

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See the section headed “Business — Our Strategies” in this [REDACTED] for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the [REDACTED] of approximately HK\$[REDACTED] after deducting [REDACTED] and other estimated expenses paid and payable by us in the [REDACTED], assuming [REDACTED] is exercised and [REDACTED] HK\$[REDACTED], being the mid-point of the [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]. We intend to use the net proceeds we will receive from [REDACTED] for the following purposes:

- approximately [REDACTED]% (approximately HK\$[REDACTED]) to apply towards the expansion of our school network in China, in particular the development of new schools in certain major cities in China;
- approximately [REDACTED]% (approximately HK\$[REDACTED]) to apply towards the maintenance, renovation and upgrade of our existing schools, such as the boys’ schools on our Dalian campus;
- approximately [REDACTED]% (approximately HK\$[REDACTED]) to apply towards the acquisition of schools, except for preschools, in major cities in China to supplement our school network. As of the Latest Practicable Date, we had not identified any specific acquisition target;
- approximately [REDACTED]% (approximately HK\$[REDACTED]) to repay our bank loans as follows:

Bank	Amount (RMB)	Interest rate (per annum)	Maturity date	Usage
China Merchants Bank	40 million	6.60%	September 25, 2014	Working capital purposes
Bank of China	30 million	6.44%	September 19, 2014	Working capital purposes
Bank of China	20 million	6.44%	December 19, 2014	Working capital purposes
Bank of Shanghai	45 million	6.00%	December 30, 2014	Working capital purposes
Hankou Bank	30 million	6.00%	April 18, 2015	Working capital purposes
Hankou Bank	59 million	6.77%	January 18, 2015	Working capital purposes

- approximately [REDACTED]% (approximately HK\$[REDACTED]) as our working capital.

In the event that the [REDACTED] is set at the high point of the [REDACTED], the net proceeds of the [REDACTED], assuming the [REDACTED] is not exercised, will increase to approximately HK\$[REDACTED]. Under such circumstances, the additional net proceeds will be used for the expansion of our school network in China. In the event that the [REDACTED] is set at the low point of the [REDACTED], the net proceeds of the [REDACTED], assuming the [REDACTED] is not exercised, will decrease to approximately HK\$[REDACTED]. Under such circumstances, the reduced amount of net proceeds will be deducted from the amount applied towards acquisition of schools and working capital.

If the [REDACTED] is exercised in full, the net proceeds from the [REDACTED] will increase by HK\$[REDACTED], assuming an [REDACTED], being the mid-point of the proposed [REDACTED]. In such event, the additional net proceeds will be used for the expansion of our school network in China.

To the extent that the net proceeds of the [REDACTED] are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in short-

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term deposits so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the [REDACTED] Rules.

Since we are an offshore holding company, we will need to make capital contributions and loans to our PRC subsidiaries or through loans to our consolidated affiliated entities such that the net proceeds of this offering can be used in the manner described above. Such capital contributions and loans are subject to a number of limitations and approval processes under PRC laws and regulations. There are no costs associated with registering loans or capital contributions with relevant PRC authorities, other than nominal processing charges. Under PRC laws and regulations, the PRC governmental authorities are required to process such approvals or registrations or deny our application within a prescribed period, which are usually less than 90 days. The actual time taken, however, may be longer due to administrative delay. We cannot assure you that we can obtain the approvals from the relevant governmental authorities, or complete the registration and filing procedures required to use our net proceeds as described above, in each case on a timely basis, or at all. This is because PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC operating subsidiaries or consolidated affiliated entities, which could materially and adversely affect our liquidity and our ability to fund and expand our business. See the section headed “Risk Factors — Risks Relating to Our Contractual Arrangements” in this [REDACTED].