
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

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

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$461 million from the Global Offering assuming the initial public Offer Price of HK\$1.26 per Share (being the mid-point of the indicative Offer Price range between HK\$1.09 per Offer Share and HK\$1.42 per Offer Share) after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, our net proceeds calculated at the assumed Offer Price above would increase by approximately HK\$37 million.

Assuming the Over-allotment Option is not exercised and assuming an Offer Price of HK\$1.26 per Share, we currently plan to use our net proceeds from the Global Offering as follows:

- approximately HK\$207 million (representing approximately 45% of the net proceeds) will be used to expand our solar cell production capacity by 240 MW through the installation of four production lines, each with a capacity of 60 MW. All of the net proceeds allocated for expanding our solar cell production capacity will be used for the purchase of production equipment for the new production lines;
- approximately HK\$207 million (representing approximately 45% of the net proceeds) will be used to expand our silicon wafer production capacity to 500 MW. Approximately 75% of the net proceeds allocated for expanding our silicon wafer production capacity will be used for the purchase of new production equipment, approximately 11% will be used for the purchase of land use rights and approximately 14% will be used for construction of a factory;
- approximately HK\$37 million (representing approximately 8% of the net proceeds) will be used to expand our solar module production capacity through the installation of a 300 MW solar module assembly line. Approximately 47% of the proceeds allocated for the expansion of our solar module production capacity will be used for the purchase of new production equipment, approximately 26.5% will be used for the construction of a new factory and approximately 26.5% will be used for the purchase of land use rights;
- any remaining balance to fund our working capital and other general corporate purposes.

If the Offer Price is set at the highest end of the indicative Offer Price range, the net proceeds from the Global Offering (assuming the Over-allotment Option is not exercised) will increase by approximately HK\$59 million, in which case we intend to apply the additional net proceeds to the construction and development of additional manufacturing lines (approximately 90% of any additional net proceeds, 45.8% of which will be used to expand our solar cell production capacity, 45.8% of which will be used to expand our silicon wafer production capacity and 8.4% of which will be used to expand our solar module production capacity) and general working capital (approximately 10% of any additional net proceeds). If the Offer Price is set at the lowest end of the indicative Offer Price range, the net proceeds from the Global Offering (assuming the Over-allotment Option is not exercised) will decrease by approximately HK\$64 million, in which case we intend to reduce the net proceeds applied to the expansion of our solar cell, silicon wafer and solar module production capacity on a pro rata basis. The additional proceeds (if any) from the exercise of the Over-allotment Option will be used for construction and development funding for additional manufacturing lines.

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To the extent that the proceeds from the Global Offering are not immediately applied to the above purposes, we intend to deposit the proceeds into interest-bearing bank accounts with licensed banks, financial institutions or both. In such event, we will comply with the appropriate disclosure requirements under the Hong Kong Listing Rules.