

**NIKS PROFESSIONAL LTD.**

(Company Registration Number: 199804609D)

(Incorporated in the Republic of Singapore on 22 September 1998)

INVITATION IN RESPECT OF 21,800,000 NEW ORDINARY SHARES ("INVITATION SHARES") AT AN INVITATION PRICE OF S\$0.23 PER INVITATION SHARE

Prior to making a decision to subscribe for the Invitation Shares, you should carefully consider all the information contained in the offer document dated 18 October 2023 (the "Offer Document") issued by Niks Professional Ltd. (the "Company", and together with its subsidiaries, the "Group"). This Product Highlights Sheet should be read in conjunction with the Offer Document. Capitalised terms used but not defined herein shall bear the meanings as ascribed to them in the Offer Document. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. You should also consider whether an investment in the Invitation Shares is suitable for you taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

This Product Highlights Sheet¹ is an important document.

- It highlights the key information and risks relating to the offer of the Invitation Shares contained in the Offer Document. It complements the Offer Document².
- You should **not** subscribe for the Invitation Shares if you do not understand the nature of an investment in our equity securities, our business or are not comfortable with the accompanying risks.
- If you wish to subscribe for the Invitation Shares, you will need to make an application in the manner set out in the Offer Document. If you do not have a copy of the Offer Document, please contact our Company, or the Sponsor, Issue Manager, Underwriter and Placement Agent to ask for one.

Issuer	Niks Professional Ltd.	Place of incorporation	Singapore
Details of this Invitation	Total number of Invitation Shares to be offered – 21,800,000, comprising: (a) Public Offer – 1,000,000 Invitation Shares; and (b) Placement – 20,800,000 Invitation Shares (including 3,669,000 Invitation Shares reserved for subscription by the management, Directors and employees of our Group as well as business associates and others who have contributed to the success of our Group (to be determined by us at our sole discretion)).	Total amount to be raised in this Invitation	Gross proceeds of approximately S\$5.01 million and net proceeds of approximately S\$3.33 million.

¹ This Product Highlights Sheet does not constitute, or form any part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information in this Product Highlights Sheet is based on information found in the Offer Document. Any decision to subscribe for and/or purchase securities must be made solely on the basis of information contained in the Offer Document.

² The Offer Document, lodged with and registered by the Singapore Exchange Securities Trading Limited (the "SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore (the "Authority"), on 29 September 2023 and 18 October 2023 respectively, may be obtained on request, subject to availability, during office hours from SAC Capital Private Limited at 1 Robinson Road #21-00 AIA Tower Singapore 048542. A copy of the Offer Document is also accessible at the SGX-ST's website at <http://www.sgx.com>.

Invitation Price	S\$0.23 for each Invitation Share	Listing status of Issuer and the Securities	An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all of our Shares that are already issued, the Invitation Shares, the Option Shares, and the Award Shares on the Catalist. The Shares are expected to be listed on 27 October 2023.
Sponsor, Issue Manager, Underwriter and Placement Agent	SAC Capital Private Limited		

OVERVIEW

WHO ARE WE AND WHAT DO WE DO?

Our Company was incorporated in Singapore on 22 September 1998 under the Companies Act as a private company limited by shares, under the name “Niks Professional Pte Ltd”.

We are a trusted and established family practice dermatology and aesthetic medical services provider with an operating history of over 25 years that also offers a comprehensive range of medical skincare products and salon services to complement medical solutions.

As at the Latest Practicable Date, we have five (5) doctors who participate in the provision of family practice dermatology and aesthetic medical services to our patients in our three (3) clinics in Singapore. All of them are registered as general practitioners with the Ministry of Health of Singapore, and have, on average, over 20 years of experience in the industry. A majority possess postgraduate diplomas in dermatology. They offer medical consultation, prescribe medicines and complementary skincare products and undertake procedures including but not limited to light and laser procedures, injectables, subcisions, and mole removals.

Our Group’s market presence and reputation are built upon the experience and reputation of the doctors.

As at the Latest Practicable Date, our Group has three (3) clinics and three (3) outlets retailing Niks skincare products and offering facial services in Singapore.

Our Tampines clinic is located in the Tampines Housing & Development Board heartland and sees patients with skin issues, performs procedures like chemical peel, subcision and mole removal and offers aesthetic injections. Our Jurong East clinic is located in Vision Exchange, a dedicated medical and office building. In addition to seeing patients and performing procedures like those in the Tampines clinic, it also offers dermatological laser treatments with Fotona 4D and Clear & Brilliant laser machines. Our flagship Orchard clinic, located in The Centrepoint, houses more than 10 laser and light machines and offers a comprehensive suite of family practice dermatology and aesthetic medical services. All our doctors practise in our Orchard clinic as well as one (1) or both of our Tampines and Jurong East clinics.

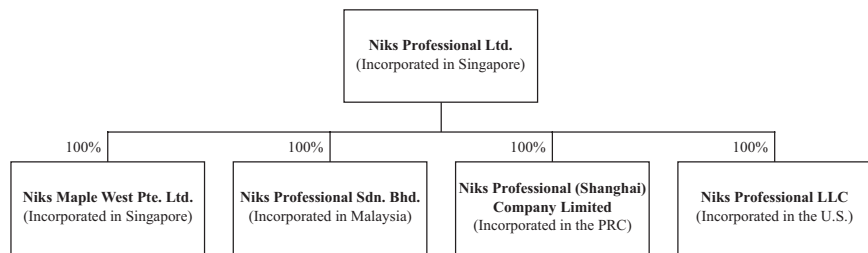
Our outlets operate during retail hours in Ang Mo Kio Central, Bedok Central and The Centrepoint. They provide our patients and customers with convenient access to non-prescriptive Niks skincare products as well as facial services using Niks products. We also offer paramedical camouflage products and services, which employ specially formulated Niks Cover Creams (19 shades) to cover difficult-to-conceal skin conditions like vitiligo, birthmarks, varicose veins, psoriasis and hemangioma. Our outlets are located strategically across Singapore.

We operate an online store on our website, which allows our customers to purchase Niks skincare products at any time and anywhere at their convenience. We also supply Niks skincare products to some third-party medical clinics and beauty salons.

Through NPSCL, as at the Latest Practicable Date, our Group distributes Niks skincare products to 11 regional agents in the PRC covering 13 provinces and one (1) city, which in turn supply the products to hospitals, clinics, pharmacies, retail shops, doctors and consumers in their provinces and municipalities. NPSCL also sells directly to some doctors and doctor groups, as well as to consumers via e-commerce through a WeChat mini-program and via www.haodf.com, a telemedicine platform in the PRC.

Refer to the sections titled “Offer Document Summary” on pages 35 to 38, “General Information on our Group – History” on pages 113 to 114 and “General Information on our Group – Business Overview” on pages 114 to 117 of the Offer Document for more information on our background and business.

The structure of our Group as at the date of the Offer Document is as follows:



Refer to the section titled “Group Structure – Structure of Our Group” on page 65 of the Offer Document for the structure of our Group.

WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

Our Board of Directors comprises:

- Mr Cheng Shoong Tat (Chairman and CEO)
- Dr Ong Fung Chin (President and CMO)
- Mr Mark Andrew Yeo Kah Chong (Deputy Chairman and Lead Independent Director)
- Mr Manu Bhaskaran (Independent Director)
- Mr Tan Teck Huat (Independent Director)

Our Executive Officers are:

- Mr Wu Peicong (CFO)
- Ms Ong Huey Jwu (General Manager (Singapore))
- Mr Anbhu Selvem A Veeramalai @ Anbhu Selvem S/O A Veeramalai (Senior Accounting Manager)

Refer to the section titled “Directors and Management” on pages 155 to 168 of the Offer Document for more information on our Directors and Executive Officers.

WHO ARE OUR CONTROLLING SHAREHOLDERS?

The shareholdings of our Controlling Shareholders immediately before and after the Invitation are set out below:

	Immediately before the Invitation		Immediately after the Invitation	
	Direct interest	Deemed interest	Direct interest	Deemed interest
	(%)	(%)	(%)	(%)
Cheng Shoong Tat	48.2	48.2	40.1	40.1
Ong Fung Chin	48.2	48.2	40.1	40.1

Refer to the section titled “Shareholders” on pages 72 to 76 of the Offer Document for more information on our Controlling Shareholders.

HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

Selected items from the Consolidated Statements of Comprehensive Income

(S\$'000)	Audited			Unaudited	
	FY2020	FY2021	FY2022	1Q2022	1Q2023
Revenue	11,192	11,699	11,095	2,806	2,582
Profit before tax	3,835	4,181	3,282	1,049	637
Profit for the year/period	3,110	3,484	2,876	828	531
Profit attributable to owners of the Company	2,999	3,339	2,763	800	518
Pre-Invitation EPS (cents) ⁽¹⁾	2.77	3.09	2.55	0.74	0.48
Post-Invitation EPS (cents) ⁽²⁾	2.31	2.57	2.13	0.62	0.40

Notes:

- (1) For comparative purposes, pre-Invitation EPS for the Period Under Review have been computed based on the profit attributable to the owners of the Company for the years/periods and our pre-Invitation share capital of 108,200,000 Shares.
- (2) For comparative purposes, post-Invitation EPS for the Period Under Review have been computed based on the profit attributable to the owners of the Company for the years/periods and our post-Invitation share capital of 130,000,000 Shares.

Selected items from the Consolidated Statements of Financial Position

(S\$'000)	← Audited →			Unaudited
	As at 31 December 2020	As at 31 December 2021	As at 31 December 2022	As at 31 March 2023
Current assets	19,275	15,388	14,733	14,880
Non-current assets	10,432	11,461	11,048	10,969
Current liabilities	2,286	2,214	2,436	1,989
Non-current liabilities	89	1,212	1,019	978
Equity attributable to owners of the Company	27,120	23,188	22,121	22,664
NAV per Share (cents)⁽¹⁾	25.06	21.43	20.44	20.95

Note:

- (1) For comparative purposes, our NAV per share as at 31 December 2020, 31 December 2021, 31 December 2022 and 31 March 2023 have been computed based on the equity attributable to owners of the Company and our pre-Invitation share capital of 108,200,000 Shares.

The most significant factors contributing to our financial performance in FY2020 as compared to FY2021 were as follows:

- Revenue increased by S\$0.51 million or 4.5%, from approximately S\$11.19 million in FY2020 to approximately S\$11.70 million in FY2021. This is attributable to an increase in revenue from the Clinics segment and Retail segment by S\$0.62 million and S\$0.04 million respectively. The above increases were partially offset by a decrease in revenue by S\$0.15 million from the Headquarters segment.
- Revenue from the Clinics segment increased by S\$0.62 million or 9.4%, from approximately S\$6.49 million in FY2020 to approximately S\$7.11 million in FY2021. Revenue from the Retail segment increased by S\$0.04 million or 2.1% from approximately S\$2.06 million in FY2020 to approximately S\$2.10 million in FY2021. This was mainly due to the increased patronage from our patients and customers with the easing of COVID-19 community measures at the end of FY2020. Revenue from the Headquarters segment decreased by S\$0.15 million or 5.7%, from approximately S\$2.64 million in FY2020 to approximately S\$2.49 million in FY2021. This was mainly attributable to a decrease in online sales as some customers returned to purchasing our products from our clinics and shops. Sales of our products in the PRC slowed in FY2021 mainly due to the onset of the COVID-19 pandemic.
- Other income and gains increased by S\$0.12 million or 25.9%, from approximately S\$0.47 million in FY2020 to approximately S\$0.59 million in FY2021 mainly due to an increase in Covid-19 related government grants.
- Profit before income tax increased by S\$0.35 million or 9.0% from approximately S\$3.83 million in FY2020 to approximately S\$4.18 million in FY2021 mainly due to higher sales generated from the Clinics segment and higher amount of Covid-19-related government grants received during FY2021 compared to FY2020.

Refer to the sections titled "Selected Consolidated Financial Information" on pages 79 to 86 and "Management's Discussion and Analysis of Results of Operations and Financial Position" on pages 87 to 110 of the Offer Document and "Appendix A – Independent Auditor's Report on the Audited Consolidated Financial Statements for the Financial Years Ended 31 December 2020, 2021 and 2022" on pages A-1 to A-58, "Appendix B – Independent Auditor's Review Report on the Unaudited Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2023" on pages B-1 to B-35 and "Appendix C – Independent Auditor's Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 31 December 2022 and Three-Month Period Ended 31 March 2023" on pages C-1 to C-19 to the Offer Document, for more information on our financial performance and position.

The most significant factors contributing to our financial performance in FY2021 as compared to FY2022 were as follows:

- Revenue decreased by S\$0.60 million or 5.2%, from approximately S\$11.70 million in FY2021 to approximately S\$11.10 million in FY2022. This is attributable to a decrease in revenue from the Clinics, Retail and Headquarters segments by S\$0.43 million, S\$0.01 million and S\$0.16 million respectively.
- Revenue from the Clinics segment decreased by S\$0.43 million or 6.0%, from approximately S\$7.11 million in FY2021 to approximately S\$6.68 million in FY2022. Revenue from the Retail segment decreased marginally by S\$0.01 million or 1.0% from approximately S\$2.10 million in FY2020 to approximately S\$2.08 million in FY2021. Revenue from the Headquarters segment decreased by S\$0.16 million or 6.4%, from approximately S\$2.49 million in FY2021 to approximately S\$2.33 million in FY2022. The above decreases were the result of many countries adopting a new COVID-19 normal and reopening their borders. Under such circumstances during FY2022, we were affected by cancellation of some appointments for medical and facial treatment by our patients and customers who resumed their overseas travels for various purposes. We were further affected by lower contribution from one of our key doctors who took an extended break during FY2022. In addition, the prolonged and intensified COVID-19 lockdowns in the PRC had also contributed to the lower Headquarters sales during FY2022.
- Other income and gains decreased by S\$0.34 million or 57.1%, from approximately S\$0.59 million in FY2021 to approximately S\$0.25 million in FY2022 mainly due to a decrease in COVID-19-related government grants, which was partially offset by an increase in other government grants, such as those under the Wage Credit Scheme and Senior Worker Early Adopter Grant.
- Other expenses increased by S\$0.34 million or 44.3% from approximately S\$0.76 million during FY2021 to approximately S\$1.10 million during FY2022, mainly due to the one-off listing expenses of S\$0.39 million incurred during FY2022 (FY2021: NIL).
- Profit before income tax decreased by S\$0.90 million or 21.5% from approximately S\$4.18 million in FY2021 to approximately S\$3.28 million in FY2022 mainly due to lower sales generated in FY2022, lower amount of COVID-19-related government grants received in FY2022, and higher other expenses as a result of the one-off listing expenses incurred during FY2022.

The most significant factors contributing to our financial performance in 1Q2022 as compared to 1Q2023 were as follows:

- Revenue decreased by S\$0.23 million or 8.0%, from approximately S\$2.81 million in 1Q2022 to approximately S\$2.58 million in 1Q2023. This is attributable to a decrease in revenue from the Headquarters segment by S\$0.32 million. The above decrease was partially offset by an increase in revenue from the Clinics segment and Retail segment by S\$0.04 million and S\$0.05 million respectively.
- Revenue from the Clinics segment increased by S\$0.04 million or 2.7% from approximately S\$1.60 million in 1Q2022 to approximately S\$1.64 million in 1Q2023. Revenue from the Retail segment increased by S\$0.05 million or 11.5% from approximately S\$0.46 million in 1Q2022 to approximately S\$0.51 million in 1Q2023. This was mainly due to additional revenue contributed by a new doctor who joined in July 2022 and the increased patronage from our patients and customers during the period. Revenue from the Headquarters segment decreased by S\$0.32 million or 42.7%, from approximately S\$0.75 million in 1Q2022 to approximately S\$0.43 million in 1Q2023. We believe that this was mainly due to a decline in consumer confidence as a result of economic uncertainty in the PRC.
- Other expenses increased by S\$0.23 million or 130.3% from approximately S\$0.18 million during 1Q2022 to approximately S\$0.41 million during 1Q2023 mainly due to one-off listing expenses of approximately S\$0.18 million incurred during 1Q2023 (1Q2022: NIL).
- Profit before income tax decreased by S\$0.41 million or 39.3% from approximately S\$1.05 million in 1Q2022 to approximately S\$0.64 million in 1Q2023 mainly due to lower sales generated in 1Q2023 and higher other expenses as a result of the one-off listing expenses incurred during 1Q2023.

The above factors are not the only factors contributing to our financial performance in FY2020, FY2021, FY2022 and 1Q2023. Please refer to the other factors set out in the section titled “Management’s Discussion and Analysis of Results of Operations and Financial Position – Review of Results of Operations” on pages 87 to 110 of the Offer Document.

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

We intend to drive the growth of our Group through the following strategic initiatives:

Organic expansion of our business

(i) Expansion of our business through the opening of new clinics and outlets, recruitment of healthcare and management professionals, and purchase of new equipment

We intend to continue to expand our presence locally through the opening of new clinics and outlets, including setting up a new clinic in the North and an outlet in the West in the near term. We believe that this will bring about a more complete geographical coverage of Singapore and further grow our Group’s customer base.

This is also in line with our intention to recruit and retain highly qualified and talented healthcare and management professionals to better provide for our customers. In addition, we plan to provide them with opportunity and time to further their professional development and expertise should they desire to do so. With the expansion of new clinics and outlets, we intend to continue to purchase additional equipment to enhance our services and extend the range of treatments available at certain clinics and outlets, and to keep abreast of the latest treatment technologies and trends to maintain our competitiveness.

(ii) Expansion of our medical skincare products distribution business in the PRC

We intend to grow our medical skincare products distribution business in the PRC by engaging more regional agents and expand our geographical coverage in the PRC. We also intend to increase our efforts in engaging direct sales to doctors and end customers in the PRC, which we believe will fetch better margins as compared to sales through regional agents. To achieve this goal, we intend to recruit additional staff with experience and expertise in marketing strategies in the PRC. We will continue to advertise our medical skincare products on WeChat, www.haodf.com and other online platforms. In addition, we intend to expand the range of medical skincare products currently offered in the PRC to cater to a greater variety of skin issues and thus resulting in a wider customer base.

Expansion of our business through acquisitions, joint ventures and/or strategic alliances

In addition to growing organically, we also plan to expand our business, whether in Singapore or overseas, through investments, acquisitions, joint ventures and/or strategic alliances with parties whose businesses are synergistic or complementary with our business. Such synergistic or complementary businesses may include the practice of general practitioners, general practitioners with special interest in dermatology, aesthetic doctors, plastic surgeons, medical products distributors and/or other medical related businesses. We believe that suitable acquisitions, joint ventures and/or strategic alliances will strengthen our market position, give us access to new brands, new products, new markets and customers as well as new complementary businesses. They will also bring about greater economies of scale and provide an impetus for our future growth.

Refer to the section titled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” on pages 145 to 146 of the Offer Document for more information on our strategies and future plans.

WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?

Based on our Directors’ knowledge and experience in the industry and barring any unforeseen circumstances, our Directors observe the following trends for the 12 months from the Latest Practicable Date:

- (a) As with other businesses in Singapore, we expect to face inflationary pressures and a general trend of increase in the costs of our raw materials and other overheads such as utilities.
- (b) We expect the costs of our manpower to increase with the further tightening of labour supply and/or the reduction of the quota of foreign employees that companies in Singapore are permitted to employ.

Refer to the “Prospects, Business Strategies and Future Plans – Trend Information” on page 144 of the Offer Document for more information on our business and financial prospects.

- (c) It is our current intention to expand our network of clinics and outlets. In expanding our business, we will incur capital expenditures, acquisition or set-up costs, and may take on additional bank borrowings, if so required. We expect, barring any unforeseen circumstances, that our business expansion and investments will generate future revenue for our Group with corresponding increases in our operating expenses. There is however, no assurance that the business expansion and investments will have any material impact on the profitability of our Group in the current financial year. Please also refer to the section titled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of the Offer Document for further details.
- (d) We expect to record non-cash share-based payment expenses pursuant to the issuance of new ordinary shares of our Company in relation to the conversion of convertible loan extended by four (4) doctors of our Group (who are not directors of our Company). We expect to charge an aggregate of approximately S\$0.16 million to our profit and loss in the current financial year.
- (e) We expect our other operating expenses to increase due to a portion of our listing expenses incurred in connection with the listing, as well as the ongoing compliance costs of a public listed company.

The above are not the only trends, uncertainties, demands, commitments or events that could affect us. Please refer to the other factors set out in the sections titled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans” of the Offer Document, the “Independent Auditor’s Report on the Audited Consolidated Financial Statements for the Financial Years Ended 31 December 2020, 2021 and 2022”, the “Independent Auditor’s Review Report on the Unaudited Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2023” and the “Independent Auditor’s Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 31 December 2022 and Three-Month Period Ended 31 March 2023” on pages 43 to 59, 87 to 110, 144 to 146 and Appendices A, B and C to the Offer Document, respectively.

WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?

We consider the following to be the most significant risks known to us now that could directly and/or indirectly affect our Group and the value or market price of our Shares and which in our view could be material to prospective investors in making an informed judgement of our Group.

Our business operations are subject to extensive and evolving government laws, regulations, and licensing requirements, and we could suffer penalties, additional costs and restrictions to our operations if we fail to comply

Some of our business operations are highly regulated and subject to extensive laws, regulations, and licensing requirements in Singapore and the PRC. Please refer to “Appendix E – Summary of Applicable Singapore Laws” and “Appendix F – Summary of Applicable PRC Laws” to the Offer Document for further details.

Such laws, regulations and licensing requirements cover many aspects of our business, including but not limited to:

- (a) the conduct of our business operations, including the operation of our clinics;
- (b) the provision of services;
- (c) the quality of clinic facilities, equipment and services;
- (d) the registration and regulation of doctors;
- (e) the confidentiality and maintenance of, and security issues associated with, personal data, health-related information and medical records of our customers; and
- (f) promotion and advertising in the healthcare industry.

Any non-compliance may result in fines or penalties being imposed or other enforcement action being taken against us, our doctors and/or Executive Directors, which may adversely affect our business, financial condition, results of operations and/or prospects.

Refer to the section titled “Risk Factors” on pages 43 to 59 of the Offer Document for more information on risk factors.

The qualifications and practising activities of our doctors in Singapore are highly regulated under the country's laws and regulations and they are also required to abide by codes of professional conduct. If they fail to comply with professional licensing requirements, our doctors may be subject to penalties including fines, loss of licences or restrictions on our clinics, which could materially and adversely affect our business and reputation.

As at the Latest Practicable Date, while there has not been any occurrence of the foregoing which had a material adverse impact on our Group's business, financial condition, results of operations and/or prospects, there is no assurance that there will not be any such occurrence in the future.

In addition, our business operations may be affected by policy changes and new and/or more stringent government regulations or policies which may be introduced from time to time may affect our operations and/or may result in increased cost of compliance. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies, could require substantial expenditure by us and may have a material adverse effect on our business, financial condition, results of operations and/or prospects, particularly if such regulations are implemented swiftly and without warning and if we are unable to pass on such cost to our customers. One example of such potential government regulation or policy relates to the use of plastic packaging for our skincare products. If there are more stringent regulations on the use of plastic bottles and jars, we may be adversely affected. As at the Latest Practicable Date, while we are not aware of any impending implementation of such regulations that may affect our business operations in the countries that we operate in, there is no assurance that there will not be more stringent regulations in the future which may affect our current and future business operations in these countries.

Additionally, the HSA and similar governmental authorities in other countries have the authority to order a mandatory recall of our products or order their removal from the market if there are material deficiencies or defects in the design, manufacture, installation, servicing or labelling of the product, or if the authority takes the view that our products would cause serious adverse health consequences. As at the Latest Practicable Date, although there has not been any product recall and/or removal ordered by governmental authorities, a government-mandated or voluntary recall or field action by us could occur as a result of component failures, manufacturing errors or design defects, including labelling defects. Any recall of our products may harm our reputation with customers and divert managerial and financial resources.

We rely on the performance of our doctors and staff. If they become subject to complaints, investigations, claims or legal proceedings relating to the provision of services (including alleged malpractice), our reputation, brand image and results of operations may be harmed

Our doctors' treatment performance, communication and relationship with their patients are vital to our business. Our services to patients are based on our doctors' judgments, skills and decisions after examining the patients. Miscommunications between our doctors and their patients, and/or incorrect decisions on the part of our doctors may result in undesirable or unexpected outcomes, including complications, unexpected side effects or injuries. Moreover, due to the nature of dermatological and aesthetic medical treatments, patients' levels of satisfaction of clinical and aesthetic medical services can be subjective, and we may be open to complaints, investigations, claims or legal proceedings relating to the provision of services (including alleged malpractice).

Patients dissatisfied with our services may publicise their complaints online, lodge complaints with the relevant authorities or commence legal actions against our doctors. As our doctors represent our image and reputation, such claims, even if untrue or baseless, may negatively affect our reputation and brand image and may result in additional costs, legal or otherwise. We may also lose existing patients and/or be unable to attract new ones. As the services are provided in our clinics, our Group is likely to be named as one of the defendants and may be subject to claims for professional misconduct or negligence arising from the acts, conducts or omissions of our doctors. Our business operations may be materially and adversely affected as substantial time and resources may be required to deal with and defend such claims or proceedings.

Additionally, given that the safety and quality of our services are dependent on the performance of our doctors and staff, there is no assurance that in the provision of services, our doctors or staff would not be involved in any medical incidents, accidents, negligence or other malpractices. The occurrence of any of the foregoing would have a material adverse effect on our business, financial condition, results of operations and/or prospects.

We are susceptible to negative publicity or media reports relating to our products, services, doctors or the general skincare industry

Negative publicity or media reports relating to our products, services, doctors or the general skincare industry may adversely affect our reputation and our customers' perceptions of our products and services and result in decreased demand for our products and services. For example, negative media coverage regarding the safety or quality of our products or services and the resulting negative publicity could materially and adversely affect customers' trust in our services and products. Adverse publicity concerning any perceived or actual health risks associated with our products and services may also cause customers to lose confidence in the safety and quality of our products and services, which would have a material adverse effect on our business, financial condition, results of operations and/or prospects.

The mere publication of information asserting that our products contain or have contained any contaminants or that our products and/or services have caused personal injuries or illnesses could damage our reputation, which could have a material adverse effect on us, regardless of whether the reports have any factual basis. In addition, adverse publicity about any regulatory or legal action against us could damage our reputation, undermine our customers' confidence in us and reduce long-term demand for our products and services, even if the regulatory or legal action is unfounded or immaterial to our operations.

Our continued success and growth depend substantially on the continuing service and contribution of our key management personnel and doctors as well as our ability to attract and retain new key personnel and doctors

Our success to date can be largely attributable to the contributions and expertise of our Executive Directors and doctors, each of whom has invaluable experience and knowledge relevant to our industry. In particular, each of our Executive Directors, Dr Ong Fung Chin and Mr Cheng Shoong Tat, has served our Group for more than 20 years and has intimate understanding of the demands, technicalities and intricacies of our business and customers' needs. The loss of any of them may adversely affect the execution of our business strategies.

We do not maintain key man life insurance for any of the senior management of our management team or other key personnel. If we are not successful in retaining the services of our management or other key personnel, or hire suitably qualified personnel to replace them, our business, results of operation, financial conditions and/or prospects may be materially and adversely affected.

We also rely upon experienced and skilled doctors to provide clinical and aesthetic medical services to our patients. If we were to lose a substantial number of these doctors for whatever reason, we might not be able to replace them easily within a short period of time. This may disrupt the operation of our business, which could have at least a short-term material adverse effect on our business, financial condition, results of operation and/or prospects.

As our Group continues to grow, we will need additional qualified management personnel and doctors to run our expanded business. Competition for management personnel and doctors may be keen and there is no assurance that we will be able to hire and retain adequate number of management personnel and doctors in the future. Any shortfall in qualified management personnel and/or doctors may hinder our growth plan. Compensation levels may need to be increased substantially to attract and/or retain our key management personnel and doctors.

Competitive and growing market offers wide variety of competing and substitute products and services

Our line of skincare products under our "Niks" brand are conceptualised by our doctors. More aesthetics doctors and/or groups may expand their skincare product range or start to introduce their own line of products. New competing and/or substitute products having greater efficacy than our line of skincare products may be successfully developed and marketed. There is also a risk that our products may be reverse engineered, mass produced and sold under a different name and/or brand. Further, new brands and/or products may be introduced into the market from time to time, resulting in increased competition. There is no assurance that we will be able to compete successfully in the future against existing or new competing brands and/or products or that our business, financial condition, results of operations and/or prospects will not be materially and adversely affected by increased competition in our lines of business.

The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position and results, and your Shares. Please refer to the section titled "Risk Factors" on pages 43 to 59 of the Offer Document for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our shares, you should consider all the information contained in the Offer Document.

WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

As at the Latest Practicable Date, the issued and paid-up share capital of our Company is S\$1,220,002 comprising 1,220,002 Shares. Upon the completion of the Internal Restructuring and the allotment and issue of the Invitation Shares which are the subject of the Invitation, the resultant issued and paid-up share capital of our Company will be S\$6,482,572 comprising 130,000,000 Shares.

As at the Latest Practicable Date, we have only one class of shares, being ordinary shares, in the capital of our Company. All of our issued Shares have been fully paid. All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the Catalist Rules, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

There is no restriction on the transfer of fully-paid Shares except where required by law, the Catalist Rules or the bye-laws of the SGX-ST. Our Directors may, in their discretion, decline to register any transfer of Shares which are not fully paid or Shares on which we have a lien. Our Directors may also decline to register any instrument of transfer unless, among others, it has been duly stamped and is presented for registration together with the Share certificate and such other evidence of title as they may require. Shares may be transferred by a duly signed instrument of transfer in a form approved by our Directors and the SGX-ST. A Shareholder may transfer any Shares held through the SGX-ST's book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

A summary of our Constitution relating to, amongst others, the voting rights and privileges of our Shareholders is set out in "Appendix D – Summary of our Constitution" of the Offer Document.

Refer to the sections titled "Description of our Shares" on pages 204 to 211 and "Share Capital" on pages 67 to 71 of the Offer Document for more information on the Shares offered in the Invitation.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

Based on the Invitation Price of S\$0.23, the gross proceeds from the Invitation will be approximately S\$5.01 million. The net proceeds from the Invitation (after deducting underwriting and placement commissions and the estimated listing expenses payable by us) will be approximately S\$3.33 million.

For each dollar of the gross proceeds from the Invitation, we intend to use the following amounts primarily for the purposes set out below:

Use of Proceeds	Amount in aggregate (S\$'000)	Estimated amount allocated for each dollar of gross proceeds raised from the Invitation (cents)
Organic expansion of our business through the: (a) opening of new clinics and outlets, recruitment of healthcare and management professionals, purchase of new equipment; and (b) expansion of medical skincare products distribution business in the PRC	800	16.0
Expansion of business through acquisitions, joint ventures and/or strategic alliances	2,200	43.9
General working capital	327	6.5
Net proceeds from the Invitation	3,327	66.4
Total estimated listing expenses⁽¹⁾	1,687	33.6
Gross proceeds from the Invitation	5,014	100.0

Note:

(1) In accordance with SFRS(I), of the total estimated listing expenses to be borne by our Company of approximately S\$1.69 million, S\$0.43 million will be capitalised against share capital and the balance of the estimated listing expenses will be charged to profit or loss.

Refer to the section titled "Use of Proceeds and Listing Expenses" on pages 60 to 61 of the Offer Document for more information on our use of proceeds.

WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?

As at the Latest Practicable Date, we do not have a fixed dividend policy. The form, frequency and amount of future dividends that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors:

- (a) our retained earnings and cash flow;
- (b) our actual and projected business and financial performance;
- (c) our projected levels of capital expenditure and other investment plans;
- (d) our working capital requirements and general financial condition;
- (e) the ability of our subsidiaries to declare and pay any dividends to our Company;
- (f) any restrictions on payment of dividends imposed on us by our financing arrangements (if any) and any other contractual restrictions binding on us; and
- (g) the general economic and business conditions in countries in which we operate.

However, subject to the above factors, our Directors intend to recommend and distribute dividends of not less than 50.0% of our net profit attributable to owners of the Company for FY2023 (excluding the final dividends of S\$9.50 million approved by the Shareholders of our Company at the annual general meeting held on 29 August 2023) and not less than 40.0% of our net profit attributable to owners of the Company for FY2024 (“**Proposed Dividends**”) as we wish to reward Shareholders for participating in our Group’s growth.

Investors should note that the foregoing statement on the Proposed Dividends is merely a statement of our present intention and shall not constitute a legally binding obligation on our Company or a legally binding statement in respect of our future dividends, and may be subject to modification (including reduction or non-declaration thereof) in our Directors’ sole and absolute discretion. Investors should not treat the Proposed Dividends as an indication of our Group’s future dividend policy.

Refer to the section titled “Dividend Policy” on pages 62 to 63 of the Offer Document for more information on our dividend policy.

DEFINITIONS

“ <i>1Q</i> ”	:	The three-month financial period ended or ending 31 March, as the case may be
“ <i>Award Shares</i> ”	:	The Shares which may be issued and/or transferred upon the vesting of share awards granted under the NIKS Performance Share Plan
“ <i>Catalist Rules</i> ”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“ <i>CEO</i> ”	:	The Chief Executive Officer of our Company as at the date of the Offer Document, unless otherwise stated
“ <i>CFO</i> ”	:	The Chief Financial Officer of our Company as at the date of the Offer Document, unless otherwise stated
“ <i>Chairman</i> ”	:	The Chairman of the Board as at the date of the Offer Document, unless otherwise stated
“ <i>CMO</i> ”	:	The Chief Medical Officer of our Company as at the date of the Offer Document, unless otherwise stated
“ <i>Constitution</i> ”	:	The constitution of our Company, as amended or modified from time to time
“ <i>Controlling Shareholder</i> ”	:	As defined in the Catalist Rules, a person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over our Company, or shall have the meaning given to it in the SFR if the context so requires

“COVID-19”	:	Coronavirus disease 2019
“Directors”	:	The directors of our Company as at the date of the Offer Document, unless otherwise stated
“EPS”	:	Earnings per Share
“Executive Directors”	:	The executive directors of our Company as at the date of the Offer Document, being Mr Cheng Shoong Tat and Dr Ong Fung Chin, unless otherwise stated
“Executive Officers”	:	The executive officers of our Group as at the date of the Offer Document, unless otherwise stated
“FY”	:	The financial year ended or ending 31 December (as the case may be)
“Invitation”	:	The Placement and the Public Offer
“Invitation Price”	:	S\$0.23 for each Invitation Share
“Latest Practicable Date”	:	15 September 2023, being the latest practicable date prior to the lodgement of the Offer Document with the SGX-ST, acting as agent on behalf of the Authority
“Listing”	:	The listing of our Company and the quotation of our Shares on Catalist
“NAV”	:	Net asset value
“NPSCL”	:	Niks Professional (Shanghai) Company Limited (阅肤贸易(上海)有限公司)
“Option”	:	The right to subscribe for Shares which may be granted pursuant to the NIKS Employee Share Option Scheme
“Option Shares”	:	The Shares which may be issued and/or transferred upon the exercise of the Options granted under the NIKS Employee Share Option Scheme
“Period Under Review”	:	The period which comprises FY2020, FY2021, FY2022 and 1Q2023
“PRC”	:	The People’s Republic of China. For the purpose of the Offer Document and for geographical reference only, except where the context requires, references in the Offer Document to “PRC” do not apply to Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan Region
“SFA”	:	Securities and Futures Act 2001 of Singapore as amended, supplemented or modified from time to time
“SFR”	:	Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended, supplemented or modified from time to time
“SFRS(I)”	:	Singapore Financial Reporting Standards (International)
“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of our Company

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

Company	Sponsor, Issue Manager, Underwriter and Placement Agent
Niks Professional Ltd. Address: 16 Kallang Place #03-27 Singapore 339156 Telephone No.: +65 6294 1802 and +65 6294 2136 Website: https://www.nikspro.com Email: ir@nikspro.com	SAC Capital Private Limited Address: 1 Robinson Road #21-00 AIA Tower Singapore 048542 Telephone No.: +65 6232 3200