
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please see the section headed “Business – Development Strategies” in this prospectus for a detailed discussion of our future plans.

USE OF PROCEEDS

Assuming an Offer Price of HK\$30.60 per H Share (being the mid-point of the stated range of the Offer Price of between HK\$28.20 and HK\$33.00 per H Share), we estimate that we will receive net proceeds of approximately HK\$2,083.4 million from the Global Offering, if the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated expenses payable by us.

In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set out below:

- Approximately 50% of the net proceeds, or approximately HK\$1,041.7 million – to be used to develop our art business and auction segment, including expanding our global client network in major countries to promote artwork sourcing and sales, developing our artist dealer business through the establishment of an art gallery chain and expanding the scale of our art business;
- Approximately 25% of the net proceeds, or approximately HK\$520.9 million – to be used to develop our cinema investment and management segment, including expanding our cinema pipeline projects, investment and operations, such as cinema rental, equipment procurement, and cinema opening preparation, etc.;
- Approximately 15% of the net proceeds, or approximately HK\$312.5 million – to be used to develop our performance and theatre management segment, including expanding our directly managed theatre network with broadening geographic coverage in China, and investing in original repertoire projects; and
- Approximately 10% of the net proceeds, or approximately HK\$208.3 million – to be used to supplement working capital and other general corporate purposes.

If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds to us from the offering of these additional H Shares will be approximately HK\$316.8 million, after deducting the underwriting commissions and other estimated expenses payable by us, assuming an Offer Price of HK\$30.60 per H Share (being the mid-point of the stated range of the Offer Price of between HK\$28.20 and HK\$33.00 per H Share). We intend to use all the additional net proceeds proportionately as earmarked above.

The allocation of the proceeds used for the above will be adjusted in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range. If the Offer Price is fixed at HK\$33.00 per H Share, being the high end of the stated Offer Price range, our net proceeds will be (i) increased by approximately HK\$165.6

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million, assuming the Over-allotment Option is not exercised; and (ii) increased by approximately HK\$190.5 million, assuming the Over-allotment Option is exercised in full. In such circumstances, we presently intend to use such additional proceeds to increase the net proceeds applied to the same purposes above on a pro rata basis. If the Offer Price is fixed at HK\$28.20 per H Share, being the low end of the stated Offer Share range, our net proceeds will be (i) decreased by approximately HK\$165.6 million, assuming the Over-allotment Option is not exercised; and (ii) decreased by approximately HK\$190.5 million, assuming the Over-allotment Option is exercised in full. In such circumstances, we presently intend to reduce the net proceeds applied to the same purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes, our Directors currently intend that such proceeds will be placed in short-term interest-bearing instruments such as bank deposits or money market funds with licensed banks or financial institutions in Hong Kong or the PRC.

The net proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering (assuming the Over-allotment Option is not exercised) are estimated to be approximately HK\$233.3 million, assuming an Offer Price of HK\$33.00 per H Share (being the high end of the estimated price range), or approximately HK\$199.4 million, assuming an Offer Price of HK\$28.20 per H Share (being the low end of the estimated price range). If the Over-allotment Option is exercised in full, such net proceeds are estimated to be approximately HK\$268.3 million, assuming an Offer Price of HK\$33.00 per H Share (being the high end of the estimated price range), or approximately HK\$229.3 million, assuming an Offer Price of HK\$28.20 per H Share (being the low end of the estimated price range). The Company will not receive any of such proceeds. In accordance with relevant PRC laws and regulations, the Selling Shareholders will be required to contribute the net proceeds from the sale of the Sale Shares under the Global Offering to NSSF.