
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See the section headed “Business — Business Strategy” for a detailed description of our future plans.

[REDACTED]

We estimate the [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this [REDACTED] and assuming the [REDACTED] is not exercised), will be approximately HK\$[REDACTED] million, after deduction of [REDACTED] and commissions and estimated expenses payable by us in connection with the [REDACTED].

We intend to use the [REDACTED] of the [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for constructing an additional 6 organic dairy farms from 2014 to 2015. We plan to establish 2 and 4 organic dairy farms in 2014 and 2015 with expected expenditure of approximately HK\$[REDACTED] and HK\$[REDACTED], respectively. In particular, in 2014, we plan to invest HK\$[REDACTED] in construction of dairy farms and HK\$[REDACTED] in purchase of equipment and machinery. In 2015, we plan to invest HK\$[REDACTED] in construction of dairy farms and HK\$[REDACTED] in purchase of equipment and machinery.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for acquiring no less than [REDACTED] dairy cows domestically and from overseas from 2014 to 2015. In particular, we plan to acquire approximately [REDACTED] and [REDACTED] heifers in 2014 and 2015, with expected expenditure of approximately HK\$[REDACTED] and HK\$[REDACTED], respectively.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for sales and marketing activities and expansion of our distribution network from 2014 to 2015. In particular, we plan to (i) undertake advertising and marketing campaigns to our liquid milk products with expected expenditure of HK\$[REDACTED]; (ii) purchase trucks with external LED displays for liquid milk products delivery and brand promotion purposes, with expected expenditure of HK\$[REDACTED]; and (iii) demonstrate our “grass-to-glass” organic concept and promote organic life culture through open-house events at our dairy farms and production facilities and other events with expected expenditure of HK\$[REDACTED].
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for expanding our liquid milk production capacity, including HK\$[REDACTED] for constructing new workshops at our milk processing plant and HK\$[REDACTED] for purchasing liquid milk processing equipment and machinery. These new production facilities will have a designed production capacity of 790 tonnes per day and are expected to be completed by the end of 2016.

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- approximately [REDACTED]%, or HK\$[REDACTED], will be used to repay certain outstanding loans obtained by some of our PRC subsidiaries for general working capital purposes in the ordinary course of business with PBOC’s benchmark interest rate (currently 6%) and were incurred in the second half of 2013 and will be due before the end of 2014:

- The remaining [REDACTED]%, or HK\$[REDACTED], will be used to provide funding for our working capital and other general corporate purposes.

In the event the [REDACTED] is exercised in full and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this [REDACTED]), we will receive additional [REDACTED] of approximately HK\$[REDACTED].

The following table sets forth the [REDACTED] of the [REDACTED] to be received by us if the [REDACTED] is fixed at HK\$[REDACTED] per Share (being the high-end of the [REDACTED] range stated in this [REDACTED]) or HK\$[REDACTED] per Share (being the low-end of the [REDACTED] range stated in this [REDACTED]) with and without exercising the [REDACTED].

<u>[REDACTED]</u>	<u>[REDACTED] assuming full exercise of the [REDACTED]</u>	<u>[REDACTED] assuming no exercise of the [REDACTED]</u>
HK\$[REDACTED] per Share	HK\$[REDACTED]	HK\$[REDACTED]
HK\$[REDACTED] per Share	HK\$[REDACTED]	HK\$[REDACTED]

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] range.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we intend to deposit the [REDACTED] into short-term demand deposits and/or money market instruments.