

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please see the section headed “Business – Our Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$560.3 million (assuming an Offer Price of HK\$2.54 per Share, being the mid-point of the indicative Offer Price range stated in this prospectus), after deducting underwriting fees and estimated expenses in connection with the Global Offering payable by us in the Global Offering assuming the Over-allotment Option is not exercised. We currently intend to apply such net proceeds for the following purposes:

- approximately 55%, or HK\$308.2 million, for the expansion of our production capabilities by installing additional production facilities in Zhejiang province, Henan province and Anhui province (we intend to spend approximately 60%, 32% and 8% of such amount on the new production facilities in Zhejiang province, Henan province and Anhui province, respectively. Please see section headed “Business – Our Strategies – Expand our production capacity to increase our market share” in this prospectus for a detailed description of our production capacity expansion plan);
- approximately 20%, or HK\$112.1 million, for the acquisition(s) of other motive batteries manufacturers (please see section headed “Business – Our Strategies – Participate in the market consolidation by pursuing strategic acquisitions” in this prospectus for further details);
- approximately 10%, or HK\$56.0 million, for the enhancement of our research and development activities mainly on electric car motive batteries, wind and solar energy batteries and Li-ion motive batteries (we intend to spend approximately one-third of such proceeds on our research and development activities in each such area);
- approximately 5%, or HK\$28.0 million, for the promotion and strengthening of our “Chilwee 超威” brand name through advertising and marketing campaigns, including advertising in industry journals and technical publications and television networks and outdoor billboards; and
- approximately 10%, or HK\$56.0 million, for working capital and general corporate purposes.

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$645.8 million and HK\$474.8 million (assuming an Offer Price of HK\$2.90 per Share and HK\$2.18 per Share, respectively, being the highest and lowest points of the indicative Offer Price range stated in this prospectus), after deducting underwriting fees and estimated expenses in connection with the Global Offering payable by us in the Global Offering and assuming the Over-allotment Option is not exercised. In such circumstances. We will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

The additional net proceeds that we would receive if the Over-allotment Option is exercised in full are currently estimated to be approximately HK\$77.7 million, HK\$90.5 million and HK\$103.3 million (assuming the lowest, middle and highest points of the indicative Offer Price range, respectively), which would be applied in the manner and proportions stated above.

To the extent that our net proceeds are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit the net proceeds into short-term interest bearing deposits and/or money market instruments.