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## SUMMARY

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*This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares.*

*There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.*

### **BUSINESS OVERVIEW**

The Group is an apparel supply chain management services provider. Headquartered in Hong Kong, the Group principally sells knitwear products predominately in the Japan market. The Group provides one-stop apparel supply chain management solutions for its customers ranging from fashion trend analysis, product design and development, sourcing and procurement of materials, production management, quality control and logistics services. The Group’s customers are mainly owners or sourcing agents of apparel retail brands based in Japan, which products are marketed and sold under their own brands. Mr. Chan, an executive Director, the chairman of the Board and the chief executive officer of the Company, has over 25 years of experience in apparel market and was dispatched to Japan from March 1993 to February 1994 before joining the Group. Mr. Chan together with some of the Group’s senior management and merchandising team members are proficient in or have knowledge of Japanese, which enables the Group to communicate well with the customers and retail brand owners from Japan.

During the Track Record Period, the Group’s revenue was mainly derived from the sales of knitwear products such as pullovers, cardigans, vests and skirts with the provision of apparel supply chain management services to its customers. Majority of the Group’s products were sold to customers in Japan, amounted to approximately HK\$367.3 million, HK\$390.8 million and HK\$288.9 million for each of the Track Record Period, which accounted for approximately 92.3%, 89.8% and 92.7% of the Group’s total revenue, respectively. The Group does not possess its own labels. All the Group’s knitwear products are manufactured in accordance with the specifications and requirements set out by the Group’s customers in the sales orders, some designs of which are recommended or inspired by the Group.

Through collaboration with its customers, the Group leverages its extensive knitwear fashion exposure and experience to accommodate their needs (including design preferences, knitwear styles and application of materials) in view of market trends. At the start of two main fashion seasons (i.e. spring/summer and autumn/winter) and from time to time, the Group will in-advance provide and recommend new product designs and inspirations to its customers based on the upcoming fashion trends through presentations and face-to-face meetings. During the Track Record Period, the design and promotion department formulated or developed over 100 new knitwear designs in each main fashion season. According to the feedback from the customers, the Group then modifies the product design and specifications in respect of the colour tone, selection of raw materials and styling. Alternatively, the customers may provide their own designs to the Group. As part of the apparel

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supply chain management services, the Group suggests types of yarn to be used in the knitwear designs provided by the Group or the customers' own designs. The Group also provides the products samples, which are produced by the third-party manufacturers, for the customers' consideration. The purchase orders are placed in bulk once all the production details including but not limited to the production schedule, production specifications and other specific requirements are confirmed by the customers.

During the Track Record Period, all of the knitwear products were produced by the third-party manufacturers engaged by the Group. The Group has established relationships with a number of third-party manufacturers and implemented quality control procedures throughout the production process. The Group's merchandising department closely follows up with and provides technical advice to the third-party manufacturers at various stages of the production process. To ensure that the quality of the knitwear products conforms to the customers' specification, final quality inspection is performed by the third-party inspection centre before packaging for delivery. The Group also manages the logistic arrangements of finished knitwear products from third-party manufacturers to customers.

The Group's knitwear products can be divided into two categories, namely womenswear and menswear. During the Track Record Period, the Group's revenue was mainly derived from the sales of womenswear, representing approximately 90.6%, 83.5% and 77.9% of the Group's total revenue respectively. The following tables set out (i) a breakdown of the Group's revenue; (ii) the total sales quantities; and (iii) the average selling prices per unit of finished product sold by the Group to its customers during the Track Record Period by categories:

### Revenue

	For the year ended 31 March				For the eight months ended 30 November			
	2015		2016		2015		2016	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	<i>(unaudited)</i>							
Womenswear	360,390	90.6	363,294	83.5	206,459	78.5	242,803	77.9
Menswear	37,578	9.4	71,912	16.5	56,490	21.5	68,822	22.1
	397,968	100.0	435,206	100.0	262,949	100.0	311,625	100.0

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### Sales volume

	For the year ended 31 March				For the eight months ended 30 November			
	2015		2016		2015		2016	
	Units sold		Units sold		Units sold		Units sold	
	('000)	%	('000)	%	('000)	%	('000)	%
	<i>(unaudited)</i>							
Womenswear	7,179	95.4	7,010	83.9	3,928	77.9	4,162	77.8
Menswear	343	4.6	1,342	16.1	1,114	22.1	1,188	22.2
	<u>7,522</u>	<u>100.0</u>	<u>8,352</u>	<u>100.0</u>	<u>5,042</u>	<u>100.0</u>	<u>5,350</u>	<u>100.0</u>

### Average selling price

	For the year ended 31 March				For the eight months ended 30 November			
	2015		2016		2015		2016	
	Average selling price		Average selling price		Average selling price		Average selling price	
	Price range	price (Note)	Price range	price (Note)	Price range	price (Note)	Price range	price (Note)
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	<i>(unaudited)</i>							
Womenswear	30.8–326.0	50.2	21.8–378.3	51.8	21.8–282.0	52.6	32.8–922.7	58.3
Menswear	41.3–655.2	<u>109.7</u>	36.3–499.2	<u>53.6</u>	36.3–499.2	<u>50.7</u>	39.0–397.8	<u>58.0</u>
<b>Total average selling price</b>		<u><u>52.9</u></u>		<u><u>52.1</u></u>		<u><u>52.2</u></u>		<u><u>58.2</u></u>

*Note:* The average selling price represents the revenue for the year/period divided by the total sales quantities for that year/period.

During the Track Record Period, the Group's revenue amounted to approximately HK\$398.0 million, HK\$435.2 million and HK\$311.6 million, respectively. The sales volume of the Group's products increased by approximately 11.0% for the year ended 31 March 2016, which was in line with the increase in the Group's revenue for the respective corresponding period while the average selling price of the Group's products remained relatively stable for each of the year ended 31 March 2015 and 2016. The increase in sale volume of the Group's products by approximately 6.1% was lower than the growth rate of the Group's revenue of approximately 18.5% which was primarily due to the Group obtained more sales orders at a higher selling price as a result of the increased in the average selling price of the Group's products for the eight months ended 30 November 2016 as compared with the corresponding prior period.

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During the Track Record Period, majority of the Group's knitwear products were sold to Japan. The Group's products were also sold to Hong Kong, the PRC, Taiwan, France, the USA, Australia and South Africa. The following table sets out a breakdown of the Group's revenue by geographical segments (according to the locations where the Group's products were sold) during the Track Record Period:

	For the year ended 31 March				For the eight months ended 30 November			
	2015		2016		2015		2016	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	<i>(unaudited)</i>							
Japan	367,251	92.3	390,801	89.8	235,865	89.7	288,884	92.7
Hong Kong	22,595	5.7	29,515	6.8	17,904	6.8	14,473	4.6
The PRC	4,533	1.1	10,736	2.5	6,056	2.3	7,076	2.3
Other locations								
<i>(Note)</i>	3,589	0.9	4,154	0.9	3,124	1.2	1,192	0.4
	397,968	100.0	435,206	100.0	262,949	100.0	311,625	100.0

*Note:* Other locations comprise Taiwan, France, the USA, Australia and South Africa.

## CUSTOMERS AND SUPPLIERS

The Group's customers are primarily owners or sourcing agents of apparel retail brands based in Japan, which products are marketed and sold under their own brands. The Group generally takes orders from the brand owners directly and/or from the designated sourcing agents engaged by the apparel retail brands. Based on previous experience in dealing with Japanese customers, the Directors understand that it is the market practice in the Japanese apparel industry for some brand owners to engage sourcing agents as their intermediates to source for apparel, arrange for logistic, liaise with, and make payment to the sellers.

During the Track Record Period, the percentage of revenue contributed by Marubeni, the Group's largest customer, amounted to approximately 43.9%, 50.8% and 50.9% respectively. The gross profit contributed by Marubeni amounted to approximately HK\$15.4 million, HK\$23.6 million and HK\$19.6 million for the two years ended 31 March 2016 and the eight months ended 30 November 2016, representing approximately 24.6%, 36.8% and 43.2% of the Group's total gross profit for the same period, respectively. Marubeni is a designated sourcing agent of a Japanese leisure and casual brand which ranked third in terms of retail value in Japan apparel retail industry in 2015 as stated in the Euromonitor Report. The Group has developed business relationships with its five largest customers for a period ranging from about 5 to 15 years as at the Latest Practicable Date. Although the Directors consider that the Group has established good relationships with the major customers, the customers are not obligated in any way to continue to provide the Group with new business in the future at a level similar to that in the past or at all. Please refer to the section

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headed “Risk factors — The Group relies on several major customers and has not entered into long-term contracts with them. This may materially and adversely affect the Group’s business, prospects, financial condition and results of operations” in this prospectus.

The Group’s suppliers include suppliers of raw material as well as third-party knitwear manufacturers. The Group’s key raw material suppliers are mainly located in the PRC and Hong Kong. During the Track Record Period, the cost of raw materials and consumable used amounted to approximately HK\$90.8 million, HK\$77.7 million and HK\$60.2 million, representing approximately 27.1%, 20.9% and 22.6% of the Group’s total cost of sales, respectively. The Group generally procures and provides raw materials to third-party manufacturers for productions. All of the Group’s knitwear products are produced by third-party manufacturers with manufacturing operations in the PRC and/or Thailand. During the Track Record Period, the subcontracting charges amounted to approximately HK\$238.1 million, HK\$282.8 million and HK\$198.9 million, representing approximately 71.0%, 76.2% and 74.7% of the Group’s total cost of sales, respectively. Purchases from the Group’s top five suppliers for the two years ended 31 March 2016 and the eight months ended 30 November 2016 in aggregate accounted for approximately 65.2%, 71.3% and 76.1% of the Group’s cost of sales, respectively, while purchases from the Group’s largest supplier accounted for approximately 31.7%, 31.0% and 25.6% of the Group’s cost of sales, respectively. For further details in relation to the Group’s suppliers, please refer to the paragraph headed “Business — Suppliers” in this prospectus.

### COMPETITIVE LANDSCAPE

According to the Euromonitor Report, the apparel supply chain management industry in Hong Kong is highly competitive and fragmented populated with a large number of firms ranging from multinational companies to smaller specialists and small scale firms. The apparel supply chain management market in Hong Kong is driven by (i) Hong Kong firms’ profound knowledge of and experiences in apparel supply chain management; (ii) Hong Kong’s close relationship with its trading partners; and (iii) industrialisation of other Asian economies. However, the market is also challenged by (i) the fluctuations in the foreign exchange rate of JPY; (ii) the potential increase in consumption tax; and (iii) the increasing popularity of business-to-business commerce sites. For further information regarding the competitive landscape of the industry in which the Group operates, please refer to the section headed “Industry overview” in this prospectus.

### COMPETITIVE STRENGTHS

The Directors believe that the success of the Group is attributable to, among other things, the following competitive strengths: (i) established business relationships with the Group’s customers; (ii) the provision of one-stop solution services ranging from design, sourcing, production management and logistics; (iii) strong and established product design and development capabilities; and (iv) management team with extensive apparel industry knowledge and experience. Please refer to the section headed “Business — Competitive strengths” in this prospectus for further details.

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### FINANCIAL INFORMATION

The table below sets forth selected information and analysis from the consolidated statements of profit or loss and other comprehensive income of the Group:

#### Results of operations

	For the year ended 31 March		For the eight months ended 30 November	
	2015	2016	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(unaudited)</i>	<i>HK\$'000</i>
Revenue	397,968	435,206	262,949	311,625
Gross profit	62,608	64,147	35,737	45,376
Profit before taxation	12,620	15,833	7,835	7,239
Profit for the year/period	10,532	12,466	6,597	4,827
Total comprehensive income for the year/period	10,532	12,467	6,597	4,758

The table sets forth a breakdown of the Group's gross profit and gross profit margin during the Track Record Period by product categories:

	For the year ended 31 March				For the eight months ended 30 November			
	2015		2016		2015		2016	
	<i>Gross profit margin</i> <i>HK\$'000</i>	<i>(%)</i>	<i>Gross profit margin</i> <i>HK\$'000</i>	<i>(%)</i>	<i>Gross profit margin</i> <i>HK\$'000</i> <i>(unaudited)</i>	<i>(%)</i>	<i>Gross profit margin</i> <i>HK\$'000</i>	<i>(%)</i>
Womenswear	54,391	15.1	54,806	15.1	29,840	14.5	36,796	15.2
Menswear	8,217	21.9	9,341	13.0	5,897	10.4	8,580	12.5
<b>Overall</b>	<u>62,608</u>	<u>15.7</u>	<u>64,147</u>	<u>14.7</u>	<u>35,737</u>	<u>13.6</u>	<u>45,376</u>	<u>14.6</u>

The Group's revenue increased by approximately 9.3%, or approximately HK\$37.2 million, from approximately HK\$398.0 million for the year ended 31 March 2015 to approximately HK\$435.2 million for the year ended 31 March 2016. The Group's revenue increased by approximately 18.5%, or approximately HK\$48.7 million, from approximately HK\$262.9 million for the eight months ended 30 November 2015 to approximately HK\$311.6 million for the eight months ended 30 November 2016. The increase in the Group's revenue for the year ended 31 March 2016 comparing to the year ended 31 March 2015 was mainly attributable to the increase in sales quantity of the knitwear products. The increase in revenue for the eight months period ended 30

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November 2016 comparing to the corresponding period last year was attributable to the increase in average selling price of the Group's knitwear products. Please refer to the section headed "Financial information" in this prospectus for further explanations.

The Group's gross profit amounted to approximately HK\$62.6 million, HK\$64.1 million and HK\$45.4 million for each of the two years ended 31 March 2016 and the eight months ended 30 November 2016, respectively. The Group's overall gross profit margin was approximately 15.7%, 14.7% and 14.6% for each of the two years ended 31 March 2016 and the eight months ended 30 November 2016, respectively. The decrease in the Group's overall gross profit margin was mainly attributable to the decrease in the gross profit margin of menswear during the Track Record Period as a result of the increase in purchase orders of low-priced products from a major customer which the gross profit margin was lower. The gross profit margin of womenswear remained relatively stable at approximately 15.1%, 15.1% and 15.2% for the two years ended 31 March 2016 and the eight months ended 30 November 2016 respectively.

The profit for the year increased by approximately 19.0% or HK\$2.0 million from approximately HK\$10.5 million for the year ended 31 March 2015 to approximately HK\$12.5 million for the year ended 31 March 2016. The increase was mainly attributable to (i) the increase in revenue from approximately HK\$398.0 million to approximately HK\$435.2 million as a result of the increase in sales quantity of the knitwear products; and (ii) the decrease in selling and distribution expenses from approximately HK\$26.5 million to approximately HK\$22.5 million.

The Group's profit for the period decreased by approximately 27.3% or HK\$1.8 million from approximately HK\$6.6 million for the eight months ended 30 November 2015 to approximately HK\$4.8 million for the eight months ended 30 November 2016. The decrease was mainly due to the Listing expenses incurred of approximately HK\$7.1 million for the eight months ended 30 November 2016 while no such expenses were recognised in the previous corresponding period.

The table below sets forth selected information from the consolidated statements of financial position of the Group:

	As at 31 March		As at
	2015	2016	30 November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2016</i>
			<i>HK\$'000</i>
Current assets	82,540	82,248	123,906
Current liabilities	89,188	64,182	101,107
Net current (liabilities) assets	(6,648)	18,066	22,799
Non-current assets	44,370	1,361	1,790
Non-current liabilities	—	55	459
Total equity	37,722	19,372	24,130

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The Group recorded net current liabilities of approximately HK\$6.6 million and net current assets of approximately HK\$18.1 million as at 31 March 2015 and 2016, respectively. The Group recorded net current liabilities position as at 31 March 2015 and this was mainly due to the outstanding bank borrowings and amount due to related parties, which amounted to approximately HK\$44.9 million. The decrease in total equity of the Group from approximately HK\$37.7 million as at 31 March 2015 to approximately HK\$19.4 million as at 31 March 2016 was mainly attributable to the Business Transfer 1 and Business Transfer 2, both of which were completed on 1 February 2016. The total equity of the Group increased from approximately HK\$19.4 million as at 31 March 2016 to approximately HK\$24.1 million as at 30 November 2016 and this was mainly attributable to the increase in bank balances and cash during the period.

The table below sets forth selected information from the consolidated statements of cash flows of the Group:

	<b>Year ended 31 March</b>		<b>For the eight months ended 30 November</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>(unaudited)</i>	
Operating cash flows before movements in working capital	<u>16,670</u>	<u>18,781</u>	<u>10,181</u>	<u>8,205</u>
Net cash from operating activities	28,575	8,509	2,035	14,004
Net cash (used in) from investing activities	(608)	696	(36)	(292)
Net cash (used in) from financing activities	<u>(21,019)</u>	<u>(17,584)</u>	<u>(15,282)</u>	<u>13,046</u>
Net increase (decrease) in cash and cash equivalents	6,948	(8,379)	(13,283)	26,758
Cash and cash equivalents at beginning of the year/period	22,275	29,223	29,223	20,844
Effect of foreign exchange rate changes	<u>—</u>	<u>—</u>	<u>—</u>	<u>(44)</u>
Cash and cash equivalents at end of the year/period	<u><u>29,223</u></u>	<u><u>20,844</u></u>	<u><u>15,940</u></u>	<u><u>47,558</u></u>

The cash and cash equivalents, comprising bank balances and cash, decreased from approximately HK\$29.2 million as at 31 March 2015 to approximately HK\$20.8 million as at 31 March 2016. This was mainly attributable to the decrease in net cash from operating activities,



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which was in turn mainly due to the increase in trade and bills receivables. The cash and cash equivalents increased from approximately HK\$20.8 million as at 31 March 2016 to approximately HK\$47.6 million as at 30 November 2016. Such increase was mainly due to the new bank loans of approximately HK\$70.1 million raised during the period.

### Key financial ratios

	<i>Note</i>	For the year ended/ As at 31 March		For the eight months ended/ As at 30 November
		2015	2016	2016
Return on total assets	<i>1</i>	8.3%	14.9%	3.8%
Return on equity	<i>2</i>	27.9%	64.4%	20.0%
Current ratio	<i>3</i>	0.9	1.3	1.2
Quick ratio	<i>4</i>	0.5	1.1	1.0
Gearing ratio	<i>5</i>	1.2	0.9	1.3
Net gearing ratio	<i>6</i>	0.2	—	—
Net profit margin	<i>7</i>	2.6%	2.9%	1.6%

*Notes:*

1. Return on total assets is calculated based on the profit for the year/period divided by the total assets as at the end of the year/period.
2. Return on equity is calculated based on the profit for the year/period divided by total equity at the end of the year/period.
3. Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the respective reporting date.
4. Quick ratio is calculated based on the difference between the total current assets and inventories divided by the total current liabilities at the end of the respective reporting date.
5. Gearing ratio is calculated based on the total loans and borrowings (including amounts due to related parties, bank borrowings due within one year and obligation under finance lease) divided by total equity at the end of the respective reporting date.
6. Net gearing ratio is calculated based on the total loans and borrowings (including amounts due to related parties, bank borrowings due within one year and obligation under finance lease) less bank balances and cash and pledged bank deposit divided by total equity at the respective reporting date.
7. Net profit margin is calculated by the profit for the year/period divided by the revenue for the respective year/period.

Please refer to the section headed “Financial information — Key financial ratios” in this prospectus for further details.

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### HISTORICAL NON-COMPLIANCE INCIDENTS

The Directors confirm that the Group has complied with all applicable laws and regulations in all material respects in Hong Kong (being the principal jurisdiction in which the Group operates) during the Track Record Period and up to the Latest Practicable Date.

### SHAREHOLDING OF THE COMPANY

Immediately following completion of the Share Offer and the Capitalisation Issue and not taking into account any Shares that may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme, the Company will be owned as to (i) 75% by Speed Development, which is a company incorporated in the BVI with limited liability whose issued share capital is wholly-owned by Mr. Chan; and (ii) 25% by public Shareholders. Mr. Chan is an executive Director, the chairman of the Board, the chief executive officer and the compliance officer of the Company. Mr. Chan does not, directly or indirectly, carry on, participate or engage in, nor is he otherwise interested in, any other business which is or may be in competition with the business of the Group. Please refer to the section headed “Directors and senior management — Directors — Executive Directors” in this prospectus for more information of Mr. Chan.

### RISK FACTORS

There are certain risks involved in the Group’s operations which are beyond its control. In particular, the Group relies on several major customers and the Group does not enter into any long-term contracts with them. The Group also faces business risks such as (i) any disruption in the relationships with the third-party manufacturers or their manufacturing operations could adversely affect the Group’s business; (ii) there are time lags between making payments to the Group’s suppliers and receiving payments from its customers. Failure to handle this cash flow mismatch may adversely affect the Group’s cash flow and financial position; (iii) the Group has relatively thin net profit margin and is highly sensitive to any unfavourable change in the cost of sales, selling price and sales volume; (iv) any further decrease in retail sales value and sales volume of Japan apparel retail market may adversely affect the Group’s operating result and performance; and (v) the Group’s performance and profitability may be affected by the fluctuation of exchange rate of JPY. A detailed discussion on risk factors that the Directors believe are particularly relevant to the Group is set out in the section headed “Risk factors” in this prospectus.

### RECENT DEVELOPMENTS SUBSEQUENT TO 30 NOVEMBER 2016

During the Track Record Period, the Group sourced and supplied its knitwear products for over 140 Japanese fashion brands and there were approximately 22 customers who contributed to the Group’s revenue. The Group generally takes orders from the brand owners directly and/or from the designated sourcing agents engaged by the apparel retail brands. As at 31 January 2017, the Group had sales orders on hand in total amounts of approximately HK\$67.9 million, of which approximately HK\$39.4 million was placed by Marubeni and approximately HK\$28.5 million was placed by the other existing customers and new fashion brands. Majority of such orders are expected to be delivered to the customers before or around August 2017. The sale volume of the Group amounted to approximately 7,159,000 units of knitwear for the ten months ended 31 January 2017 which represented an increase of approximately 3.8% as compared to approximately

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6,895,000 units of knitwear for the previous corresponding period. The Group recorded a revenue of approximately HK\$407.3 million for the ten months ended 31 January 2017, representing an increase of approximately 12.2% as compared to that of the previous corresponding period. The Group's gross profit amounted to approximately HK\$60.1 million and the overall gross profit margin maintained at approximately 14.7% for the ten months ended 31 January 2017. The average selling price of the Group's knitwear was approximately HK\$56.9 for the ten months ended 31 January 2017. The Directors believe that the growth in both sales volume and revenue was due to the Group's continuous effort in actively pursuing business opportunities through extensive sales and marketing activities.

The Group's administrative expenses increased by approximately 16.6% from approximately HK\$16.3 million for the ten months ended 31 January 2016 to approximately HK\$19.0 million for the ten months ended 31 January 2017. This was primarily due to the increases in audit fee, rent and rates and staff costs and benefits for the ten months ended 31 January 2017. Notwithstanding the Group recorded an increase in unaudited revenue for the ten months ended 31 January 2017, the Directors expect the net profit of the Group for the year ended 31 March 2017 will be significantly affected by the increase in administrative expenses.

The net current assets of the Group as at 31 March 2017 were approximately HK\$24.1 million. The outstanding balance of all amounts due to a Director of approximately HK\$9.3 million has been settled before the Listing. As at 31 March 2017, approximately 98.2% of the outstanding trade and bills receivables as at 30 November 2016 had been subsequently settled and approximately 99.6% of the outstanding trade payables as at 30 November 2016 had been subsequently settled.

The Group recorded revenue, gross profit and administrative expenses of approximately HK\$407.3 million, HK\$60.1 million and HK\$19.0 million for the ten months ended 31 January 2017, respectively, which were extracted from the unaudited condensed consolidated financial statements for the same period prepared by the Directors in accordance with HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants, which have been reviewed by the reporting accountants of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Directors confirm that the disclosures in relation to updated financial information of the Group for the ten months ended 31 January 2017 do not constitute a profit forecast as governed under Rules 14.29 and 14.30 of the GEM Listing Rules.

Prospective investors should note that the Group's financial information subsequent to the Track Record Period is unaudited and may not reflect the full year results for the year ended 31 March 2017 and may be subject to adjustments based on the audit.

The Directors confirm that save for the administrative expenses mentioned above and the non-recurring Listing expenses, subsequent to the Track Record Period, there have been no material changes in the general economic and market conditions which could have a material adverse impact on the Group's financial or trading position since 30 November 2016 and up to the date of this prospectus.

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### **BUSINESS STRATEGIES**

The Group intends to strengthen its market position in the apparel supply chain management services in Hong Kong by (i) strengthening and diversifying the Group's customers base; (ii) further expanding the Group's product variety to cater for the customers' needs; (iii) enhancing the Group's design and development capabilities and (iv) enhancing the Group's inventory management to strengthen operational efficiency. Further details of the Group's business strategies are set out in the section headed "Business — Business strategies" in this prospectus.

### **LISTING EXPENSES**

The Group expects that the Listing expenses, which is non-recurring in nature, will be amounted to approximately HK\$25.6 million. Out of the total HK\$25.6 million in Listing expenses, the Group has recorded approximately HK\$3.2 million as expense in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2016 and approximately HK\$7.1 million for the eight months ended 30 November 2016. The Group expects to further recognise approximately HK\$4.0 million for the remaining four months of the year ended 31 March 2017 and approximately HK\$1.5 million for the year ending 31 March 2018. For the remaining balance of approximately HK\$9.8 million, which is directly attributable to the issue of the Offer Shares is expected to be accounted for as a deduction from equity upon Listing. Accordingly, the financial results of the Group for the year ended 31 March 2017 and the year ending 31 March 2018 will be significantly affected by the estimated expense in relation to the Listing expenses to be recognised, respectively. Such amount of Listing expenses are for reference only and the final amount to be charged to the profit and loss account of the Group for the year ended 31 March 2017 and the year ending 31 March 2018 and the amount to be deducted from the Group's capital is subject to change.

### **REASONS FOR THE SHARE OFFER AND USE OF PROCEEDS**

The Directors believe that the listing of the Shares on GEM will enhance the Group's profile and the net proceeds from the Share Offer will strengthen the financial position and will enable the Group to implement its business plans set out in the section headed "Statement of business objectives and use of proceeds" in this prospectus. Furthermore, a public listing status on the Stock Exchange will offer the Group access to capital market for corporate finance exercise, assist in further business development and strengthen its competitiveness.

## SUMMARY

The net proceeds from the Share Offer (based on the Offer Price of HK\$0.52 per Offer Share, being the mid-point of the indicative Offer Price range), after deducting related expenses, are estimated to be approximately HK\$39.4 million. The Directors intend that the net proceeds will be applied as follows:

	From the Latest Practicable Date to 30 September 2017	For the six months ending					Total
		31 March 2018	30 September 2018	31 March 2019	30 September 2019	31 March 2020	
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Strengthening and diversifying the Group's customers base	0.80	0.80	0.90	0.95	0.90	0.95	5.30
Further expanding the Group's product mix to cater to the customers' need	1.60	1.30	1.60	2.80	1.60	1.65	10.55
Enhancing the Group's design and development capabilities	0.50	3.12	1.15	1.05	0.95	1.20	7.97
Enhancing the Group's inventory management to strengthen operational efficiency	2.50	2.48	2.60	2.80	3.00	2.20	15.58
	<u>5.40</u>	<u>7.70</u>	<u>6.25</u>	<u>7.60</u>	<u>6.45</u>	<u>6.00</u>	<u>39.40</u>

In the event that the Offer Price is set at a higher or lower level compared to the mid-point of the Offer Price range, the above allocation of the net proceeds from the Share Offer will be adjusted on a pro-rata basis.

### DIVIDENDS

Firenze Apparel distributed interim dividends of HK\$7.0 million for the year ended 31 March 2015 to Mr. Chan prior to the Reorganisation. Other than the above, no dividend has been paid or declared by other companies comprising the Group during the Track Record Period or by the Company since its incorporation. The Company currently does not have a fixed dividend policy and may declare dividends by way of cash or by other means that the Directors consider appropriate. A decision to distribute any interim dividend or recommend any final dividend would require the approval of the Board and depend upon the factors stated in the section headed "Financial information — Dividends" in this prospectus.

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## SUMMARY

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### STATISTICS OF THE SHARE OFFER

	<u>Based on the Offer Price of HK\$0.40 per Share</u>	<u>Based on the Offer Price of HK\$0.64 per Share</u>
Market capitalisation at the Offer Price ( <i>Note 1</i> )	HK\$200 million	HK\$320 million
Unaudited pro forma adjusted net combined tangible assets per Share ( <i>Note 2</i> )	HK\$0.12	HK\$0.18

*Notes:*

1. The calculation of market capitalisation is based on 500,000,000 Shares expected to be in issue immediately upon completion of the Share Offer and the Capitalisation Issue without taking into account the Shares that may be allotted or issued pursuant to the exercise of any option which may be granted under the Share Option Scheme.
2. The unaudited pro forma adjusted combined net tangible assets per Share has been prepared with reference to certain estimation and adjustment. Please refer to Appendix II to this prospectus for further details.

### PROFIT ESTIMATE FOR THE YEAR ENDED 31 MARCH 2017

Estimated consolidated profit attributable to owner of  
the Company for the year ended 31 March 2017 (*Note 1*) . . . . . not less than HK\$5.4 million

Unaudited pro forma estimated earnings per Share  
for the year ended 31 March 2017 (*Note 2*) . . . . . not less than HK\$0.01

*Notes:*

1. The bases on which the above profit estimate for the year ended 31 March 2017 has been prepared are summarised in Appendix III to this prospectus. The Directors have prepared the estimated consolidated profit attributable to owner of the Company for the year ended 31 March 2017 based on (i) the audited consolidated results of the Group for the eight months ended 30 November 2016; (ii) the unaudited consolidated results of the Group based on the management accounts for the three months ended 28 February 2017; and (iii) an estimate of the consolidated results of the Group for the remaining one month ended 31 March 2017.
2. The calculation of the unaudited pro forma estimated earnings per Share is based on the estimated consolidated profit attributable to owner of the Company for the year ended 31 March 2017, assuming that a total of 500,000,000 Shares had been in issued during the entire year. The calculation of the estimated earnings per Share does not take into account of any Shares which may be issued upon the exercise of options that may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix V to this prospectus.