
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND BUSINESS OBJECTIVES

We intend to expand our business in line with the strategies set out in the paragraph headed "Business strategies" under the section headed "Business" of this document. In particular, we intend to use approximately HK\$[REDACTED] million of the net proceeds to expand our securities-backed lending services by enlarging our loan portfolio by extending more loans to our customers who wish to purchase securities on a margin basis as well as our money lending service under our Money Lenders Licence, so as to stimulate our brokerage activities at the same time. Given the higher demand for margin financing services and the supplementary nature of our money lending services to our overall securities-backed lending activities, we intend to apply a higher portion of the net proceeds, namely approximately HK\$[REDACTED] million of the net proceeds to expand our margin financing portfolio with approximately HK\$[REDACTED] million being utilised for the expansion of the money lending portfolio.

As the size of our securities-backed lending business is directly correlated to the size of our available fund, the increase in funds available for financing from the net proceeds would enable our Group to grow by offering loans to more customers and/or greater margin limits to our existing customers (subject to the satisfaction of our credit assessment set out in the section headed "Business" of this document). For margin loans, this would not only enhance our interest income, but also our brokerage commission as customers are required to trade through their accounts with our Group when utilising the margin financing services.

USE OF PROCEEDS

Net proceeds

The net proceeds from the [REDACTED] are estimated to be approximately HK\$[REDACTED] million assuming the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid price of the [REDACTED] range) and [REDACTED] being offered under the [REDACTED] and after deducting the underwriting commission and expenses relating to the [REDACTED].

We intend to use the net proceeds from the [REDACTED] for the following purposes:

- as to approximately 91.1%, representing approximately HK\$[REDACTED] million, will be used for the expansion of our securities-backed lending services with approximately HK\$[REDACTED] million for margin financing and approximately HK\$[REDACTED] million for money lending;
- the remaining amount of approximately not more than 8.9%, representing approximately HK\$[REDACTED] million, will be used for our working capital and other general corporate purposes.

If the final [REDACTED] is set at the high end or the low end point of the indicative [REDACTED] range, the net proceeds of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] million, respectively.

Any sum raised above the mid-point [REDACTED] (but within the range) will be used for the expansion of our securities-backed lending service. If the sum raised is below the mid-point [REDACTED] (but within the range), we intend to deploy the lower amount of net proceeds for the above purposes in the same proportion. To the extent that the net proceeds of the [REDACTED] are not immediately applied for the above purposes, it is our present intention that such net proceeds will be deposited into interest-bearing bank accounts with licensed financial institutions in Hong Kong.

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Should our Directors decide to re-allocate the intended use of proceeds to other business plans to a material extent and/or there is to be any material modification to the use of proceeds as described above, our Company will issue an announcement in accordance with the GEM Listing Rules.

Commission and expenses

The Underwriter will receive an underwriting commission, being [REDACTED]% of the gross proceeds, out of which they will pay any sub-underwriting commission. The Sponsor will receive a sponsorship, financial advisory and documentation fee of HK\$[REDACTED] million in relation to the Listing and will be reimbursed for their expenses. Such commission, advisory and documentation fees and expenses, together with the GEM listing fees (as prescribed in the GEM Listing Rules), legal and other professional fees, and printing and other expenses relating to the [REDACTED] and Listing (as negotiated and agreed between each service provider and our Company on an arm's length basis), which are estimated to amount in aggregate to approximately HK\$[REDACTED] million and are to be borne by our Company.

Implementation plans

Set out below the expected timeline from the Latest Practicable Date to 31 December 2017 for our Group to deploy the abovementioned net proceeds to be raised from the [REDACTED], in accordance with the implementation of our future plans.

Expansion of our securities-backed lending business

HK\$ million

For the period from the Latest Practicable Date to 30 June 2015	[REDACTED]
For the period from 1 July 2015 to 31 December 2015	[REDACTED]
For the period from 1 January 2016 to 30 June 2016	[REDACTED]
For the period from 1 July 2016 to 31 December 2016	[REDACTED]
For the period from 1 January 2017 to 30 June 2017	[REDACTED]
For the period from 1 July 2017 to 31 December 2017	[REDACTED]

Basis and assumptions

The implementation plan formulated by our Directors is based on the following general assumptions:

- our Group will be able to renew/obtain all relevant licences required for our existing businesses activities;
- there will be no material change in the business development requirements during the period resulting from changes in the legal, fiscal or economic conditions in Hong Kong;

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- our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate;
- there will be no disasters, natural, political or otherwise, which would materially disrupt the business or operations of our Group or cause substantial loss, damage or destruction to its properties or facilities;
- there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- our Group is able to maintain its existing customers and expand its customer portfolio as planned;
- the [REDACTED] will be completed in accordance with the terms as described in the section headed "Structure and conditions of the [REDACTED]" of this document;
- there will be no material differences between the actual capital requirements for implementing the above plans and the amounts estimated by our Group;
- we will be able to retain our key staff in our management team as well as our professional staff;
- our Group will be able to recruit suitable staff for our expansion when and if necessary;
- we will not be materially affected by any risk factors set out in the section headed "Risk factors" of this document; and
- we continue our existing operations in substantially the same manner as they were carried out during the Track Record Period and we will also be able to carry out our development plans without material disruptions.

Reasons for the [REDACTED] and use of proceeds

The [REDACTED] will enhance our Group's capital base and provide our Group with additional working capital to implement the future plans set out in the paragraph headed "Implementation plans" above.