

The Shares were listed on the Stock Exchange on 8 February 2007. The net listing proceeds from the share offer, including the exercise of over-allotment option on 12 February 2007, received by the Company was about HK\$957 million. The progress on the use of proceeds is set out in the following table:

<b>Project</b>	<b>Planned amount HKD million</b>	<b>Used up to 31 March 2007 HKD million</b>
Construction of Inner Mongolia Plant Phase II	530	40
Enhancement of sales and marketing function	10	—
Improving Group's research and development capabilities	30	—
Potential acquisition of related business and facilities	39	—
Repayment of ABN AMRO loan	312	312
General working capital	36	—
	<u>957</u>	<u>352</u>

As at 31 March 2007, save as approximately HK\$27 million of the net listing proceeds was remitted and deposited in the banks in the PRC, the un-used net listing proceeds of HK\$578 million is placed on short-term deposits with licensed banks in Hong Kong.

After the listing of the shares of the Company, the Group was approached by Baoji local authorities and commenced the negotiation of an additional piece of land for the development of MSG facilities in Baoji Plant. With this new development, the Directors decided to amend the use of proceeds by reallocating 70,000 metric tonnes production capacity of MSG, with investment cost of about HK\$120 million, originally planned for Inner Mongolia Plant Phase II to Baoji Plant. The Directors consider that the reallocation of production capacity could expand the geographical coverage of the Group in MSG to southwestern and northwestern markets in the PRC, where the Group has yet to have significant presence. The Directors consider that it should be more cost effective in terms of efficiency and cost of transportation to produce MSG closer to the market in southwestern and northwestern China and therefore is beneficial to the Group. The planned production capacity of MSG in Inner Mongolia Plant Phase II was adjusted to 80,000 metric tonnes accordingly. The related land in Inner Mongolia Plant Phase II will be used for future development of other bio-chemical products.