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## FUTURE PLANS AND USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

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### FUTURE PLANS

Further information on our future plans is set forth in the paragraphs under “Business — Our growth strategies” in this prospectus.

### USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

We estimate the net proceeds from the Global Offering (after deducting the underwriting fees and the estimated expenses payable by us in connection with the Global Offering) and assuming an Offer Price of HK\$2.15 per Share (being the mid-point of the indicate Offer Price range) will be approximately HK\$412.5 million, assuming that the Over-allotment Option is not exercised. We currently plan to apply such net proceeds in the following manner:—

- (1) approximately HK\$110.0 million, representing approximately 26.7% of the total amount of the net proceeds, will be used for the launch of new advertising and marketing campaigns and activities for the *Flyke* brand on different media in the following manner:—
  - approximately HK\$75.0 million will be used on television advertising;
  - approximately HK\$10.0 million will be used on advertising on other media, such as magazine, newspapers and the Internet;
  - approximately HK\$10.0 million will be used in other promotional activities including attending annual sales fairs, various shoes and sports wear exhibitions in China and regional promotional activities;
  - approximately HK\$10.0 million will be used on the sponsorship of regional sports and entertainment events; and
  - the remaining amount will be used on general advertisement designs and related supporting activities.
- (2) approximately HK\$80.0 million, representing approximately 19.3% of the total amount of the net proceeds, will be used for the establishment of our new production facilities for the sportswear with the *Flyke* brand. The new production facilities will include factory buildings, dormitory and the required machinery with an annual production capacity of approximately five million pieces of sportswear. As of the Latest Practicable Date, we did not enter into any binding agreement for any commitment on the construction of these facilities;
- (3) approximately HK\$68.0 million, representing approximately 16.5% of the total amount of the net proceeds, will be used for the expansion of our product research and development teams with addition of product designers, computer-aided design equipment and new machines on shoe and sportswear design and prototyping;
- (4) approximately HK\$68.0 million, representing approximately 16.5% of the total amount of the net proceeds, will be used for the establishment of seven flagship stores and 23 image stores in the PRC provinces of Fujian, Guangxi, Jiangsu, Zhejiang, Sichuan and

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Guangdong, etc. by the end of December 2011. Further information on these flagship stores and image stores is set forth in the section headed “Business — Our growth strategies — We will continue to enhance our brand recognition” in this prospectus;

- (5) approximately HK\$23.0 million, representing approximately 5.6% of the total amount of the net proceeds, will be used for the expansion of our shoe production capacity by increasing three production lines for sports shoes with an aggregate annual production capacity of approximately three million pairs of sports shoes. The production lines will be allocated for the production of the *Flyke* sports shoes and the sports shoes for our Export ODM Business;
- (6) approximately HK\$22.5 million, representing approximately 5.5% of the total amount of the net proceeds, will be used for the improvement in our information technology systems connecting with the systems of our authorised distributors and our future flagship and image stores; and
- (7) approximately HK\$41.0 million, representing approximately 9.9% of the total amount of the net proceeds, will be used for our general working capital purposes.

If the Offer Price is set at the high end of the indicate Offer Price range, being HK\$2.49 per Share, the net proceeds from the Global Offering (assuming that the Over-allotment Option is not exercised) will increase by approximately HK\$65.0 million to HK\$477.5 million. We intend to apply the additional net proceeds to items (2), (3) and (4) above on a pro-rata basis.

If the Offer Price is set at the low end of the indicate Offer Price range, being HK\$1.81 per Share, the net proceeds from the Global Offering (assuming that the Over-allotment Option is not exercised) will decrease by approximately HK\$65.0 million to HK\$347.5 million. The amount of the net proceeds proposed to be used for items (2) and (3) above will be reduced on a pro rata basis after the full utilisation of our general working capital for the above purposes.

If the Over-allotment Option is exercised in full, the net proceeds from the Global Offering will increase to approximately HK\$475.1 million, assuming the Offer Price is set at the mid-point of the indicative Offer Price range. If the Offer Price is set at the high-end of the indicative Offer Price range, the net proceeds from the Global Offering (including the proceeds from the exercise of the Overallotment Option) will increase by approximately HK\$127.6 million. If the Offer Price is set at the low-end of the indicative offer price range, the net proceeds from the Global Offering (including the proceeds from the exercise of the Over-allotment Option) will decrease by approximately HK\$2.4 million. We intend to apply the additional net proceeds from the exercise of the Over-allotment Option items (2), (3) and (4) above on a pro-rata basis.

To the extent that the net proceeds from the Global Offering are not immediately required for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term deposits with licensed banks and authorized financial institutions in Hong Kong for so long as it is in our best interests. We will also disclose the same in the relevant annual report.