

---

## FUTURE PLANS AND USE OF PROCEEDS

---

### FUTURE PLANS

See the section headed “Business — Our Strategies” for a detailed description of our future plans.

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$18,336.8 million (assuming an Offer Price of HK\$18.00 per Share, being the mid-point of the indicative Offer Price range), after deducting the underwriting fees and commissions (assuming the full payment of the discretionary incentive fee) and estimated expenses payable by the Company.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

- (1) approximately 50.0% of the net proceeds will be used for sourcing and procurement of raw materials and inventory, which include rough and polished diamonds, gemstones, precious metals and watches to support the expansion of our operations;
- (2) approximately 18.5% of the net proceeds will be used for the repayment of the remaining portion of the Related Party’s Loans;
- (3) approximately 18.0% of the net proceeds will be used for repayment in full of the HK\$3,300.0 million Pre-IPO Bank Loan Facility which is the funding facility for the purpose of the Pre-IPO Dividend;
- (4) approximately 5.0% of the net proceeds will be used for the refurbishment of our new and existing POS and the acquisition of properties as wholly-owned POS;
- (5) approximately 5.0% of the net proceeds, of which 50.0% of such amount will be used to purchase production and research and development equipment and the remaining 50.0% will be used for construction of our new office building in Shenzhen. The construction of the new office building commenced in early 2011 and is expected to be completed by the end of 2013; and
- (6) the remaining amount will be used for providing funding for working capital and other general corporate purposes.

Our Directors believe that we have sufficient mechanism in place to ensure proper application of the use of proceeds on inventories. As part of our internal controls relating to management and procurement of inventory, we have in place a monthly procurement plan for the inventories of each product type. Our procurement plan is based on our anticipated sales level. Our finance department also closely monitors the actual procurement of inventories and the payment amount. Subsequent to the Listing, we will prepare a report on the use of proceeds, including the amount for sourcing and procurement of raw materials and inventory, for our reporting accountants and our audit committee semi-annually.

In the event that the Offer Price is set at HK\$15.00 per Share (being the low end of the indicative Offer Price range), the net proceeds we will receive will be reduced by approximately HK\$3,079.1 million. In the event that the Offer Price is set at HK\$21.00 per Share (being the high end of the indicative Offer Price range), the net proceeds we will receive will be increased by approximately HK\$3,079.1 million.

We intend to repay in full the Pre-IPO Bank Loan Facility and the remaining portion of the Related Party’s Loans mentioned above regardless of the final Offer Price. To the extent our net proceeds are either more or less than expected, we will adjust our allocation of that net proceeds for the above purposes, except for the repayment of the Pre-IPO Bank Loan Facility and the remaining portion of

---

## FUTURE PLANS AND USE OF PROCEEDS

---

the Related Party's Loans, on a pro rata basis. To the extent that proceeds are not used immediately for the purposes stated, the net proceeds will be invested in short-term demand deposits with licensed banks and money market instruments.

We estimate the net proceeds to the Selling Shareholder of the sale of Shares pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option in full to be approximately HK\$7,020.4 million (assuming an Offer Price of HK\$18.00 per Share, being the mid-point of the indicative Offer Price range), after deducting the underwriting fees and commissions (assuming the full payment of the discretionary incentive fee) payable by the Selling Shareholder.

As each of the Offer Size Adjustment Option and the Over-allotment Option is granted by the Selling Shareholder, and not the Company, the Company will not receive any proceeds from any exercise of the Offer Size Adjustment Option or the Over-allotment Option.