
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

See the sections headed “Business — Our business strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

The aggregate net proceeds from the Share Offer (after deducting underwriting fees and estimated expenses in connection with the Share Offer and assuming an Offer Price of HK\$0.87 per Share, being the mid-point of the indicative Offer Price range of HK\$0.75 to HK\$0.98 per Share) will be approximately HK\$64.5 million. Our Directors intend to apply the net proceeds from the Share Offer as follows:

- approximately HK\$38.7 million, such amount is expected to be utilised by the end of the financial year ending 28 February 2014, representing approximately 60% of the net proceeds from the Share Offer, will be used for expanding our mortgage loan portfolio and broadening our customer base by granting more mortgage loans, of which (i) approximately HK\$36.8 million, representing approximately 57% of the net proceeds from the Share Offer, is intended to be applied on expanding our mortgage loan portfolio by granting more mortgage loans to customers; (ii) approximately HK\$1.3 million, representing approximately 2% of the net proceeds from the Share Offer, is intended to be applied on revamping our company website; and (iii) approximately HK\$0.6 million, representing approximately 1% of the net proceeds from the Share Offer, is intended to be applied on recruiting additional personnel with experience in the mortgage loan business, in particular, those are experienced in handling mortgage loan transactions and marketing activities in the mortgage loan industry ^(Note);
- approximately HK\$18.1 million, representing approximately 28% of the net proceeds from the Share Offer, will be used for expanding our pawn loan portfolio and establishing a new Customer Service Centre, of which (i) approximately HK\$16.2 million, representing approximately 25% of the net proceeds from the Share Offer, is intended to be applied on expanding our pawn loan portfolio by granting more pawn loans to customers; and (ii) approximately HK\$1.9 million, representing approximately 3% of the net proceeds from the Share Offer, is intended to be applied on the establishment of a new Customer Service Centre ^(Note);
- approximately HK\$6.4 million, representing approximately 10% of the net proceeds from the Share Offer, will be used for general working capital and general corporate purposes; and
- the remaining balance of approximately HK\$1.3 million, representing approximately 2% of the net proceeds from the Share Offer, will be used for marketing activities to promote our “Oi Wah” brand name as well as our Mortgage loan services, pawn loan services and our Mortgage Centre and Customer Service Centre, including placing advertisements on televisions, radios, newspapers, magazines and online through various platforms.

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Note: In the event that our Money Lenders Licence could not be renewed in May 2013, we intend to apply approximately HK\$56.8 million, representing approximately 88% of the net proceeds from the Share Offer for expanding our pawn loan portfolio and establishing a new Customer Service Centre, of which (i) approximately HK\$54.9 million, representing approximately 85% of the net proceeds from the Share Offer, is intended to be applied on expanding our pawn loan portfolio by granting more pawn loans to customers; and (ii) approximately HK\$1.9 million, representing approximately 3% of the net proceeds from the Share Offer, is intended to be applied on the establishment of a new Customer Service Centre.

If the Offer Price is fixed at the high-end of the indicative Offer Price range, being HK\$0.98 per Share, the net proceeds we receive from the Share Offer will increase by approximately HK\$10.7 million. We intend to apply the additional net proceeds for the above purposes on a pro-rata basis. If the Offer Price is set at the low-end of the indicative Offer Price range, being HK\$0.75 per Share, the net proceeds we receive from the Share Offer will decrease by approximately HK\$11.7 million. We intend to reduce the net proceeds for the above purposes on a pro-rata basis.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net proceeds into short-term demand deposits with authorised financial institutions and/or licensed banks in Hong Kong.