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## USE OF PROCEEDS

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Net proceeds from the Share Offer, based on the Offer Price of HK\$1.00 per Offer Share and after deducting underwriting commissions and professional fees, is expected to amount to approximately HK\$145.0 million. As discussed in the paragraph headed “Our strategy and future plans” in the section headed “Business” in this prospectus, we intend to use such net proceeds in the following manner:

- (a) as to approximately HK\$130.0 million, representing approximately 89.7% of the net proceeds from the Share Offer for repaying our loans owed to related parties, being Sunwealth <sup>(Note 1)</sup> and Tian An <sup>(Note 2)</sup> upon the Listing;
- (b) as to approximately HK\$10.0 million, representing approximately 6.9% of the net proceeds from the Share Offer for repayment of a bank loan partially due within 12 months from the Listing. The outstanding principal of this unsecured loan as at the Latest Practicable Date was approximately HK\$50.5 million. The final maturity is on 16 December 2012 and the loan carries an interest rate of HIBOR plus 2.3%. The proceeds of this loan have been used primarily for our Shandong operations; and
- (c) as to approximately HK\$5.0 million, representing approximately 3.4% of the net proceeds from the Share Offer for general working capital of our Group.

To the extent the net proceeds of the Share Offer are not immediately used for the purposes described above, we intend to place the proceeds in short term bank deposits.

*Notes:*

1. Sunwealth is a wholly-owned subsidiary of Tian An. Approximately HK\$128.2 million of the net proceeds will be used to repay a loan owing by our Group to Sunwealth. Such loan was part of the loan previously owed by SAC Holdings to ChinaVision Media which was subsequently assumed by Sunwealth as part of the sale and purchase agreement dated 21 May 2009. Details of which are set out in the section headed “Corporate reorganisation and group structure”. This loan is non-interest bearing and is repayable on demand.
2. The amount owing to Tian An represents guarantee fee payable to Tian An for its provision of financial guarantee to certain current lenders. This amount owing is non-interest bearing and is repayable on demand.