
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please see “Business — Strategies” for a detailed description of our future plans and strategies.

USE OF PROCEEDS

The net proceeds of the Global Offering (after deducting the relevant expenses) are estimated to be approximately HK\$13,535 million before any exercise of the Over-allotment Option, assuming an Offer Price of HK\$14.02 per H Share, being the mid-point of the stated range of the Offer Price between HK\$12.84 and HK\$15.20 per H Share. If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds from the offering of these additional H Shares will be approximately HK\$2,030 million, after deducting the relevant expenses, assuming an Offer Price of HK\$14.02 per H Share. We intend to apply the net proceeds from the Global Offering in the following manner:

- Approximately 65%, to be used to establish or acquire overseas research platforms and sale and trading networks, which have not yet been identified by us, but may include establishing international research teams, expanding international sale networks, and developing other overseas and cross-border businesses;
- Approximately 30%, to be used to develop flow-based businesses, including prime services, structured product, fixed income, foreign exchange and commodities businesses; and
- Approximately 5%, to be used for working capital and general corporate purposes.

If the Offer Price is fixed at HK\$15.20 per Offer Share, being the high end of the offer price range, the net proceeds will be increased by approximately HK\$1,139 million. If the Offer Price is fixed at HK\$12.84 per Offer Share, being the low end of the offer price range, the net proceeds will be decreased by approximately HK\$1,139 million. To the extent that our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If the Over-allotment Option is exercised, the additional net proceeds will also be used for the above purposes on a pro rata basis.

We believe the use of proceeds plan described above will enhance our international platform and expand our global operations, including investment banking, brokerage, asset management, and sales and trading. The cost and time frame of our expansion plan will be subject to market conditions, our clients’ needs, and our organic growth and acquisition opportunities.