the same as or better than those stipulated in the current contract. The amount of severance payment is calculated based on monthly wage of the employee multiplied by the number of full years that the employee was employed by the employer. Unless the employee's monthly wage is three times greater than the average monthly wage in the relevant district or locality, in which case the calculation of the severance payment will be based on a monthly wage equal to three times the average monthly wage multiplied by a maximum of 12 years.

Compliance with the relevant laws and regulations may substantially increase our operating costs and may have a material impact on our results of operations. In particular, an increase in labour costs in the PRC will increase our service costs, and we may not be able to pass these extra costs onto our clients due to competitive pricing pressures. There is no guarantee that any employment disputes or strikes will not happen in the future. Increase in our labour costs and any future disputes with our employees can materially and adversely affect our business, financial condition or results of operations.

Interpretation of PRC laws and regulations involves uncertainty.

The PRC legal system is based on written statutes. Prior court decisions can only be used as a reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of PRC laws and regulations involves a degree of uncertainty. Depending on the governmental agency or the presentation of an application or case to such agency, we may receive less favourable interpretations of laws and regulations than our competitors. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are subject to policy changes. There is no guarantee that the introduction of new laws, changes to existing laws and the interpretation or application thereof, or delays in obtaining rulings, interpretations or approvals from the relevant authorities will not have an adverse impact on our business or prospects. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management attention. The outcome of litigation and dispute resolutions may not be consistent or predictable as in other more developed jurisdictions and it may be difficult to obtain swift or equitable enforcement of the law in the PRC, or to obtain enforcement of a judgment by a court of another jurisdiction. All these uncertainties may cause difficulties in the enforcement of our entitlements under our licenses, and other statutory and contractual rights and interests.

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

Under the CIT Law, PRC income tax at the rate of 10% is applicable to dividends payable to investors who are non-resident enterprises. Similarly, any gain realised on the transfer of shares by such investors is also subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC. If we are considered as a PRC resident enterprise by virtue of having our de facto management in the PRC, it is unclear as to whether the dividends we pay with respect to our Shares, or the gain realised from the sale of our Shares, will be treated as income derived from sources within the PRC and therefore become subject to the CIT Law. If we are required under the CIT Law to withhold PRC corporate income tax on our dividends payable to our foreign Shareholders, or if it is required to pay PRC enterprise income tax on the transfer of Shares, the value of investment in our Shares may be materially and adversely affected.

RISKS RELATING TO THE GLOBAL OFFERING

We are incorporated under Cayman Islands law and Cayman Islands law may not offer the same protections to minority shareholders as the laws of other jurisdictions.

Our corporate affairs are governed by our Articles of Association, the Cayman Companies Law and the common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of interests of minority shareholders differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong and other jurisdictions. Such differences may mean that our minority shareholders may have different remedies and may not be offered the same protections as they would have under the laws of other jurisdictions. A summary of the Cayman Islands company law is set out in Appendix IV to this prospectus.

There has been no prior public market for our Shares and the liquidity and market price of our Shares may be volatile.

Prior to the Global Offering, there has been no public market for our Shares. The Offer Price for our Shares as disclosed in this prospectus was the result of negotiations between us and the Sole Global Coordinator (for itself and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. We have applied for listing of, and permission to deal in, our Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, will be sustained following the Global Offering or that the market price of our Shares will not decline following the Global Offering. In addition, there can be no assurance that the Global Offering will result in the development of an active and liquid public trading market for our Shares. Furthermore, the price and trading volume of our Shares may be volatile. One or more of the following factors may significantly affect the volume and price at which our Shares will trade:

- investors' perceptions of our Group and our future plans;

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- actual or anticipated fluctuations in our results of operations;
- reduction or restriction of financing means for our industry;
- changes in senior management of our Group or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general economic conditions or other developments affecting us or our industry;
or
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control.

The securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially adversely affect the market price of our Shares.

Any future issuance of Shares by us may dilute shareholding and future sales of a substantial number of Shares may adversely affect the price of the Shares.

Any future capital issuances to expand our business or otherwise may lead to the dilution of investors' shareholding in our Company. Purchasers of our Shares may experience dilution in the net tangible asset book value per share of their Shares if we issue additional Shares or securities convertible into Shares in the future at a price which is lower than the net tangible asset book value per Share.

Future sales of a substantial number of our Shares, or the possibility of such sales, can have a negative impact upon the market price of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our Controlling Shareholders are subject to certain lock-up undertakings. Upon the expiry of the lock-up period, there may be a sale of large number of our Shares. We cannot predict what effect, if any, any perception or actual occurrence of such significant future sale will have on the market price of our Shares.

There are risks associated with forward-looking statements contained in this prospectus.

Information in this prospectus contains certain forward-looking statements and information relating to our Group that are based on the belief of our Directors as well as assumptions based on the information currently available to them. In this prospectus, the words "aim", "anticipate", "believe", "continue", "could", "expect", "intend", "may", "plan", "potential", "predict", "project", "propose", "seek", "should", "will", "would" and similar expressions, as they relate to our Company or us or our Directors, are intended to, among others, identify forward looking statements. Such statements reflect the current

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views of our Directors with respect to, among others, future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus. Should one or more of these risks or uncertainties materialise, or should underlying assumptions be proved to be incorrect, our financial condition may be adversely affected and vary materially from those described herein as believed, considered, estimated, expected or anticipated.

We cannot guarantee the accuracy of facts and other statistics derived from various official government publications contained in this prospectus.

Facts and other statistics in this prospectus relating to the PRC and Hong Kong and the slimming and beauty industry have been derived from various official government publications. However, we cannot guarantee the quality or reliability of the source materials. They have not been prepared or independently verified by us, the Sole Sponsor, the Sole Global Coordinator, the Underwriters or any of our or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled. We have, however, exercised reasonable care in the reproduction and extraction of such facts and statistics from the relevant official government publications for the purpose of inclusion in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the facts and statistics in this prospectus may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Furthermore, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Therefore, you should not unduly rely upon the facts and statistics with respect to such jurisdictions and the slimming and beauty industry contained in this prospectus.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering.

Prior or subsequent to the publication of this prospectus, there has been or may be press and media coverage regarding us and the Global Offering, in addition to marketing materials published by us in compliance with the Listing Rules. We have not authorised any such press and media reports, and the financial information, financial projections, valuations and other information about us contained in such unauthorised press and media coverage may not truly reflect what is disclosed in this prospectus. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication, and accordingly do not accept any responsibility for any such press or media coverage or the inaccuracy or incompleteness of any such information. To the extent that any such information appearing in the press and media is inconsistent or conflicts with the information contained in this prospectus, we disclaim it, and accordingly you should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the information included in this prospectus.