

## FUTURE PLANS AND [REDACTED]

### FUTURE PLANS

Please refer to the sections headed "Business — Business Strategies" and "Business — Our Production — Expansion plan in the Prestressed Materials Business" in this [REDACTED] for a detailed description of our future plans and expansion plan, respectively.

[REDACTED]

The [REDACTED] from the [REDACTED], after deducting [REDACTED] fees and estimated expenses payable by us in connection with the [REDACTED], are estimated to be approximately HK\$[REDACTED] million before any exercise of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the midpoint of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share. We intend to use such [REDACTED] for the following purposes:

- Approximately HK\$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the repayment of banking credit facilities obtained during our ordinary course of business primarily for the funding of our working capital that were secured by various personal and corporate guarantees. Such repayment of banking credit facilities include (i) bank borrowings with interest rates ranges between 5.2% to 7.0% which will be due for repayment within six months upon [REDACTED]; and (ii) other credit facilities which comprise bank acceptance bills, guarantee letters and letter of credits. We intend to repay such secured credit facilities within six months upon [REDACTED]. Please refer to the section headed "Relationship with Controlling Shareholders — Independence from our Controlling Shareholders — Financial independence" for further details on the guarantees given by Dr. Tang and his related parties.
- Approximately HK\$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the acquisition of business in order to strengthen our competitiveness or potentially increase our scale of production by June 2021. These opportunities include (i) acquisition of businesses that could increase our production capacity and increase our market shares; and (ii) acquisition of upstream or downstream market participants to enhance our market position within the industry. When evaluating potential acquisition, we will consider various factors including costs of acquisition, location, customer base, market share, technical know-how, production capacity, establishment of such target and the synergies expected to be generated. Further, we will also consider whether the acquisition can help us tap into target segments or geographical markets. As of the Latest Practicable Date, we had not identified any merger or acquisition target. We were not in negotiation with any specific acquisition targets and had not identified any targets.

**FUTURE PLANS AND [REDACTED]**

- Approximately HK\$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the expansion of production capacity of galvanised prestressed products for our Prestressed Materials Business at Jiujiang, Jiangxi Province. The project is expected to be completed by June 2020. Out of such allocated [REDACTED]:
  - (i) approximately [REDACTED] is expected to be used for the construction of a new production facility at Jiujiang, Jiangxi Province;
  - (ii) approximately [REDACTED] is expected to be used for the purchase of production equipment for the galvanised prestressed products production line; and
  - (iii) approximately [REDACTED] is expected to be used for other ancillary expenses such as salaries for additional production staff and training and recruitment expenses; and
  - (iv) approximately [REDACTED] is expected to be used for acquisition of land for the construction of the new production facility at Jiujiang, Jiangxi Province.
  
- Approximately HK\$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the expansion of the research and development centre for our Cable Business. Out of such allocated [REDACTED]:
  - (i) approximately [REDACTED] is expected to be used for the upgrade and purchase of testing equipment to be used for research and development;
  - (ii) approximately [REDACTED] is expected to be used for the construction of an additional building for the research and development centre at Xitang, Zhejiang Province;
  - (iii) approximately [REDACTED] is expected to be used for research and development related expenses which includes training and recruitment of technical staff expenses, and expenses for patent applications; and
  - (iv) the remaining is expected to be used for other ancillary purposes.

The project is expected to be completed by June 2020.

- Approximately HK\$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for working capital and general corporate purposes.

## FUTURE PLANS AND [REDACTED]

- Approximately HK\$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) is expected to be used for the upgrade of production equipment and environmental protection facilities including waste treatment facilities for our Prestressed Materials Business at Jiujiang, Jiangxi Province . The project is expected to be completed by June 2020. Out of such [REDACTED]:
  - (i) approximately [REDACTED] is expected to be used for the construction of surface treatment facilities and waste treatment plant,
  - (ii) approximately [REDACTED] is expected to be used for the purchase of production equipment for surface treatment of raw materials, waste treatment equipment and their respective ancillary equipment; and
  - (iii) approximately [REDACTED] is expected to be used for other ancillary expenses such as salaries for additional production staff and training and recruitment expenses.

If the [REDACTED], is set at the high end or low end of the indicative [REDACTED], the estimated [REDACTED] from the [REDACTED], assuming that the [REDACTED] is not exercised, will increase to approximately HK\$[REDACTED] million or decrease to approximately HK\$[REDACTED] million, respectively. In such event, we will adjust the extended use of the [REDACTED] for the above purposes on a pro-rata basis.

If the [REDACTED] is exercised in full, the estimated [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED]. In such event, we will adjust the extended use of the [REDACTED] for the above purposes on a pro-rata basis.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit such [REDACTED] into interest bearing bank accounts with licenced banks or financial institutions.