
FUTURE PLANS AND USE OF PROCEEDS FROM THE GLOBAL OFFERING

FUTURE PLANS

Detailed description of our future plans are set out in the paragraph headed “Business strategies” of the section headed “Business” in this prospectus.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting commissions and other estimated expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$0.55, being the mid point of the indicative Offer Price range stated in this prospectus) will be approximately HK\$46.2 million. We intend to apply such net proceeds in the following manner:

- approximately 50%, or HK\$23.1 million to be used to establish new production facilities, acquire new production equipment, upgrade existing production equipment and establish joint ventures or enter into cooperation with strategic business partners and for mergers and acquisitions of garment factories. We plan to utilise approximately 20% of the net proceeds, or approximately HK\$9.2 million to establish new production facilities in the PRC and approximately 17.5% of the net proceeds, or approximately HK\$8.1 million to upgrade our existing production equipment in our PRC Factory. Details concerning the establishment of new production facilities and improvement of existing production equipment are set out in the paragraph headed “Production” of the section headed “Business” in this prospectus. As at the Latest Practicable Date, in relation to the above proposals, no acquisition target had been identified and we had not entered into any agreement for the acquisition of production equipment. We also plan to utilise approximately 12.5% of the net proceeds, or approximately HK\$5.8 million to establish joint venture(s) or enter into cooperation arrangement(s) with strategic business partner in the garment industry. As at the Latest Practicable Date, we had considered certain cooperation or acquisition opportunities but had not entered into any acquisition or cooperation agreements;
- approximately 15%, or HK\$6.9 million to be used to strengthen our sample design and development capabilities and expand our sample workshop. We plan to recruit more personnel to expand our design and development team and to improve our global sample sourcing capabilities. We also plan to upgrade our sample design and development equipment to enhance our capabilities. As at the Latest Practicable Date, we had not entered into any agreement for the acquisition of design and development equipment;
- approximately 5%, or HK\$2.3 million to be used to strengthen our promotional and marketing efforts, in particular, in the PRC and the U.S. and to expand our sales office in the U.S.;

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- approximately 20%, or HK\$9.3 million to be used to develop our “夢仕臣” (Monstons) brand underwear and homewear products in the PRC market, including as expenses for promotional and marketing activities. We plan to utilise, approximately 5% of the net proceeds, or approximately HK\$2.3 million to establish and develop the relevant sales network, approximately 3.8% of the net proceeds, or approximately HK\$1.8 million to recruit personnel for sales and administrative support and approximately 11.2% of the net proceeds, or approximately HK\$5.2 million for the sourcing of products and raw materials for such brand. No revenue was recorded for the sales of our “夢仕臣” (Monstons) brand underwear and homewear products during the Track Record Period. Such sales commenced in August 2010;
- approximately 10%, or HK\$4.6 million for working capital and other general corporate purposes.

In the event the Offer Price is finally determined at the high end or low end of the indicative Offer Price range stated in this prospectus, the net proceeds from the Global Offering would increase by approximately HK\$5.9 million or decrease by approximately HK\$5.9 million respectively, as compared with the amount described above which is based on the mid-point of the Offer Price range. We intend to use the net proceeds in the same proportions as disclosed above irrespective of whether the Offer Price is determined at the high end or low end of the Offer Price range.

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 or financial institutions in Hong Kong for so long as it is in our best interests.