
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

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

USE OF PROCEEDS

Assuming an Offer Price of HK\$9.98 per H Share (being the mid-point of the stated range of the Offer Price of between HK\$9.38 and HK\$10.58 per H Share), we estimate that we will receive net proceeds of approximately HK\$11,826.4 million from the Global Offering after deducting the underwriting commissions and other estimated expenses if the Over-allotment Option is not exercised.

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

- approximately 35.0%, or HK\$4,139.2 million, will be used for strategic acquisitions of overseas securities firms and/or further expansion of our overseas securities business. For overseas acquisitions, we seek potential targets with: (i) meaningful presence in local markets; (ii) complementary business and synergies with our business; (iii) a controlling interest available for acquisition; and (iv) complementary customer base, distribution network and professional expertise with us. As of the Latest Practicable Date, the Directors confirmed that we have not identified any overseas acquisition targets;
- approximately 20.0%, or HK\$2,365.3 million, will be used to expand our margin financing and securities lending business in order to capture future business opportunities arising from its rapid growth in the PRC and to strengthen our market leading position;
- approximately 20.0%, or HK\$2,365.3 million, will be used to develop our alternative financial products investment business and other new businesses as permitted by the PRC regulatory authorities;
- approximately 15.0%, or HK\$1,774.0 million, will be used for capital contributions to Haitong Capital Investment and the expansion of our direct investment and private equity funds management businesses; and
- approximately 10.0%, or HK\$1,182.6 million, will be used for working capital and general corporate purposes.

If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds will be approximately HK\$1,785.1 million, after deducting the underwriting commissions and other estimated expenses, assuming an Offer Price of HK\$9.98 per H Share (being the mid-point of the stated range of the Offer Price of between HK\$9.38 and HK\$10.58 per H Share). We intend to use all the additional net proceeds proportionately as earmarked above.

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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\$10.58 per H Share, being the high end of the stated Offer Share range, our net proceeds will be (i) increased by approximately HK\$715.5 million, assuming the Over-allotment Option is not exercised; and (ii) increased by approximately HK\$822.8 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 for the same purposes as set out above on a *pro rata* basis. If the Offer Price is fixed at HK\$9.38 per H Share, being the low end of the stated Offer Share range, our net proceeds will be (i) decreased by approximately HK\$715.5 million, assuming the Over-allotment Option is not exercised; and (ii) decreased by approximately HK\$822.8 million, assuming the Over-allotment Option is exercised in full. In such circumstances, we presently intend to reduce the net proceeds applied for the same purposes as set out above 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.