

# **SPEED SHOP COLLECTION INC.**

**Innovative silk of the future**

**A division of Silk Fashion Galleries**

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## **BUSINESS PLAN**

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May 2005

Prepared by:

Management

“We are in the business of serving people and building corporate success, one person at a time.”

**PROPRIETARY  
INFORMATION**

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**PROPRIETARY  
INFORMATION**  
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however, of the Company's financial and operational success or of any short-term or long-term return on investment. Prospective accredited investors are advised to seek their own counsel with regard to the Plan and the information provided herein.

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## ***THE COMPANY***

SPEED SHOP COLLECTION INC. was founded in 2001 as a vehicle to leverage the tremendous success of the Silk Fashion Gallery line of clothing created by internationally renowned artist and designer Philip Prince.

**DESIGN** – SPEED SHOP COLLECTION’s silk designs of Designer Phillip Prince, currently operate from its showroom located at 9555 Las Vegas Blvd. South, Suite 112, Las Vegas, NV 89123 where designed prototypes are held for viewing for both wholesalers and retailers.

When an apparel-line is conceptualized, a rough sketch of the design is created. A professional artist paints an oil painting of the sketch to capture the full flavor and essence of the design. The oil painting is then professionally photographed to ensure a consistent quality of colors and appeal. Next, the color photo is scanned into our computer and generates a color transparency and disk.

Once this process is finished, the transparency and the disk are sent over to our garment manufacturer in Hangzhou, China to produce an authentic silk scarf and engineer the silk fabric. The design of each collection is digitally screened on to the fabric to ensure strategic positioning of each design on the garment.

Every inch of the garment is closely monitored and inspected to ensure that fabric colors and design

**THE COMPANY**  
*(continued)*

matches up perfectly. If the garment doesn't meet our specifications, we reject the garment all together.

The copyrighted artwork of Phillip Prince contributes to the uniqueness of the Collection. Mr. Prince has developed 10 Egyptian theme prints that are featured in the Collection, including the highly popular "Twin Goddess" that was successfully marketed to customers in the United States.

The Company holds numerous copyright registrations for fabric design, and trade and service mark registrations. The Company has further filed a utility patent on its printing process, registration pending. The Company will continue to file copyright applications in its ongoing business to protect its printing and artwork. The Company currently holds copyright registration on approximately 20 pieces.

In order to keep the Collection fresh, exciting, and up-to-date with prevailing fashion trends, styles are modified and colors are changed twice each quarter. Prior styles are also discontinued to ensure that industry buyers are forced to place orders immediately to ensure the receipt of certain merchandise. The practice will also increase turnover and minimize closeouts.

The Company's design team is completing development of several new categories of products, including silk sleepwear and nightwear, fashion accessories, a men's designer collection, a women's designer shirt collection,

**THE COMPANY**  
*(continued)*

winter clothing, household items and other garments made of unique silk blends.

The Collection gives women an elegant, sophisticated and chic appearance. It is specifically designed to be fashionable, soft and loose. Based on Mr. Prince's classic designs, the average woman will appear more slender.

**SPEEDSHOPFASHION.COM** - The company has a fully functional E-commerce platform located at SPEEDSHOPFASHION.com. The website accepts all major credit cards and is able to process transactions for the purchase of the company's fashion and cosmetic products. The company's fashion line is presented in both still photos and streaming video.

**TRAVEL SILK** – A Proprietary Stretchable, Washable All-Silk Fabric. The company has a proprietary stretchable silk fabric about to be marketed under the name "Travel Silk" (trade name registration pending). Management believes that Travel Silk is the first stretchable silk fabric to be manufactured in the world. Travel Silk is washable, non-shrinkable, wrinkle free and retains its shape after both washing and extensive wear. The company plans to design and manufacture numerous proprietary designs as well as sell the Travel Silk fabric in bulk to other fashion houses.

Speed Shop Collection Inc., is a development-stage enterprise. The company has completed nine years of

***THE COMPANY***  
*(continued)*

research and development and market testing, including marketing to major retailers such as Saks Fifth Avenue, Jacobson Department Store, Luxor Hotel Las Vegas, Caesar Palace Las Vegas, Pucci Boutique Palm Desert. They have successfully marketed Internet sales through hyper-linking with Freeshop.com. Freeshop.com is one of the top ten Internet shopping site worldwide. The company anticipates revenues from three main product categories: Garments, bulk fabric sales and signed/numbered lithographic limited edition posters.

***THE INDUSTRY***

In 2003, the apparel industry generated more than \$200 billion in retail sales, with manufacturing shipments totaling almost \$50 billion. Silk Fashion Galleries' primary market segment, women's apparel, is responsible for more than 55% of all apparel sales.

The early 1990's, retail sales of women's apparel slowed from the torrid growth period experienced in the 1980's. This was caused by a number of factors, including the effects of a lingering recession, consumers' emphasis on value and discount pricing, and less time allocated to shopping because of time constraints on working women. While growth averaged 7% annually during this period as American's average disposable income grew almost 8% annually, apparel sales averaged only 3% annually in the early 1990's, with consumers reducing their expenditures on clothing from 4.5% of disposable income to 4.2%. More recently, apparel sales have shown increased strength. During the first half of 1999, unit sales for apparel were up 5% over the prior period of 1998.

**THE INDUSTRY**  
*(continued)*

Results for the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 1999 were expected to be similar. Niche brands, such as Liz Clairborne, Jones Apparel Group and St. John Knits, reported the strongest growth. Sales of moderately priced brand-name apparel are expected to experience the highest growth in the remainder of the 1990's, as consumers continue to seek value pricing.

Sales of silk garments, the primary fabric of Speed Shop Collection were also up in 2003. It is estimated that from 1990 to 2000, the value of silk imports into the United States, nearly all from China, doubled to \$2.1 billion. In 1996, silk importers and silk apparel manufacturers demonstrated their clout when they successfully prevented the U.S. government from imposing sanctions against silk garments, claiming that their businesses would be devastated. As a result of the government's actions, industry representatives formed the National Silk Apparel Distributors Association to promote the objectives of the silk industry.

The entire domestic apparel industry is currently made up of a few large companies and hundreds of small and medium-sized companies. The larger apparel firms account for 75% of apparel sales and have received the majority of growth in volume. Despite this concentration, the industry has become highly segmented, with retailers stocking various styles of clothing, such as active wear, casual wear, sportswear, body wear, swim wear, and street wear. The growth in these sub-segments has one thing in common, the trend toward casual dressing, which

**THE INDUSTRY**  
(continued)

has been accelerated by increasing numbers of companies permitting their employees to dress casually. Clark Henley, the Chief Operating Officer of Talbots, stated recently that "the new clothing will emphasize casual fashions and versatile separates that reflect the more relaxed casual dressing trends of today." Specific segments experiencing growth include active wear and casual wear, with specific clothing items such as pants and skirts growing in sales.

Recent fashion trends, which emphasize flowing, feminine garments, utilize all different types of silk. In addition, bridge wear, a cross between designer clothing and high-priced ready-to-wear that includes the use of silk fabrics, has become increasingly popular. The retail market for bridge wear is estimated to be approximately \$800 million. Demand for bridge wear is strong at department stores. SFG's apparel line will be even more affordable than the prices charged for most bridge wear apparel (\$200 for SFG's pants versus \$300-\$400 for other bridge wear.)

Although consumers are dressing more casually, they are still seeking a broader selection of apparel and unique, exclusive merchandise. According to Redbook Research, apparel at higher price points is showing sales strength. The largest market for women's apparel continues to be in the 45 to 54 year-old age group. This group has the highest discretionary income of any segment and spends one third more on apparel than any other group. Women surveyed in this group indicate that

**THE INDUSTRY**  
*(continued)*

selection and price are the most important criteria for choosing apparel. They prefer more expensive styling and are willing and able to pay for it.

Consumers are also shopping in different stores for their clothing. During the 1980's, department stores sales accounted for almost a third of total retail sales. By 1992, their market share had decreased to less than one quarter of the total. Mass merchandisers, such as Sears and J.C. Penney, also lost market share. Specialty and discount stores (such as Wal-Mart) increased market share, with specialty stores experiencing the highest growth. Outlet sales also increased dramatically.

Recent manufacturing trends in the apparel industry include more use of computerization, which has resulted in manufacturers having the ability to respond quickly to retail needs. Quick response has led to new pressures on apparel manufacturers to act rapidly on smaller and more frequently recurring orders of many styles. Manufacturers who use computerization are able to manufacture a wider choice of styles, replenish retail stocks frequently at moderate costs, keep inventory levels low and forecast demand more accurately.

For the remainder of this decade, the government outlook for women's apparel is generally favorable, based on the growing national economic recovery, increased consumer confidence and spending and continued growth in exports and investment.

## **SILK AND ITS APPLICATIONS**

Silk fibers were discovered in 2640 BC. Legend says that Lady His-Ling, wife of emperor Huang-II, accidentally had a silkworm cocoon drop in her teacup. Much to her surprise, it dissolved into threads. The threads were very strong. Over time, the Chinese soon discovered that these silk threads dye well and soon were made into an array of woven knits and fashioned into beautiful fabrics.

After silkworm larvae hatch from their eggs, they eat local mulberry leaves for up to a month (the worms supposedly prefer them chopped), and are then placed on wooden racks, where they start spinning cocoons. Before the silkworm can erupt as a moth, though, it is steamed or baked, to prevent the cocoon from being damaged; one unbroken cocoon can produce up to a mile of silk filament, which is then woven into thread.

**CHINA SILK PRODUCTS: IMPORT/ EXPORT FIGURES IN THE YEAR 2000.** According to national custom statistics, in the year 2000, the China silk1/E amount reached \$5.72 billion. This figure was an increase of 21.8% over the previous year. Exported silk sales reached \$2.97 billion, an increase of 35% and import silk sales increased 10.9% for a total of \$2.74 billion.

1. In the year 2000, 27,000 tons of export silk raw materials, worth \$560 million, increased 26% compared to the year 1999. The pongee & satin sales of 1.71 billion meters, increased 44% and 54.8% respectively. The total sales were 1.43 billion. Exported amounts for the processed

products of silk and pongee were \$980 million. \$810 million were sales from export garment products, an increase of 18.4% over the previous year.

2. Export silk sales continues to increase each year. Last year there were 8 countries that exported more than \$100 million. United States: \$574 million, an increase of 22.6%, Hong Kong: \$459 million, an increase of 2%, Japan: \$280 million, an increase of 15.4%, Italy: \$242 million, an increase of 68.6%, South Korea: \$188 million, an increase of 32.3%, India: \$167 million, an increase of 15.3%, UAE: \$120 million, an increase of 117.4% and Germany: \$115 million, an increase of 14.5%. *(Reported by Tom Wang of Dalian Import and Export).*

## **TRAVEL SILK**

*Travel Silk* is the silk of the future. The innovative process and quality of our silk stands above competition. Many competitors use a cheaper grade of silk and as a result the ability for the fabric to absorb the dye is limited. The higher the grade of silk, the better the fabric feels, drapes to the touch and absorbs the dye. *Travel Silk* has invented an innovative stretchable silk through a secret patented process that allows for maximum comfort. Unlike many of the silk fabric on the market today, *TRAVEL SILK* fabric is all natural, machine washable, wrinkle proof and stain resistant.

*Travel Silk* is the silk of the new millennium. This durable silk patented fabric process is offered in 80 different

**SILK AND ITS  
APPLICATIONS**  
*(continued)*

colors through an exclusive license agreement from Speed Shop Collection Inc.

Speed Shop Collection would like to confirm that our production of "TRAVEL SILK" for the year 2006 would exceed 5 Million yards. The corporation is Ready, Willing, and able to provide 200,000 yards of "TRAVEL SILK" per year for 25 countries in the world, including but not limited to United States, Japan, Korea, England and Germany, and many other countries in the world.

The lead-time for Plain fabric is 60 days and for Printed fabric is approximately 90 days.

Moreover, internationally renowned artist and designer Phillip Prince and his design team have joined forces to create a highly unique line of premium quality women's contemporary active wear and accessories marketed as the "Silk Scarf Designer Clothing Collection". THE COLLECTION. In addition to clothing apparel, SPEED SHOP COLLECTION commissions well-known published painters to paint original oil paintings on canvas. SPEED SHOP COLLECTION owns the original artwork and all reproduction rights.

The Collection consists of contemporary, premium quality, 100% silk jackets, dresses, pants, blouses, skirts, scarves and shorts that are designed to be both dressy, casual and comfortable. Each item in the line is available in a variety of colors and sizes. The different colored items in the Collection are designed to be worn together

**SILK AND ITS  
APPLICATIONS**  
*(continued)*

and accented with the multi-colored silk designer scarves.

The Collection has been designed to appeal primarily to working women between the ages of 25 to 54. Studies have shown that these age group of women spends a significant percentage of their disposable income on higher priced women's clothing.

The Collection gives women an elegant, sophisticated and chic mystique. Women are ready for any occasion: business meetings, parties, shopping trip and travel abroad. Moreover, the Collection is fashionable yet soft, flowing and loose. With designer Phillip Prince's exquisite eye for detail, the clothing line will enhance a woman's beauty and hid if necessary, those extra pounds.

**PROJECTED SALES  
AND INVESTMENT  
RETURN**

The Company intends to implement a comprehensive sales and marketing plan to address the diverse needs of buyers for national accounts, regional retailers, specialty shops and smaller boutiques. To reach this large and diverse group of potential customers, the Company will utilize its own showrooms, "Speed Shop Collection". The Speed Shop Collection is a combination of wholesale/retail marketing outlet for independent representatives, in-house sales persons, trade advertising, direct mail, wholesale distributors, and retail customers.

SPEED SHOP COLLECTION, INC. is forecasting 2005 sales of \$5 million and annual sales growth over the next

3 years of 20%. The Company's profit margin is expected to exceed 250% per item due to the Company's control of the design, manufacturing, and distribution process. Return on investment is forecast at 50% over a 2-year period.

To implement the Company's growth strategy, SPEED SHOP COLLECTION has forecast an immediate financing requirement of \$10,000,000. The Company is willing to consider an infusion of debt and/or equity from accredited investors. The pace of the Company's future growth will be a function of its ability to secure capital to fund additional galleries.

## **THE PRODUCTS**

THE PRODUCT- Phillip Prince's unique and award winning designs, are targeted to appeal to women between the ages of 24-54 who pursue an active lifestyle at home, work and leisure. *Travel Silk* is designed for today's women who desire style and comfort in all their pursuits. The Collection enhances a woman's natural beauty. It is elegant, sophisticated and chic yet designed to be fashionable, comfortable and loose fitting. This design element gives every woman a more attractive and slender appearance.

In order to keep the Collection fresh, exciting and up-to-date with prevailing fashion trends, styles are modified and colors are changed twice each quarter. Prior styles are also discontinued to ensure that industry buyers are forced to place orders immediately to assure the receipt

of certain merchandise. This practice will also increase turnover and minimize closeouts.

Even though the Collection is a high quality line with a unique look, it is marketed as an affordable line of designer silk products. The Company is unaware of any products available in the marketplace at similar price points. In order to avoid losing any segment of the potential market, all fashions are offered in a full range of sizes including petite, small, and medium, large and extra large.

In addition to clothing apparel, SPEED SHOP COLLECTION commissions well-known published painters to paint original oil paintings on canvas.

SPEED SHOP COLLECTION owns the original artwork and all reproduction rights. SPEED SHOP COLLECTION currently owns approximately 25 original oil paintings. The original artwork is computer digitized using a powerful combination of technologies - brilliant digital inks, an advanced color control and management system, and state-of-the-art ink jet printers - created by DuPont™ Artistri™ technology for digital textile printing able to print on high grade silk, denim, leather, and other fabrics.

### **COMPETITION**

SPEED SHOP COLLECTION'S main competition is High Fashion International Limited. Trade name August Silk. High Fashion International Limited is a limited liability

***COMPETITION***

company, listed on the Hong Kong Stock Exchange since 1992. High Fashion was founded in 1978. The Group designs and manufactures a comprehensive range of garments including blouses, pants, jackets and outer-garments, skirts, dresses and lingerie and dressing gowns for women and shirts, pants and jackets for men using woven silk and silk-blended cotton, linen, polyester & rayon. The Group also designs and manufactures silk knitwears for women and men in all kinds of silk & silk yarns blended with cashmere, wool, cotton, rayon, nylon, linen, and other fabrics.

The Group manufactures a wide range of garments for both private label customers and own label, supported by the Group's own fashion design team to produce complete fashion collections from one manufacturing source.

The Group's product lines which are predominantly created for women are often based on a theme, with styles, colors and prints enabling them to mix and match within a collection of clothing items.

The Group's woven and knitted garments produced under own brand name includes collection, intimate, dress, sportswear, blouses and special sizes for women and under private label customer's brand names include men's wear and career sportswear and casual sportswear for women.

- A pioneer in development of washable silk apparel & spun silk knits.
- The largest privately owned, vertical silk apparel manufacturer in China.
- Current monthly output: 1,000,000 units in woven garments, 500,000 units in knitted garments.
- Total workforce of over 10,000 people.
- Major key manufacturing facilities including of weaving mills, dyeing, printing & sandwashing plant, knitting factory & 4 garment manufacturing factories, all accredited ISO 9002 - the international benchmarks for quantity assurance standards.
- Simultaneous implementation of AQL 2.5 Quality Control Standard in the group factories aiming at "Right First Time" to ensure customer satisfaction.
- Manufactures and markets its own highly recognized brand names.
- The Biggest spun silk knit supplier.
- Strong design, marketing and sales and customer's service offices in New York, London & Hong Kong.

- An international presence which straddles U.S.A., Europe and Japan and an extensive customer base which includes prominent private label customers and major department and specialty stores worldwide.

### **MARKET SHARE**

The world's leading silk and silk blended apparel company, High Fashion International Limited ("High Fashion" or "the Group") (stock code: 608), today announced its 2000 annual results.

Turnover of the Group for the year ended 30 September 2000 increased 13% to USD\$185,300,000, compared to USD\$164,400,000 recorded in 1999. Net profit attributable to shareholders amounted to USD\$13,388,000, representing an increase of 30% over that of 1999. High Fashion International Ltd.'s share as of year 2000 is 23%, controlling the largest market share of any single silk manufacturer.

### **MARKETING**

#### **August Silk**

Capitalizing on brand name recognition, August Silk focuses on better price market with diverse silk and silk blended apparel at retail. Throughout the year 2000, in the US market, August Silk demonstrated a strong retail performance even through the economic climate for apparel had been erratic.

August Silk established in UK by a subsidiary and in Northern European countries through a licensee. It is

intended to integrate August Silk's success and brand recognition in the USA and Europe, they began building a brand name in Hong Kong.

### **About High Fashion International Ltd.**

High Fashion, established in 1978, is a pioneer in the development of washable silk apparel and spun silk knit. It is principally engaged in the design, marketing, sales of silk and silk blended apparel. With the most advanced machinery and equipment for weaving mill located in Zhejiang, the Group produces a wide range of products including quality silk blend fabrics. As the world's biggest spun silk knit supplier, High Fashion has an extensive customer base covers prominent department stores and specialty stores worldwide. "August Silk" being the Group's own fashion label is one of the leading brand name in the USA. The Group has customer services offices located in New York, London and Hong Kong.

**WHY TRAVEL SILK IS  
A BETTER PRODUCT  
THAN OUR  
COMPETITION**

Since 1996, Silk Fashion Galleries has made a large investment in product design and development. We have developed a strong technical and manufacturing knowledge that will give us an advantage over our competition in price, quality and durability. Moreover, our designs have been successful not only in the general market, but well-known celebrities such as Toni Braxton, have embraced our quality silk clothing line.

**PRODUCTION  
AND FACTORY  
RELATIONS**

Silk Fashion Galleries silk fabric is all natural, using a silk lining which allows for the fabric to breathe, unlike August Silk's synthetic polyester linings. As important, SFG's unique art concept of using published artist's and their original art work creates a more contemporary and advanced design product than the more plain and predictable look of August Silk.

[Skyriver Inc.](#) ShenZhen TianHe Industry Co., LTD. is one of the largest manufacturers and exporters of garment in ShenZhen. The Company specializes in printing, dyeing, washing, embroidery, knitting and sewing.

The state of the art professional factory has many special machines which are imported from Germany and Japan. They are controlled by computers to cut pockets, fuse, fix sleeves and even iron. It has the ability to produce more than 50 thousand sets per year of men's or ladies' business suits, offered in a wide assortment of fabrics.

The factory's annual production is in excess of 200 thousand pieces. The factory's specialty is dyeing of silk, and has the ability to produce more than 10 million yards of dyed fabric each year. The factory's specialty is in silk printing. Its annual printing capacity is 1.5 million yards. The factory utilizes state of the art embroidery machines with the capacity to produce 1 million embroidered garments.

TianHe factory is a specialist in manufacturing silk knitted garments. Its annual capacity is 200 thousand finished knitted garments.

**China Silk Corp., Dalian Import & Export Branch** offers tussah silk products. They include various kinds of raw materials of tussah silk fibre (tussah silk, tussah spun silk yarn, tussah silk waste, tussah silk wadding, tussah tops, tussah sliver, tussah noil, etc.), light and heavy handles tussah silk products, which include: various kinds of raw materials of tussah silk fibre (tussah silk, tussah spun silk yarn, tussah silk waste, tussah silk wadding, tussah tops, tussah sliver, tussah noil, etc.), light and heavy, dyed and printed tussah silk fabrics (tussah pongee, tussah spun silk fabrics, mixed and blended tussah silk fabrics), tussah silk garments (men's wear, women's wear, and children's wear: suits, coats, shirts, blouses, dresses, jackets, sportswear, pajamas, et.) and other ready-made articles as well as art tapestries.

China is the largest supplier of tussah silk products in the world and Dalian Branch is one of the major enterprises representing this silk product. They provide silk weaving mills to the US market with raw materials of tussah silk fibre and furnish dealers in silks and garments with all kinds of tussah silk fabrics.

## **MANUFACTURING**

### **MANUFACTURING**

One extraordinary feature about using a digitized manufacturing process. A printer powered by the DuPont™ Artistri™ Color Control and Management System and DuPont™ Artistri™ Ink that enables sample, strike-off and short-run digital production printing of fabrics up to 1.8 meters wide. It is a roll-to-roll system that is equipped with special fabric transport technology, enabling reliable, high-quality printing on both woven and knits, including stretch fabrics. The Company can guarantee color consistency and quality on every single dress, pant, blouse, skirt, shorts, and scarf produced. The Company uses two-sided printing on some apparel and multiple colors on others. Our "Twin Goddess" Sun Dress, which recording artist Toni Braxton wears, has over 80 perfectly matched colors in it.

The Company guarantees the highest quality fabric and design at the best price in the marketplace because we exclusively select our silk from the province of Zhejiang, China. Zhejiang, China is the number one region for growing silk and where 98% of all silk products in the world are produced.

Every single garment is manufactured with 100% pure silk. The quality of silk is gauged in mummy weight. A mummy weight of 8mm is considered to be of low quality whereas a mummy weight of 50mm is considered to be of the highest quality. Our present designer collection

consists of an average of 45mm (mummy silk weight). At 45mm, this silk weight is the highest and the best in the silk apparel industry.

From start to finish, every single detail is double checked and examined down to the last stitch before garments are shipped.

### **DISTRIBUTION**

SPEED SHOP COLLECTION has a contemporary avante garde wholesale showroom located in 9555 Las Vegas Blvd. South, Suite 112, Las Vegas, NV 89123. Phone (702)434-8881.

The Company intends to establish a network of retail stores in upscale areas in Las Vegas, New York, London, and Paris. Distribution is also set for specialty boutiques and department stores throughout the United States, Canada and select international markets.

### **FASHION SHOW MALL, LAS VEGAS**

You can see it all in Las Vegas, top name entertainment, a flaming volcano, even a towering pyramid. But Las Vegas has never seen the breathtaking collection of fashion-specialty anchors to be found in Fashion Show. By bringing together a stellar roster of anchors, Fashion

**SPEED SHOP  
COLLECTION AT  
THE FASHION  
SHOW MALL,  
LAS VEGAS**

Show will offer shoppers the widest choice of merchandise available in the fashion world today. From haute couture to urban trends, Fashion Show will have it all. It is no exaggeration to say that for the serious shopper, Fashion Show will be the “only place to shop” in Las Vegas.

### **Location**

The most Fascinating retail address in the world  
It is the country’s fastest growing city, and one of the world’s top tourist destinations. No city captures the imagination and stimulates the senses quite like Las Vegas. From world-class gaming and championship golf, to soaring, surreal architecture and premier sporting and entertainment events, Las Vegas has something for everyone. It makes such perfect sense that here, in the world’s most exciting city, fashion will be reborn. And at the heart of it, will be Fashion Show. Extravagant, interactive and totally unique in the world, Fashion Show promises to transform Las Vegas and the fashion scene forever.

### **Resident Market**

Strategically positioned for residents and visitors

Already the largest retail destination on legendary Las Vegas Boulevard, Fashion Show boasts 1,000 feet of “strip” frontage. The Fashion Promenade, rising above a new 72,000 square foot public plaza, will be the scene of changing fashion media presentation visible to passersby on “ the Strip: This is destined to be a “can’t miss, must see” destination. Brilliantly situated within easy walking distance of most of Las Vegas” most famous hotels and attractions.

A dazzling location in the center of everything

In a city of 1.4 million residents and 35 million visitors per year, Fashion Show is ideally situated near major hotels and attractions. Fashion Show is easily accessible from the affluent west side near Summerlin and the gated communities of Green Valley and the Southeast. No one in Las Vegas will be more than 25 minutes away from Fashion Show.

A land of opportunity with 30 years of unprecedented growth.

Amid all the energy and excitement of Las Vegas it is easy to lose sight of the fact that this is a thriving, growing city of 1.4 million residents. Las Vegas is the largest city in the Southwest, with a new family moving in

every minute. And growth is not just driven by the hotel, gaming and entertainment industries. The Las Vegas area is witnessing a rapid expansion in the biomedical, financial and software sectors. Incredibly, there is no anchored retail address in the entire Las Vegas Valley to meet the serious, sustained shopping needs of this growing, affluent community. Fashion Show changes that. With every resident within a 25-minute drive, Fashion Show will more than reach this residential component. It will satisfy their every shopping requirement, and provide a new venue for entertainment and dining, as well as exposure to new products and services from around the world.

The Future is now in America's fastest growing city.

Current population of 1.4 million residents, population is growing by 70,000 people annually. 475,000 residents live within five miles of Fashion Show. Resident spending represents 35 % of total center sales.

Entrée to an area of expanding affluence

Fashion Show is situated to reach virtually every high household income resident in the Las Vegas area. Each specialty anchor was carefully chosen to appeal to a specific segment of tastes and preferences. With

everything from high fashion to home décor, Fashion Show will be a first-stop on residents' shopping trips.

### **Visitor's market**

An unsurpassed opportunity in an unrivaled location Las Vegas hosted 35 million visitors in 2000, and the number is growing. From conventions and trade shows to casinos and championship golf courses, Las Vegas has something for everyone. No wonder it continually ranks as one of the world's most popular destination.

What statistics don't capture is the underlying sales potential of these free-spending, upper-class visitors.

Retail activity in Las Vegas produces sales numbers unmatched anywhere in the country and there is a growing demand from up market retailers and restaurateurs to find locations. For them, the way to reach the multitudes is singular: Fashion Show.

### **The Show**

Lights, camera, fashion!

The Fashion Show promotional platform is truly spectacular, even by Las Vegas standards. It combines the promotional capacity of a live performance stage with

the most technologically advanced audio and video systems in the world. Each evening, The Runway in the Great hall will be the scene of exciting, traffic-generating fashion performances before estimated crowds of 7,500 people. These vibrant, hour-extending performances will reach out and pull in more than 10 million additional evening customers each year, creating a direct link to increased retail sales. Fashion Show's dramatic exterior media Curve display over 12,000 square feet of LED screens along more than 1,000 linear feet of "Strip" frontage. With more than 55,000 people walking along the Fashion Promenade, and 64,000 people driving past each day, Fashion Show gives retailers a unique ability to brand and merchandise their products in an impossible-to-ignore environment. It will also provide retailers with a technologically enhanced, highly flexible environment to reinforce product lines.

#### The Fashion Fusion

Fashion Show brings together the worlds of retail media and entertainment in a single, stellar showcase, to create a never-before-seen synergy. The intriguing, interactive Fashion Show promotional platform, comprised of live and video performances, as well as privately sponsored

product launches and more, promises to attract visitors from all walks of life. With an anticipated audience of more than 35 million people each year, Fashion Show will provide an invigorating, multidimensional experience unique to fashion. There has never been a promotional platform as extravagant in its scope, or as detailed in its execution as Fashion Show. For retailers, the opportunity Fashion Show offers is unprecedented indeed.

### **Development plan**

An awe-inspiring design for forward-looking retailers.

Soon, shoppers will have a new place to experience the best in fashion...the best in dining...and the best in fashion-related entertainment, all under one incredible roof. By combining an incomparable store lineup, state-of-the-art technology and a stunning physical structure, Fashion Show will offer shoppers an experience unlike any other in the world.

With nearly two million square feet of merchandising excitement, Fashion Show will become the premier retail center in the country. Designed to generate staggering

retail sales, Fashion Show is by every measure a quantum leap in retail development

Three hundred retailers will join eight of the world's leading specialty-fashion anchors in Fashion Show. An opportunity this unique comes along once in a millennium. For the world's best retailers, that opportunity exists today.

Cloud Canopy rising 20 stories above "The Strip"

Grand Staircase on "The Strip"

Nearly 1,000 feet of frontage on "The Strip"

State-of -the -art structures offering ample and convenient parking for thousands.

The Fashion Promenade rises above and exciting new 72,000 square foot pedestrian plaza.

The Runway in the Great Hall will feature daily fashion presentations to pull in customers.

**Advertisement Supplement**

**Speed Shop Collection Las Vegas retail store advertisement program.**

Speed Shop Collection main source of advertisement will be **Where Las Vegas magazine.**

Where magazine has published its monthly for 64 consecutive years in Las Vegas the magazine is available in 38 Hotels, 64 Additional Point of distribution and 11 executive suites and timeshares. Distributed in 12 Countries and 47 Cities worldwide. Circulation 100,000 monthly, readership 400,000 monthly. 4.8 Billion Annually, Average Household Income \$115,100, 90% college educated. Where a reader visits an average 5 Times per year.

WHERE Las Vegas is the sole determinant in monthly expenditures of over 188 million dollars.

- Each month, 288,400 WHERE Las Vegas readers go shopping when they visit the city.
- They will each spend, on average, \$658
- That's \$188,451,200 each month, over \$6,000,000 per day.
- 89% of readers find the shopping listings useful.

- 81% find the advertising useful.

Annual cost 43 thousand dollars per year. Representing 90% of Silk Fashion Galleries' annual advertising budget of 50 thousand dollars.

VIP services provided by Where Las Vegas Magazine had no additional cost to Silk Fashion Galleries.

### **Concierge Newsletter**

The hotel concierge is the direct link to more than 33 million visitors coming to Las Vegas every year. WHERE Las Vegas publishes a monthly newsletter that is mailed directly to more than 400 hotel concierges. VIP and guest services representatives, keeping them abreast of current hotel industry news. Special events, shopping , dining, art and entertainment . AS a substantial advertise, you establishment will be featured in the newsletter at least twice a year.

### **Concierge Hotel Introductions**

Another way WHERE Las Vegas can assist in making sure that your business establishment is always top-of – mind with hotel concierge is to personally take you to the hotel(s) of your choice and introduce you to concierge.

### **Concierge Events**

To ensure that your establishment is always top-of-mind with hotel concierges. WHERE Las Vegas can help you reach this highly influential group by hosting private concierge events and mixers at your establishment. This very special program is reserved for customers with a substantial advertising commitment.

### **Special Direct Mailings**

Special direct mailings. Executed at the expense of WHERE Las Vegas, can be sent to concierges, VIP representatives, and other guest services representatives inviting them to your establishment. We will mail to the hotels (s) of your choice from our current and up-to-date circulation base.

### **Laminated Counter Cards**

WHERE Las Vegas will produce beautiful, eye-catching laminated counter cards of your advertisement for display in your business establishment.

## **NASCAR/ FORMULA ONE RETAIL STORE**

Winston Cup Racing and Formula One is not an arena for the faint of heart- and neither is it a playground for the rich. Competitors and owners alike are dead serious about squeezing every drop of speed that they can get

from their cars on every track. The stakes are simply too high for anything less than complete commitment in terms of research, preparation and most importantly, time. This is why Silk Fashion Galleries has committed to featuring a NASCAR/ Formula One Prototype Retail Store. The store will feature Ford Racing, Roush Performance Racing, and the incomparable Ford Roush Performance Mustang as a featured racing theme for the new store. The store will also have all the other NASCAR drivers and teams which will include Budweiser, Texaco, Havoline, M&M, Kellogg's, Du Pont, Goodwrench, Valvoline, Exide Batteries, Pepsi, Miller Lite, Mobil One, McDonald's, Cheerios, Reese's Racing, Castrol GTX, Pontiac Racing, Chevrolet Racing, and all the other Winston Cup teams and logos. The store will also be a retail distributor for the Ferrari clothing line and accessories. The Silk Fashion Galleries automotive theme silk clothing line will be included in this exciting new concept. Once the store is completed, a photo session will take place and the store will be promoted to interested investors for Franchise or licensing opportunities in other cities.

**MARKETING DESIGNS  
AND COMPANY  
PROGRAMS**

The Company intends to implement a comprehensive sales and marketing plan to position the Company as the leading silk fashion designer in North America and ultimately internationally. Once funds are available, we will hire a rep to secure national accounts.

The marketing plan will focus on the diverse needs of buyers for national accounts, regional retailers, specialty

shops and smaller boutiques. To reach this large and diverse group of potential customers, the Company will utilize its own showrooms, the "Speed Shop Collection", as a combination wholesale/retail marketing outlet for independent representatives, in-house sales persons, trade advertising, direct mail, wholesale distributors, and retail customers.

**Trade Shows**

The Company plans to attend and have prominent booths at most of the major spring and summer trade shows in the apparel industry, as shown below:

<i><u>Shows</u></i>	<i><u>City/ Location</u></i>	<i><u>Show Dates</u></i>
HK Trade Show	HongKong	July 12-18
StyleWorks	New York	Aug 3-5
Fashion Week	Los Angeles Cal Mart	Aug 8-12
Market Week "MEGA Mkt."	Dallas	Aug 14-18
Golden Gate Apparel Assoc.	San Francisco	Aug 16-19
WWD/ Magic Intl.	Las Vegas	Aug 25-28
Pret A Porter	Paris	Sep. 5-8
StyleWorks	New York	Sep 20-22
Look '2001	Los Angeles	Oct 3-5
L.A. Junior/ Contmpry Show	Los Angeles	Oct 16-20
Market Week "MEGA Mkt."	Dallas	Oct 16-20
Fashion Week	Los Angeles Cal Mart	Oct 31-Nov 4

## MANAGEMENT

### Management Team Resumes

Weilin Chang - President

#### Education:

Bachelor of Science, Hotel Administration  
Candidate: May 2006  
University of Nevada, Las Vegas  
GPA: 3.12 / 4.0

#### Work Experience:

##### Walt Disney World® Company

(2004-2004)

*Disney's All-Star Resort Front Desk Host*

- Delivered daily guest service in Fortune 100 Company
- Conducted check-in and check-out process for busy 5,760 room resort
- Provided luggage assistant
- Up-sold and explain theme park tickets to guests
- Partnered with managers, guests, team members and other lines of business regarding resort inquiries, comments and suggestions with appropriate problem solving and service recovery actions as to assure a successful outcome

##### United States Army

(1999-2002)

*82nd Airborne Division Unit Supply Specialist*

- Provided supplies range from household to weapon
- Maintained and organized inventories excess of three million dollars
- Controlled budgets of \$30,000 a month for the Headquarters Company
- Communicated and translated military intelligence in Chinese and English language

##### Impression Homes Inc.

(1999-1999)

*Construction Site Superintendent*

- Supervised workers and coordinate schedules for different areas of a specialty home construction business
- Ensured the buildings meet the safety

standards and constructed in a timely manner

**Additional Skills:**

- Cadet Candidate Company Commander at the United States Military Academy Preparatory school
- 2<sup>nd</sup> Violin Principal at Arcadia High School Orchestra
- Proficient in Microsoft Word, Excel, PowerPoint. Type 70+ WPM.
- Bilingual English/Chinese including the dialogues of Taiwanese, and Mandarin.

Phillip Prince - Chairman/Designer

*Background Summary: Mr. Phillip Prince, a co-founder of the Company, serves as the Company Chairman and designer. Mr. Prince is an internationally renowned artist and designer, and life long entrepreneur. Mr. Prince has been the creative force behind several companies in the apparel, skin care and hair care markets. Mr. Prince is well known for his ability to correctly anticipate trends in fashions, materials, garment printing and marketing, and to establish companies that successfully market products exploiting these trends.*

**EXPERIENCE**

In 1974, Mr. Prince co-founded Body Language, an apparel company that incorporated artwork into garment designs. Body Language pioneered the development of sublostatic printing technologies that enabled artwork to be transferred to polyester. Mr. Prince introduced the "Tuxedo T-shirt", which was popularized by a 1970's rock music group, and became one of the best selling products offered by Body Language. Body Language reached \$8 million in annual sales when the company was sold.

From 1977 until 1988, Mr. Prince, a founder of International Design Team, also served in various management roles with the Company. International Design Team designed, developed and manufactured high-end leather fashions which were sold to major department stores and prominent boutiques including: Bloomingdale's, Lord & Taylor, Saks 5th Ave., Macy's, Henry Bindel's, Jordan Marsh, and Neiman Marcus. In 1985, Mr. Prince formed The Club in Soho, Manhattan New York with Miles Davis as Chairman. Among the celebrities as members of Club were Robert DeNiro, and Richard Geere. In 1988, The Club and International Design Team was sold as Mr. Prince relocated to Los Angeles.

In 1988, Mr. Prince founded Egyptian Goddess USA, a manufacturer of skin care products that were marketed through direct response television. The Egyptian artwork copyrighted by Mr. Prince was originally developed as a theme related material for the Egyptian Goddess Cosmetic line. Silk scarves and jackets featuring Mr. Prince's artwork were introduced to Egyptian Goddess clientele. As Egyptian Goddess rapidly sold out its inventory of garments, Mr. Prince formed Silk Fashion Galleries, Inc. The recent development of new digital technologies for silk garments has enabled Mr. Prince to transfer artwork to silk garments at quality levels acceptable to Mr. Prince.

**EDUCATION:**

*Mr. Prince graduated from New York Fashion Institute of Technology in 1972. Mr. Prince also earned a Bachelor of Science degree in Business Administration and Advertising from Roosevelt University in Chicago.*

**Tony Tong - Vice-President**

**EXPERIENCE**

**American Food Courts, Inc.**

Position: VP Development, Asia

Responsibilities: Development of American fast food court business and concept of this Los Angeles-based company in targeted Asian cities and to procure financing arrangement thereof.

**Marriott Hotels International, Inc./Renaissance Hotel Group.**

Positions:

VP Administration & Development, Asia (5/87-8/90);

VP, Asia (9/90-8/91);

Senior VP, Asia (9/91-9/92);

Senior VP Development & Special Projects (9/92-8/92);

Senior VP, Asia Pacific (9/93-6/97);

Senior VP Hotel Development, Asia Pacific (7/97-2/98)

Responsibilities: Regional and Corporate bottom line management of an international hotel chain with emphasis on development.

**Sino Master International Ltd./Union Bank Of Hong Kong Ltd.**

Positions:

Assistant General Manager (9/85-7/86);

Development Manager (8/86-4/87)

Responsibilities:

Putting deals together for this Hong Kong-based PRC (China Steam

Navigation)/American (Duty Free Shoppers) joint venture company that included:

- Development and construction of a hotel under long term financing;
- Long term leasing the said hotel to a hotel chain;
- Purchase of Ford stamping and assembling plant in the Philippines on behalf of a PRC organization; a scheme of arrangement regarding the sale of the company's interest in a distressed bank (Far East Bank Ltd.) under the supervision of the Hong Kong Banking
- Commissioner: acquisition of Union Bank of Hong Kong Ltd., its capital reconstruction and the restructuring of major doubtful debts due to the said bank; and acquisition of another Hong Kong public listed company (Union Globe Ltd.)

Lucille A. McElroy - Secretary and Web Developer

## EXPERIENCE

April 1999 to Present

Ms. McElroy joined Silk Fashion Galleries, Inc. and was responsible for developing the Private Placement Memorandum. Develops and maintains [www.silkfashiongalleries.com](http://www.silkfashiongalleries.com) Co-founded Beverly Hills Screening Club, Ltd. in September 1999.

Organized weekend parties, fashion shows, marketing drive through email blast and message boards. Worked with various funding institutions and private direct investors in the proliferation of Silk Fashion Galleries. Traveled to China and fostered strategic alliances for inventory and art line as part of income stream of the company. Chosen as an honored member of International Who's Who of Entrepreneur in 2000. Inducted into the International Society of Poet. Completed Competitive Advantage Program (CAP).

In 1996, head of accounting and Credit Manager of Jinelle, brand name girls' dresses manufacturing company. She is adept with Apparel Information Management Systems (AIMS), One Write Plus and Microsoft Office package.

## EDUCATION:

Ms. McElroy earned her bachelor's degree in Accounting at the University of San Carlos in October 1989.

Graduated Magna Cum Laude. She completed her basic associate's degree in paralegal courses at the National Institute for Paralegal Arts and Sciences, based in Boca Raton, FL.

***BUDGET AND INVESTMENT***