

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

We intend to grow our business by continuing to develop the North Hankou Project with surrounding supporting facilities and other projects. We intend to leverage our competitive strengths to further solidify our leading position in central China, and establish our presence in other parts of China.

Based on our current development schedule, we currently expect to maintain sufficient land reserves to fulfill our development requirements for the next three to five years on a rolling basis. As of the Latest Practicable Date, we had approximately 11,890.0 million sq.m. in GFA under development and approximately 3,384,808.0 sq.m. in GFA planned for future development. We estimate that we will incur approximately Rmb 1,650.0 million and Rmb 9,718.3 million, respectively, to complete the properties under development and the properties planned for future development. We intend to use a portion of our net proceeds from this Global Offering to finance these developments, with the remainder to be financed by internal funds and external borrowings.

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\$1,625.75 million, assuming an Offer Price of HK\$3.23 per Share (being the mid-point of the indicative Offer Price range between HK\$2.89 per Share to HK\$3.57 per Share) (or if the Over-allotment Option is exercised in full, approximately HK\$1,873.75 million, assuming an Offer Price of HK\$3.23 per Share).

We plan to use our net proceeds from the Global Offering, assuming an Offer Price of HK\$3.23 per Share, as follows:

- 50%, representing approximately HK\$812.88 million, to finance the development of our projects under development and held for future development, including:
 - (a) HK\$284.51 million for the construction and/or extension of our wholesale shopping malls and supporting facilities in North Hankou Project;
 - (b) HK\$81.29 million for the construction of the low rise office building, high rise office tower and service center in No. 1 Enterprise Community;
 - (c) HK\$365.79 million for the construction of Wuhan Salon (Phase I); and
 - (d) HK\$81.29 million for the construction of residential projects such as Zall Hupan Haoting Residences and Zall Zhujinyuan Residences;
- 40%, representing approximately HK\$650.30 million, to finance certain projects for future development under relevant master, cooperation or investment agreements, including:
 - (a) HK\$260.12 million for the land acquisition and preliminary construction of Xiangyang Salon; and
 - (b) HK\$390.18 million for the land acquisition and preliminary construction of Northeastern China (Shenyang) International Trade Center, No. 1 Enterprise Community Northeastern China Headquarters Business Park and Northeastern Logistic Enterprise Community.
- 10%, representing approximately HK\$162.57 million, for working capital and other general corporate purposes.

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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\$174.0 million. If the Offer Price is determined at the low-end of the range, the amount of net proceeds will decrease by HK\$174.0 million.

The additional net proceeds we will receive if the Over-allotment Option is exercised in full will be approximately HK\$248.0 million, assuming an Offer Price of HK\$3.23 per Share, being the mid-point of the indicative offer price range. Our Directors intend to apply the additional net proceeds for general corporate purposes.

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.