
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

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

USE OF PROCEEDS

We estimate the net proceeds from the Global Offering accruing to us (after deduction of underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering, assuming the Over-allotment Option is not exercised) to be approximately HK\$871.7 million (equivalent of approximately RMB688.7 million), assuming an Offer Price of HK\$0.96 per Offer Share (or if the Over-allotment Option is exercised in full, approximately HK\$1,010.5 million, assuming an Offer Price of HK\$0.96 per Offer Share (being the mid-point of the indicative Offer Price range between HK\$0.83 per Share to HK\$1.09 per Offer Share)).

We plan to use our net proceeds of HK\$871.7 million (equivalent of approximately RMB688.7 million) from the Global Offering, assuming a mid-Offer Price of HK\$0.96 per Offer Share, as follows:

- approximately HK\$455.9 million (representing approximately 52.3% of net cash proceeds) will be used for payment of the land premiums and preliminary construction costs in respect of our projects planned for future development, including:
 - approximately HK\$322.5 million (representing approximately 37.0% of net cash proceeds) will be used for the preliminary construction costs for the following projects planned for future development, comprising:
 - approximately HK\$67.1 million (representing approximately 7.7% of net cash proceeds) for the Qingdao Optics Valley Software Park (Phase I – 1.2);
 - approximately HK\$133.4 million (representing approximately 15.3% of net cash proceeds) for the Qingdao Optics Valley Software Park (Phase I – 1.6 to 1.7);
 - approximately HK\$33.1 million (representing approximately 3.8% of net cash proceeds) for the Qingdao Marine & Science Park (Phase I);
 - approximately HK\$33.1 million (representing approximately 3.8% of net cash proceeds) for the Qingdao Innocenter;
 - approximately HK\$55.8 million (representing approximately 6.4% of net cash proceeds) for the Ezhou OVU Science and Technology City (Phase I – 1.2 to 1.3); and

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- approximately HK\$133.4 million (representing approximately 15.3% of net cash proceeds) will be used for land premiums in relation to the development of business park projects focusing on the creative industry;
- approximately HK\$328.6 million (representing approximately 37.7% of net cash proceeds) will be used for the development of the Group's projects under development; and
- approximately HK\$87.2 million (representing approximately 10.0% of net cash proceeds) will be used for working capital and other general corporate purposes.

To the extent that the Offer Price is higher or lower than the mid-point of the indicative Offer Price range as described above, our Directors will adjust the above planned use of proceeds on a pro rata basis. If the Offer Price is determined at the high-end of the indicative Offer Price range, the amount of net proceeds will increase by HK\$125.4 million. If the Offer Price is determined at the low-end of the range, the amount of net proceeds will decrease by HK\$125.5 million.

The additional net proceeds we will receive if the Over-allotment Option is exercised in full will be approximately HK\$138.8 million, assuming an Offer Price of HK\$0.96 per Offer Share, being the mid-point of the indicative offer price range. Our Directors intend to apply the additional net proceeds to finance new projects.

To the extent that the net proceeds to us from the Global Offering are not immediately applied to the above purposes, we will invest the net proceeds in short-term demand deposits or money market instruments with reputable commercial banks in China or Hong Kong.

We plan to inject the proceeds from the Global Offering to our projects through capital increase in our PRC subsidiaries. We are required to obtain the relevant approvals from the relevant PRC authorities for such injection and we will apply for such approvals as soon as possible upon completion of the Global Offering. As advised by our PRC legal advisors, Jingtian & Gongcheng, there is no legal impediment for us to obtain the relevant approvals subject to our compliance with the procedural requirements under the relevant PRC laws and regulations. As confirmed by the Company, the approval process will typically take one to two months.