
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

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

USE OF PROCEEDS

We estimate that we will receive net proceeds of the Global Offering (after deduction of underwriting fees and estimated expenses payable in relation to the Global Offering, assuming an Offer Price of HK\$4.55 per Share, which is the mid-point of the proposed Offer Price range of HK\$3.75 to HK\$5.35 per Share) of approximately HK\$1,413.6 million assuming the Over-allotment Option is not exercised.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

- approximately 60% of net proceeds to us (approximately HK\$848.2 million) for expansion of our production capacity. We have recently acquired a parcel of land near our Anhui production facility for which we intend to use for the production of our battery products. We also plan to add, in 2011 and 2012, more production lines at our Zhaoqing, Anhui and Jiangsu production facilities. We plan our capacity additions based on our business expansion plans and estimated market demand;
- approximately 10% of net proceeds to us (approximately HK\$141.4 million) for research and development of new products using new technologies, particularly spiral pure lead technology, and for improving existing products and technologies, such as TPPL and tubular gel technologies. We plan to use approximately HK\$35.0 million to build a new research facility by 2012, and the rest of the net proceeds to hire more research personnel, and purchase research-related equipment and materials;
- approximately 10% of net proceeds to us (approximately HK\$141.4 million) for expansion of our sales channels in China and internationally. We intend to increase the size of our sales team, expand our sales operations to new locations in China and the United States, and develop our sales operations in the U.K. and Singapore in the next two years. We also plan to set up sales offices and/or warehouses in strategic locations in South America, Africa and other Asian regions;
- approximately 10% of net proceeds to us (approximately HK\$141.4 million) for potential acquisitions that expand our sales channels or provide access to new technology. As of the Latest Practicable Date, we have not identified any targets nor entered into any letters of intent or agreements in relation to any potential acquisitions; and
- approximately 10% of the net proceeds to us (approximately HK\$141.4 million) for working capital and other general corporate purposes.

If the Offer Price is set at the high end of the proposed Offer Price range, we estimate that we will receive an aggregate net proceeds of approximately HK\$1,670.9 million. If the Offer Price is set at the low end of the proposed Offer Price range, we estimate that we will receive an aggregate net proceeds of approximately HK\$1,156.3 million. In the event that the Over-allotment Option is exercised in full, we will receive an aggregate net proceeds ranging from approximately HK\$1,337.2 million (assuming an Offer Price of HK\$3.75 per Share, being the low end of the proposed Offer Price range) to HK\$1,929.1 million (assuming an Offer Price of HK\$5.35 per Share, being the high end of the proposed Offer Price range). The above allocation of the net proceeds will be adjusted on a pro rata basis, in the event 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 our net proceeds from the Global Offering are not immediately required for the above purposes, we intend to deposit the proceeds in interest-bearing bank accounts with banks and/or other authorized financial institutions or to hold the proceeds in money-market instruments such as treasury bills, commercial paper and bankers’ acceptances with authorized financial institutions.

We will issue an announcement if there is any material change in the above proposed uses of proceeds.