
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please see “Business – Our Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$716.3 million (assuming an Offer Price of HK\$1.93 per Offer Share, being the mid-point of the estimated Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering and assuming that the Over-allotment Option is not exercised.

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

- approximately 90%, representing approximately HK\$644.7 million, will be used to acquire new parcels of land and the development of new projects in the PRC, of which:
 - (i) approximately 60% thereof, representing approximately HK\$386.8 million, will be used to pay the land premium in respect of the land use rights of new land in Beijing and/or Nanchang, PRC for the development of a property project of approximately 300,000 sq.m.; and
 - (ii) approximately 40% thereof, representing approximately HK\$257.9 million, will be used to pay our development costs.

Our future acquisition of land and development of properties will be achieved by stages, and we currently expect to apply the relevant net proceeds to acquire new land for future development by the end of 2013 or first quarter in 2014 (which is subject to preliminary selection and our internal assessment).

We will focus on the acquisitions of new land and the development of new projects in our existing markets and the peripheral regions in the PRC, and will continue to acquire new land through participation in public tenders, auctions or listings-for-bidding or by way of acquisition of equity interests in companies holding land use rights of suitable land. Given the supply of land and the granting of land use rights for property development are controlled by the PRC Government, we may or may not be able to acquire land at suitable locations and commercially acceptable prices and terms and in accordance with our schedule for future development. Please refer to “Risk factors – we may not be able to obtain suitable land for development which will restrict our growth” for further details. As of the Latest Practicable Date, our Directors confirm that we have not entered into any binding agreement, and save as disclosed, we do not have any solid plans to acquire new land and to develop any new project; and

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- approximately 10%, which represents approximately HK\$71.6 million, will be used for working capital and general corporate purposes.

If the Offer Price is fixed at HK\$2.36 per Offer Share, being the high end of the stated Offer Price range, the net proceeds will be increased by approximately HK\$165.8 million. If the Offer Price is fixed at HK\$1.49 per Offer Share, being the low end of the stated Offer Price range, the net proceeds will be reduced by approximately HK\$169.7 million. To the extent our net proceeds 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.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be approximately (i) HK\$136.5 million (assuming an Offer Price of HK\$2.36 per Offer Share, being the high end of the stated Offer Price range), (ii) HK\$111.6 million (assuming an Offer Price of HK\$1.93 per Offer Share, being the mid-point of the estimated Offer Price range) and (iii) HK\$86.2 million (assuming an Offer Price of HK\$1.49 per Offer Share, being the low end of the stated Offer Price range). If the Over-allotment Option is exercised in full, our Directors intend to apply the net proceeds from the issue of additional Shares to the future acquisition of new land and/or existing project companies for development in the PRC.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not commercially viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate proceeds to existing or new property development projects. As at the Latest Practicable Date, we did not have any definite plan to use the proceeds to fund any of our existing projects.

To the extent that the net proceeds of the Global Offering, including any additional net proceeds that we would receive if the Over-allotment Option were exercised, are not immediately used for the purposes described above, they will be placed in short term demand deposits and/or short term market instruments with licensed banks and/or financial institutions.