
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See the section headed “Business — Our Business 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\$1,679 million (assuming an Offer Price of HK\$2.95 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 50%, which represents approximately HK\$839.5 million, will be used for payment of outstanding land premiums and to acquire new land for development in the PRC, including approximately HK\$493 million for payment of the land premium for the Sapphire Peninsula (Quanzhou) (Phase 2), HK\$102 million for the payment of the land premium for the parcel of land in Nan’an we obtained through the bidding process on January 6, 2010 and the remaining amount of approximately HK\$244.5 million will be used for the future acquisition of new land for development in the PRC. As of the date of this prospectus, 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 land other than as disclosed in this prospectus;
- approximately 40%, which represents approximately HK\$671.6 million, will be used for the development of our existing property projects, including HK\$200 million for Sapphire Peninsula (Quanzhou) (Phase 1), HK\$200 million for Sapphire Peninsula (Quanzhou) (Phase 2), HK\$100 million for Sapphire Boomtown (Phase 1), HK\$100 million for Sapphire Boomtown (Phase 2) and HK\$71.6 million for SCE International Community (Phase 1); and
- approximately 10%, which represents approximately HK\$167.9 million, will be used for working capital and general corporate purposes.

If the Offer Price is fixed at HK\$3.30 per Offer Share, being the highest end of the stated Offer Price range, the net proceeds will be increased by approximately HK\$204 million. If the Offer Price is fixed at HK\$2.60 per Offer Share, being the lowest end of the stated Offer Price range, the net proceeds will be reduced by approximately HK\$204 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.

FUTURE PLANS AND USE OF PROCEEDS

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be approximately (i) HK\$288 million (assuming an Offer Price of HK\$3.30 per Offer Share, being the highest end of the stated Offer Price range), (ii) HK\$258 million (assuming an Offer Price of HK\$2.95 per Offer Share, being the mid-point of the estimated Offer Price range) and (iii) HK\$227 million (assuming an Offer Price of HK\$2.60 per Offer Share, being the lowest 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 development of our existing property projects.

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 other existing or new property development 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 with licensed banks and/or financial institutions.