

The information set out in this appendix does not form part of the accountants' report prepared by KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, as set out in Appendix I to this prospectus, and is included herein for illustrative purpose 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 set out in Appendix I to this prospectus.

#### A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of our unaudited pro forma adjusted net tangible assets was prepared in accordance with Rule 4.29 of the Listing Rules and is for illustration purposes only and may not give a true picture of the net tangible assets of our Group following the Global Offering. The following unaudited pro forma adjusted net tangible assets statement is set out below to illustrate the effect of the Global Offering on the net tangible assets of our Group derived from the Accountants' Report, the text of which is set out in "APPENDIX I – ACCOUNTANTS' REPORT" to this prospectus, assuming that the Global Offering was completed on 30 June 2013 and adjusted as described below. The unaudited pro forma adjusted net tangible assets statement does not form part of the accountants' report.

	Consolidated net tangible assets of our Group attributable to equity shareholders of our Company as of 30 June 2013	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to equity shareholders of our Company	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to equity shareholders of our Company
	RMB ('000) <sup>(1)</sup>	RMB ('000) <sup>(2)(4)</sup>	RMB ('000)	RMB <sup>(3)</sup>	HK\$ <sup>(4)</sup>
Based on an Offer Price of HK\$3.63 per Share .	414,240	638,848	1,053,088	1.05	1.33
Based on an Offer Price of HK\$4.36 per Share .	414,240	777,256	1,191,496	1.19	1.51

*Notes:*

- (1) The consolidated net tangible assets of our Group as of 30 June 2013 is based on our Group's consolidated net assets attributable to equity shareholders of our Company of RMB414.2 million as of 30 June 2013 as set out in "APPENDIX I – ACCOUNTANTS' REPORT" to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the issuance of 250,000,000 Shares and the indicative Offer Prices of HK\$3.63 and HK\$4.36 per Share, respectively, being the lower end price and higher end price of the Stated Offer Price range, after deduction of the underwriting fees and other related expenses of HK\$98.8 million and HK\$106.1 million payable by our Company.

- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after adjustment for the estimated net proceeds from the Global Offering payable to our Company as described in note (2) and on the basis that a total of 1,000,000,000 Shares were in issue assuming that the Global Offering was completed on 30 June 2013 (including Shares in issue as of the date of this prospectus and those Shares to be issued pursuant to the Global Offering and the Capitalisation Issue).
- (4) The estimated net proceeds from the Global Offering and the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share are converted from or into Hong Kong dollars at an exchange rate of HK\$1 to RMB0.79. No representation is made that HK\$ amount have been, could have been or may be converted into RMB, or vice versa, at that rate.
- (5) Details of valuation of the Group's properties interest as at 30 June 2013 are set out in Appendix III to this prospectus. The Group will not recognise the revaluation surplus or deficit in its consolidated financial statements for the year ending 31 December 2013. It is the Group's accounting policy to state its property, plant and equipment at cost less accumulated depreciation and any impairment loss in accordance with Hong Kong Accounting Standard 16, rather than at revalued amounts. The impairment reviews performed by the Company as at 30 June 2013 did not indicate the need to recognise any impairment loss for its property, plant and equipment. 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 RMB53.3 million. If the revaluation surplus was incorporated in the Group's consolidated financial statements for the year ending 31 December 2013, an additional depreciation of approximately RMB1.5 million per annum would be incurred.

*The following is the text of a report received from KPMG, Certified Public Accountants, Hong Kong, our Company's reporting accountants, in respect of the unaudited pro forma financial information of our Group, for the purpose of incorporation in this prospectus.*

## **B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION**



To the Directors of Consun Pharmaceutical Group Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Consun Pharmaceutical Group Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at 30 June 2013 and related notes as set out in Part A of Appendix II to the prospectus dated 9 December 2013 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at 30 June 2013 as if the Global Offering had taken place at 30 June 2013. As part of this process, information about the Group's financial position as at 30 June 2013 has been extracted by the Directors from the Group's historical financial statements included in the Accountants' Report as set out in Appendix I to the Prospectus.

### **Directors' Responsibilities for the Pro Forma Financial Information**

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 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" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### **Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the 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 pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 30 June 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance 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" in the Prospectus.

**Opinion**

In our opinion:

- a) the pro forma financial information has been properly compiled 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 pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

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9 December 2013