

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

We intend to grow our business by consolidating our leadership position in Jiangsu Province and selectively expanding into cities with high growth potential in the PRC. Please see the section headed “Business – Our Strategies” in this prospectus for details of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$2,127.2 million, after deducting the underwriting fees and expenses payable by us in the Global Offering, and assuming the Over-allotment Option is not exercised and an Offer Price of HK\$1.62 per Share, being the mid-point of the Offer Price range stated in this prospectus. We intend to use these net proceeds for the following purposes:

- approximately 90%, or HK\$1,914.5 million of the net proceeds will be used to increase our land reserves by seeking and acquiring suitable land parcels in cities in which we are currently operating and target cities in the future, with a primary focus on mixed-use complex projects; and
- the remaining 10%, or HK\$212.7 million of the net proceeds will be used for our general corporate and working capital purposes.

As of the Latest Practicable Date, we had not identified any target land parcels for future development except for the “Zhenjiang Land Parcels”. For details relating to the Zhenjiang Land Parcels, please refer to the section headed “Business – Our Business – Summary Information Regarding Our Projects” beginning on page 142 in this prospectus. For details relating to our site selection and project acquisition process and criteria, please refer to the section headed “Business – Property Development Management – “Rapid asset turnover” Model and Standardised Development Process – Our standardised property development process” in this prospectus.

In the event that the Offer Price is finally determined at the high-end of the indicative Offer Price range, the estimated net proceeds we will receive from the Global Offering will be approximately HK\$2,358.6 million (assuming the Over-allotment Option is not exercised), or approximately HK\$2,724.1 million (assuming the Over-allotment Option is exercised in full). In the event that the Offer Price is finally determined at the low-end of the indicative Offer Price range, the estimated net proceeds we will receive from the Global Offering will be approximately HK\$1,895.8 million (assuming the Over-allotment Option is not exercised) or approximately HK\$2,191.8 million (assuming the Over-allotment Option is exercised in full). In the event that the offer price per share is not finally determined to be HK\$1.62, the amount of proceeds for each use set out above will be increased or reduced, as the case may be, on a pro-rata basis.

In the event that the Over-allotment Option is exercised in full, we estimate we would receive additional net proceeds of approximately HK\$330.8 million, assuming an Offer Price of HK\$1.62 per Share, being the mid-point of the Offer Price range stated in this prospectus. We intend to use the additional net proceeds to increase our land reserves.

To the extent our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations and bank financing.

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We will issue an announcement in Hong Kong if there is any material change in our expected use of proceeds.

In the event that any part of our developments does not proceed as planned, including as a result of circumstances such as failure to obtain requisite approvals, changes in government policies that would render any of our property developments not commercially viable, or force majeure, our Directors will carefully evaluate the situation and may deposit such funds in short-term deposits.

In addition, the Circular of the General Affairs Department of SAFE on the Distribution of the List of the First Batch of Foreign-Invested Real Estate Projects Filed with the Ministry of Commerce (國家外匯管理局綜合司關於下發第一批通過商務部備案的外商投資房地產項目名單的通知) issued by SAFE on July 10, 2007, restricts, among other things, the ability of foreign-invested real estate companies in raising funds offshore and then injecting funds into the companies by way of shareholder loans. For further information, please see the sections headed “Risk Factors – Risk Factors Relating to our Business – PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using proceeds we receive from the Global Offering to make loans or additional capital contributions to our PRC subsidiaries” and “History and Reorganisation – Legal Compliance – Application of the Notice 130” in this prospectus. As advised by our PRC legal advisers, Changzhou Wealth Zone is legally compliant to processing all necessary foreign exchange registrations (a change of such registrations) or applications for the sale and purchase of foreign exchange for its capital account with its current capital structure.

In the event that our Company is unable to repatriate the net proceeds of the Global Offering to China, we may consider using the proceeds to acquire PRC property projects through the offshore acquisition of their offshore holding entities, if any. However, such offshore acquisition structure and the full implementation of the intended use of proceeds may be subject to then applicable PRC laws and regulations. As advised by our PRC legal advisers, as of the Latest Practicable Date, there are no PRC laws and regulations that may prevent us from undertaking such offshore acquisitions.