

## **FUTURE PLANS**

See “Our Business — Business Strategies” 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\$2,210 million (assuming an Offer Price of HK\$1.98 per 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 the Over-allotment Option is not exercised.

We intend to use the net proceeds from the Global Offering as follows:

- approximately 55%, or approximately HK\$1,215 million, to acquire additional land reserves, including the property rights that we intend to acquire for Shenzhen Meinian Plaza (深圳美年廣場) for approximately RMB300 million. See “Our Business — Our Property Development Projects — Pearl River Delta Region — Shenzhen — Shenzhen Meinian Plaza (深圳美年廣場).” We may also use the net proceeds from the Global Offering to acquire land sites for our potential new property development projects or other property development opportunities we may identify in the future. See “Our Business — Our Property Development Projects — Potential New Property Development Projects”;
- approximately 35%, or approximately HK\$774 million, to finance the development of our existing projects, with approximately HK\$182 million for phase 1.1 to phase 1.3 of Meinian International Plaza (美年國際廣場), approximately HK\$182 million for additional phases of Grand Valley (大溪谷), approximately HK\$91 million for Huizhou Endless Blue (惠州碧雲天), approximately HK\$91 million for Dongguan Mont Conquerant (東莞君山), approximately HK\$91 million for Chengdu Mont Conquerant (成都君山) and approximately HK\$137 million for Chengdu Future Plaza (成都香年廣場); and
- approximately 10%, or approximately HK\$221 million, for general working capital purposes.

In the event that Offer Price is fixed at the highest point of the indicative Offer Price range, the net proceeds from the Global Offering to us will be approximately HK\$2,468 million (assuming an Offer Price of HK\$2.20 per Share and the Over-allotment option is not exercised). In the event that Offer Price is fixed at the lowest point of the indicative Offer Price range, the net proceeds of the Global Offering to us will be approximately HK\$1,941 million (assuming an Offer Price of HK\$1.75 per Share and the Over-allotment option is not exercised). We will adjust the allocation of the net proceeds for the above mentioned purposes on a *pro rata* basis.

In the event that the Over-allotment Option is exercised in full, we estimate that we will receive additional net proceeds ranging from approximately HK\$244 million (assuming an Offer Price of HK\$1.75 per Share) to HK\$307 million (assuming an Offer Price of HK\$2.20 per Share). We intend to apply the additional net proceeds in the same manner and in the same proportions as described above.

To the extent that the net proceeds of the Global Offering are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net proceeds into short-term demand deposits and/or money market instruments under the name of our Company or our wholly owned subsidiaries.

We estimate the net proceeds of the Global Offering to the Selling Shareholders ranging from approximately HK\$412 million (assuming an Offer Price of HK\$1.75 per Share) to HK\$519 million (assuming an Offer Price of HK\$2.20 per Share), after deducting the underwriting fees and commissions and estimated expenses payable by the Selling Shareholders in relation to the Global

Offering and assuming the Over-allotment Option is not exercised. In the event that the Over-allotment Option is exercised in full, the Selling Shareholders will received additional net proceeds ranging from approximately HK\$62 million (assuming an Offer Price of HK\$1.75 per Share) to HK\$78 million (assuming an Offer Price of HK\$2.20 per Share). We will not receive any of the net proceeds of the Global Offering from the sale of the Shares by the Selling Shareholders.

We will issue an announcement if there is any material change in the above proposed use of proceeds.

In order to successfully repatriate the proceeds we received from the Global Offering to China, we are subject to various rules and regulations and control measures imposed on foreign invested property developers in China and are required to complete requisite filings and registrations with relevant authorities. In particular, we must, in accordance with the Circular on Further Strengthening and Regulating the Approval and Supervision of Real Estate Industry with Direct Foreign Investment (關於進一步加強、規範外商直接投資房地產業審批和監管的通知) and the Circular on Distribution of List of the First Group of Foreign-Invested Real Estate Projects Filed with the Ministry of Commerce (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), complete filings with and receive approval from MOFCOM or, where relevant, local branches of MOFCOM. In addition, in accordance with a circular promulgated by the SAFE in August 2008 with respect to the administration of conversion of foreign exchange capital contribution of foreign invested enterprise into Renminbi (關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知), unless otherwise permitted by PRC laws or regulations, Renminbi capital converted from foreign exchange capital contribution cannot be used for domestic equity investment or acquisition. We will comply with all relevant laws and regulations in relation to the remittance. See “Risk Factors — Risks Relating to Our Industry — PRC government policies, regulations and measures intended to curtail the overheating of the property market may adversely affect our business”, “Risk Factors — Risks Relating to Our Industry — The PRC government has imposed restrictions on the ability of PRC property developers to receive offshore funds which may delay or prevent us from deploying the funds raised in this offering to our business in China and therefore materially and adversely affect our liquidity and our ability to fund and expand our business” and “Summary of PRC Laws Relating to the Property Sector — I. Legal Supervision Relating to Property Sector in the PRC — B. Foreign-invested Property Enterprises” in Appendix VII to this prospectus for further details.