
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Our goal is to enhance our position as a leading international engineering contractor and service provider in the world with sustainable shareholder return. To achieve our goal, we intend to pursue the following strategies:

- Strengthen our leading position in the power sector and enlarge our market share in the transportation and telecommunications sectors as well as other sectors and countries
- Consolidate our strengths and enlarge our market share in our Trading Business
- Selectively undertake international projects in our non-Core Sectors
- Utilize local resources to improve margin and efficiency
- Increase our profitability through efficient fund usage and capital structure management
- Strengthen our information system, increase our operational efficiency and improve our risk management system
- Continue to advance and enhance the quality of our personnel

See the section headed “Business – Our Business Strategies” for a more detailed description of our future plans and business strategies we aim to implement.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$3,226.9 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\$4.75 per H Share, being the mid-point of the estimated Offer Price range stated in this Prospectus. We intend to use these net proceeds for the following purposes (assuming that the Over-allotment Option is not exercised):

- approximately 90% (approximately HK\$2,904.2 million) of the net proceeds of the Global Offering will be applied towards financing our international engineering contracting projects, which is a summation of (1) approximately 76% of the net proceeds of the Global Offering for the engineering contracting projects in our Core Sectors (being approximately 52% in the power sector and approximately 24% in the transportation sector), and (2) approximately 14% of the net proceeds of the Global Offering for the engineering contracting projects in the non-Core Sectors; in areas such as payment to subcontractors and suppliers for payments of subcontracting services and equipment and machinery. See “– Use of proceeds on our engineering contracting projects” for further details. We will allocate the funds to these projects according to their actual progress and financial needs; and
- approximately 10% (approximately HK\$322.7 million) of the net proceeds of the Global Offering will be used for working capital and other general corporate purposes.

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To the extent our net proceeds of the Global Offering are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes, our Directors currently intend that such proceeds will be placed on short-term deposits and on other short-term capital preservation products with licensed banks or financial institutions in Hong Kong or the PRC.

Use of proceeds on our engineering contracting projects

We intend to apply approximately 90% of the net proceeds from the Global Offering to 11 international engineering contracting projects. Of these 11 international engineering contracting projects:

- nine projects are in the power sector, with a total contract amount of US\$5,574.0 million, of which one project is in Asia, two in Africa, two in South America and four in Europe;
- one project is in the transportation sector with a contract value of US\$2,500.0 million in South America; and
- one project is in the non-Core Sector with a contract value of US\$1,450.0 million in Asia.

As at the Latest Practicable Date, four of these 11 projects (which were power projects) were ongoing with an estimated backlog of approximately US\$808.7 million in aggregate as at June 30, 2012. For the remaining seven projects, engineering contracting contracts were entered into but had not become effective as at the Latest Practicable Date. Save for the foregoing, no revenue was recognized for the remaining seven projects listed above. If for any reasons these seven contracts do not become effective after 12 months from Listing, or, after our due and careful consideration taking into account the then prevailing facts and circumstances, we deem that the contracts will not proceed according to their relevant schedule, we will identify other suitable projects to apply our net proceeds from the Global Offering and notify our Shareholders accordingly.