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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

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

### 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.

In the event the Over-allotment Option is exercised in full and assuming an Offer Price of HK\$2.18 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), we will receive additional net proceeds of approximately HK\$79.3 million.

If the Offer Price is fixed at HK\$2.50 per Offer Share (being the high end of the Offer Price range stated in this prospectus), we will receive (i) additional net proceeds of approximately HK\$77.6 million, assuming the Over-allotment Option is not exercised; and (ii) additional net proceeds of approximately HK\$168.5 million, assuming the Over-allotment Option is exercised in full.

If the Offer Price is fixed at HK\$1.85 per Offer Share (being the low end of the Offer Price range stated in this prospectus), the net proceeds we receive will be (i) reduced by approximately HK\$80.0 million, assuming the Over-allotment Option is not exercised; and (ii) reduced by approximately HK\$12.7 million, assuming the Over-allotment Option is exercised in full.

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 the purchasing of 75 sets of machineries for elastic fabrics segment, HK\$29.9 million for the purchasing of 129 sets of machineries for elastic webbing segment, HK\$53.2 million for the 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.

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- 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, DBS Bank (Hong Kong) Limited, Hang Seng Bank Limited and Standard Chartered Bank (Hong Kong) Limited	HK\$43.5 million	16 July 2014	Hong Kong Interbank Offered Rate (“ <b>HIBOR</b> ”) +3.6%
	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.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the midpoint of the proposed Offer Price range.

In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above uses in the proportions stated above.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we intend to deposit the net proceeds into short-term demand deposits and/or money market instruments we will make an appropriate announcement if there is any change to the above proposed use of proceeds.