

## APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set out in this Appendix does not form part of the Accountants' Report prepared by the reporting accountants of the Company, SHINEWING (HK) CPA LIMITED as set out in Appendix I to this Prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this Prospectus and the Accountants' Report as set out in Appendix I to this Prospectus.

#### (A) UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of the Group ("Unaudited Pro Forma NTA") prepared in accordance with Rule 7.31 of the GEM Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Placing on the combined net tangible assets of the Group attributable to the owners of the parent as of 31 March 2009 as if the Placing had taken place on 31 March 2009.

This unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group as at 31 March 2009 or at any future dates following the Placing. It is prepared based on the combined net tangible assets of the Group as at 31 March 2009 as set out in the Accountants' Report of the Group, the text of which is set out in Appendix I to this Prospectus, and adjusted as described below.

	<b>Audited combined net tangible assets attributable to the owners of the parent as at 31 March 2009</b>	<b>Estimated net proceeds from the Placing</b>	<b>Unaudited pro forma adjusted net tangible assets attributable to the owners of the parent</b>	<b>Unaudited pro forma adjusted net tangible assets per Share</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB</i>	<i>HK\$</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>
Based on the Placing					
Price of HK\$0.30 per					
Share	<u>38,993</u>	<u>13,229</u>	<u>52,222</u>	<u>0.141</u>	<u>0.160</u>

*Notes:*

- (1) The audited combined net tangible assets attributable to the owners of the parent as at 31 March 2009 are arrived based on audited combined net tangible assets of approximately RMB38,993,000 as at 31 March 2009 extracted from the Accountants' Report as set out in Appendix I to this Prospectus.

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- (2) The estimated net proceeds from the Placing are based on the Placing Price of HK\$0.30 per Share, after deduction of the underwriting fees and other related expenses payable by the Company.
- (3) The unaudited pro forma adjusted net tangible assets per Share is arrived at after adjustment for the estimated net proceeds from the Placing payable to the Company as described in note (2) and on the basis that a total of 370,000,000 Shares were in issue as at 31 March 2009 (including Shares in issue as at the date of this Prospectus and those Shares to be issued pursuant to the Placing and the Capitalization Issue).
- (4) The unaudited pro forma adjusted net tangible asset per Share is translated into HK\$ at exchange rate of RMB0.88 to HK\$1. No representation is made that the Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (5) Details of valuation of the Group's properties interest as at 30 June 2009 are set out in Appendix III to this Prospectus. The Group will not incorporate the revaluation surplus or deficit in its financial statements for the year ending 31 December 2009. It is the Group's accounting policy to state its prepaid lease payments and property, plant and equipment at cost less accumulated depreciation/amortization and any impairment loss in accordance with the relevant HKASs, rather than at revalued amounts. With reference to the valuation of the Group's property interests as set out in Appendix III to this Prospectus, there was a revaluation surplus of the Group's properties of approximately RMB1.86 million. If the revaluation surplus was incorporated in the Group's financial statements for the year ending 31 December 2009, an additional depreciation and amortization of approximately RMB45,000 per annum would be incurred.

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### (B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

*The following is the text of a report from reporting accountants of the Company, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong in respect of the unaudited pro forma financial information for the purpose of incorporation in this Prospectus.*



SHINEWING (HK) CPA Limited  
16/F, United Centre  
95 Queensway, Hong Kong

29 September 2009

The Board of Directors  
Jiangchen International Holdings Limited

Hong Kong

Dear Sirs,

#### **Jiangchen International Holdings Limited (the “Company”) and its subsidiaries (the “Group”)**

We report on the unaudited pro forma financial information relating to the adjusted net tangible assets of the Group (the “Unaudited Pro Forma NTA”) as set out in the section headed “UNAUDITED PRO FORMA FINANCIAL INFORMATION” in Appendix II to the Company’s prospectus dated 29 September 2009 (the “Prospectus”). The Unaudited Pro Forma NTA is unaudited and has been prepared by the directors of the Company (the “Directors”) solely for illustrative purposes, to provide information to the shareholders of the Company about how the Placing might have affected the financial information of the Group presented.

The basis of preparation of the Unaudited Pro Forma NTA is set out in Appendix II to the Prospectus.

#### **Respective Responsibilities of Directors and Reporting Accountants**

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma NTA in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

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It is our responsibility to form an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the Unaudited Pro Forma NTA and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma NTA beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

### **Basis of Opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (“HKSIR”) 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma NTA with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma NTA.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma NTA has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma NTA as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

The Unaudited Pro Forma NTA is for illustrative purpose only, based on the judgments and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 March 2009 or at any future date.

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### Opinion

In our opinion:

- (a) The Unaudited Pro Forma NTA has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma NTA as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,  
**SHINEWING (HK) CPA Limited**  
*Certified Public Accountants*  
**Lo Wa Kei**  
Practising Certificate Number: P03427

Hong Kong