
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

See “Business — Our Business Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$2,622 million from the New Issue after deducting the underwriting commissions and other estimated offering expenses payable by us and assuming the Offer Price of HK\$2.84 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this Prospectus. We intend to use the proceeds from the New Issue for the purposes and in the amounts set forth below:

- approximately 75%, or approximately HK\$1,967 million, will be used to finance the construction of our five new farms, namely Tiefeng Farm, Baiquan Farm, Kedong Yongjin Farm, Honghai Farm and Sifang Farm, expected to be completed by the fourth quarter of 2015 and the details of which are summarized in “Business — Our Dairy Farms — Expansion Plan of Our New Dairy Farms” in this Prospectus;
- approximately 15%, or approximately HK\$393 million, will be used to develop upstream operations; and
- approximately 10%, or approximately HK\$262 million, for our working capital and general corporate purpose.

For more information on our expansion plan after the Global Offering, see “Business — Our Business Strategies.”

We estimate that the net proceeds to be received by the Selling Shareholders from the sale of Sale Shares will be approximately HK\$669 million. Proceeds from the sale of the Sale Shares by the Selling Shareholders will not belong to the Company.

If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds to be received by the Selling Shareholders from the sale of the Sale Shares will be approximately HK\$502 million, after deducting the underwriting commissions and our estimated expenses, assuming an Offer Price of HK\$2.84 per Share, being the mid-point of indicative offer price. We will not receive any of the proceeds from the sale of Sale Shares pursuant to the Over-allotment Option.

If the Offer Price is fixed at HK\$3.18 per Offer Share, being the high end of the Offer Price range stated in this Prospectus, we will receive additional net proceeds of approximately HK\$321 million. If the Offer Price is fixed at HK\$2.49 per Offer Share, being the low end of the Offer Price range stated in this Prospectus, the net proceeds we receive will be reduced by approximately HK\$330 million. If the Offer Price is set above the mid-point of the proposed Offer Price range, we intend to apply the additional amounts towards the construction of our new farms. If the Offer Price is set below the mid-point of the proposed Offer Price range, we intend to reduce the amounts allocated to developing upstream operations.

To the extent that the net proceeds from the New Issue are not immediately applied to the above purposes, we intend to deposit the proceeds into our accounts with licensed financial institutions.