
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

Please see the section headed “Business – Business Strategies” of this document for a detailed description of our future plans.

REASONS FOR THE [REDACTED]

Our Directors believe that the [REDACTED] will enhance our profile, strengthen our financial position and competitiveness, and provide us with additional capital to implement our future plans set out in the paragraph headed “Implementation plans” below.

USE OF [REDACTED]

The estimated [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] is fixed at low-end, mid-point and high-end of the [REDACTED] stated in this document with and without exercising the [REDACTED] after deduction of [REDACTED] and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED] are set out in the table below.

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), subject to prevailing market conditions, we intend to use the [REDACTED] of the [REDACTED] for the following purposes:

- approximately 40%, or HK\$[REDACTED], for expansion of our loans and financing business. To achieve this purpose, we intend to apply 36% of the [REDACTED] of the [REDACTED] for the expansion of margin financing business and 4% of the [REDACTED] of the [REDACTED] for the expansion of money lending business, and we will expand our client base and capture the increasing demand on financing in the capital market driven by Shanghai-Hong Kong Stock Connect and the proposed Shenzhen-Hong Kong Stock Connect with our enhanced capital strength;

FUTURE PLANS AND USE OF [REDACTED]

- approximately 20%, or HK\$[REDACTED], for development of our proprietary trading business, primarily for investment in fixed-income assets. To achieve this purpose, we plan to increase the scale of our proprietary trading in accordance with our investment strategies and assessments, identify suitable investment opportunities to increase returns while ensuring principal protection, and equip our proprietary trading department with high-calibre investment personnel, upgraded trading system and office equipment to cope with the growth of our proprietary trading business;
- approximately 10%, or HK\$[REDACTED], for development of our new capital-based intermediary business. To achieve this purpose, we plan to establish a market-making team which will actively offer market making services, including but not limited to market making for stocks and bonds, derivatives, foreign exchange and commodity transactions, financing related to mergers, acquisitions and reorganisations, and private equity investments;
- approximately 8%, representing HK\$[REDACTED], for development of our asset management business. To achieve this purpose, we will strengthen our asset management capability, including but not limited to hiring experienced personnel, expanding our investment channels in the capital market and seeking for cooperation opportunities to explore the global investment platform. We will also further enhance our IT and risk management functions to support our trading activities. Our asset management team will continue to study, develop and innovate financial products tailored to the varying financing needs of our clients;
- approximately 8%, or HK\$[REDACTED], for development of our investment banking business. To achieve our purpose, we will strengthen our investment banking capability to capture any business opportunities for corporate finance, including but not limited to hiring experienced personnel to cover both sponsorship work and merger and acquisitions and increasing capital support for our fund raising services. The increased capital bases would allow us to expand our underwriting commitment capability as well as providing funds for our marketing and promotion to further enhance our brand image;
- approximately 4%, or HK\$[REDACTED], for development of our institutional sales capabilities, including hiring experienced sales personnel; and
- the remaining amount, or approximately 10%, representing HK\$[REDACTED], will be used to provide funding for our working capital and other general corporate purposes.

FUTURE PLANS AND USE OF [REDACTED]

If the final [REDACTED] is set at the high end or the low end point of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively, assuming that the [REDACTED] is not exercised. To the extent our [REDACTED] are either more or less than expected, we will adjust our allocation of the remaining [REDACTED] for the purposes described above on a pro rata basis. In the event that the [REDACTED] is exercised in full and based on the mid-point of the indicative [REDACTED] range, we estimate that we will receive additional [REDACTED] from the issue of additional new Shares of approximately HK\$[REDACTED], deducting [REDACTED] and estimated expenses payable by us. The additional proceeds received from the exercise of the [REDACTED] will be applied pro rata to the abovementioned purposes.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we intend to deposit the [REDACTED] 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 [REDACTED] or if any amount of the [REDACTED] will be used for general corporate purpose.

IMPLEMENTATION PLANS

The implementation plans for each of the six-month periods until 31 December 2018 for carrying out our business strategies are set out below, assuming the [REDACTED] is fixed at mid-point of the [REDACTED] without exercising the [REDACTED]. The following implementation plans are formulated on the bases and assumptions set out in the sub-paragraph headed "Bases and key assumptions" below in this paragraph and are subject to uncertainties, variables and unexpected factors. There is no assurance that the implementation plans will materialise in accordance with the timetable below or that our business objectives will be accomplished at all.

FUTURE PLANS AND USE OF [REDACTED]

	From the [REDACTED] to 31 December 2016 HK\$ million	For the six months ending 30 June 2017 HK\$ million	For the six months ending 31 December 2017 HK\$ million	For the six months ending 30 June 2018 HK\$ million	For the six months ending 31 December 2018 HK\$ million	Total HK\$ million
Expansion of our loans and financing business						
Development of our proprietary trading business						
Development of our capital-based intermediary business						
Development of our asset management business						
Development of our investment banking business						
Development of our institutional sales capabilities						
Working capital and other general corporate purposes						
Total						

[REDACTED]

Bases and key assumptions:

The implementation plans are based on the following bases and key assumptions:

- there will be no material changes in the existing applicable laws, policies or industry or regulatory treatment or in the political, fiscal, foreign trade or economic conditions in Hong Kong, the PRC and other places in which our Group operates or intends to operate;
- there will be no significant changes in the interest rates or the currency exchange rates from those currently prevailing;
- there will be no material changes in the bases or rates of taxation applicable to our Group;
- the [REDACTED] will be completed in accordance with and as described in the section headed “Structure of the [REDACTED]”;
- our Group will not be materially affected by the risk factors as set out under the section headed “Risk Factors”; and
- our Group will be able to continue our operation in substantially the same way as it has been operating and there will be no disasters, natural, political or otherwise, which would materially disrupt our business or the implementation of our development plans.

FUTURE PLANS AND USE OF [REDACTED]

[REDACTED] ARE FULLY UNDERWRITTEN

This document is published solely in connection with the [REDACTED], which is sponsored by the Joint Sponsors and managed by the [REDACTED] and to be fully underwritten by the [REDACTED] (subject to the terms and conditions of the [REDACTED]). For further information about the [REDACTED] and the [REDACTED], see “[REDACTED]”.