
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

See the section headed “Business — Our strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$1.43 per Share, being the mid-point of the indicative Offer Price range between HK\$1.18 and HK\$1.68, before any exercise of the Over-allotment Option) will be approximately HK\$134.4 million.

We plan to use the net proceeds of approximately HK\$134.4 million from the Global Offering to expand our production capacity, including approximately (i) HK\$58.4 million to construct new production units, and (ii) HK\$76.0 million to purchase additional production machineries and equipment (including HK\$4.9 million to purchase production machineries and equipment in connection with the gold production plant).

In the event that the Offer Price is set at the high-end of the indicative Offer Price range, we will receive additional net proceeds of approximately HK\$33.1 million when compared to the net proceeds that would be received by us with the Offer Price being determined at the mid-point of the indicative range, which will be applied to expand our production capacity, enhance our research and development capability and to improve and upgrade our environmental protection system.

In the event that the Offer Price is set at the low-end of the indicative Offer Price range, the net proceeds of the Global Offering will decrease by approximately HK\$33.1 when compared to the net proceeds that would be received by us with the Offer Price being determined at the mid-point of the indicative range. Under such circumstances, we will finance such shortfall by internal cash resources and/or additional bank borrowings, as and when appropriate.

The additional net proceeds that we would receive if the Over-allotment Option is exercised, which is currently estimated to be approximately HK\$34.1 million (assuming an Offer Price of HK\$1.43 per Share, being the mid-point of the indicative Offer Price range between HK\$1.18 and HK\$1.68), will be applied to expand our production capacity, enhance our research and development capability and to improve and upgrade our environmental protection system.

To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are higher than expected, we will apply the additional net proceeds to expand our production capacity, enhance our research and development capability and to improve and upgrade our environmental protection system. To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) is lower than expected, we will allocate such reduced proceeds pro-rata for the purpose listed above.