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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

Please see “*Business – Business Strategies*” for further details regarding the description of our future plans.

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$1,361 million (assuming an Offer Price of HK\$3.57 per Share, being the mid-point of the indicative Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by the Company.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

- (1) approximately 40% of the net proceeds will be used to fund our acquisitive expansion in the PRC, especially in Northeast China. We have not identified any acquisition targets as at the Latest Practicable Date;
- (2) approximately 30% of the net proceeds will be used to fund our organic growth, including establishing new pharmacies and upgrading our existing and establishing additional logistics centres;
- (3) approximately 20% of the net proceeds will be used to promote Jintian Aixin, Licensed Brands and Licensed Products. Under the value chain integrated model adopted by the Group, work related to promotion and marketing of the Licensed Products is typically undertaken by distributors, rather than manufacturers, because distributors have direct access to the downstream customers. Please see “*Industry Overview – The Pharmaceutical Industry in China – Pharmaceutical Distribution Industry Overview*” for details; and
- (4) approximately 10% of the net proceeds will be used for working capital purposes.

To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above they will be placed in interest bearing demand deposits with financial institutions.

We estimate the net proceeds to AMG, DBS Nominees and SEAVI from the sale of Shares pursuant to the Global Offering, assuming the Over-allotment Option is not exercised, to be approximately HK\$226.3 million, HK\$67.1 million and HK\$53.6 million, respectively (assuming an Offer Price of HK\$3.57 per Share, being the mid-point of the indicative Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by the investors. We also estimate the net proceeds to AMG, DBS Nominees and SEAVI from the sale of Shares pursuant to the Global Offering, assuming the Over-allotment Option is exercised in full, to be approximately HK\$396.0 million, HK\$117.5 million and HK\$93.8 million, respectively (assuming an Offer Price of HK\$3.57 per Share, being the mid-point of the indicative Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by the investors, respectively. As the relevant Shares will be sold and the Over-allotment Option will be granted by the Investors, and not the Company, the Company will not receive any proceeds from any exercise of the Over-allotment Option.