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## FUTURE PLANS AND USE OF [REDACTED]

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### FUTURE PLANS

See "Business – Our Strategies" for a detailed discussion of our future plans.

### USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED], after deducting the [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], assuming the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] stated in this document) and assuming that the [REDACTED] is not exercised.

Assuming that the [REDACTED] is fixed at HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), we intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our cooperation with suppliers and strengthen our procurement capability. In order to meet the growing consumer needs for our products, we need to make arrangements in advance in renowned places of origin for grains with favorable geographical features and climatic conditions and increase the procurement volume of raw materials to support our production capacity expansion, thereby ensuring the steady and timely supply of premium products. In addition, due to the seasonality of paddy harvest, we usually need to prepare substantial capital to procure the necessary raw material during the harvest season.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for expanding our production capacity, upgrading existing production lines, broadening the geographic coverage of our warehousing and logistics, and providing funds for production activities related to our business expansion. See "Business – Our Production – Our Production Expansion Plan". We plan to invest in new production facilities, purchase production equipment, increase warehousing facilities and fund associated expenses at our existing and planned production bases. Specifically, we plan to further increase processing lines for rice, whole grain, bean and other products, and continue to introduce advanced production equipment and techniques to enhance the automation level of production lines so that we can further improve our production capacity and production efficiency, thereby ensuring the supply of our premium products and reducing production costs. We believe such expansion can effectively support us to continuously enhance our industrial integration and further amplify our supply chain advantages, enabling us to continuously provide premium pantry staple food products.

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## FUTURE PLANS AND USE OF [REDACTED]

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- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to expand our channel coverage and establish our omnichannel sales ecosystem. We plan to deepen our cooperation with large offline retailers such as national and regional supermarkets, amplify our presence over the e-commerce platforms with leading positions, explore opportunities in emerging e-commerce platforms and broaden our distribution network on China, thereby improving the visibility and accessibility of our products to existing and potential customers across the country. In particular:
  - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to continuously enhance our cooperation with modern retail channel partners such as national and regional supermarkets and increase consumer interaction through offline activities, such as product display, product tasting, and sales promotion, to enhance consumer education and improve brand loyalty; and
  - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to invest in channels other than modern retail channel partners, including leveraging the advantages of the consumer reach, and brand awareness of e-commerce platforms to enhance our service capabilities in such channels, and to explore new e-commerce platforms to expand our market coverage, operate efficiently, harness more profitability potentials and explore new cooperation opportunities in emerging channels such as social e-commerce platforms and community group buying platforms. In addition, we also plan to expand our distribution network to enhance market presence and deepen market penetration.
  
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our brand equity. A quality and diversified product offerings are the key to our high brand recognition. As we increase our efforts on the development of products, consumers need time to get used to new products, in particular products under new categories. Thus, we plan to increase our brand marketing efforts on our existing products and potential products to be launched in the future. In particular:
  - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used for advertising, including content productions, live streaming and promotion on social media platforms, celebrity endorsements, engagement with KOLs and other online and offline integrated promotion activities, to enhance our brand awareness and improve brand impact; and
  - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our sales and marketing capabilities and further optimize the efficiency of our sales and marketing promotion.

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## FUTURE PLANS AND USE OF [REDACTED]

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- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to construct our digital middle platform system, which integrates the full digital chain including IT infrastructure, backend, middleware, frontend and touchpoints, to optimize the support for our business management. In particular, the digital middle platform will (i) enhance our consumer insights across different channels and markets, enabling us to respond quickly to market changes, (ii) improve the efficiency of real-time monitoring of our distribution network and retail points of sales to enhance marketing effectiveness, and (iii) improve our warehousing and logistics management to increase delivery efficiency and reduce related expenses. We believe such digital middle platform will be able to improve the accuracy of our forecasts on production volume, sales volume and operation costs, and achieve comprehensive network synergies to strengthen our core competitive edge.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to repay our bank borrowings. As of January 31, 2023, our total amount of bank borrowings amounted to RMB427.9 million. The interest rates of these bank loans range from 3.7% to 5% and will mature in one years. We borrowed these bank borrowings mainly to fund our procurement of raw materials and the expansion of our sales network.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

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 estimated [REDACTED] or the [REDACTED] is not exercised.

If the [REDACTED] is determined at HK\$[REDACTED] per [REDACTED], being the high end of the [REDACTED] stated in this document, after deducting the [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], we will receive net [REDACTED] of approximately HK\$[REDACTED], assuming that the [REDACTED] is not exercised.

If the [REDACTED] is determined at HK\$[REDACTED] per [REDACTED], being the low end of the [REDACTED] stated in this document, after deducting the [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], we will receive net [REDACTED] of approximately HK\$[REDACTED], assuming that the [REDACTED] is not exercised.

We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

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## FUTURE PLANS AND USE OF [REDACTED]

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If the [REDACTED] is exercised in full, we will receive additional net [REDACTED] from approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the low end of the proposed [REDACTED]) to HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the high end of the proposed [REDACTED]), after deducting the [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED].

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we will only deposit those net [REDACTED] into interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance, the Law of the People's Republic of China on Commercial Banks (《中華人民共和國商業銀行法》) and other applicable laws in China). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.