
SUMMARY

OVERVIEW

We are a one-stop solutions provider of lingerie materials. We were the largest lingerie materials manufacturer in the world in terms of sales revenue in 2012 with a market share of approximately 2.3%, ranking first in the manufacture of elastic fabrics and second in the manufacture of elastic webbing, according to the Frost & Sullivan Report. We are one of the few lingerie materials manufacturers in the world that are able to provide one-stop solutions to lingerie brand owners through our comprehensive product line of lingerie materials, including elastic fabrics, elastic webbing and lace.

We have established long-term and close collaborations with leading lingerie brands including Aimer, Chantelle, Embry Form, Maniform, Marks & Spencer, Spanx, Triumph, Victoria's Secret and Wacoal[^]. Through our strong innovative and product development capabilities, we not only manufacture lingerie materials for these brands, but also jointly develop new lingerie materials and products with the aim of creating new market trends for lingerie products. We believe that our close collaboration with brand owners allow us to not only keep abreast of the latest trend and demand for the different types of lingerie materials, but also allow us to be part of the trend setters and enhance our relationship with the brand owners. As at the Latest Practicable Date, we had business relationships with such leading lingerie brands for a period ranging from five to 10 years.

Depending on the arrangements with lingerie brand owners, we either directly enter into contracts with lingerie brand owners or enter into contracts with their designated OEMs for our products. For contracts entered into directly with lingerie brand owners, such as Aimer, Embry Form, Maniform, Triumph and Wacoal[^], the lingerie brand owners directly place their purchase orders with us for the procurement of our products, such as elastic fabrics, elastic webbing and lace, of which they will further manufacture into lingerie products. For lingerie brand owners which we do not have direct contractual arrangements with, such as Chantelle, Marks & Spencer, Spanx and Victoria's Secret[^], they may instruct their OEMs to place orders with us for our products as these brand owners usually drive the lingerie materials procurement process by selecting their desired lingerie materials suppliers.

We have started to broaden our customer base by expanding into new segments and markets. In the second half of 2012, we established our lace business segment to broaden our product offerings and to enlarge our market share in the global lingerie materials market which usually generates a higher gross profit margin compared to other lingerie materials. Further, given the similarities in the specification and functionality of elastic fabrics and elastic webbing used in lingerie and sportswear, we began to further expand into the sportswear materials market by offering elastic fabrics and elastic webbing to sportswear brand owners or sportswear manufacturers for the production of sportswear such as sports bras, cycling, running and yoga outfits and casual apparels. We began to cooperate with certain well-known sportswear brands such as Under Armour in 2012 and Lululemon in 2013 and will continue to seek for potential collaborations with other sportswear brands.

Our research and development team works with the design departments of lingerie brand owners and lingerie manufacturers to turn their design concepts into new products to adapt to evolving consumer demands after which we may provide the newly developed products to them on an exclusive basis. On the other hand, our research and development team works closely with our major raw materials suppliers, who are leading players in the nylon and spandex industries, to develop new fabrics or materials to meet lingerie brand owners' and lingerie manufacturers'

Note:

[^] brands are arranged in alphabetical order

SUMMARY

specifications. We believe our strong research and development capabilities can assist us in strengthening and maintaining our collaborations with lingerie brands and raw material suppliers.

Our revenue increased from HK\$1,397.1 million for the year ended 31 December 2011 to HK\$1,659.4 million for the year ended 31 December 2013, representing a CAGR of 9.0%. Our profit for the year increased from HK\$205.9 million for the year ended 31 December 2011 to HK\$244.5 million for the year ended 31 December 2013, representing a CAGR of 9.0%.

COMPETITIVE STRENGTHS

We believe the following strengths contribute to our position as a leading manufacturer of lingerie materials in the global lingerie materials market:

- Leading position in the global lingerie materials industry
- One-stop solutions provider of a comprehensive range of lingerie materials
- Established long-term relationships with leading lingerie brands and lingerie manufacturers
- Strong innovative and research and development capabilities
- Experienced management team and strong corporate culture of innovation and dedication

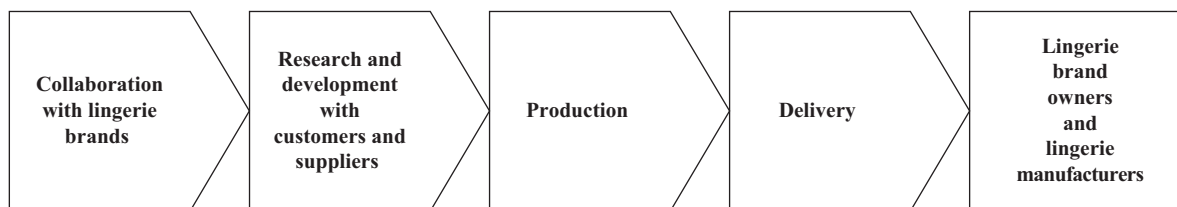
BUSINESS STRATEGIES

We plan to strengthen our position as a leading manufacturer of lingerie materials in the global lingerie materials market by adopting the following business strategies:

- Broaden our customer base by expanding into new segments and markets
- Enhance our one-stop solutions
- Expand our production capacity and streamline and standardise our production process
- Further strengthen our research and development capabilities

OUR BUSINESS MODEL

The following diagram illustrates our value chain and business model:



COLLABORATIONS WITH LINGERIE BRANDS

We have established long-term and close collaborations with leading lingerie brands including Aimer, Chantelle, Embry Form, Maniform, Marks & Spencer, Spanx, Triumph, Victoria's Secret and Wacoal[^]. Through our strong innovative and product development

Note:

[^] brands are arranged in alphabetical order

SUMMARY

capabilities, we not only manufacture products for these brands, but also jointly develop new lingerie materials and products with the aim of creating new market trends for lingerie products. As at the Latest Practicable Date, we had business relationships with such leading lingerie brands for periods ranging from five to 10 years.

Depending on the arrangements with lingerie brand owners, we either directly enter into contracts with lingerie brand owners or enter into contracts with their designated OEMs for our products. For contracts entered into directly with lingerie brand owners, the lingerie brand owners directly place their purchase orders with us for the procurement of our products, such as elastic fabrics, elastic webbing and lace, of which they will further manufacture into lingerie products. We have direct procurement relationships with the lingerie brand owners of Aimer, Embry Form, Maniform, Triumph and Wacoal[^].

We have indirect relationships with certain lingerie brand owners such as Chantelle, Marks & Spencer, Spanx and Victoria's Secret[^]. Under this arrangement, we enter into contracts with the OEMs designated by these brand owners where such brand owners wish to use our products in their lingerie products, instead of directly entering into contracts with the lingerie brand owners. These brand owners usually drive their lingerie materials procurement process and select their desired lingerie materials suppliers for the production of their lingerie products by their OEMs. Our collaborations with these lingerie brand owners are the same as our collaborations with other lingerie brand owners which we have direct contractual relationships with, save for the difference in the placing of purchase orders with us.

COLLABORATIONS WITH SPORTSWEAR BRANDS

Given the similarities in the specification and functionality of elastic fabrics and elastic webbing used in lingerie and sportswear, we began to further expand into the sportswear materials market by offering elastic fabrics and elastic webbing to sportswear brand owners or sportswear manufacturers for the production of sportswear such as sports bras, cycling, running and yoga outfits and casual apparels. We began to cooperate with certain well-known sportswear brands such as Under Armour in 2012 and Lululemon in 2013 and will continue to seek for potential collaborations with other sportswear brands. Our collaborations with sportswear brand owners are similar to our collaborations with lingerie brand owners.

SALES, MARKETING AND CUSTOMER RELATIONSHIPS

On top of maintaining close relationships with lingerie brand owners and lingerie manufacturers to secure our revenue stream, we also promote our products by participating in exhibitions and trade fairs. We regularly attend lingerie exhibitions and trade fairs in France, Shanghai and Hong Kong in order to enhance our brand recognition, obtain latest market intelligence and attract new customers.

We will also expand our customer base and sales through referrals by lingerie brand owners and lingerie manufacturers. For the years ended 31 December 2011, 2012 and 2013, our marketing and promotion expenses were HK\$4.3 million, HK\$4.2 million and HK\$5.0 million, representing 0.3%, 0.3% and 0.3% of our total revenue, respectively.

Note:

[^] brands are arranged in alphabetical order

SUMMARY

PRODUCTS

Our main products are elastic fabrics, elastic webbing and lace. Elastic fabric is a synthetic fabric that stretches and is made from synthetic fibres such as nylon and spandex. Elastic webbing is generally made from synthetic fibres such as nylon and spandex. Elastic webbing is a main accessory for lingerie production and is commonly used as shoulder straps, lingerie trims and waistbands. Lace is a fabric patterned with open holes in the work. Lace is an important material for lingerie that can be manufactured in different colours and patterns.

The following table sets forth the revenue, percentage of total revenue, total sales volume and average selling price of each of our products for the periods indicated:

	Year ended 31 December											
	2011				2012				2013			
	Revenue (HK\$'000)	% of revenue	Total sales volume ('000 m.)	Average selling price (HK\$/m.)	Revenue (HK\$'000)	% of revenue	Total sales volume ('000 m.)	Average selling price (HK\$/m.)	Revenue (HK\$'000)	% of revenue	Total sales volume ('000 m.)	Average selling price (HK\$/m.)
Elastic fabric . . .	938,119	67.1	23,159	40.51	928,821	66.2	22,539	41.21	1,075,977	64.8	27,518	39.10
Elastic webbing	458,985	32.9	525,752	0.87	473,706	33.7	521,034	0.91	563,511	34.0	608,448	0.93
Lace	—	—	—	—	799	0.1	37	21.40	19,959	1.2	1,194	16.72
Total	1,397,104	100.0	548,911		1,403,326	100.0	543,610		1,659,447	100.0	637,160	

PRODUCTION CAPACITY

During the Track Record Period, all production activities carried out by us were conducted at our production facilities, all of which are located in Dongguan City, Guangdong Province, the PRC. We currently have a total of eight production facilities with an aggregate gross floor area of approximately 218,449.6 sq. m., of which five phases were constructed by ourselves and three were rented by us. The following table sets forth the number of machines, designed capacity, actual output and utilisation rates of our production facilities during the Track Record Period:

	Year ended 31 December											
	2011				2012				2013			
	Number of machines	Designed capacity (million m.) ⁽¹⁾	Actual output (million m.)	Utilisation rate (%) ⁽²⁾	Number of machines	Designed capacity (million m.) ⁽¹⁾	Actual output (million m.)	Utilisation rate (%) ⁽²⁾	Number of machines	Designed capacity (million m.) ⁽¹⁾	Actual output (million m.)	Utilisation rate (%) ⁽²⁾
Elastic fabrics	173	31.7	22.7	71.8	190	39.9	22.8	57.1	235	44.5	28.9	64.8
Elastic webbing	773	779.7	554.1	71.1	775	794.3	563.9	71.0	801	815.8	667.2	81.8
Lace	3	0.0 ⁽³⁾	—	—	9	2.6	0.0	0.0	14	4.8	1.2	25.4

Notes:

- (1) The designed capacity is determined based on the management's estimate of the amount of products that a production base or knitting machine is capable of producing on an annual basis and is based on factors which affect normal operating limits such as the capacity of equipment to process a material, the type of product produced, the variability of and availability of raw materials, energy and water and regular and periodic maintenance. The designed capacity of each product type is derived on the assumption that the production is operated 24 hours per day and 330 days per year and calculated by the number of machines on the basis of weighted average by months.
- (2) Utilisation rate of each product type is derived by dividing the actual output by the designed capacity.
- (3) There was approximately zero designed capacity of lace for the year ended 31 December 2011, as we purchased the lace machines in December 2011.

SUMMARY

PRODUCTION PROCESS

Our production process is capital intensive as it is highly mechanised. We process nylon and spandex into elastic fabrics, elastic webbing and lace. The following diagram illustrates the production process of our elastic fabrics, elastic webbing and lace:

Elastic fabrics and lace



Elastic webbing



PROCUREMENT

The primary raw materials used in our production are nylon and spandex. In addition to nylon and spandex, we also source dyes from our suppliers. For the years ended 31 December 2011, 2012 and 2013, our total cost of raw materials consumed accounted for 66.6%, 62.0% and 59.9% of our total cost of sales, respectively. During the Track Record Period, we purchased our raw materials from the PRC, Taiwan, Hong Kong and overseas suppliers.

EXPANSION PLAN

We plan to expand our production capacity by purchasing additional machineries and constructing a new production facility. For the year ending 31 December 2014, we plan to purchase 195 sets of additional machineries at an estimated capital expenditure of HK\$108.0 million. For the year ending 31 December 2015, we plan to purchase 214 sets of additional machineries at an estimated capital expenditure of HK\$112.5 million. The annual designed capacity of elastic fabrics, elastic webbing and lace are estimated to increase to 69.1 million m., 1,116.3 million m. and 19.1 million m., respectively by 2015.

We also plan to construct our ninth production facility (namely phase VI), which will have a gross floor area of 34,858.0 sq. m.. Our estimated capital expenditure on the construction of the ninth production facility is HK\$101.3 million, of which HK\$1.3 million was incurred for the year ended 31 December 2013 primarily for the pre-construction of the land and HK\$100.0 million will be incurred for the year ending 31 December 2015. It is expected that the construction of our ninth production facility will commence in 2015 and our ninth production facility will increase the gross floor area of our production facilities from 218,449.6 sq. m. as at the Latest Practicable Date to 253,307.6 sq. m. by 31 December 2015.

COMPETITIVE LANDSCAPE

We believe the global lingerie materials market is fragmented with a large number of local and overseas players. According to the Frost & Sullivan Report, in 2012, the top five players in the global lingerie materials market in aggregate occupied only approximately 9.0% of the market share by sales revenue. Among them, we were the largest supplier of lingerie materials worldwide

SUMMARY

in 2012 with a total revenue of US\$174.9 million, representing approximately 2.3% of the total market share by sales revenue.

NON-COMPLIANCES

During the Track Record Period and as at the Latest Practicable Date, we failed to comply with certain applicable laws and regulations, including non-compliant bill financing in the PRC and non-compliance in relation to the predecessor Companies Ordinance. Our Directors consider that such non-compliances will not have any material operational or financial impact on us. In order to ensure future compliance with applicable laws and regulations and related policies in different operational aspects, we have adopted or will adopt a number of remedial actions. Please refer to the section headed “Business — Legal Proceedings and Compliance — Non-compliance records” in this prospectus for details regarding these non-compliances and our other historical non-compliance incidents.

RISK FACTORS

There are certain risks involved in our operations. Any risks and uncertainties could have a material adverse effect on our business, financial condition and results of operations or the trading price of our Shares, and could cause you to lose all or a portion of your investment. Below sets forth the major risk factors in relation to our operations:

- Our success depends on our ability and our customers’ ability to anticipate and respond in a timely manner to the rapid changes in consumer preferences, increasing demand for design and quality, and advances in technologies.
- We do not enter into long-term contracts with our customers, which exposes us to uncertainty and potential volatility with respect to our revenue from period to period.
- Our sales may be subject to seasonality and any comparison of our operating results between interim and annual results may not be meaningful.
- We depend on a stable and adequate supply of raw materials and we do not enter into any long-term agreements with our suppliers, which exposes us to uncertainty and potential volatility with respect to our cost of raw materials.
- We are subject to risks of fluctuations in the exchange rate between the RMB and Hong Kong or U.S. dollars.

A detailed discussion of the risk factors is set forth in the section headed “Risk Factors” in this prospectus.

SUMMARY

SUMMARY OF HISTORICAL COMBINED FINANCIAL INFORMATION

Combined Statement of Profit or Loss and other Comprehensive Income

The following table sets forth a summary of the combined statement of profit or loss and other comprehensive income of our Group for the years ended 31 December 2011, 2012 and 2013:

	Year ended 31 December		
	2011	2012	2013
	(HK\$'000)	(HK\$'000)	(HK\$'000)
Revenue	1,397,104	1,403,326	1,659,447
Cost of sales	(949,496)	(954,233)	(1,136,990)
Gross profit	447,608	449,093	522,457
Other income	17,027	24,559	26,297
Other gains and losses	(14,031)	7,201	3,399
Selling and distribution expenses	(62,122)	(68,800)	(75,976)
Administrative expenses	(78,900)	(84,881)	(90,075)
Other expenses	(21,479)	(36,779)	(44,521)
Finance costs	(44,432)	(50,162)	(40,424)
Profit before taxation	243,671	240,231	301,157
Income tax expense	(37,796)	(42,180)	(56,652)
Profit for the year	205,875	198,051	244,505

Key Combined Statement of Financial Position Information

The following table sets forth a summary of the key combined statement of financial position information of our Group as at 31 December 2011, 2012 and 2013:

	As at 31 December		
	2011	2012	2013
	HK\$'000	HK\$'000	HK\$'000
Non-current assets	893,276	1,022,623	1,185,804
Current assets	988,439	1,079,889	983,065
Current liabilities	(1,392,188)	(1,445,218)	(852,894)
Net current (liabilities) assets	(403,749)	(365,329)	130,171
Net assets	418,675	607,915	832,199
Total equity	418,675	607,915	832,199

SUMMARY

Key Cash Flows Statement Information

The following table sets forth a summary of the key cash flows statement information of our Group for the years ended 31 December 2011, 2012 and 2013:

	Year ended 31 December		
	2011	2012	2013
	(HK\$'000)	(HK\$'000)	(HK\$'000)
Net cash from operating activities	144,188	368,747	345,154
Net cash used in investing activities	(79,889)	(224,736)	(21,626)
Net cash used in financing activities	(25,316)	(122,116)	(376,319)
Net increase (decrease) in cash and cash equivalents	38,983	21,895	(52,791)
Cash and cash equivalents at beginning of the year	83,686	125,181	147,686
Effect of foreign exchange rate changes	2,512	610	2,641
Cash and cash equivalents at end of year	<u>125,181</u>	<u>147,686</u>	<u>97,536</u>

Financial Ratios

The table below sets forth a summary of our key financial ratios during the Track Record Period:

	As at/year ended 31 December		
	2011	2012	2013
Profitability ratios:			
Gross profit margin	32.0%	32.0%	31.5%
Net profit margin	14.7%	14.1%	14.7%
Return on equity	66.1%	38.6%	34.0%
Return on total assets	10.9%	9.4%	11.3%
Liquidity ratios:			
Current ratio	0.7	0.7	1.2
Quick ratio	0.5	0.6	0.8
Turnover ratios:			
Inventories turnover days	65.2	88.4	88.0
Trade and bills receivables turnover days	87.2	100.9	91.9
Trade and bills payables turnover days	60.9	85.7	88.7
Capital adequacy ratios:			
Gearing ratio	179.8%	141.7%	95.8%

RECENT DEVELOPMENT

Our revenue increased from approximately HK\$313.4 million for the three months ended 31 March 2013 to approximately HK\$387.5 million for the three months ended 31 March 2014. The financial information for the three months ended 31 March 2013 and 2014 was extracted from the unaudited condensed consolidated financial statements for the three months ended 31 March 2014 prepared by our Directors in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, which were reviewed by Deloitte Touche Tohmatsu, the reporting accountants of our Company, in accordance with Hong Kong Standard on Review Engagement 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The comparative financial information for the three months ended 31 March 2013 has not been reviewed. For the three months ended 31 March 2014, our sales

SUMMARY

volume for elastic fabrics, elastic webbing and lace were approximately 6.5 million m., 140.4 million m. and 346,000 m., respectively. Our sales volume of elastic fabrics, elastic webbing and lace for the three months ended 31 March 2014 was higher than the sales volume of approximately 5.2 million m., 120.8 million m. and 23,000 m. for the three months ended 31 March 2013, respectively. The increase was mainly due to the increase in demand for our products. Our gross profit margin for the three months ended 31 March 2014 remained relatively stable as compared to that for the year ended 31 December 2013.

Our Directors confirm that there have not been any material adverse changes in our financial or trading position or prospects subsequent to the Track Record Period and up to the date of this prospectus. As far as we are aware, there was no material change in the general lingerie materials market conditions that had affected or would affect our business operations or financial conditions materially or adversely.

OUR SHAREHOLDING STRUCTURE

Immediately upon completion of the Global Offering and the Capitalisation Issue (taking no account of our Shares which may be issued pursuant to the exercise of the Over-allotment Option and that none of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme is exercised), Grandview, which is wholly-owned by Mr. Lu, will be interested in 63.75% of the issued share capital of our Company. Hence, Grandview and Mr. Lu will be our Controlling Shareholders within the meaning of the Listing Rules. Grandview was incorporated in the BVI on 28 September 2010 and is an investment holding company.

OFFER STATISTICS

	Based on the lower end of indicative Offer Price range of HK\$1.85 per Share	Based on the higher end of the indicative Offer Price range of HK\$2.50 per Share
Market capitalisation of our Shares ⁽¹⁾	HK\$1,850 million	HK\$2,500 million
Pro forma adjusted combined net tangible asset value per Share ⁽²⁾ . . .	HK\$1.15	HK\$1.31

Notes:

- (1) All statistics in this table are based on the assumption that the Over-allotment Option is not exercised. The calculation of market capitalisation is based on 1,000,000,000 Shares which are expected to be issued and outstanding following the completion of the Global Offering.*
- (2) The pro forma adjusted combined net tangible asset value per Share is calculated after making the adjustment referred to in Appendix II and based on 1,000,000,000 Shares which are expected to be issued and outstanding following the completion of the Global Offering.*

PRE-IPO SHARE OPTION SCHEME

We have conditionally granted options to subscribe for an aggregate of 26,470,000 Shares, representing approximately 2.65% of the enlarged issued share capital of our Company immediately following completion of the Capitalisation Issue and the Global Offering (assuming that the Over-allotment Option is not exercised and taking no account of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme) at an exercise price equal to 50% of the final Offer Price to 27 grantees under the Pre-IPO Share Option Scheme. Assuming all such options are exercised, our Shares outstanding upon the completion of the Capitalisation Issue and the Global Offering would be diluted by approximately 2.65%. It is expected that a charge in relation to the options granted under the Pre-IPO Share Option Scheme in the amount of not more than HK\$8.8 million will be recognised as expenses in the combined statement of profit or loss information of our Group for the year ending 31 December 2014.

SUMMARY

FUTURE PLANS AND USE OF PROCEEDS

In the event that the Over-allotment Option is not exercised, we estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK\$2.18 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK\$495.8 million, after deduction of underwriting fees and commissions and other estimated expenses in connection with the Global Offering.

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

- approximately 70%, representing approximately HK\$347.0 million, will be used to increase our production capacity by purchasing additional machineries and building our ninth production facility including:
 - HK\$20.5 million for purchasing 55 sets of machineries for elastic fabrics segment, HK\$28.4 million for purchasing and settling the remaining purchase price of a total of 129 sets of machineries for elastic webbing segment and HK\$27.2 million for purchasing and settling the remaining purchase price of a total of 11 sets of machineries for lace segment for the year ending 31 December 2014;
 - HK\$29.4 million for purchasing 75 sets of machineries for elastic fabrics segment, HK\$29.9 million for purchasing 129 sets of machineries for elastic webbing segment, HK\$53.2 million for purchasing of 10 sets of machineries for the lace segment, and HK\$100.0 million for constructing our ninth production facility for the year ending 31 December 2015; and
 - The remaining HK\$58.4 million for our expansion plan from 2015 onward.
- approximately 20%, representing approximately HK\$99.2 million, will be used to settle part of our syndicated loan incurred on 16 July 2013 used by us to re-finance our short-term loans in the PRC. The details of our syndicated loan are set out below:

<u>Syndicated lenders</u>	<u>Outstanding principal amount</u>	<u>Repayment date</u>	<u>Interest Rate</u>
Bank of China (Hong Kong) Limited, China CITIC Bank International Limited,	HK\$43.5 million	16 July 2014	Hong Kong Interbank Offered Rate (“ HIBOR ”) +3.6%
DBS Bank (Hong Kong) Limited, Hang Seng Bank Limited and Standard Chartered Bank (Hong Kong) Limited	HK\$65.3 million	16 January 2015	HIBOR +3.6%
	HK\$65.3 million	16 July 2015	HIBOR +3.6%
	HK\$87.0 million	16 January 2016	HIBOR +3.6%
	HK\$173.9 million	16 July 2016	HIBOR +3.6%

- approximately 10%, representing approximately HK\$49.6 million, will be used as our working capital and general corporate purposes.

SUMMARY

LISTING EXPENSES

The estimated total listing expenses incurred in relation to this Global Offering are estimated to be approximately HK\$49.2 million, of which HK\$23.1 million is expected to be capitalised upon the Listing. Up to 31 December 2013, we paid HK\$8.2 million of listing expenses of which HK\$6.9 million was recognised in the combined statements of profit or loss and other comprehensive income. We estimate that additional listing expenses of HK\$41.0 million will be incurred after 31 December 2013 and HK\$19.2 million will be further charged to the combined statements of profit or loss and other comprehensive income after 31 December 2013. These listing expenses are mainly comprised underwriting commission, professional fees paid to legal advisers, reporting accountant and the sponsor fee for the Sole Sponsor (for the amount of HK\$3.0 million) for their services rendered in relation to the Listing and the Global Offering.

DIVIDEND POLICY

Our Board of Directors is responsible for submitting proposals in respect of dividend payments, if any, to our Shareholders' general meeting for approval. Our dividend distribution is based on our profit available for appropriation. During the year ended 31 December 2013, we declared and paid dividends of HK\$60.0 million. Subject to the policies discussed in the section headed "Financial Information — Dividend Policy and Distributable Reserves" in this prospectus, we intend to recommend annually in subsequent years for the foreseeable future a dividend distribution of not less than 20% of our distributable profit for the year. Such intention does not amount to any guarantee or representation or indication that we must or will declare and pay dividends in such manner or declare and pay any dividends at all.