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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS AND PROSPECTS

See “Our Business — Our Business Strategy” 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\$1,645.7 million, after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$2.465 per Share, being the midpoint of the offer price range stated in this prospectus. We intend to use these net proceeds for the following purposes:

- approximately 30%, or HK\$493.7 million, will be used for our expansion plans, both in the PRC and the international markets. Such plans include potential selective acquisitions, alliances, joint ventures and other strategic investments in areas such as development of industrial luminaire and energy-saving lamp products that either supplement our existing business or fit into our long-term strategy. As at the Latest Practicable Date, the Directors confirm that the Company has not entered into any agreement or negotiation nor do we have any definite plans at present in relation to any acquisition;
- approximately 25%, or HK\$411.4 million, will be used for the continual implementation of our branding strategies and enhancement of our sales network (particularly in overseas markets), including financing our brand building, marketing and promotional initiatives, as well as expanding domestic sales network by increasing the number of NVC outlets (to over 3,000 by 31 December 2010) and expanding our overseas sales network (including Europe, North America and South America), as well as enhancing and upgrading specialisation among the exclusive regional distributors and the NVC outlets;
- approximately 25%, or HK\$411.4 million, will be used for capital expenditures, including (i) building additional production lines and improving existing facilities or adding new facilities to increase annual production capacity of approximately 60% and 15% respectively for our lighting electronic products and light tubes for energy-saving lamps; and (ii) increasing annual production capacity of approximately 25% for our luminaire products;
- approximately 10%, or HK\$164.6 million, will be used for enhancing our research and development efforts, including developing new products, improving our technologies and efficiency during our production process with a focus on energy-saving lighting products such as LED and HID; and
- the remaining net proceeds of up to approximately 10% or HK\$164.6 million, for working capital and other general corporate purposes.

If the Offer Price is fixed at the highest point of the price range, we estimate that the aggregate net proceeds to be received by us from the Global Offering will be approximately HK\$1,937.0 million. If the Offer Price is fixed at the lowest point of the price range, we estimate that the aggregate net proceeds to be received by us from the Global Offering will be approximately HK\$1,354.5 million. In the event that the Over-allotment Option is exercised in full, we will receive additional net proceeds ranging from approximately HK\$203.1 million (assuming an Offer Price of HK\$2.03 per Share, being the low end of the Offer Price range) to HK\$290.1 million (assuming an Offer Price of HK\$2.90 per Share, being the high end of the Offer Price range). The above allocation of the net proceeds will be adjusted on a pro-rata basis, in the event that the Offer Price is fixed at a higher or lower level compared to the mid point of the proposed Offer Price range.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable law and regulation, we intend to deposit the net proceeds into short-term demand deposits and/or money market instruments under the name of our Company or our subsidiaries.

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We estimate that the net proceeds to be received by the Base Offering Selling Shareholders from the Global Offering will be approximately HK\$80.0 million (assuming the same mid-point of the proposed Offer Price range), after deducting the underwriting fees and commission (including any discretionary incentive fee which may be payable by the Base Offering Selling Shareholders to the Joint Global Coordinators) as payable by the Base Offering Selling Shareholders in relation to the Global Offering and assuming the Over-allotment Option is not exercised. In the event that the Over-allotment Option is exercised in full, the Over-allotment Selling Shareholders will receive additional net proceeds ranging from approximately HK\$10.7 million (assuming an Offer Price of HK\$2.03 per Share, being the low end of the Offer Price range) to HK\$15.3 million (assuming an Offer Price of HK\$2.90 per Share, being the high end of the Offer Price range). We will not receive any of the net proceeds from the sale of the Sale Shares by the Over-allotment Selling Shareholders in the Global Offering or as a result of the exercise of the Over-allotment Option.