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## FUTURE PLANS AND USE OF PROCEEDS

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### Future Plans

Our corporate objective is:

- to maintain our leading position in the PRC heavy truck industry,
- to globalize our business, and
- to become a leading heavy truck manufacturer in the world

In order to achieve our corporate objective, we have developed the following business strategies:

- Continue to develop new technologies and products;
- Enhance our operating efficiency and cost competitiveness;
- Expand our production capacity to meet customer demand and capture growth opportunities in the heavy truck market;
- Expand our domestic sales and service network to penetrate new regional markets;
- Globalize our business; and
- Continue to build our SINOTRUK brand-name.

See “Business — Our Business Strategies” for additional information on our business strategies.

### Use of Proceeds

We estimate that the net proceeds of the Global Offering, after deducting related expenses payable by us, will be approximately HK\$7,580.3 million, assuming an Offer Price of HK\$11.44 per Share, being the mid-point of our proposed range of indicative offer prices of HK\$10.00 and HK\$12.88, and before exercise of Over-allotment Option.

To effect our future plans and strategies, we plan to use our net proceeds from this Global Offering as follows:

- Approximately HK\$1,200 million for expanding the engine manufacturing capacity and enhancing the technology level of Sinotruk Hangzhou Engine, including the relocation of its manufacturing facilities, in Xiaoshan district of Hangzhou;
- Approximately HK\$800 million for expanding our forging capacity and enhancing the technology level at Sinotruk Jinan Power in Zhangqiu district of Jinan;
- Approximately HK\$700 million for expanding our truck manufacturing capacity and enhancing technology level at Sinotruk Jinan Truck Company, including the construction of its new manufacturing facilities in Jinan;

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- Approximately HK\$600 million for expanding our truck manufacturing capacity at and enhancing technology level at Sinotruk Jinan Commercial Truck Company, including the construction of its new manufacturing facilities in Zhangqiu district of Jinan;
- Approximately HK\$700 million for research and development;
- Approximately HK\$600 million for domestic and overseas market expansion;
- Approximately HK\$2,500 million for repaying some of our borrowings. As of September 30, 2007, we had borrowings in an aggregate principal amount of approximately Rmb 2,872.5 million, with annual interest rates ranging from 3.12% to 7.29% and maturity dates between October 2007 and September 2008; and
- The remaining net proceeds for our general working capital.

In the event that the Over-allotment Option is exercised in full, we estimate that we will receive net proceeds of approximately HK\$8,724.4 million after deducting the underwriting commissions and other estimated offering expenses. We intend to use additional net proceeds of approximately HK\$1,144.1 million to repay the remaining balance of our borrowings in the amount of approximately Rmb 372.5 million after the repayment of HK\$2,500 million described above and to increase our general working capital up to approximately HK\$870 million. The remaining additional net proceeds will be proportionally allocated to research and development, and domestic and overseas market expansion.

To the extent that our net proceeds from the Global Offering are not immediately required for the above purposes, we intend to place them in short-term, interest-bearing, foreign currency deposits at any commercial bank in China or Hong Kong.

In the event that the Offer Price is set at the high-end of the indicative offer price range and the Over-allotment Option is not exercised at all, we will receive net proceeds of approximately HK\$8,540.4 million. We intend to use additional net proceeds of approximately HK\$960.1 million to repay the remaining balance of our borrowings in the amount of approximately Rmb 372.5 million after the repayment of HK\$2,500 million described above and to increase our general working capital up to approximately HK\$850 million. The remaining additional net proceeds will be proportionally allocated to research and development, and domestic and overseas market expansion. In the event that the Offer Price is set at the high-end of the indicative offer price range and the Over-allotment Option is exercised in full, we will receive net proceeds of approximately HK\$9,828.4 million. We intend to use additional net proceeds of approximately HK\$2,248.1 million to repay the remaining balance of our borrowings in the amount of approximately Rmb 372.5 million after the repayment of HK\$2,500 million described above and to increase our general working capital up to approximately HK\$980 million. The remaining additional net proceeds will be proportionally allocated to research and development, and domestic and overseas market expansion.

In the event that the Offer Price is set at the low-end of the indicative offer price range and the Over-allotment Option is not exercised at all, we will receive net proceeds of approximately HK\$6,620.3 million. Under such circumstances, the net proceeds allocated to repay our borrowings and for working capital will be reduced. In the event that the Offer Price is set at the low-end of the indicative offer price range and the Over-allotment Option is exercised in full, we will receive net proceeds of approximately HK\$7,620.3 million. We intend to use additional net proceeds of approximately HK\$40.0 million to repay our borrowings.