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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

Please refer to the section headed “Business — Our business strategies” in this prospectus for a detailed discussion of our future plans.

### USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$269.3 million (equivalent to RMB212.5 million) from the Global Offering, assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us and assuming the Offer Price of HK\$1.96 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus. If the Over-allotment Option is exercised in full, we estimate that our additional net proceeds from the offering of these additional Shares will be approximately HK\$45.6 million, after deducting the underwriting commissions and our estimated expenses, assuming an Offer Price of HK\$1.96 per Share.

We intend to use the proceeds from the Global Offering for the purposes and in the amounts set out below:

- approximately 32.1%, or HK\$86.4 million (equivalent to RMB68.1 million), is expected to be used primarily for establishing self-operated retail outlets. Currently, we expect to establish not more than 50 self-operated retail outlets in total by the end of 2014. Our budgeted initial costs and working capital requirements for each of our self-operated retail outlets, including deposits, setup costs and inventory, are expected to be approximately RMB0.6 million to RMB1.0 million. Our budgeted total expenditure for establishing self-operated retail outlets will be not more than RMB3.0 million and RMB40.0 million for 2013 and 2014, respectively. We expect to fund the establishment of our self-operated retail outlets through internal funds and proceeds from the Global Offering.
- approximately 37.6%, or HK\$101.2 million (equivalent to RMB80.0 million), is expected to be used to enhance our design and research and development capabilities in our new design center in Shanghai. Our budgeted capital expenditures are estimated to be approximately RMB57.1 million for setting up our design center, which includes approximately RMB3.0 million for fees relating to interior design, RMB24.6 million for decorations and leasehold improvements (which amounts to approximately RMB2,300 per sq.m. based on quotes we had received from an Independent Third Party), RMB16.1 million for air-conditioning and heating system (which amounts to approximately RMB1,500 per sq.m.) and RMB13.4 million for purchasing advanced 3-dimensional scanning and printing systems, 3-dimensional computer-aided design systems, fabric cutting machines and large-scale ironing equipments. Our budgeted capital expenditures also include RMB8.9 million for recruiting at least 30 additional design and research and development staff. The remaining RMB14.0 million is expected to be used for expenses related to joint programs with established universities in the PRC and international corporations. Under our joint development programs with established universities in the PRC, we plan to provide 30 paid positions to students from the partner institutions and we plan to sponsor events held at such institutions. We expect to incur a total of RMB1.8 million per year for the paid positions and approximately RMB300,000 per year in expenses relating to

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sponsorship of events. We currently expect to hold the joint development programs for four years, and our total expenses relating to our joint development programs is expected to be approximately RMB8.4 million. In addition to our joint development programs, we expect to incur RMB1.2 million per year for three years on a cooperation program with an international fashion company, on the establishment of a platform that collects and analyzes latest fashion trends and design concepts. We expect to incur a total of RMB3.6 million for the cooperation program. As of the Latest Practicable Date, we have not entered into definite agreements with the PRC universities for the joint development program or with the international fashion company for the cooperation program. We expect to incur RMB2.0 million in relation to establishing a statistics and demographic database on children in the PRC and for the training and continuing education of our design and research and development staff, which is intended to provide information regarding our brand history, operation, design concepts, product knowledge and latest market trends;

- approximately 20.3%, or HK\$54.7 million (equivalent to RMB43.2 million), is expected to be used for the establishment of an ERP system;
- approximately 5.0%, or HK\$13.5 million (equivalent to RMB10.6 million), is expected to be used for marketing and promotional activities; and
- the remaining approximately 5.0%, of HK\$13.5 million (equivalent to RMB10.6 million), is expected to be used to fund our working capital and general corporate purposes.

In the event that the Offer Price is fixed at the highest end of the proposed Offer Price range, the net proceeds from the Global Offering (excluding net proceeds from the sale of the Sale Shares and assuming that the Over-allotment Option is not exercised) to us will be approximately HK\$325.2 million (assuming an Offer Price of HK\$2.32 per Share). In the event that the Offer Price is fixed at the lowest end of the proposed Offer Price range, the net proceeds of the Global Offering (excluding net proceeds from the sale of the Sale Shares and assuming that the Over-allotment Option is not exercised) to us will be approximately HK\$213.5 million (assuming an offer price of HK\$1.60 per Share). We will adjust the allocation of the net proceeds for the aforementioned purposes on a pro-rata basis.