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## **BUSINESS OBJECTIVES AND FUTURE PLANS**

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### **BUSINESS OBJECTIVES**

Our primary objectives are to strengthen our position in the food sourcing and processing industry and further expand our business operations with a view to creating long term Shareholders' value. We intend to achieve our objectives by implementing the following future plans and business strategies:

### **FUTURE PLANS AND BUSINESS STRATEGIES**

To achieve our business objectives, we intend to adopt the following strategies in the future:

Please refer to the section headed "Business – Business strategies" in this document for a detailed description of our future plans and business strategies.

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### IMPLEMENTATION PLANS

We will endeavour to achieve the following milestone events during the period from the Latest Practicable Date to 31 March 2019, and their respective scheduled completion times are based on certain bases and assumptions as set out in the paragraph headed "Bases and key assumptions" 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 document. Therefore, there is no assurance that our business plans will materialise in accordance with the estimated time frame and that our future plans will be accomplished at all.

#### From the Latest Practicable Date to 31 March 2017

<b>Business strategy</b>	<b>Implementation activities</b>	<b>[REDACTED]</b>
Expansion of production plant and processing facilities	– Downpayment for acquiring additional industrial premises of approximately 9,000 to 10,000 sq.ft. in the industrial zone in New Territories as a new production base of our Group	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
	– Fitting out, renovation and installation of the new production base	
	– Acquire additional facilities and machines, such as washing and drying machines, various cutting machines and chemical detection devices	
	– Evaluate the efficiency of new production base and assess for our need for additional facilities and machines	
Expansion of logistic team	– Acquire two additional chilled 5.5 tonne trucks and a non-chilled 5.5 tonne truck	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
	– Recruit approximately six additional distribution staff responsible for driving and delivering	
Enhancement of sales channels	– Enhance our sales channels such as upgrading of mobile sales application and developing an internet sales platform	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]

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**From 1 April 2017 to 30 September 2017**

<b>Business strategy</b>	<b>Implementation activities</b>	<b>[REDACTED]</b>
Further strengthening our manpower	– Recruit two additional sales personnel to expand our sales team	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
	– Recruit approximately 15 additional operation staff to improve our production capacity	
	– Recruit an additional procurement personnel to further strengthen our sourcing network	
	– Assess the sufficiency of our labour resources having to our business development	
Expansion of logistic team	– Acquire two additional chilled 5.5 tonne trucks and a non-chilled 5.5 tonne trucks	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
	– Recruit approximately six additional distribution staff responsible for driving and delivering	
	– Maintain the cost of additional trucks acquired and distribution staff recruited	
Enhancement of sales channels	– Enhance our sales channels such as maintaining and upgrading of mobile sales application and internet sales platform	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]

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### From 1 October 2017 to 31 March 2018

<b>Business strategy</b>	<b>Implementation activities</b>	<b>[REDACTED]</b>
Further strengthening our manpower	– Maintain the cost of additional staff recruited	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
	– Continue to assess the sufficiency of our labour resources having to our business development	
Expansion of logistic team	– Maintain the cost of additional trucks acquired and distribution staff recruited	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
Enhancement of sales channels	– Enhance our sales channels such as maintaining and upgrading of mobile sales application and internet sales platform	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]

### From 1 April 2018 to 30 September 2018

<b>Business strategy</b>	<b>Implementation activities</b>	<b>[REDACTED]</b>
Further strengthening our manpower	– Recruit two additional sales personnel to expand our sales team	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
	– Recruit approximately ten additional operational staff to improve our production capacity	
	– Recruit an additional procurement personnel to further strengthen our sourcing network	
	– Maintain the cost of additional staff recruited	
	– Continue to assess the sufficiency of our labour resources having to our business development	

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<b>Business strategy</b>	<b>Implementation activities</b>	<b>[REDACTED]</b>
Expansion of logistic team	<ul style="list-style-type: none"><li>– Acquire three additional chilled 5.5 tonnes trucks</li><li>– Recruit approximately six additional distribution staff responsible for driving and delivering</li><li>– Maintain the cost of additional trucks acquired and distribution staff recruited</li></ul>	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
Enhancement of sales channels	<ul style="list-style-type: none"><li>– Enhance our sales channels such as maintaining and upgrading of mobile sales application and internet sales platform</li></ul>	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]

### From 1 October 2018 to 31 March 2019

<b>Business strategy</b>	<b>Implementation activities</b>	<b>[REDACTED]</b>
Further strengthening our manpower	<ul style="list-style-type: none"><li>– Maintain the cost of additional staff recruited</li><li>– Continue to assess the sufficiency of our labour resources having to our business development</li></ul>	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
Expansion of logistic team	<ul style="list-style-type: none"><li>– Maintain the cost of additional trucks acquired and distribution staff recruited</li></ul>	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]
Enhancement of sales channels	<ul style="list-style-type: none"><li>– Enhance our sales channels such as maintaining and upgrading of mobile sales application and internet sales platform</li></ul>	[REDACTED] [REDACTED] of approximately HK\$[REDACTED]

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### **BASES AND KEY ASSUMPTIONS**

The business objectives set out by our Directors are based on the following bases and key assumptions:

- there will be no significant economic change in respect of inflation, interest rate, tax rate and currency exchange rate that will adversely affect our business operations;
- we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate;
- there will be no material change in the existing laws (whether in the PRC or any part of the world), policies, or industry or regulatory treatment relating to us, or in the political, economic or market conditions in which we operate;
- there will be no material change in the bases or rates of taxation applicable to us;
- there will be no disaster, natural, political or otherwise, which would materially disrupt our business operations or cause substantial loss, damage or destruction to our properties or facilities;
- there will be no significant change in the business relationships with our major clients and suppliers;
- there will be no change in the effectiveness of any licences and permits obtained by us; and
- we will not be materially affected by the risk factors as set out under the section headed "Risk Factors" in this document.

### **REASONS FOR THE [REDACTED] AND THE [REDACTED]**

Despite the considerable expenses for the [REDACTED], our Directors decide to proceed with this form of equity financing for the purpose of our business expansion instead of solely obtaining debt financing because our Directors are in the views that maintaining a lower level of borrowings would benefit our Group and Shareholders as a whole. Given that the uncertain interest rate movement going forward (which may expose to increasing borrowing costs in the future via debt financing), our Directors believe that our Group's financial performance and liquidity may be negatively affected due to the principal and interest payments if we proceed with debt financing to fund all of our business expansion.

According to the Euromonitor Report, the overall vegetables and fruits supply services industry is comparatively fragmented in Hong Kong with more than five hundreds of vegetables and fruits supply service providers. Our Directors believe that the [REDACTED] will allow us to stand out from other suppliers, and can further enhance the profile and recognition of our Group and products and hence further strengthen our existing and

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potential suppliers' and customers' confidence in us, enable us to attract and retain quality personnel in this competitive market, and enhance our internal corporate governance. In addition, the [REDACTED] and the [REDACTED] could enhance our capital base and provide our Company with additional avenues to raise capital to strengthen our financial position and enable us to implement our business objectives set out in this section. Furthermore, a public [REDACTED] status on GEM will allow us to access to capital market for future corporate finance exercises, which will assist in our future business development and strengthen our competitiveness.

Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] Share, we will receive [REDACTED] of HK\$[REDACTED]. All expenses (including underwriting fees) in connection with the [REDACTED] to our Group are estimated to be approximately HK\$[REDACTED]. Consequently, we should receive [REDACTED], after deducting all related expenses (including underwriting fees), of approximately HK\$[REDACTED] from the [REDACTED]. Our Directors intend to apply such [REDACTED] as follows:

	From the Latest Practicable Date to 31 March 2017 (HK\$'000)	For the six months ending 30 September 2017 (HK\$'000)	For the six months ending 31 March 2018 (HK\$'000)	For the six months ending 30 September 2018 (HK\$'000)	For the six months ending 31 March 2019 (HK\$'000)	Total (HK\$'000)	Approximate percentage (%)
Expansion of production plant and processing facilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Further strengthening our manpower	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Establishment of logistic team	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancement of sales channels	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The [REDACTED] from the issue of the [REDACTED] Shares will be approximately 90.0% utilised by 31 March 2019 and approximately HK\$[REDACTED] will be used as working capital and funding for other general corporate purposes according to our current business plans. Our Directors consider that the [REDACTED] from the issue of the [REDACTED] of approximately HK\$[REDACTED] and our internal resources will be sufficient to finance our business plans as schedule up to the year ending 31 March 2019. In the event that we would require additional financing apart from the [REDACTED] from the issue of the [REDACTED] Shares for our future plans, the shortfall will be financed by our internal resources.

We estimate that the additional [REDACTED] to be received by our Company will be approximately HK\$[REDACTED], after deducting all related expenses (including underwriting fees), assuming a [REDACTED] of HK\$[REDACTED] per [REDACTED] Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] Share.

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If the final [REDACTED] is set at the highest or lowest point of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively. In such event, the [REDACTED] will be used in the same proportions as disclosed above irrespective of whether the [REDACTED] is determined at the highest or lowest point of the indicative [REDACTED] range.

To the extent that the [REDACTED] from the [REDACTED] are not immediately required for the above purposes, it is the present intention of our Directors that such [REDACTED] will be placed on short-term interest-bearing deposits with authorised financial institutions.

Our Group will issue an announcement in accordance with the requirements under the GEM Listing Rules if there is any material change in the use of [REDACTED] as described above.