
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See the section headed “Business — Our Strategies” for a detailed description of our future plans.

PROPOSED USE OF NET PROCEEDS FROM THE ISSUE OF NEW SHARES

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 that the Over-allotment Option is not exercised), assuming an Offer Price of HK\$5.38 per Share, being the mid-point of the proposed Offer Price range of HK\$4.38 to HK\$6.38 per Share, will be approximately HK\$917.8 million. We currently intend to apply these net proceeds for the following purposes:

- approximately HK\$229.5 million (approximately 25% of the net proceeds payable to our Company) for setting up and starting up the operation of new production facilities or potential acquisitions of companies in the electrical distribution business for the purposes of expanding our upstream component production capability. We do not, however, currently have any specific acquisition target;
- approximately HK\$321.2 million (approximately 35% of the net proceeds payable to our Company) for setting up new companies or acquisitions of companies in the electrical distribution business to expand our downstream sales channel and market segment in China. We do not, however, currently have any specific acquisition target;
- approximately HK\$137.7 million (approximately 15% of the net proceeds payable to our Company) for paying the outstanding balance of the consideration in relation to the construction and completion of our new plant situated in Zhenbei Village, Qunsheng Village, Luoshe Town, Huishan District, Wuxi City (無錫市惠山區洛社鎮鎮北村、群勝村);
- approximately HK\$73.4 million (approximately 8% of the net proceeds payable to our Company) for the purchase of equipment to be installed in the aforementioned new plant situated in Zhenbei Village, Qunsheng Village, Luoshe Town, Huishan District, Wuxi City (無錫市惠山區洛社鎮鎮北村、群勝村) for the purpose of expanding our production capacity;
- approximately HK\$64.2 million (approximately 7% of the net proceeds payable to our Company) for the purchase of equipment and software, for the purpose of collating a wider scope of performance data of our customers’ electrical distribution systems on an ongoing basis, thus enabling us to further improve our capabilities in providing more efficient EE Solutions; and
- approximately HK\$91.8 million (equivalent to 10% of the net proceeds payable to our Company) for funding of our working capital and other general corporate purposes.

In the event that the Offer Price is fixed at the highest end of the proposed Offer Price range, the net proceeds from the Global Offering to us will be approximately HK\$1,097.8 million (assuming an Offer Price of HK\$4.38 per Share). In the event that the Offer Price is fixed at the lowest end of the proposed Offer Price range, the net proceeds of the Global Offering to us will be approximately HK\$737.8 million (assuming an Offer Price of HK\$6.38 per Share). We will adjust the allocation of the net proceeds for the aforementioned purposes on a pro rata basis.

To the extent that the net proceeds from the issue of new Shares are not sufficient to fund the uses set forth above, we intend to fund the balance through a variety of means including cash generated from our operations and bank financing. We currently believe that the net proceeds from the issue of the new Shares, when combined with such alternate sources of financing, are sufficient for the uses set forth above.

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If the Over-allotment Option is exercised in full, we estimate we would receive net proceeds in the amount of approximately HK\$856.0 million (assuming an Offer Price of HK\$4.38 per Share, being the lowest end of the proposed Offer Price range), approximately HK\$1,063.0 million (assuming an Offer Price of HK\$5.38 per Share, being the mid-point of the proposed Offer Price range) and approximately HK\$1,270.0 million (assuming an Offer Price of HK\$6.38 per Share, being the highest end of the proposed Offer Price range) which we intend to apply as additional funding for the purposes above on a pro-rata basis.

To the extent that the net proceeds of the Global Offering are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit them in short-term demand deposits and/or money market instruments.