

## FUTURE PLANS AND USE OF PROCEEDS

### FUTURE PLANS

Please see the section entitled “Business—Our Strategies” 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 (after deducting underwriting fees and estimated expenses in connection with the Global Offering payable by us and assuming that the Over-allotment Option is not exercised and an Offer Price of HK\$1.43 per Offer Share, being the mid-point of the indicative offer price range stated in this prospectus) will be approximately HK\$414.2 million. We currently intend to apply such net proceeds for the following purposes:

- approximately 35%, or HK\$145.0 million, for the purchasing manufacturing equipment for our oilfield services lines, including approximately RMB100.0 million for fracturing equipment and the remaining amount for drilling rigs, directional drilling equipment and coil-tubing equipment;
- approximately 20%, or HK\$82.8 million, for the acquisition of selected companies in the oilfield services or related businesses to expand or supplement our existing service portfolio. We will from time to time review available acquisition opportunities and, where appropriate, may start to approach relevant targets. As of the Latest Practicable Date, we have identified several potential acquisition targets that we believe may expand or supplement our service portfolio but we have not entered into any binding agreement and it is uncertain as to whether we will be able to complete any acquisitions;
- approximately 20%, or HK\$82.8 million, to repay our outstanding bank loans, including a drawdown of US\$10.0 million under a bridge term loan with CITIC Bank International Limited. See “Financial Information—Indebtedness—Subsequent changes;”
- approximately 15%, or HK\$62.1 million, to enhance our research and development capabilities and to construct manufacturing facilities in the Tangu district of Tianjin and Singapore; and
- not more than 10%, or HK\$41.4 million, for additional working capital.

To the extent our net proceeds 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.

Any additional net proceeds that we would receive from any exercise at any price within the stated offer price range, in full or in part, of the Over-allotment Option may be applied in the manner and the proportions stated above. The additional net proceeds that we would receive if the Over-allotment Option is exercised in full is approximately HK\$71.9 million, assuming an Offer Price of HK\$1.43 per Share, being the mid-point of the Offer Price range of HK\$1.23 to HK\$1.63 per Share. In the event the Over-allotment Option is exercised in full, and the Offer Price is fixed at the higher end or lower end of the Offer Price range, the net proceeds of the Global Offering (including the proceeds from the exercise of the Over-allotment Option) will increase or decrease by approximately HK\$77.1 million or HK\$77.1 million, respectively.

To the extent that our net proceeds are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit the net proceeds into short-term interest-bearing deposits and/or money market instruments.

We will make an appropriate announcement if there is any change to the above proposed use of net proceeds from the Global Offering.