
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business – Our Business Strategies” for a description of our future plans.

USE OF PROCEEDS

The net proceeds from the Global Offering, after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering, are estimated to be approximately HK\$1,129.0 million, assuming no exercise of the Over-allotment Option and an Offer Price of HK\$3.25 per Share, being the mid-point of the estimated Offer Price range. We intend to use these net proceeds for the following purposes:

- approximately 70% of net proceeds (approximately HK\$790.3 million) will be used to finance our expansion plan as described in “Business – Production Expansion Plans;”
- approximately 20% of net proceeds (approximately HK\$225.8 million) will be used for repaying our bank loans with China Construction Bank Corporation Rongcheng Sub-branch in the aggregate amount of RMB200.0 million as described in “Financial Information – Indebtedness;” and
- approximately 10% of net proceeds (approximately HK\$112.9 million) will be used for working capital and general corporate purposes.

If the Offer Price is finally determined at the low-end/high-end of the estimated Offer Price range, being HK\$3.10/HK\$3.40 per Share, the net proceeds from the Global Offering will decrease/increase by approximately HK\$54.3 million, compared to the net proceeds with the Offer Price determined at the mid-point of the estimated Offer Price range and assuming that the Over-allotment Option is not exercised. In such case, we will decrease/increase the allocation of the net proceeds to the above purposes on a pro-rata basis.

If the Over-allotment Option is exercised in full, we would receive additional net proceeds from the Global Offering of approximately HK\$184.5 million, assuming an Offer Price of HK\$3.40 per Share, being the high-end of the estimated Offer Price range. We intend to apply the additional net proceeds to the above purposes on a pro-rata basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above, they will be placed in short term demand deposits and/or money market instruments.