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## USE OF PROCEEDS

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We estimate that we will receive net proceeds from the Global Offering of approximately HK\$3,649.5 million (assuming an Offer Price of HK\$3.875 per Share, being the mid-point of the indicative range of Offer Price), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering and assuming that the options granted under the Pre-IPO Option Scheme are not exercised.

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

- approximately 72%, which represents approximately HK\$2,627.6 million, will be used for future acquisition of, and investment in, new infrastructure, including logistics parks, railway logistics centres, docking facilities, railways and new coal processing facilities as more particularly set out in the section headed “Future Plans and Outlook” in this prospectus. As of the Latest Practicable Date, our Directors confirm that our Company has not entered into any agreement or negotiation, nor do we have any definite plans at present, in relation to any potential acquisition of new infrastructure other than as disclosed in this prospectus;
- approximately 14%, which represents approximately HK\$510.9 million, will be used for future acquisition of upstream coal resources and related mining and exploration expenditure, including expenditure relating to the Peabody-Winsway JV. As of the Latest Practicable Date, our Directors confirm that our Company has not entered into any agreement or negotiation, nor do we have any definite plans at present, in relation to any potential acquisition of upstream coal resources;
- approximately 4.25%, which represents approximately HK\$155.1 million, will be used to settle the US\$20 million payable to Polo Resources for our acquisition of a 50% interest in the Peabody-Winsway JV; and
- approximately 9.75%, which represents approximately HK\$355.8 million, will be used for working capital and general corporate purposes.

If the Offer Price is fixed at HK\$4.50 per Offer Share, being the highest end of the stated Offer Price range, the net proceeds will be increased by approximately HK\$597.1 million. If the Offer Price is fixed at HK\$3.25 per Offer Share, being the lowest end of the stated Offer Price range, the net proceeds will be reduced by approximately HK\$597.1 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 (other than the payment to Polo Resources, which will not change).

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above they will be placed in short term demand deposits and/or money market instruments.

The gross proceeds from the sale of the Sale Shares by the Selling Shareholders as a result of the full exercise of the Over-allotment Option would be approximately HK\$575.4 million (assuming an Offer Price of HK\$3.875 per Share, being the mid-point of the indicative range of Offer Price). The Selling Shareholders will not receive any proceeds if the Over-allotment Option is not exercised. We will not receive any of the net proceeds of the Global Offering from the sale of Shares by the Selling Shareholders.