
FUTURE PLANS AND USE OF PROCEEDS

We currently estimate that our Offer Price will not be more than HK\$2.81 per Offer Share and not less than HK\$2.22 per Offer Share. Assuming an Offer Price of HK\$2.52 per Offer Share, which represents the mid-point of the indicative Offer Price range, we estimate that the proceeds receivable by our Company from the Global Offering, after deducting underwriting fees and commissions and other estimated expenses paid and payable by the Company in the aggregate amount of HK\$42.1 million paid and payable by us, will total approximately HK\$411.5 million.

We intend to use such net proceeds for the following purposes:

- approximately HK\$215.6 million, or approximately 52.4% of such net proceeds, will be used to fund our 200 new store openings in Hong Kong and other jurisdictions in the three financial years ending 30 April 2016. We expect the total capital expenditures for opening these new stores to total approximately HK\$95.4 million, and we will use the excess amount from this portion of the net proceeds to finance the purchase of additional inventories and the payment of rental deposits for these new stores;
- approximately HK\$39.1 million, or approximately 9.5% of such net proceeds, will be used for the ongoing renovation of our existing stores in Hong Kong and Singapore. We expect the total capital expenditures for these renovations to total approximately HK\$47.4 million, and we will finance the shortfall from our internally generated funds;
- approximately HK\$82.7 million, or approximately 20.1% of such net proceeds, will be used to improve our logistics and warehousing, including the rental of an additional warehouse in Hong Kong and the rental of property for, and construction of, a warehouse in Guangzhou. We expect the total capital expenditures for these improvements, which include rental expenses, construction costs and the costs to purchase shelves and other furnishings or equipment, to total approximately HK\$100.0 million, and we will finance the shortfall from our internally generated funds;
- approximately HK\$32.9 million, or approximately 8.0% of such net proceeds, will be used to improve and upgrade our information technology systems; and
- the remaining amount of approximately HK\$41.2 million, or approximately 10.0% of such net proceeds, will be used for working capital and other general corporate purposes.

The applications of the net proceeds as stated above are only current estimates and are subject to changes based on prevailing economic, market and business conditions.

To the extent that the above net proceeds of the Global Offering are not immediately applied to the above purposes, we intend to deposit the proceeds with licenced commercial banks or financial institutions in Hong Kong. We expect to utilise net proceeds receivable by our Company from the Global Offering to finance the above purposes. However, to the extent that such net proceeds are unable to fully finance the above purposes, we will use our internal working capital.

In the event that the Offer Price is set at the high end of the proposed Offer Price range, we estimate that our Company will receive net proceeds of approximately HK\$462.2 million. The additional net proceeds of approximately HK\$50.6 million will be allocated to the above purposes on a pro rata basis.

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In the event that the Offer Price is set at the low end of the proposed Offer Price range, we estimate that our Company will receive net proceeds of approximately HK\$359.2 million. Under such circumstances, the net proceeds allocated to the working capital and other general corporate purposes above will be reduced on a pro rata basis.

We estimate that the Selling Shareholder will receive net proceeds of approximately HK\$88.0 million (in the event the Over-Allotment Option is not exercised) or approximately HK\$167.2 million (in the event that Over-Allotment Option is exercised in full), assuming an Offer Price of HK\$2.52 per Offer Share which represents the mid-point of the indicative Offer Price range, and after deduction of underwriting fees and commissions and other estimated expenses payable by the Selling Shareholder in relation to the Global Offering. We will not receive any of the net proceeds of the Global Offering from the sale of the Sale Shares by the Selling Shareholder.

As the Over-Allotment Option is granted by the Selling Shareholder, and not our Company, our Company will not receive any proceeds from any exercise of the Over-Allotment Option.