

# FUTURE PLANS AND USE OF PROCEEDS

## FUTURE PLANS

We aim to continue to grow and expand our business as a leading FCR operator selling ramen and Japanese-style dishes in Hong Kong and the PRC.

We continuously assess future opportunities as well as identify and evaluate potential locations for our new Ajisen chain restaurants. We intend to leverage on our strong brand name and extensive experience to continue developing our business in our chosen markets. We propose to adhere to our business model in pursuing our future plans.

By adopting our future plans and the proposed strategies, we believe that we will be able to further strengthen our “Ajisen” brand as well as enhance profitability and returns to our shareholders. Please refer to the paragraph headed “Our Business Strategies” under the section headed “Business” in this prospectus for a detailed description of our future plans.

## USE OF PROCEEDS

We intend to use the net proceeds of the Global Offering to implement our growth strategies. Assuming that the Over-allotment Option is not exercised, the net proceeds of the Global Offering, based on the offer price of HK\$4.97, which is the mid-point price of a price range from HK\$4.47 to HK\$5.47, after deduction of the underwriting commission and estimated expenses of approximately HK\$98.8 million, are estimated to be approximately HK\$1,346.1 million. We presently intend to use the net proceeds as follows:

- approximately HK\$611.3 million for the expansion of our Group’s chain restaurant network. Please refer to the paragraphs headed “Our Business Strategies” under the section headed “Business” for a detailed description of our network expansion plans;
- approximately HK\$111.1 million for the addition and improvement in operational systems (human resources, IT, logistics and training);
- approximately HK\$100 million for the repayment of the Group’s bank borrowings, the details of which are set forth below:

Name of Bank	Drawdown date	Maturity date	Principal amount (HK\$)	Amount to be repaid (HK\$)	rate	Interest Loan purpose
Hang Seng Bank Limited	28th December 2006	27th December 2007	60,000,000	60,000,000	1.25% per annum over 1/2/3 month(s) HIBOR	Dividend payment and shareholders’ loan payment
Industrial and Commercial Bank of China (Asia) Limited	29th December 2006	the earlier of 17th January 2008 or 7 days after Listing	40,000,000	40,000,000	1.25% per annum over 1/2/3 month(s) HIBOR	Finance of dividends payable to shareholders and/or repayment of amounts due to directors/shareholders
			<u>100,000,000</u>	<u>100,000,000</u>		

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- approximately HK\$333.4 million for the expansion of our current food manufacturing and processing facilities and the construction of new factories;
- approximately HK\$55.6 million for sales and marketing promotions, and brand awareness activities; and
- the remaining balance will be used as general working capital of our Group.

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes, we will deposit the net proceeds into term deposits with authorised financial institutions and/or licensed banks in Hong Kong and/or China.

In the event that the Offer Price is set at the highest and lowest end of the price range, the net proceeds allocated to each of the intended use will remain the same proportionately except for the HK\$100 million used to repay our Group's bank borrowings which will be fixed at that amount and the general working capital which will not be more than 10% of the total net proceeds.

In the event that the Over-allotment Option is exercised in full, and assuming an Offer Price of HK\$4.47, being the mid-point of the price range, the additional net proceeds will be approximately HK\$215.8 million, in which HK\$106.8 million will be used for the expansion of our chain restaurant network, HK\$58.3 million will be used for the expansion of our current food manufacturing and processing facilities and the construction of new factories, HK\$19.4 million for the addition and improvement of operational systems, HK\$9.7 million for sales and marketing promotion and brand awareness activities and the remaining balance for working capital purposes which will not be more than 10% of the total net proceeds.