

REASONS FOR THE SHARE OFFER AND USE OF PROCEEDS

The Group intends to raise additional funds through the Share Offer to capture on the growth opportunities arising from the consolidating China beer industry and reduce debts incurred in connection with prior acquisitions of breweries in order to optimise its capital structure for future growth and development. Assuming an Offer Price of HK\$1.485 (being the mid-point of the indicative Offer Price range stated in this prospectus) and the Over-allotment Option is not exercised, the net proceeds of the Share Offer after deducting related expenses which will be received by the Company, are estimated to be approximately HK\$270 million. The Group currently intends to use such net proceeds as follows:

- approximately HK\$150 million for reduction of debt, including part of the bank debts and shareholders' loans borrowed to finance the Acquisition;
- approximately HK\$100 million for future expansion, including possible future acquisitions and capital expenditures; and
- approximately HK\$20 million as general working capital.

Should the Over-allotment Option be exercised in full and assuming an Offer Price of HK\$1.485 (being the mid-point of the indicative Offer Price range stated in this prospectus), the Company will receive additional net proceeds of approximately HK\$46 million. The Group currently intends to use such additional net proceeds for general working capital.

To the extent that the net proceeds of the Share Offer are not immediately applied for the above purposes, it is the present intention of the Directors that they will be placed on interest bearing deposits with financial institutions in Hong Kong.