
BUSINESS OBJECTIVES AND FUTURE PLANS

BUSINESS OBJECTIVES

The business objectives of our Group are as follows:

- (a) to further develop and improve our lighting products;
- (b) to become one of the global leaders for provision of energy saving solutions; and
- (c) to penetrate and expand into key international markets with our energy saving products and energy saving solutions.

As general lighting contributes to a significant part of worldwide energy consumption and carbon emission, being an energy saving solutions provider, we pay particular attention to the impact caused by lighting products to our environment.

BUSINESS STRATEGIES

Leveraging on our market position as an early entrant in provision of energy saving solutions in Hong Kong, our research and development capabilities in developing energy saving lighting products for different countries and the established relationship with our large-sized corporate customers in Hong Kong, we believe that we are well positioned to further enhance both our local and global presence to capture the huge market potential for energy saving lighting products.

We intend to achieve our objectives by implementing the following strategies:

Further expand in international markets through customisation of our lighting products and appointment of distributors

In view of the generally rising trend in energy prices and enhanced awareness of energy efficiency around the world, we plan to further penetrate into existing overseas markets and explore new international markets. We believe that our lighting products, including but not limited to our "Tube-in-Tube" Fluorescent Lamps, are suitable replacements of traditional fluorescent tubes generally used in various overseas countries. We also believe, through our research and development capabilities, our lighting products can be customised to fulfil the specification or regulatory requirements for different international markets.

To further expand in the international markets, we plan to explore suitable new overseas markets for our energy saving lighting solutions and identify suitable distributors with wide distribution networks or other strategic partners to cooperate with in expanding our clientele globally. Based on our successful track records in offering energy saving solutions in Hong Kong and our existing overseas markets, we have attracted global distributors to purchase our lighting products for sale in different countries and to offer the replica of our energy saving solutions in their local markets. As at the Latest Practicable Date, we have distributorship agreements with distributors in nine countries.

We also plan to hire additional sales and marketing professionals to work with our distributors to strengthen our marketing activities and enhance our presence in our existing overseas markets. Further, the additional sales and marketing professionals are also expected to seek for new business opportunities for direct sales or distributorship of our lighting products in other potential overseas markets.

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Continue to expand in the PRC markets through offering our Consultancy Services or entering into strategic partnerships

According to the Ipsos Report, as a result of economic growth and increasing domestic wealth, electricity consumption in the PRC has increased by approximately 44% from 2009 to 2013. The expected growth in the industrial and residential demand for electricity in the PRC has presented an opportunity for our energy saving lighting solutions in the PRC. During the Track Record Period, we provided Consultancy Services to two customers for projects located in Guangzhou, Shantou, Zhongshan, Shenyang and Zhuhai, the PRC. Based on our experience gained from our energy saving solutions business in Hong Kong, the PRC and overseas, we will continue to provide energy saving lighting solutions to customers in the PRC through the offering of Consultancy Services and we may also enter into cooperation with strategic partners with the requisite licences for engaging in energy saving business in the PRC. We also plan to expand our project management team for providing Consultancy Services in the PRC and for our sales and marketing activities for our energy saving lighting solutions in the PRC.

Continue to expand our energy saving solutions business in Hong Kong

During the Track Record Period, we have established a broad and stable customer base which covers a wide spectrum of reputable and well-known companies in Hong Kong. Leveraging on our established relationship with large corporate customers, our successful track records and our experience and industry know-how, we will continue to seek new business opportunities from our existing or potential customers to further increase our market share in Hong Kong. Customisation of our lighting products and services enables us to offer energy saving lighting solutions to our potential customers with necessary specification to suit their needs. By expanding our product range and increasing our marketing efforts, we will seek to broaden our customer base for our energy saving solutions business in Hong Kong.

We plan to employ additional staff to join our sales and marketing team and to put additional efforts in promoting our energy saving solutions to our targeted corporations in Hong Kong. We also plan to expand our project management team to increase our capacity for new business. Moreover, we will continue to conduct and participate in seminars organised for potential customers in different industries in Hong Kong for sharing our successful track records in offering the energy saving solutions. These seminars allow us to reach out to our potential customers in the relevant industries. Furthermore, we may enter into strategic partnership with other service providers and leverage on their distribution networks to expand our database of targeted customers.

Enhance our research and development capabilities

We believe that our success has been and will continue to be dependent on our ability to develop and customise our lighting products in response to the evolving needs and requirements of the international lighting markets. In particular, in 2014, we launched our fifth generation "Tube-in-Tube" Fluorescent Lamps which utilises technology that enhances its heat dissipation capacity and prolonged the product's lifetime. As such, our research efforts have allowed us to develop products which can reduce maintenance costs for customers. Our research and development department enables us to diversify our product range and enhance our lighting products to maintain our competitiveness among other lighting solutions providers.

We plan to employ additional staff in our research and development department, acquire lighting testing equipment and/or otherwise provide additional resources for our research and development activities, with the aim to (i) develop and enhance lighting products in response to changes in market demands; and (ii) customise our lighting products to meet different market specifications and to obtain certifications from the respective overseas markets. We also intend to register new patent for our lighting products where possible.

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Engage in marketing activities to enhance our brand image and recognition

We believe that effective marketing and promotion strategies will strengthen our brand recognition and demand of our energy saving solutions. We intend to promote our business by attending lighting and energy saving related trade fairs and exhibitions in the international markets, through which we can increase our exposure to our potential customers. We also intend to hold lecture or seminars in different universities in Hong Kong in relation to, among others, lighting and green technology and our energy saving solutions to enhance our brand image. We endeavour to leverage our enhanced brand equity to attract new customers and further strengthen our business relationships with our existing customers or distributors.

Further, our research efforts have enabled us to customise our lighting products and obtain certification from the relevant overseas market, such as the CE certification for our "Tube-in-Tube" Fluorescent Lamps. With the CE certification, our "Tube-in-Tube" Fluorescent Lamps are allowed to be sold in around 30 European Economic Area countries and are readily approved for sale in certain other overseas markets in Asia such as the Philippines, Malaysia and India. As such, we plan to enhance our research and development capabilities to obtain overseas certification for our products, enabling us to expand our overseas markets.

FUTURE PLANS

Our Group intends to implement key strategic initiatives in accordance with the schedule as set out under the paragraph headed "Implementation plans" in this section. The key strategic initiatives that our Group plans to implement in the near future are set out below.

Implementation plans

Our Group will endeavour to achieve the following milestone events during the period from the [REDACTED] to 31 March 2017, and their respective scheduled completion time are based on certain bases and assumptions as set out in the paragraph headed "Bases and key assumptions of future plans" in this section. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors as set out under the section headed "Risk factors" in this [REDACTED]. Therefore, there is no assurance that our Group's business plans will materialise in accordance with the estimated time frame and that our Group's future plans will be accomplished at all.

Complementing our Company's growth and business objectives stated above, the following implementation plan and strategies will be implemented during the time periods as set out below. Our Group's implementation plans and strategies are based on certain bases and assumptions as set out in the paragraph headed "Bases and key assumptions of future plans" in this section. Given that the environmental and energy saving industry is not static and subject to rapid changes, the plans set out below only reflect the present intentions of our Directors and may be changed according to market conditions.

Our Group's future plans will be partly financed by the [REDACTED] from the [REDACTED] of the [REDACTED] and partly by internal cash resources, working capital and/or other financing, as and when appropriate.

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Bases and key assumptions of future plans

Potential investors should note that the attainability of our Group's business objectives depends on a number of assumptions, in particular:

- there will be no material changes in the existing political, legal, fiscal, social or economic conditions in Hong Kong or elsewhere in which our Group carries on business;
- there will be no material changes in the bases or rates of taxation applicable to the activities of our Group or in the bases or rates of custom duties or levies in the territories in which our Group carries on business;
- there will be no significant changes in the interest rates or the foreign currency exchange rates from those currently prevailing;
- there will be no material changes in legislation or regulations whether in Hong Kong or elsewhere materially affecting the business carried on by our Group;
- there will be no significant changes in our business relationship with our existing distributors and strategic and business partners;
- there will be no significant changes in our business relationship with our major customers and suppliers;
- there will be no material changes in the funding required for each of the scheduled achievements as outlined under the paragraph headed "Implementation plans" in this section;
- there will be no disasters, natural, political or otherwise, which would materially disrupt the business or operations of our Group or cause substantial loss, damage or destruction to our property or facilities; and
- our Group will not be materially affected by the risk factors as set out under the section headed "Risk factors" in this [REDACTED].

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In summary, the implementation of our future plans for the period from the [REDACTED] to 31 March 2017 will be as follows:

For the period from the [REDACTED] to 30 September 2015

Strategies	Implementation activities
Further expand in international markets through customisation of our lighting products and appointment of distributors	<ul style="list-style-type: none">– Expand sales and marketing team for international markets– Identify and establish overseas distributorship for international markets– Conduct visits to existing overseas distributors for sales and marketing
Continue to expand in the PRC markets through offering our Consultancy Services or entering into strategic partnerships	<ul style="list-style-type: none">– Expand project management team to assist Consultancy Services customers– Identify and work with potential Consultancy Services customers
Continue to expand our energy saving solutions business in Hong Kong	<ul style="list-style-type: none">– Expand sales and marketing team for Hong Kong office– Expand project management team– Identify potential strategic partners and establish partnership
Enhance our research and development capabilities	<ul style="list-style-type: none">– Continue to enhance existing lighting products– Continue to source lighting products to diversify lighting solution– Expand our research and development team– Acquire additional lighting testing equipment for research and development– Register new patent if applicable
Engage in marketing activities to enhance our brand image and recognition	<ul style="list-style-type: none">– Participate in Hong Kong lighting and energy saving related exhibition including Hong Kong International Lighting Fair (2015 Spring Edition)– Participate in international lighting and energy saving related exhibition including the lighting fair in Japan

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For the period from 1 October 2015 to 31 March 2016

<u>Strategies</u>	<u>Implementation activities</u>
Further expand in international markets through customisation of our lighting products and appointment of distributors	<ul style="list-style-type: none">– Expand sales and marketing team for international markets– Identify and establish overseas distributorship for international markets– Conduct visits to existing overseas distributors for sales and marketing
Continue to expand in the PRC markets through offering our Consultancy Services or entering into strategic partnerships	<ul style="list-style-type: none">– Expand project management team to assist Consultancy Services customers– Identify and work with potential Consultancy Services customers
Continue to expand our energy saving solutions business in Hong Kong	<ul style="list-style-type: none">– Expand sales and marketing team for Hong Kong office– Expand project management team– Identify potential strategic partners and establish partnership
Enhance our research and development capabilities	<ul style="list-style-type: none">– Continue to enhance existing lighting products– Continue to source lighting products to diversify lighting solution– Expand our research and development team– Acquire additional lighting testing equipment for research and development– Register new patent if applicable
Engage in marketing activities to enhance our brand image and recognition	<ul style="list-style-type: none">– Participate in Hong Kong lighting and energy saving related exhibition including Hong Kong International Lighting Fair (2015 Autumn Edition)– Participate in international lighting and energy saving related exhibition including the lighting fair in Frankfurt

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For the period from 1 April 2016 to 30 September 2016

<u>Strategies</u>	<u>Implementation activities</u>
Further expand in international markets through customisation of our lighting products and appointment of distributors	<ul style="list-style-type: none">– Expand sales and marketing team for international markets– Identify and establish overseas distributorship for international markets– Conduct visits to existing overseas distributors for sales and marketing
Continue to expand in the PRC markets through offering our Consultancy Services or entering into strategic partnerships	<ul style="list-style-type: none">– Expand project management team to assist Consultancy Services customers– Identify and work with potential Consultancy Services customers
Continue to expand our energy saving solutions business in Hong Kong	<ul style="list-style-type: none">– Expand sales and marketing team for Hong Kong office– Expand project management team– Identify potential strategic partners and establish partnership
Enhance our research and development capabilities	<ul style="list-style-type: none">– Continue to enhance existing lighting products– Continue to source lighting products to diversify lighting solution– Expand our research and development team– Acquire additional lighting testing equipment for research and development– Register new patent if applicable
Engage in marketing activities to enhance our brand image and recognition	<ul style="list-style-type: none">– Participate in Hong Kong lighting and energy saving related exhibition including Hong Kong International Lighting Fair (2016 Spring Edition)– Participate in international lighting and energy saving related exhibition including the lighting fair in Japan

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For the period from 1 October 2016 to 31 March 2017

<u>Strategies</u>	<u>Implementation activities</u>
Further expand in international markets through customisation of our lighting products and appointment of distributors	<ul style="list-style-type: none">– Expand sales and marketing team for international markets– Identify and establish overseas distributorship for international markets– Conduct visits to existing overseas distributors for sales and marketing
Continue to expand in the PRC markets through offering our Consultancy Services or entering into strategic partnerships	<ul style="list-style-type: none">– Expand project management team to assist Consultancy Services customers– Identify and work with potential Consultancy Services customers
Continue to expand our energy saving solutions business in Hong Kong	<ul style="list-style-type: none">– Expand sales and marketing team for Hong Kong office– Expand project management team– Identify potential strategic partners and establish partnership
Enhance our research and development capabilities	<ul style="list-style-type: none">– Continue to enhance existing lighting products– Continue to source lighting products to diversify lighting solution– Expand our research and development team– Acquire additional lighting testing equipment for research and development– Register new patent if applicable
Engage in marketing activities to enhance our brand image and recognition	<ul style="list-style-type: none">– Participate in Hong Kong lighting and energy saving related exhibition including Hong Kong International Lighting Fair (2016 Autumn Edition)– Participate in international lighting and energy saving related exhibition

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REASONS FOR THE [REDACTED] AND [REDACTED]

Our Company intends to raise funds by [REDACTED] of the [REDACTED] in order to pursue its business objectives as set out in the paragraph headed "Implementation plans" under this section.

Our Directors believe that the [REDACTED] will enhance our Group's profile and recognition and the [REDACTED] from the [REDACTED] of the [REDACTED] will strengthen our Group's financial position such that our Group is fully equipped to pursue our business plans set out in this section.

In addition, our Directors are of the view that the [REDACTED] will benefit our Group and our Shareholders as (i) through the [REDACTED], our Company is expected to gain access to the potential institutional or retail investors in the capital market for expanding and diversifying our capital base and Shareholders base and for raising capital in the future for our business expansion and long-term development, including but not limited to any potential acquisitions of our Group; (ii) with the regulatory framework governing listed companies in Hong Kong, the [REDACTED] is expected to assist us in enhancing our corporate image and positioning ourselves as a reliable company in attracting more customers, distributors and/or business partners; and (iii) the [REDACTED] is expected to enhance the transparency of our Group's operation.

The [REDACTED] from the [REDACTED] of the [REDACTED], after deducting related expenses, are estimated to amount to approximately [REDACTED] assuming a [REDACTED] of [REDACTED], being the mid-point of the indicative [REDACTED] range. Our Directors intend to apply such [REDACTED] from the [REDACTED] of [REDACTED] as follows:

- [REDACTED] expansion of our Group's business in international markets;
- [REDACTED] expansion of our Group's business in the PRC;
- [REDACTED] expansion of our Group's business in Hong Kong;
- [REDACTED] marketing activities to enhance our brand image and recognition;
- [REDACTED] enhancing our research and development capabilities;
- [REDACTED], will be used to provide funding for our working capital and other general corporate purposes.

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Set out below is a breakdown of the intended use of such [REDACTED] from the [REDACTED] of the [REDACTED] from the Latest Practicable Date to 31 March 2017.

	From the [REDACTED] Date to 30 September 2015	From 1 October 2015 to 31 March 2016	From 1 April 2016 to 30 September 2016	From 1 October 2016 to 31 March 2017	From 1 April 2017 onwards	Total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Expansion of our Group's business in international markets						
Expansion of our Group's business in the PRC						
Expansion of our Group's business in Hong Kong				[REDACTED]		
Marketing activities to enhance our brand image and recognition						
Enhance our research and development capabilities						
Subtotal						
General working capital						
Total						

According to current estimates, our Directors expect that the [REDACTED] from the [REDACTED] of the [REDACTED] of approximately [REDACTED], the cash in bank and on hand as at the Latest Practicable Date together with the projected cashflow from operations will be sufficient to finance the implementation of our Company's future plans up to 31 March 2017.

If the [REDACTED] is determined at the highest point of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] is estimated to increase to approximately [REDACTED]. If the [REDACTED] is determined at the lowest point of the stated range, the [REDACTED] to our Company is estimated to decrease to approximately [REDACTED]. The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range stated in this [REDACTED].

To the extent that the [REDACTED] from the [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

In the event that any of our plans does not proceed as a result of circumstances such as changes in government policies that would render any of our plans not commercially viable, or force majeure, our Directors will carefully evaluate the situation and may reallocate such funds for other purposes.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, it is the present intention of our Directors that they will be placed in short term demand deposits with banks and/or through money market instruments.

Our Company will issue an announcement in accordance with the GEM Listing Rules requirement if there is any material change in the [REDACTED] as described above.