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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

Our objective is to capture market share in the fast-growing PRC slimming and beauty industry with enormous development potential and become one of the largest providers of slimming and beauty services in the PRC. We plan to continue with the strategic expansion of our service centre network in the PRC as we believe that scale and broad geographical coverage promotes brand recognition. By leveraging on (i) our famous brand name “Perfect Shape 必瘦站”; (ii) our successful business operation experience in slimming and beauty market in the PRC; and (iii) the rapid economic growth and increasing affluence of female clients in the PRC, we plan to establish an additional 78 new service centres in first-tier cities in the PRC and an additional 28 new service centres in second and lower-tier cities in the PRC under our well-known brand name “Perfect Shape 必瘦站” by 31 March 2015. It is one of our business strategies to, among other things, widen our brand portfolio and service offerings in order to progressively expand our client base and reach out to different sectors of the slimming and beauty market. In order to achieve our objective, we intend to implement the business strategies as set out in “Business — Our Business Strategies” in this prospectus.

### USE OF PROCEEDS

Based on the Offer Price of HK\$0.88 per Offer Share, after deduction of the underwriting fees (before the discretionary incentive fee that may be paid to the Sole Global Coordinator (for itself and on behalf of the Underwriters)) and estimated expenses payable by us in connection with the Global Offering, the net proceeds of the Global Offering are estimated to be HK\$188.7 million. Our Directors presently intend to apply the net proceeds as follows:

**(1) Expansion of our service centres network in the PRC under our well-known brand name “Perfect Shape 必瘦站”**

We will apply HK\$132.1 million (or 70% of the net proceeds of the Global Offering) for the expansion of our service centres network in the PRC under our well-known brand name of “Perfect Shape 必瘦站”, which we expect will continue to enjoy rapid growth and present enormous potential for our development.

In order to increase our market presence, we intend to establish (i) an additional 78 new service centres making a total of 112 service centres in the first-tier cities, namely Shanghai, Guangzhou, Shenzhen and Beijing; and (ii) an additional 28 new service centres making a total of 38 service centres in second and lower-tier cities, including but not limited to Hangzhou, Wuhan, Chongqing, Ningbo, Shenyang, Dongguan, Foshan, Chengdu, Nanjing and Tianjin by 31 March 2015.

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The following table sets out our expansion plan in the PRC for the years ending 31 March 2015:

Location	No. of new service centres to be opened for the year ending 31 March			
	2012	2013	2014	2015
First-tier cities	7	25	23	23
Second and lower-tier cities	3	5	10	10
Total:	10	30	33	33

The estimated total expenses for setting up of the 106 service centres under the brand name of “Perfect Shape 必瘦站” in the PRC will be HK\$254.4 million by 31 March 2015. The estimated total cost per service centre in the PRC is HK\$2.4 million, of which HK\$1.8 million will be used for fixed assets including leasehold improvement and equipment, HK\$240,000 will be used for rental deposits and expenses, HK\$71,400 will be used for initial staff cost and HK\$288,600 will be used for general working capital. Other than the net proceeds of the Global Offering, where necessary, we will apply our internally generated financial resources as additional funding for the expansion of our service centres network in the PRC.

### (2) Brand promotion and marketing

We will apply HK\$28.3 million (or 15% of the net proceeds of the Global Offering) for promotion of our brands and marketing activities which will be budgetted for the years ending 31 March 2012 and 2013, of which 20% will be used for engagement of spokespersons, 15% will be used for outdoor billboards advertisements, and 65% for the other advertising activities through various channels including television, radio, newspapers, magazines and promotional events in the PRC and Hong Kong. Our marketing manager will formulate annual budget to be approved by the Board. We will review its implementation on a half-yearly basis and make necessary adjustment to our budget for brand promotion and marketing.

### (3) Upgrading our management information system and building up an electronic CRM platform

In order to enhance our operational efficiency to optimise customer satisfaction, and strengthen our customer database management for better sales and marketing and fostering customer loyalty, we will apply HK\$9.4 million (or 5% of the net proceeds of the Global Offering) to upgrade our management information system and build up an electronic CRM platform. Our electronic CRM platform enables us to analyse clients’ information such as spending power and purchase patterns.

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### **(4) General working capital**

A balance of HK\$18.9 million (or 10% of net proceeds of the Global Offering) will be retained as our general working capital.

Should the Over-allotment Option be exercised in full, our Company will receive additional net proceeds of HK\$31.7 million. Our Directors intend to apply the additional net proceeds to general working capital by increasing the amount of which to up to 10% of the aggregate net proceeds from the Global Offering, and adjust the remaining net proceeds for the other above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes, it is the present intention of our Directors that such proceeds will be placed on short term deposits with licensed banks and/or authorised financial institutions in Hong Kong and/or the PRC.