

FUTURE PLANS AND PROSPECTS

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

USE OF PROCEEDS

We estimate that the aggregate net proceeds to our Company from the Global Offering, assuming an Offer Price of HK\$1.99 per Offer Share (being the mid-point of the indicative Offer Price range stated in this prospectus), will be approximately HK\$898.5 million (assuming the Over-allotment Option is not exercised and after deducting underwriting commissions and estimated expenses payable by us in connection with the Global Offering).

We currently intend to use the net proceeds from the Global Offering for the following purposes:

- approximately HK\$20.0 million, or 2.2% of the net proceeds, will be used for the acquisition of shredding machines and improvements in the facilities for our confidential materials destruction services business;
- approximately HK\$100.0 million, or 11.1% of the net proceeds, will be used to establish and acquire new packing machines in the China Region for our waste paper management services, which we expect to increase our waste paper collection capacity by a total of approximately 500,000 tonnes by the end of 2013;
- approximately HK\$200.0 million, or 22.3% of the net proceeds, will be used for the setting up of an integrated waste paper collection and confidential materials destruction center in Hong Kong. As of the Latest Practicable Date, we have not identified any target location or building for such center in Hong Kong, although we have commenced preparation of an investment analysis for this purpose;
- approximately HK\$380.0 million, or 42.3% of the net proceeds, will be used for the expansion of our recycled paper products manufacturing business in the PRC and Hong Kong. We plan to invest in research and development and to acquire additional technologically advanced machines to improve the quality and energy-efficiency of the production of our tissue paper products. We expect such machines to commence operation in 2012 and will increase the annual production capacity of our existing Huizhou production base by approximately 33,000 tonnes;
- approximately HK\$145.0 million, or 16.1% of the net proceeds, will be used to repay in full the loan due to ABN AMRO and its associates. For details of the loan, please refer to the section headed “Financial Information — Indebtedness — Bank Borrowings” in this prospectus; and
- the balance of approximately HK\$53.5 million, or 6.0% of the net proceeds, will be used for our working capital requirements and general corporate purposes.

In the event the Over-allotment Option is exercised in full and based on an Offer Price of HK\$1.99 per Offer Share (being the mid-point of the indicative Offer Price range stated in this prospectus), we will receive additional net proceeds of approximately HK\$175.9 million.

FUTURE PLANS AND USE OF PROCEEDS

In the event the Offer Price is set at HK\$2.30 per Offer Share (being the high end of the indicative Offer Price range stated in this prospectus) and assuming the Over-allotment Option is not exercised, we will receive additional net proceeds of approximately HK\$148.8 million.

In the event the Offer Price is set at HK\$1.68 per Offer Share (being the low end of the indicative Offer Price range stated in this prospectus) and assuming the Over-allotment Option is not exercised, the net proceeds we receive will be reduced by approximately HK\$148.8 million.

To the extent that the net proceeds from the Global Offering (including the net proceeds from any exercise of the Over-allotment Option) are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis (save for the repayment of the loan due to ABN AMRO and its associates which will be repaid in full).

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes, we presently intend to deposit such net proceeds into short-term interest-bearing deposits and/or money market instruments.

We estimate that the net proceeds to the Selling Shareholder from the Global Offering, assuming an Offer Price of HK\$1.99 per Offer Share (being the mid-point of the indicative Offer Price range stated in this prospectus), will be approximately HK\$215.6 million, after deducting underwriting commissions and estimated expenses payable by the Selling Shareholder in connection with the Global Offering. We will not receive any proceeds from the sale of the Sale Shares.