

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

We aim to continue to enhance our leadership position in the PRC real estate industry by capitalizing on development opportunities in high-growth areas in major provincial capitals and neighboring areas. We will adhere to our strategy of offering a diversified product range to our customers and to further optimize the standardized operational model of developing quality real estate products.

Based on our current development schedule, we will have sufficient land reserves and property developments in the pipeline for the next three to five years and plan to maintain our land reserves at approximately 50 million square meters on a rolling basis.

Consistent with our future plans, we will continue to pursue scale and rapid property project development by focusing on the major provincial capitals across China. Going forward, we expect our GFA under construction to be maintained approximately 15 million square meters each year. As of September 30, 2009, we had approximately 41.9 million square meters of GFA under development, of which 17.1 million square meters had construction permit. We intend to use a portion of the net proceeds from this Global Offering to finance the construction of these property projects.

USE OF PROCEEDS

The net proceeds of the Global Offering to us, after deduction of underwriting fees and estimated expenses payable by us in relation to the Global Offering, are estimated to be approximately:

- HK\$2,691.9 million, assuming an Offer Price of HK\$3.00 per Share; or
- HK\$3,683.1 million, assuming an Offer Price of HK\$4.00 per Share.

Except for the 16,845,129 Sale Shares which will be sold by Ever Grace, we will not receive any proceeds from the sale of Sale Shares. As the Over-allotment Option is granted by the Option Grantors, not by us, we will not receive any proceeds from the exercise of the Over-allotment Option.

Assuming an Offer Price of HK\$3.50 per Offer Share, being the mid-point of the indicative offer price range of HK\$3.00 to HK\$4.00 per Offer Share, the net proceeds of the Global Offering would be approximately HK\$3,187.5 million, which we presently plan to use as follows:

- approximately HK\$2,002.7 million, or approximately 63%, to pay for our outstanding land premiums and to finance our existing projects, including approximately HK\$912.1 million, equivalent to approximately RMB 802.7 million, or approximately 29%, to pay the remaining consideration with respect to the land use rights in Lujiazui Financial and Trade District of Shanghai as disclosed in the section entitled “Business — Other Land Acquisitions” in this prospectus; and

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- approximately HK\$993.5 million, or approximately 31%, to repay a portion of the Structured Secured Loan, details of which can be found in the section entitled “Corporate History — Reorganization — Structured Secured Loan” in this prospectus.

All remaining amounts, not to exceed 6.0% of the net proceeds from the Global Offering, will be used for general working capital purposes.

Except for the land acquisitions described in the section entitled “Business — Other Land Acquisitions” in this prospectus, which may be paid out of the proceeds from the Global Offering, we have no near-term target for acquisition.

If the Offer Price is fixed at HK\$4.00 per Share, being the high end of the indicative offer price range, our net proceeds will be increased by approximately HK\$495.6 million. In such circumstances, our Directors presently intend to apply such additional proceeds to acquire additional land reserves, reduce borrowings and fund general working capital (subject to the 10.0% limitation on amounts to be used for general working capital purposes). If the Offer Price is fixed at HK\$3.00 per Share, being the low end of the indicative offer price range, our net proceeds will be decreased by approximately HK\$495.6 million. In such circumstances, our Directors presently intend to reduce the net proceeds accordingly earmarked to pay for our outstanding land premiums and fund general working capital.

In the event that there is any change in our development plans, including events and circumstances such as failure to obtain requisite approvals, changes in governmental policies which would render any of the above-mentioned property developments not commercially viable, events of force majeure, or the emergence of new property development opportunities comparable or superior to the projects currently contemplated in the above use of proceeds, we will carefully evaluate the situation and may reallocate the intended funds to other existing or new property developments and/or hold such funds on short-term deposit as we consider to be in our interests and those of our shareholders taken as a whole.