
FUTURE PLANS AND [REDACTED]

BUSINESS OBJECTIVES AND STRATEGIES

Our business objectives are to strengthen our position in the business of potted vegetable produce cultivation in the PRC and further expand our business operations with a view to achieving sustainable growth in our business. For a detailed description of our business strategies, please refer to the paragraph headed “Business — Our business strategies” in this document.

REASONS FOR THE [REDACTED]

Our Directors believe that the [REDACTED] will be beneficial to our Company and its Shareholders as a whole, notwithstanding the expenses involved in the [REDACTED] process and the dilution effect to our Controlling Shareholders, taking into consideration of the reasons below:

- a [REDACTED] status on the Stock Exchange can enhance our corporate profile and business reputation, and would be beneficial for us to explore new markets and compete against our competitors. We will have the required funding to support our business growth and expedite the expansion of our business operations;
- with our business strategy of expanding and improving our cultivation capacity in our existing geographical market and establishing a new cultivation facility in a new geographical market, we will have a long term need of substantial amount of financial resources to support our business growth and development;
- more stringent internal control and corporate governance culture could be instilled through the [REDACTED] process and continuous compliance with the Listing Rules requirements. These are important to us to maintain our position as a leading potted vegetable producer and will facilitate the healthy development of our Group in the industry environment;
- our Directors have considered but believe that other means of financing should not be used to support our long-term business growth, in view that a high gearing ratio would not be entirely favourable to our business growth, whereas equity financing would not require us to retain a portion of our business income for loan repayment and thus gives us greater flexibility and capability for business development and dividend payment to create greater value for our Shareholders; and
- our Company could establish an efficient and sustainable fund-raising platform through [REDACTED], thereby enabling us to gain direct access to the capital market to fund our existing operations and future expansion.

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[REDACTED]

Assuming that the [REDACTED] is not exercised at all, based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the proposed [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED], the [REDACTED] of the [REDACTED], after deduction of [REDACTED] fees and other expenses payable by our Company in relation to the [REDACTED], are estimated to be HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million). Our Company currently intends to use the [REDACTED] from the [REDACTED] as follows:

	For the period from the Latest Practicable Date to 31 December 2024	For the period from 1 January 2025 to 31 December 2025	For the period from 1 January 2026 to 31 December 2026	Total	Approximate % of the total [REDACTED]
Expansion of our cultivation capacity					
— Improvement and expansion of cultivation facilities at existing geographical markets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Establishing new cultivation facilities in new geographical markets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Setting up a dedicated organic substrates production facility	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthening our operating efficiency through upgrade of information technology system	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

For details of how we intend to implement the [REDACTED] raised from [REDACTED], please refer to the paragraph headed “Business — Our business strategies” in this document.

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.

If the [REDACTED] is exercised in full, the additional [REDACTED] of approximately HK\$[REDACTED] (assuming that the final [REDACTED] is set at the mid-point of the indicative [REDACTED] range) received from the [REDACTED] will be allocated in accordance with the above allocations on a pro rata basis. For details of the [REDACTED], please refer to the paragraph headed “Structure and Conditions of the [REDACTED] — [REDACTED]” in this document.

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

[REDACTED] should be aware that any part of the business plans of our Group may or may not proceed according to the time frame as described under the paragraph headed “Implementation Plans” in this section of the document due to various factors such as changes in customers’ demand and changes in market conditions. We will only place the [REDACTED] from the [REDACTED] which are not immediately required for the disclosed purposes in short-term interest-bearing accounts at licensed banks or authorized financial institutions (as defined under the Securities and Futures Ordinance, or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits, as the case may be). Under such circumstances, our Directors will evaluate carefully the situations and will hold the funds as short-term deposits in authorised banks and/or financial institutions. In the event that we would require financing in addition to the [REDACTED] from the [REDACTED] for our business plans, the shortfall will be financed by our internal resources and/or bank financing, as appropriate.

IMPLEMENTATION PLANS

Our implementation plans are set forth below for the period from the Latest Practicable Date to 31 December 2026. [REDACTED] should note that the following implementation plans are formulated on the bases and assumptions referred to in the paragraph headed “Bases and key assumptions” in this section of the document. These bases and assumptions are inherently subject to uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed “Risk Factors” in this document. Our actual course of business may vary from our business strategies set out in this document. There is no assurance that our plans will materialise in accordance with our expected time frame or that our objectives will be accomplished.

While the actual course of events may invariably encounter unforeseeable changes and fluctuations, we shall use our best endeavours to anticipate changes, yet allowing for flexibility to implement the following plans. In the event of any material modifications to the [REDACTED] as described above, we will issue announcement in accordance with the Listing Rules and disclose in our annual report for the relevant year as required by the Stock Exchange.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

FUTURE PLANS AND [REDACTED]

For the period from the Latest Practicable Date to 31 December 2024

Business strategies	Implementation plans	Estimated cost (approximate)
Expansion of our cultivation capacity	— Construction of ten greenhouses at our Jinan Facility	RMB[REDACTED]
	— Upgrading ten greenhouses at our Laixi Facility	RMB[REDACTED]
	— Upgrading five greenhouses at our Xi’an Facility	RMB[REDACTED]
	— Construction of new cultivation facilities with eight greenhouses at Langfang, Hebei province	RMB[REDACTED]
Strengthening our operating efficiency and recruitment of employees	— Installation of ERP system	RMB[REDACTED]
Setting up a dedicated organic substrates production facility	— Set up of new organic substrates production facility	RMB[REDACTED]

For the period from the 1 January 2025 to 31 December 2025

Business strategies	Implementation plans	Estimated cost (approximate)
Expansion of our cultivation capacity	— Construction of five new greenhouses at our Jinan Facility	RMB[REDACTED]
	— Upgrading five greenhouses at our Laixi Facility	RMB[REDACTED]
	— Upgrading two greenhouses at our Xi’an Facility	RMB[REDACTED]
	— Construction of two new greenhouses at our Dalian Facility	RMB[REDACTED]
	— Construction of new cultivation facilities with two greenhouses at Langfang, Hebei province	RMB[REDACTED]

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FUTURE PLANS AND [REDACTED]

For the period from the 1 January 2026 to 31 December 2026

Business strategies	Implementation plans	Estimated cost (approximate)
Expansion of our cultivation capacity	— Upgrading 11 greenhouses at our Laixi Facility	RMB[REDACTED]

BASES AND KEY ASSUMPTIONS

The future plans set out by our Directors are based on the following bases and assumptions:

- there be no material adverse change/disaster in the existing government policies or political, legal, fiscal, market or economic conditions in the PRC and Hong Kong;
- there be no material changes in legislation or regulations or rules in the operating regions which will adversely affect our business;
- there be no material change in the bases (such as inflation, interest rate and foreign exchange rate) or rates of taxation and duties in the PRC and Hong Kong or in any other places in which any member of our Group operates or will operate or is incorporated;
- we will have sufficient financial resources to meet the planned capital and business development requirements during the period to which our business objective relates;
- the respective offering financial institutions will not withdraw any of the existing available facilities;
- there be no material change in the interest rate of our bank borrowings;
- there be no change to the existing accounting policies from those stated in the consolidated audited financial statements of our Group for the Track Record Period;
- the [REDACTED] be completed in accordance with and as described in the section headed “Structure and Conditions of the [REDACTED]” in this document;
- our Directors and key senior management will continue to be involved in the development of our existing and future development and we will be able to retain our key management personnel;
- there be no change in the effectiveness of the certifications, licences, permits or approvals obtained by us;

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- there be no change in the funding requirement for the business strategies described in this document from the amount as estimated by our Directors;
- we will not be materially and adversely affected by the risk factors as set out in the section headed “Risk Factors” in this document;
- there be no disasters, natural, political or otherwise, which would materially disrupt our business or operations or cause substantial loss, damage or destruction to our properties or facilities;
- there be no material changes in the market demand and the competitive landscape of potted vegetable produce market; and
- we be able to continue our operations in substantially the same manner as we have been operating during the Track Record Period.