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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

We intend to grow our business by leveraging our core expertise in handbag and small leather goods research, development, design and manufacturing with a view to (i) maintaining and strengthening our position as one of the leading manufacturers of outsourced luxury branded handbags and small leather goods and (ii) enhancing our own brand. To achieve these goals, we are pursuing the following principal strategies:

- broaden our customer base and expand into new segments;
- enhance and expand value-added services and product range to our existing customers;
- further enhance our operational efficiency and strengthen our lean management system;
- continue to expand and improve on our manufacturing capacities; and
- continue to enhance brand recognition for our “TUSCAN’S” brand and expand our retail business.

With respect to our TUSCAN’S brand, we currently plan to expand our retail network in the PRC by increasing our total number of retail outlets in the PRC to approximately 100 over the next three years. In addition, with respect to our manufacturing facilities, our current expansion plans include a second phase of expansion of our manufacturing facility in Yingde. We entered into a construction contract with respect of two buildings of the second expansion phase of our Yingde manufacturing facility in September 2010 and, according to our PRC legal advisers, we have obtained all necessary approvals and licences from the relevant PRC authorities in connection with the construction of these two buildings of the second phase. We are in the process of negotiating construction contracts with respect of the remaining buildings and will proceed to obtain the requisite property ownership certificates for these buildings prior to commencement of production. Production at the first two buildings of the second phase of the facility is expected to commence in or around December 2011. Production of remaining buildings are currently expected to commence in Fiscal Year 2013, with approximately 50% production capacity available at the beginning of Fiscal Year 2013 and the remaining production capacity available at the end of Fiscal Year 2013. The second phase will increase the number of production lines by 84 and our estimated annual production capacity by approximately 8.1 million units when fully complete. We expect that the expansion of our manufacturing facility in Yingde will enhance our technical standard as we expect to install in such facility machinery and equipment which are more technologically advanced than those in our existing manufacturing facilities.

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

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$798.2 million (assuming an Offer Price of HK\$3.45 per Share, being the mid-point of the proposed Offer Price range), after deducting underwriting fees and commissions and estimated expenses

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payable by us in relation to the Global Offering and not taking into account any exercise of the Over-allotment Option. We intend to use the net proceeds from the Global Offering as follows:

- approximately HK\$279.4 million (or approximately 35% of the net proceeds) for the expansion of our manufacturing capacities through the completion of the second phase of our Yingde manufacturing facility;
- approximately HK\$159.6 million (or approximately 20% of the net proceeds) for the upgrading of machinery and tooling in our existing manufacturing facilities;
- approximately HK\$279.4 million (or approximately 35% of the net proceeds) for the expansion of our retail business including, among other things, the development of our “TUSCAN’S” brand, potential brand acquisitions or other mergers and acquisitions activities, which are consistent with our business strategies; and
- approximately HK\$79.8 million (or approximately 10% of the net proceeds) for general corporate purposes.

In the event that the Offer Price is set at the high-end or low-end of the proposed Offer Price range and the Over-allotment Option is not exercised at all, the net proceeds of the Global Offering will increase or decrease by approximately HK\$121 million. Under such circumstances we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

With respect to our TUSCAN’S brand, for the period 1 July 2011 to 30 September 2011, we incurred HK\$2.0 million; we currently expect to make a further estimated HK\$2.0 million in capital expenditures on our retail business from 1 October 2011 to 31 December 2011, and expend a further EUR400,000 in connection with further installment payments for our acquisition of the right, title and interest in the TUSCAN’S trademark in certain jurisdictions.

With respect to potential brand acquisitions or other mergers and acquisitions activities, as of the Latest Practicable Date we had not identified any acquisition targets that we have plans to acquire. However, to the extent we do engage in any mergers or acquisition activities in the foreseeable future, we expect an acquisition target to have the following characteristics:

- focus on brands with a foreign origin;
- be in the mid-to-high-end handbag market as opposed to the luxury handbag market in order to avoid competition with end customers;
- be complementary to our existing TUSCAN’S brand in order to minimize competition between our own brands; and
- have a product portfolio with designs and styles that would allow us to leverage on our manufacturing platform in producing the relevant products.

To the extent the net proceeds are not immediately applied to the above purposes, we intend to deposit the proceeds into interest-bearing bank accounts with financial institutions in Hong Kong.