

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth in this appendix does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountant's Report set forth in Appendix I to this prospectus.

(A) UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The unaudited pro forma adjusted net tangible assets prepared in accordance with Rule 7.31 of the GEM Listing Rules are set out below to illustrate the effect of the Placing on the net tangible assets of the Group as at 31 December 2010 as if the Placing had taken place on that date. The unaudited pro forma adjusted net tangible assets has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the net tangible assets of the Group had the Placing been completed as at 31 December 2010 or at any future date.

The unaudited pro forma adjusted net tangible assets is based on the audited combined net tangible assets of the Group attributable to owners of the Company as at 31 December 2010 as shown in section I of the Accountant's Report, the text of which is set out in Appendix I to this prospectus, and adjusted as described below.

	Combined net tangible assets of the Group attributable to owners of the Company as at 31 December 2010⁽¹⁾ HK\$'000	Estimated net proceeds from the Placing⁽²⁾ HK\$'000	Unaudited pro forma adjusted net tangible assets attributable to owners of the Company⁽³⁾ HK\$'000	Unaudited pro forma adjusted net tangible assets per Share⁽⁴⁾ HK\$
Based on a Placing Price of HK\$0.60 per Share	18,667	30,881	49,548	0.15
Based on a Placing Price of HK\$1.00 per Share	18,667	62,079	80,746	0.25

- (1) The combined net tangible assets of the Group attributable to owners of the Company as at 31 December 2010 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited combined net assets of the Group attributable to owners of the Company as at 31 December 2010 of approximately HK\$18,667,000.
- (2) The estimated net proceeds from the Placing are based on the respective Placing Prices of HK\$0.60 and HK\$1.00 per Placing Share, respectively, after deduction of estimated related fees and expenses.
- (3) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2010.
- (4) The unaudited pro forma adjusted net tangible assets per Share are determined after the adjustments as described in Note 2 above and on the basis that 320,000,000 Shares are issued and outstanding immediately following the completion of the Reorganisation, the Capitalisation Issue and the Placing.

(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

**ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION
TO THE DIRECTORS OF GAYETY HOLDINGS LIMITED**

We report on the unaudited pro forma financial information of Gayety Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on page II-1 under the heading of "Unaudited Pro Forma Adjusted Net Tangible Assets" (the "Unaudited Pro Forma Financial Information") in Appendix II of the Company's prospectus dated 30 June 2011 (the "Prospectus"), in connection with the proposed listing of shares of the Company by way of placing (the "Placing"). The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Placing might have affected the relevant financial information of the Group. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on page II-1 of the Prospectus.

Respective Responsibilities of Directors of the Company and the Reporting Accountant

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and 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").

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information 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 Financial Information 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 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the audited combined net assets of the Group as at 31 December 2010 with the accountant’s report as set out in Appendix I of the Prospectus, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

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 Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, 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 adjusted net tangible assets of the Group as at 31 December 2010 or any future date.

Opinion

In our opinion:

- a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company 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 Financial Information as disclosed pursuant to paragraph 7.31(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 30 June 2011