

## FUTURE PLANS AND USE OF PROCEEDS FROM THE SHARE OFFER

### FUTURE PLANS AND PROSPECTS

Please refer to the section headed “Business – Business strategies” in this prospectus for a detailed description of our Group’s future plans.

### USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised and an Offer Price of HK\$2.37 per Share (being the mid-point of the estimated offer price range), the Directors estimate that the net proceeds to us from the Share Offer will be about HK\$261.1 million, after deducting the underwriting commissions and other estimated expenses in relation to the Share Offer. The Directors presently intend to use the net proceeds from the Share Offer as follows:

- as to 25% of the net proceeds from the Share Offer, or about HK\$65.3 million, to finance the development of the Huzhen Factory (such as defraying the related construction and land costs), further details of which are set out in the sections headed “Business – Business strategies – Expansion of production capacity” and “Business – Properties – Leased properties and the operating rights of land” in this prospectus;
- as to 65% of the net proceeds from the Share Offer, or about HK\$169.7 million, to acquire equipment and machinery for the Dongfengcun Factory and Huzhen Factory and for the expansion of the production capacity of our existing facilities, further details of which are set out in the section headed “Business – Business strategies – Expansion of production capacity” in this prospectus;
- the remaining net proceeds from the Share Offer, or about HK\$26.1 million, to be applied as general working capital and other general corporate purposes of our Group.

In the event that the Over-allotment Option is exercised, the additional net proceeds of the Share Offer of about HK\$43.1 million (assuming that the Offer Price is determined at the mid-point of the stated Offer Price range) will be applied by us to the above purposes in the same proportions as set out above.

If the Offer Price is fixed above or below HK\$2.37 per Share (being the mid-point of the estimated price range), the Directors presently intend to adjust the allocation of the net proceeds to the above purposes in the same proportions as set out above.

To the extent that the net proceeds of the Share Offer are not immediately required for the above purposes, the Directors presently intend that such proceeds will be placed on short-term deposits with licensed banks and/or financial institutions in Hong Kong.