
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

Please refer to the section headed “Business — Business Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$911.3 million, after deducting the underwriting fees and expenses payable by us in the Global Offering, and assuming the Over-allotment Option is not exercised and an Offer Price of HK\$2.46 per Share, being the mid-point of the indicative range of the Offer Price of HK\$2.11 to HK\$2.81 per Share set forth on the cover page of this prospectus.

We intend to use the net proceeds from the Global Offering for the following purposes:

- (i) approximately 40%, or approximately HK\$364.5 million of the net proceeds, will be used to expand our business of organization, management and promotion of sports competitions and events. Approximately 95% and 5% of the net proceeds will be used for our sports competitions business and our event marketing business, respectively. We intend to cooperate with relevant international sports organizations and introduce and organize six to eight new sports competitions in China or other Asian countries, such as those involving motorcars, motorboats and automobiles. In addition, we will also develop a series of sports events entitled “Sports in China (運動中國)”, which include water sports, air sports and car racing integrated with the presentation of Chinese history, culture and social development. We will also explore related business opportunities to extend our involvement in the industry value chain for the sports competitions. The net proceeds to be used for our sports competitions and events business unit will be further allocated as: (a) 20% for the payment of license fees or registration fees to relevant sports organizations and government authorities for the new sports competitions that we plan to introduce or organize, (b) 20% for the expenses for the preliminary research, planning, organization, marketing and sales of sports competitions and events, (c) 10% for the costs and expenses for the training of contestants, (d) 40% for the costs and expenses for competition venues and competition facilities, and (e) 10% for the expenses for exchange and promotional activities for new sports competitions;
- (ii) approximately 30%, or approximately HK\$273.5 million of the net proceeds, will be used to facilitate the development of our program production business, including the annual expected expenditures of approximately RMB7.0 million for the lease of production studios and recording studios according to our current production schedule of TV programs, and the expected expenditures of approximately RMB200.0 million for the building of production and recording studios with a total gross floor area of 2,200 square meters in Beijing and Zhejiang (including the estimated costs of up to RMB10.0 million for the lease of related land use right during the initial six to nine months for building of such studios), and purchase and installment of required production and post-production equipment;
- (iii) approximately 10%, or approximately HK\$91.1 million of the net proceeds, will be used to expand our branding services with a focus on our media investment management business, by acquiring exclusive rights to more advertising time slots for certain popular TV programs broadcasted on CCTV channels, satellite and local TV channels in affluent areas in China as well as the exclusive right to all advertising time slots available on certain CCTV channels and satellite and local TV channels in affluent areas in China, including payment for deposits to media operators. Approximately 10%, 50% and 40% of the net proceeds will be used for acquisitions of advertising time slots from CCTV channels, satellite TV channels and local TV channels, respectively;

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- (iv) approximately 10%, or approximately HK\$91.1 million of the net proceeds, will be used to strengthen our initiatives to enhance our proprietary consumer information database and media information database, by improving our data collection methods and analysis tools, acquiring advanced third-party databases and statistics, and hiring additional staff for the collection, analysis, commercialization and marketing of databases; and
- (v) approximately 10%, or approximately HK\$91.1 million of the net proceeds, is expected to be used for our general corporate and working capital purposes.

In the event that the Offer Price per Share is not finally determined to be HK\$2.46, the amount of proceeds for each use set out above will be increased or reduced, as the case may be, on a pro-rata basis.

In the event that the Over-allotment Option is exercised in full, we estimate that we would receive additional net proceeds of approximately HK\$142.7 million, assuming an Offer Price of HK\$2.46 per Share, being the mid-point of the indicative range of the Offer Price set forth on the cover page of this prospectus. We intend to apply the additional net proceeds to the above uses in the proportions stated above.

To the extent our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations and bank loans.

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes, they will be placed on deposit with licensed commercial banks or financial institutions.

We will issue an announcement in Hong Kong if there is any material change in the use of proceeds after the Listing.