

## STATEMENT OF BUSINESS OBJECTIVES AND FUTURE PLANS



### FUTURE PLANS AND STRATEGIES

Aptus Group will implement key strategic initiatives in accordance with the schedule as set out in the paragraph headed “Business objectives and future plans” under the section headed “Statement of business objectives and future plans” in this prospectus. The key strategic initiatives that Aptus Group plans to implement in the near future are as follows.

#### EXPANDING THE MARKETING NETWORK

While Aptus Group has already established a marketing network in the PRC through its direct marketing team, sales force management consulting team, product consulting team and account executives in the PRC, Aptus Group plans to broaden its market coverage by further strengthening its direct marketing team and sales force management consulting team. In addition, Aptus Group intends to expand its marketing network by setting up representative offices in various major cities of the PRC such as Beijing, Shanghai, Jinan, Guangzhou, Hangzhou and Ningbo. Further, Aptus Group plans to set up a representative office in Los Angeles, the US. Each representative office will consist of a team of trained account executives to provide service for Aptus Group’s customers and to promote Aptus Group’s services. The Directors believe that the strengthening of direct marketing team, sales force management consulting team, product consulting team and account executives and the establishment of representative offices in the PRC and overseas would enable Aptus Group to better meet local demand and therefore boost the overseas markets. Meanwhile, Aptus Group also intends to exploit the domestic market in the PRC.

#### SECURING OVERSEAS DISTRIBUTION RIGHTS

It is the present intention of Aptus Group to secure distribution rights of overseas pharmaceutical products from foreign pharmaceutical manufacturers. For the distribution of overseas products in the PRC market, Aptus Group will identify and conclude sales contracts with its customers outside the PRC and the products will be delivered to the customers outside the PRC. The customers will make their own arrangements for handling the import, custom and distribution formalities and requirements in the PRC. As such, Aptus Group will not be subject to any licensing requirements in the PRC regarding distribution business of pharmaceutical products in the PRC. The Directors believe that a variety of products will allow Aptus Group to achieve economies of scale. With the acquisition of more distribution rights of overseas pharmaceutical products, Aptus Group will be able to develop a diversified product portfolio.



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### PROMOTING APTUS GROUP'S INTERNET PORTAL

Aptus Group is planning to enrich the contents of Aptus Group's website so as to promote its services to existing and potential clients. The Directors believe that a content rich internet platform is an efficient, cost-saving and interactive method to deliver information to specific targeted individuals such as physicians, hospitals and pharmaceutical manufacturers. The Directors believe that an increased viewership and an enlarged user base are conducive to development of e-commerce.

### ENHANCING DATABASE MANAGEMENT

Aptus Group is planning to enhance its database management by recruiting 5 more database management personnel, upgrading both hardware and software computer facilities and enrichment of database content. Publicly available data and data collected by Aptus Group itself will be updated into the database so that analysed database in respect of hospitals, pharmacies, patients, diseases and physicians could be developed. With the improvement of computer facilities and the employment of more experienced database management personnel, the database of Aptus Group will be operated more effectively and efficiently. With an efficient and effective database, it is expected that Aptus Group will be able to launch database management services to customers according to customers' requests.

### SECURING OVERSEAS ALLIANCES

Aptus Group is planning to secure overseas strategic alliances with renowned overseas companies including medical journal publishers, continuing medical education service providers and database management companies. The Directors believe that the alliances with renowned overseas strategic partners would enhance the image of Aptus Group and extend its business network and provide business opportunities for Aptus Group.

### INCREASING SERVICE COVERAGE

Aptus Group plans to increase the coverage of its services by the provision of medical publication services, call-centre services such as customer services hotline and human resources management services to assist its customers to recruit their employees. By the incorporation of the such services, the Directors believe that Aptus Group can provide more diversified and comprehensive services to its clients so that it can achieve its aim to become one of the leaders as a commercialisation services provider for the PRC pharmaceutical market.

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In light of Aptus Group's business strategies as stated above, Aptus Group has formulated the following business plan to implement the strategies in the periods as set out below. Given that Aptus Group operates in a dynamic market subject to rapid changes in technologies and consumer demand which may be difficult to predict and are beyond Aptus Group's control, the plan set out below only reflects the present intentions of Aptus Group and may be adjusted in the future in accordance with changes in market conditions:

	Latest Practicable Date to 30th September, 2002	For the six-month period ending			
		31st March, 2003	30th September, 2003	31st March, 2004	30th September, 2004
<b>Key initiatives</b>					
<b>Direct Marketing Team Expansion</b>					
1. Recruit direct marketing account executives	●	→	→	→	→
2. Recruit direct marketing support personnel	●	→	→	→	→
3. Improve direct marketing support facilities	●	→	→	→	→
<b>Approximate headcount additions</b>	2	2	2	2	2
<b>Approximate amount to be invested (HK\$million)</b>	1.2	1.2	1.2	1.2	1.2

Key:

- Commencement
- Completion
- Continuous activities



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Key initiatives	Latest	For the six-month period ending			
	Practicable Date to 30th September, 2002	31st March, 2003	30th September, 2003	31st March, 2004	30th September, 2004
<b>Product Consulting Team Expansion</b>					
1. Recruit product consulting account executives	●				
2. Recruit product consulting support personnel	●				
3. Purchase additional support facilities	●				
<b>Approximate headcount additions</b>	3	3	1	1	1
<b>Approximate amount to be invested (HK\$million)</b>	1.2	1.2	1.2	1.2	1.2
<b>Sales Force Management Consulting Team Expansion</b>					
1. Recruit account executives	●				
2. Set up additional facilities and representative offices	●				
<b>Approximate headcount additions</b>	20	5	5	5	5
<b>Approximate representative offices additions</b>	1 (Shanghai)	1 (Guangzhou, Los Angeles)	1 (Chongqing)		
<b>Approximate amount to be invested (HK\$million)</b>	1.8	1.8	1.8	0.9	0.9

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Key initiatives	Latest Practicable Date to 30th September, 2002	For the six-month period ending			
		31st March, 2003	30th September, 2003	31st March, 2004	30th September, 2004
<b>Distribution Rights Acquisition</b>					
1. Secure additional pharmaceutical products distribution rights	●	→	→	→	■
<b>Approximate pharmaceutical products distribution rights additions</b>	3	2	3	2	Nil
<b>Approximate amount to be invested (HK\$million)</b>	1.5	1.0	1.5	1.0	Nil
<b>Database Management Enhancement</b>					
1. Enrich database content	●	→	→	→	■
2. Upgrade hardware and software computer facilities		●	→	→	■
3. Recruit database personnel	●	→	→	→	■
4. Database management services				●	→
<b>Approximate headcount additions</b>	Nil	3	2	Nil	Nil
<b>Approximate amount to be invested (HK\$million)</b>	0.6	1.6	1.6	0.6	Nil

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	Latest Practicable Date to 30th September, 2002	For the six-month period ending					
		31st March, 2003	30th September, 2003	31st March, 2004	30th September, 2004		
<b>Key initiatives</b>							
<b>Internet &amp; E-commerce Development</b>							
1. Enrich internet portal content	●	—————→					
2. Establish e-commerce platform		●	—————		■		
<b>Approximate headcount additions</b>	1	1	1	1	Nil		
<b>Approximate amount to be invested (HK\$million)</b>	0.2	0.2	0.2	0.2	Nil		
<b>Extension Service Coverage</b>							
1. Introduce human resources management services			●	—————		■	
2. Introduce call-centre facilities and services				●	—————		■
<b>Approximate headcount additions</b>	Nil	Nil	2	3	Nil		
<b>Approximate amount to be invested (HK\$million)</b>	Nil	Nil	0.5	2.0	Nil		

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Key initiatives	Latest Practicable Date to 30th September, 2002	For the six-month period ending			
		31st March, 2003	30th September, 2003	31st March, 2004	30th September, 2004
<b>Secure Overseas Alliances</b>					
1. Form alliances with medical journal publishers				●————→	
2. Form alliances with continuing medical education service providers				●————→	
3. Form alliances with database management companies				●————→	
<b>Approximate amount to be invested (HK\$million)</b>	Nil	Nil	Nil	1.0	1.5

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### HUMAN RESOURCES DEPLOYMENT

As at the Latest Practicable Date, Aptus Group had a total of 51 full-time employees. Following its expansion plans, the Directors expect that the total number of employees of Aptus Group will be as follows:

	Latest	For the six months ending			
	Practicable Date to 30th September, 2002	31st March, 2002	30th September, 2003	31st March, 2004	30th September, 2004
Management	9	9	9	9	9
Direct marketing	13	15	17	19	21
Product consulting	19	22	23	24	25
Sales force management consulting	25	33	38	40	41
Database personnel	3	4	5	6	6
Internet and e-commerce	1	1	1	1	1
Human resources	2	2	2	3	3
Finance and administration	4	4	4	4	4
Total	<u>77</u>	<u>90</u>	<u>99</u>	<u>106</u>	<u>110</u>

### BASES AND ASSUMPTIONS

The business objectives of Aptus Group stated above are based on the following bases and assumptions:

#### General assumptions

1. Aptus Group is not materially and/or adversely affected by any change in existing government policies or political, legal (including changes in legislation or regulations or rules), fiscal or economic conditions in Hong Kong or the PRC or any of the countries in which Aptus Group carries on business or to which its business relates.
2. Aptus Group is not materially and/or adversely affected by any change in bases or rates of taxation in Hong Kong or the PRC or in any other places in which Aptus Group operates or is incorporated.
3. Aptus Group is not materially and/or adversely affected by any change in interest rates or exchange rates from those currently prevailing.



### Specific assumptions

1. Aptus Group is not materially and/or adversely affected by any of the risk factors set out in the section headed “Risk factors” in this prospectus.
2. The business objectives for any of the specified periods have been stated on the basis that they may have to be revised or adjusted by Aptus Group from time to time in the light of factors such as changes in market conditions, market response to particular products and whether Aptus Group has successfully achieved its stated business objectives in the preceding period or periods. It has also been assumed that Aptus Group does not experience any significant delay in achieving its stated business objectives in any of the specified periods.
3. Aptus Group does not encounter any significant difficulty in the area of information technology.
4. Aptus Group does not encounter any significant problem or disruption adversely affecting its operations or business objectives in any ways.
5. The pharmaceutical industry will continue to develop and grow as anticipated.
6. Necessary co-operation and approvals are received from Aptus Group’s business partners and relevant authorities.



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### REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors believe that the listing of the Shares on GEM will enhance Aptus Group's profile and the proceeds from the New Issue will enable Aptus Group to implement its future business plans as stated in the section headed "Statement of business objectives and future plans" in this prospectus. The net proceeds from the New Issue, after deducting related expenses (assuming the Over-allotment Option is not exercised and assuming the Placing Price is fixed at HK\$0.5 per Placing Share, being the mid-point of the range of Placing Price) are estimated to be about HK\$32.5 million. The Directors currently intend to apply such net proceeds as follows:

- as to about HK\$6.0 million to recruit Aptus Group's direct marketing account executives and direct marketing support personnel and improve direct marketing support facilities such as graphic design computer hardware and software;
- as to about HK\$6.0 million to recruit Aptus Group's product consulting executives and product consulting support personnel and purchase additional support materials such as electronic pharmaceutical and healthcare publications and encyclopedia;
- as to about HK\$6.7 million to recruit Aptus Group's sales force management consulting team and set up additional facilities such as sales force management computer system and representative offices;
- as to about HK\$3.5 million to secure additional overseas pharmaceutical products distribution rights;
- as to about HK\$4.4 million to enrich database content, upgrade hardware and software computer facilities, recruit database personnel and to provide database management services;
- as to about HK\$0.8 million to enrich internal portal content and establish e-commerce platform;
- as to about HK\$2.5 million to introduce human resource management services and to provide call-centre facilities and services;
- as to about HK\$1.5 million to form alliance with medical journal publishers, continuing medical education service providers and database management companies; and
- as to the balance of about HK\$1.1 million as general working capital.

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Should the Over-allotment Option be exercised in full, Aptus Group will receive additional proceeds of about HK\$9.1 million (assuming the Placing Price is fixed at HK\$0.50 per Placing Share, being the mid-point of the range of Placing Price), after deducting related expenses, will amount to about HK\$9.0 million. The Directors intend to use the net proceeds raised as a result of the exercise of the Over-allotment Option as follows: (i) as to about HK\$2.0 million (or about 22% of the net proceeds) for direct marketing services; (ii) as to about HK\$2.0 million (or about 22% of the net proceeds) for product consulting services; (iii) as to about HK\$4.0 million (or about 44% of the net proceeds) for sales force management consulting services and acquisition of distribution rights; and (iv) as to the remaining balance of the net proceeds for the enhancement of Aptus Group's database. In the event that the Placing Price is fixed at its minimum of HK\$0.45 or at its maximum of HK\$0.55 or at any price in between, the same percentages of the net proceeds arising from the exercise of the Over-allotment Option will be applied to Aptus Group's business as aforesaid.

Should the final Placing Price be determined at the maximum Placing Price of HK\$0.55 per Placing Share, the net proceeds from the New Issue (on the basis that the Over-allotment Option is not exercised) after deducting related expenses, will be about HK\$36.4 million. In this case, the Directors intend that the additional net proceeds of about HK\$3.9 million (over that calculated on the mid-point of the range of Placing Price) will be applied as Aptus Group's general working capital.

Should the final Placing Price be determined at the minimum Placing Price of HK\$0.45 per Placing Share, the net proceeds will be about HK\$28.6 million. The shortfall in the net proceeds from the New Issue will be about HK\$3.9 million (as compared with that calculated on the mid-point of the range of Placing Price). In this case, the Directors intend that the allocation of the net proceeds to the proposed investments in direct marketing services, product consulting services and sales force management will be reduced from HK\$6.0 million, HK\$6.0 million and HK\$6.7 million respectively to HK\$5.0 million, HK\$5.0 million and HK\$4.8 million respectively. The Directors confirm that the reduced investments should not have any material adverse impact on Aptus Group's business objectives and strategies as described in this prospectus because the Directors have already made certain allowances in making the investment budget.

To the extent that the net proceeds of the New Issue are not immediately applied for the above purposes, it is the present intention of the Directors that such net proceeds will be placed on short term deposits with financial institutions in Hong Kong.