
FUTURE PLANS AND USE OF PROCEEDS

Future Plans

See the section entitled “Business—Business Strategies” on page 108 of this prospectus for a description of our business strategies. We are currently contemplating the following future plans some of which we intend to partially fund with proceeds from this Global Offering:

- Purchasing approximately 135 additional CNC machining centers and potentially leasing new operational space to establish new production lines to manufacture aluminum unibody chassis for laptop computers to supply to the Foxconn Companies, which assemble such laptop computers for the leading global consumer electronics designer. We expect to begin deploying such machinery in the first quarter of 2013.
- Purchasing approximately 200 additional CNC machining centers and cutting and polishing machinery and leasing new operational space to establish new production lines to manufacture aluminum stands and cases for a line of integrated desktop computers to supply to the Foxconn Companies, which assemble such integrated desktop computers for the leading global consumer electronics designer. We expect to begin deploying such machinery in the fourth quarter of 2013.
- Relocating our main plant to a new site in Zengcheng, Guangzhou with greater space, upgraded infrastructure and additional production equipment, which would increase our general aluminum extrusion capacity to approximately 150,000 MT per year over approximately three years. The relocation would be conducted gradually over approximately five years, so that our production would not be unduly disrupted.

We intend to resort to our internal sources for the remainder of the funding requirements for these plans. As of the Latest Practicable Date, we had not incurred or committed any capital expenditure relating to the additional 335 CNC machining centers, which we expect to have an aggregate annual capacity of approximately 17.7 million pieces (depending on the type of parts machined).

These future plans are made with the assumption that our business and financial condition will not be subject to any material unforeseen changes, including changes arising from the risks listed in the section entitled “Risk Factors” in this prospectus. As such, our future plans are subject to change according to our actual future situation and the future business environment in which we operate.

In August 2012, we entered into a letter of intent with the Foxconn Companies regarding the contemplated plan for us to supply the Foxconn Companies the aluminum cases and stands for the integrated desktop computers as set out above. We and the Foxconn Companies agreed to discuss the detailed terms for the future supply of such parts and enter into a formal purchase agreement as soon as practicable.

Use of Proceeds

The net proceeds of the Global Offering we expect to receive (after deduction of underwriting fees and estimated expenses payable by us in relation to the Global Offering) are estimated to be approximately HK\$906.9 million, assuming an Offer Price of HK\$3.46 per Share, or HK\$1,218.9 million, assuming an Offer Price of HK\$4.50 per Share.

FUTURE PLANS AND USE OF PROCEEDS

Assuming an Offer Price of HK\$3.98 per Offer Share, being the midpoint of the stated Offer Price range of HK\$3.46 to HK\$4.50 per Offer Share, the net proceeds of the Global Offering would be approximately HK\$1,062.9 million which we presently plan to use as follows:

- approximately HK\$797.2 million, or 75% of the net proceeds, will be used for capital expenditures, including:
 - (i) approximately HK\$478.3 million, or 45% of net proceeds, for the establishment of a new production line, including the purchase of cutting and polishing machinery from an Independent Third Party and approximately 200 CNC machining centers from the Foxconn Companies, for the planned manufacture of aluminum cases and stands for integrated desktop computers to supply to the Foxconn Companies, which assemble such integrated desktop computers for a leading global consumer electronics designer;
 - (ii) approximately HK\$53.2 million, or 5% of net proceeds, for the purchase of approximately 135 CNC machining centers from the Foxconn Companies and other machinery with an estimated production capacity of 6 million pieces, for the planned manufacture of aluminum unibody chassis for laptop computers to supply to the Foxconn Companies, which assemble such laptop computers for the leading global consumer electronics designer; and
 - (iii) approximately HK\$265.7 million, or 25% of net proceeds, for the contemplated relocation of our main plant to a new site in Zengcheng, Guangzhou and expansion of our general aluminum extrusion production capacity.

We plan to initially use the various types of new machinery to be acquired for purposes as described above. We may re-program and re-deploy our CNC manufacturing facilities, including these new equipment to be funded with proceeds from the Global Offering, to manufacture other products, subject to actual customer demand.

- approximately HK\$212.6 million, or 20% of the net proceeds, will be used to repay a portion of our short-term bank borrowings under a revolving loan facility provided by a PRC branch of HSBC for our purchase of aluminum ingots, which carry interest at 110% of the benchmark PBOC lending rate and have a maturity of 120 days for each draw-down (this loan facility is secured by certain mortgages on our real property, certain pledged deposits, certain negative pledges on our machinery and assets and all monies debenture over a subsidiary and is supported by various forms of guarantee given by various subsidiaries and Mr. Marcus Pan; the outstanding amount under this facility as of the Latest Practicable Date was RMB180 million); and
- approximately HK\$53.1 million, or 5% of the net proceeds, will be used for working capital and other general corporate purposes.

If the Offer Price is fixed at HK\$4.50, being the high end of the stated Offer Share range, our net proceeds will be increased by approximately HK\$156.0 million, as compared to the net proceeds that we would receive with the Offer Price fixed at the mid-point of the indicative range. Our Directors currently intend to allocate such additional proceeds to the above uses proportionally.

If the Offer Price is fixed at HK\$3.46, being the low end of the stated Offer Price range, our net proceeds will instead be decreased by approximately HK\$156.0 million, as compared to the net proceeds that we would receive with the Offer Price fixed at the mid-point of the indicative range. Our Directors currently intend to reduce our use of proceeds proportionately as earmarked.

The Company will not receive the net proceeds of any exercise of the Over-allotment Option.

FUTURE PLANS AND USE OF PROCEEDS

To the extent that the net proceeds to us from the Global Offering are not immediately applied to the above purposes, we will deposit the net proceeds into short-term demand deposits and/or money market instruments.