

## FUTURE PLANS AND USE OF PROCEEDS

### FUTURE PLANS AND PROSPECTS

See the section headed “Business – Our strategy” for a detailed description of our future plans and prospect.

### USE OF PROCEEDS

Assuming the Over-allotment Option is not exercised and assuming the Offer Price is fixed at HK\$2.83 per Share (being the mid-point of the indicative range of the Offer Price of HK\$2.33 to HK\$3.33 per Share), we estimate that the net proceeds of the Global Offering, after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering, will be approximately HK\$678 million. We intend to use these net proceeds for the following purposes:

- As to approximately HK\$522 million (equivalent to approximately RMB446 million), to be applied to complete construction of our new 55,000 tpa BDO production facility (including applicable licence fee in respect of the forth-generation DAVY Process to be adopted);
- As to approximately HK\$70 million (equivalent to approximately RMB60 million), to be applied to complete construction of our 5,000 tpa and 20,000 tpa PBS production lines (including applicable licence fee in respect of the IPCCAS Direct Polycondensation Process to be adopted), which constitutes the first phase of our PBS production facility expansion plan;
- As to approximately HK\$43 million (equivalent to approximately RMB37 million), to be applied for completion of ancillary site work and facilities of our new Zibo production base; and
- As to approximately HK\$43 million as general working capital of our Group.

We currently envisage that the net proceeds allocated above should be sufficient in completing construction of our new 55,000 tpa BDO facilities and the first phase of our PBS production facility expansion plan.

If the Offer Price is fixed below the mid-point of the indicative price range, the above allocation of net proceeds will be adjusted downward on a pro rata basis. In such event, we intend to fund the corresponding capital expenditure shortage by internally generated funds and/or bank borrowings.

If the Offer Price is fixed above the mid-point of the indicative price range and/or part or all of the Over-allotment Option is exercised, it is the present intention of our Directors to apply such additional net proceeds, first towards general working capital of the Group (up to an amount not exceeding 10% of the total net proceeds raised), with any balance to be applied in pursuit of our other strategies (as more particulars are set out in the paragraph headed “Our strategies” under the section headed “Business” in this prospectus which includes, without limitation, our second phase PBS production facility expansion plan). In this connection, on the assumption of the maximum Offer Price of

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HK\$3.33 and full exercise of the Over-allotment Option, we estimate that the maximum net proceeds (after deducting underwriting fees and estimated expenses payable by us) will be approximately HK\$970 million.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net proceeds into short-term demand deposits with authorized financial institutions and/or licensed banks in Hong Kong and/or the PRC.

The net proceeds from the Global Offering received by the Company in Hong Kong dollars will be accounted for in our financial statements at the exchange rate published by the People's Bank of China in effect at the time the net proceeds are received.