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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

We intend to continue to expand our pachinko hall network in Japan by building new halls and through strategic acquisitions of other operators' halls as and when such opportunities arise. Our current hall expansion strategy is to build 20, 25 and 30 new halls for the years ending 31 March 2013, 2014 and 2015, respectively. Of these we expect 89% to be *Yuttari Kan* and *Shinrai no Mori* halls, and 11% to be traditional halls.

Information technology and management systems are indispensable tools for daily management operation and internal control of the pachinko operation. We plan to continue investing in and improving our network infrastructure to facilitate our increasing scale of operations and integrate our servers to further enhance our existing halls' operating efficiency.

### USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering (after deduction of the underwriting fees and estimate expenses payable by the Group in relation to the Global Offering assuming the Over-Allotment Option is not exercised) are estimated to be approximately HK\$1,614.5 million (assuming an Offer Price of HK\$15.0 per Offer Share, being the mid-point of the indicative Offer Price range). We currently intend to apply the net proceeds as follows:

- approximately 75% of the net proceeds, or HK\$1,210.9 million, to partially finance the set up of 75 new additional pachinko halls (approximately 8% of net proceeds or HK\$129.2 million to build eight traditional halls; approximately 60% of net proceeds or HK\$968.7 million to build 60 *Yuttari Kan* halls; and approximately 7% of net proceeds or HK\$113.0 million to build seven *Shinrai no Mori* halls) for the three years ending 31 March 2015, in Japan. We expect the total capital expenditures required for opening 75 new halls to total approximately HK\$3,660.7 million, and will finance the amount in excess of the portion of net proceeds allocated for this use from our internally generated funds;
- approximately 10% of the net proceeds, or HK\$161.4 million, for potential acquisition of pachinko halls;
- approximately 5% of the net proceeds, or HK\$80.8 million, for upgrading our existing information technology and management systems, such as our Sales Management System and Prize Management System; and
- the remaining 10% of the net proceeds, or HK\$161.4 million, to be used as general working capital.

The application of the net proceeds as stated above are only current estimates and are subject to changes based on prevailing economic, market and business conditions.

To the extent that the net proceeds of the Global Offering are not immediately applied to the above purposes, we intend to deposit the proceeds in interest bearing bank accounts, such as short-term savings accounts or basic short-term money market funds, with licensed commercial banks and/or authorised financial institutions in Hong Kong and Japan.

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In the event that the Over-Allotment Option is exercised in full, we estimate that we will receive net proceeds from the sale of these additional Offer Shares of approximately HK\$244.4 million, after deducting the underwriting commissions and other estimated offering expenses payable by us and assuming the same initial public Offer Price (HK\$15.0 per Offer Share, being the mid-point of the indicative Offer Price range). We intend to allocate these net proceeds to the above purposes on a pro rata basis.

In the event that the Offer Price is set at the high end of the proposed Offer Price range and assuming the Over-Allotment Option is not exercised at all, our Company will receive net proceeds of approximately HK\$1,723.0 million. The additional net proceeds of approximately HK\$108.5 million will be allocated to the above purposes on a pro rata basis.

In the event that the Offer Price is set at the low end of the proposed Offer Price range and assuming the Over-Allotment Option is not exercised at all, our Company will receive net proceeds of approximately HK\$1,506.0 million. Under such circumstances, the reduced net proceeds of approximately HK\$108.5 million will be allocated on a pro rata basis.