

## UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth 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 unaudited pro forma adjusted net tangible assets ("Unaudited Pro Forma NTA") of the Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Share Offer on the consolidated net tangible assets of the Group attributable to the owners of the Company as of 30 June 2011 as if the Share Offer had taken place on 30 June 2011.

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 consolidated net tangible assets of the Group as at 30 June 2011 or at any future dates following the Share Offer. It is prepared based on the consolidated net tangible assets of the Group as at 30 June 2011 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.

	Audited consolidated net tangible assets attributable to owners of our Company as at 30 June 2011 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Share Offer <i>RMB'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted net tangible assets attributable to owners of our Company <i>RMB'000</i>	Unaudited pro forma adjusted net tangible assets attributable to owners of our Company per Share <i>RMB</i> <i>(Note 3)</i>	Unaudited pro forma adjusted net tangible assets attributable to owners of our Company per Share <i>HK\$</i> <i>(Note 4)</i>
Based on the Offer Price of HK\$0.8 per Share	<u>124,544</u>	<u>36,382</u>	<u>160,926</u>	<u>0.423</u>	<u>0.499</u>

*Notes:*

- (1) The audited consolidated net tangible assets attributable to owners of our Company as at 30 June 2011 has been derived from the audited consolidated net tangible assets attributable to the owners of the Company of approximately RMB124,544,000 as at 30 June 2011, extracted from the Accountants' Report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Share Offer are based on the Offer Price of HK\$0.80 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 attributable to owners of our Company per Share is arrived at after adjustment for the estimated net proceeds from the Share Offer payable to the Company as described in note (2) and on the basis that a total of 380,000,000 Shares were in issue as at 30 June 2011 (but takes no account of any additional income which may be earned from the estimated net proceeds).
- (4) The unaudited pro forma adjusted net tangible asset attributable to owners of our Company per Share is translated into HK\$ at an exchange rate of RMB0.847. 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) The prepaid lease payments and buildings of the Group as at 31 August 2011 were valued by LCH (Asia-Pacific) Surveyors Limited, an independent Professional Surveyor, and the relevant property valuation report is set out in Appendix III to this prospectus. With reference to the valuation of the Group's property interests as set out in Appendix III to this prospectus, the Group's interest in prepaid lease payments and buildings as at 31 August 2011 of approximately RMB97,760,000. Comparing this amount with the unaudited net carrying value of prepaid lease payments and buildings of the Group as of 31 August 2011 of approximately RMB55,244,000, there was a revaluation surplus of approximately RMB42,516,000. If the revaluation surplus was incorporated in the Group's financial statements, additional annual amortisation and depreciation of approximately RMB1,654,000 will therefore be charged. The surplus on revaluation will not be reflected in the Group's consolidated financial statements in subsequent years as the Group has elected to state its prepaid lease payments and buildings at cost less accumulated amortisation/depreciation and any impairment loss in accordance with the relevant HKASs.

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

The following is the text of a report received from the reporting accountants, SHINEWING (HK) CPA Limited, for the purpose of incorporation of this prospectus.



SHINEWING (HK) CPA Limited  
43/F., The Lee Gardens  
33 Hysan Avenue  
Causeway Bay, Hong Kong

14 November 2011

The Directors  
Grand Concord International Holdings Limited

Dear Sirs,

We report on the unaudited pro forma financial information of Grand Concord International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) (the “Unaudited Pro Forma Financial Information”), which has been prepared by the directors of the Company (the “Directors”) for illustrative purpose only, to provide information about how the placing and public offer might have affected the financial information presented, for inclusion in Appendix II to the prospectus dated 14 November 2011 of the Company (the “Prospectus”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages II-1 to II-2 to the Prospectus.

**Respective responsibilities of the Directors and reporting accountants**

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “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”).

It is our responsibility to form an opinion, as required by Rule 4.29(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 work 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 consisted primarily of comparing the

unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

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 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 Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information 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 30 June 2011 or any future date.

We make no comments regarding the reasonableness of the amount of net proceeds from the issue of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" as set out in the Prospectus.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information 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 Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Yours faithfully,

**SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

**Lo Wa Kei**

Practising Certificate Number: P03427

Hong Kong