
USE OF PROCEEDS

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We estimate that the net proceeds received from the Global Offering will be approximately HK\$5,428.3 million (assuming an Offer Price of HK\$16.55 per Offer Share, which is the mid-point of the indicative Offer Price range, and assuming the Over-allotment Option is not exercised), after deducting underwriting commissions and fees (taking no account of any discretionary incentive fee) and estimated expenses payable by the Company in connection with the Global Offering.

We intend to use the net proceeds we receive from the Global Offering for the following purposes:

- approximately HK\$2,200.0 million (or approximately 40.5% of the net proceeds) will be used for capital expenditures for the development of Hopewell Centre II;
- approximately HK\$1,200.0 million (or approximately 22.1% of the net proceeds) will be used for the acquisition and development of the Amalgamation Properties, potential acquisition and development of land and properties for future projects and investment in future business opportunities when suitable opportunities arise;
- approximately HK\$1,700.0 million (or approximately 31.3% of the net proceeds) will be applied toward the partial repayment of the amount drawn under the Refinancing Facility. The Refinancing Facility has been utilised towards financing the repayment of the Outstanding Borrowings drawn under the HKD Revolving Facility, which bears an interest rate of HIBOR plus 0.32% per annum and with a maturity date in September 2014; and
- the balance of approximately HK\$328.3 million (or approximately 6.0% of the net proceeds) will be used for our working capital requirements and general corporate purposes.

If the Offer Price is fixed at HK\$15.30 per Offer Share (which is the low end of the indicative Offer Price range), the net proceeds the Company will receive will be reduced by approximately HK\$414.4 million. If the Offer Price is fixed at HK\$17.80 per Offer Share (which is the high end of the indicative Offer Price range), the net proceeds the Company will receive will be increased by approximately HK\$414.4 million.

If the Over-allotment Option is exercised in full and assuming an Offer Price of HK\$16.55 per Offer Share (which is the mid-point of the indicative Offer Price range), Boyen Investments will receive net proceeds of approximately HK\$822.9 million from the sale of existing shares, deducting underwriting commissions and fees and estimated expenses payable by Boyen Investments. As the Over-allotment Option is granted by Boyen Investments and not the Company, the Company will not receive any proceeds from any exercise of the Over-allotment Option.

If the net proceeds the Company receives are either more or less than expected (including due to the payment of any discretionary incentive fee), the Company will adjust the allocation of the net proceeds for the above purposes (except for the repayments of part of the amount drawn under the Refinancing Facility) on a pro rata basis.

To the extent the net proceeds are not used immediately by the Company for the above purposes, the net proceeds will be invested in short-term demand deposits with licensed banks and money market instruments.