
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

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

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$2,931.5 million from the Global Offering, assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions (excluding any discretionary incentive fees) and other estimated offering expenses payable by us and assuming the initial public Offer Price of HK\$5.305 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus.

We intend to use the proceeds from the Global Offering for the purposes and in the amounts set out below:

- approximately 74.5% (HK\$2,183.9 million), for the construction and installation of our new production site in Jinjiang City with a designed capacity of FDY and POY of approximately 310,000 tpa and a designed capacity of DTY of approximately 188,000 tpa and an operation center in Quanzhou City, of which (i) approximately 7.9% (HK\$172.5 million) is intended to be used for the payment for land use rights and related fees for the new production site, which we intend to apply for; (ii) approximately 44.1% (HK\$963.1 million) is intended to be used for the payment for imported equipment; (iii) approximately 26.3% (HK\$574.4 million) is intended to be used for the payment for domestic equipment; and (iv) approximately 21.7% (HK\$473.9 million) is intended to be used for the payment for construction of production facilities, the operation center in Quanzhou City and related costs. Please refer to the sections headed “Business — Production — Production Facilities and Capacity” and “Business — Real Properties” for detailed information;
- approximately 6.0% (HK\$175.9 million), for the construction and installation of our additional production facilities at our current production base with a designed capacity of FDY and POY of approximately 25,000 tpa and a designed capacity of DTY of approximately 45,000 tpa, of which (i) approximately 21.7% (HK\$38.2 million) is intended to be used for the payment for land use right fees, construction of production facilities and related costs; (ii) approximately 50.0% (HK\$87.9 million) is intended to be used for the payment for imported equipment; and (iii) approximately 28.3% (HK\$49.8 million) is intended to be used for the payment for domestic equipment. Please refer to the sections headed “Business — Production — Production Facilities and Capacity” and “Business — Real Properties” for detailed information;
- approximately 5.0% (HK\$146.6 million), for the repayment of a portion of our RMB200.0 million short-term bank borrowings we drew down from our credit lines granted by China Construction Bank and Agriculture Bank of China;

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- approximately 3.0% (HK\$87.9 million), for the further enhancement of our research and development capabilities, including hiring more senior and experienced experts and engineers, buying more advanced research and development equipment and testing equipment, cooperating with third party research and development institutes and establishing a National Standard Laboratory;
- approximately 1.5% (HK\$44.0 million), for the further expansion of our sales networks and promoting our brand awareness, including attending industrial exhibitions in China and abroad, and advertising through various medias, such as Internet, outdoor billboards, newspapers and magazines; and
- approximately 10.0% (HK\$293.2 million), for working capital and general corporate purposes.

In the event that the Offer Price is set at the high-end of the proposed Offer Price range and the Over-allotment Option is not exercised, we will receive net proceeds of approximately HK\$3,365.8 million. We currently intend to apply the additional net proceeds for the purposes set forth above on a pro rata basis.

In the event that the Offer Price is set at the low-end of the proposed Offer Price range, we will receive reduced net proceeds of approximately HK\$2,497.2 million. In such case, the amount of net proceeds assigned for purposes set forth above will be reduced on a pro rata basis. To the extent the net proceeds are not sufficient to fund the uses set forth above, we currently intend to finance the shortfall by cash flows from operating activities and/or financing activities.

If the Over-allotment Option is exercised in full, the net proceeds from the Global Offering will increase to approximately HK\$3,377.4 million, assuming an Offer Price of HK\$5.305 per Share, being the mid-point of the proposed Offer Price range. If the Offer Price is set at the high-end or low-end of the proposed 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\$499.4 million, respectively. We intend to apply the additional net proceeds for the purposes set forth above on a pro rata basis or otherwise finance the shortfall by cash flows from operating activities and/or financing activities.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes, we intend to deposit the proceeds into interest-bearing bank accounts, such as short-term savings accounts, with licensed commercial banks and/or authorized financial institutions in Hong Kong or China.