
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business – Growth Strategies” and “– Expansion Plan” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK\$2.90 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK\$2,896.7 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

In the event the Over-allotment Option is exercised in full and assuming an Offer Price of HK\$2.90 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), we will receive additional net proceeds of approximately HK\$205.6 million.

If the Offer Price is fixed at HK\$3.25 per Offer Share (being the high end of the Offer Price range stated in this prospectus), we will receive additional net proceeds of (i) approximately HK\$353.0 million, assuming the Over-allotment Option is not exercised; and (ii) approximately HK\$377.9 million, assuming the Over-allotment Option is exercised in full.

If the Offer Price is fixed at HK\$2.55 per Offer Share (being the low end of the Offer Price range stated in this prospectus), the net proceeds we receive will be reduced by (i) approximately HK\$353.0 million, assuming the Over-allotment Option is not exercised; and (ii) approximately HK\$377.9 million, assuming the Over-allotment Option is exercised in full.

We intend to use the net proceeds of the Global Offering for the following purposes:

- approximately 5.4%, or HK\$157.2 million, will be used for the development of additional logistics park projects;
- approximately 43.4%, or HK\$1,257.9 million, will be used for the purchase of part of Seed Holding II’s equity interest with a value of US\$161.8 million (tax inclusive) pursuant to the Carlyle SPA. Based on the Valuation Report issued by Colliers, the acquisition of Seed Holding II is expected to increase our net asset value by approximately US\$420 million;
- approximately 46.1%, or HK\$1,336.8 million, will be used for the repayment of part of the credit facility from Credit Suisse Singapore of up to US\$300 million. The credit facility bears an interest rate of Libor + 4.5% per annum and will be used to repay the 2015 Loans. We plan to repay the remainder of this credit facility by debt facilities of up to US\$100 million in aggregate from two financial institutions each an independent third party. See “Financial Information – Indebtedness – Hybrid Instruments – Prepayable Loans” for further details; and

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- the remaining amount of approximately HK\$144.8 million, representing not more than 5% of the net proceeds, will be used to provide funding for our working capital and other general corporate purposes.

In the event that the Offer Price is fixed at a lower level compared to the mid- point of the proposed Offer Price range, we will purchase the equity interest of Seed Holding II and repay the bank loan by reallocating the net proceeds for our working capital first and then the net proceeds to be used to develop our logistics park projects. In the event that the Offer Price is fixed at a higher level compared to the mid- point of the proposed Offer Price range, we will use the incremental net proceeds for the development of additional logistics park projects.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we intend to deposit the net proceeds into short-term demand deposits and/or money market instruments. We will make an appropriate announcement if there is any change to the above proposed use of proceeds.