
FUTURE PLANS AND USE OF PROCEEDS

Future Plans And Prospects

See the section entitled “Business – Our 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\$4,017.9 million, before exercise of the Over-allotment Option, after deducting the underwriting commissions and estimated expenses payable by us in relation to the Global Offering and assuming an Offer Price of HK\$7.02 per Share, being the mid-point of the stated range of the Offer Price. We intend to use such net proceeds as follows:

- approximately 50% (HK\$2,008.9 million) for financing our mine and transportation infrastructure development projects, which currently include approximately US\$125 million (HK\$970.5 million) to finance a portion of our railway project and approximately US\$80 million (HK\$621.1 million) for our coal handling and washing plant. See “Business – Mining Operations – General”;
- approximately 40% (HK\$1,607.2 million) for acquisitions of companies with existing exploration rights and additional mining assets. As of the Latest Practicable Date, we had not identified any acquisition targets; and
- the remaining net proceeds of approximately 10% (HK\$401.8 million) to fund working capital and other general corporate purposes.

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. To the extent that proceeds are not used immediately for the purposes stated, they will be invested in short term demand deposits and money market instruments.

In the event that the Offer Price is set at HK\$6.48 (being the low end of the indicative Offer Price range of HK\$6.48 to HK\$7.56 per Share as stated in this prospectus) and assuming the Over-allotment Option is not exercised, the net proceeds received by us will be reduced by approximately HK\$312.8 million. In the event that the Offer Price is set at HK\$7.56 (being the high end of the indicative Offer Price range of HK\$6.48 to HK\$7.56 per Share as stated in this prospectus) and assuming the Over-allotment Option is not exercised, the net proceeds received by us will be increased by approximately HK\$312.8 million. In the event that the Over-allotment Option is exercised in full and based on an Offer Price of HK\$7.02 (being the mid-point of the indicative Offer Price range of HK\$6.48 to HK\$7.56 per Share as stated in this prospectus), the net proceeds received by us will be increased by approximately HK\$734.8 million.

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The Selling Shareholders will be selling a portion of their Shares in the Global Offering. The Selling Shareholders will receive net proceeds of approximately HK\$832.8 million, before exercise of the Over-allotment Option, after deducting underwriting commissions and discretionary incentive fees and estimated expenses payable by the Selling Shareholders in connection with the Global Offering and assuming an Offer Price of HK\$7.02 per Share, being the midpoint of the indicative offer price range. We will not receive any of the proceeds from the sale of Shares by the Selling Shareholders in the Global Offering.