

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

For illustrative purpose only, the unaudited pro forma financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set forth below to provide the prospective investors with further information on how the proposed listing might have affected the net tangible assets of the Group after the completion of the Share Offer.

The unaudited pro forma financial information is derived according to a number of adjustments. Although reasonable care has been exercised in preparing such information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the actual financial performance and condition of the Group during the Relevant Periods or any further date.

The information set forth in this appendix does not form part of the Accountants' Report issued by BDO Limited, Certified Public Accountants, Hong Kong, and Martin C. K. Pong & Company, Certified Public Accountants, Hong Kong, the joint reporting accountants 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 Accountants' Report set forth in Appendix I to this prospectus.

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UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted combined net tangible assets of the Group have been prepared in accordance with Rule 4.29 of the Listing Rules is for illustration purpose only, and is set out here to illustrate the effect of the Share Offer on the combined net tangible assets of the Group as at 31 December 2010 as if the Share Offer had taken place on 31 December 2010.

The unaudited pro forma adjusted combined net tangible assets has been prepared for illustration purpose only and because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group attributable to equity holders of the Company as of 31 December 2010 or any future dates following the Share Offer. It is prepared based on the audited combined net tangible assets of the Group attributable to owners of the Company as at 31 December 2010 as set out in the accountants' report in Appendix I to this prospectus, and adjusted as described below.

	Audited combined net tangible assets attributable to owners of the Company as at 31 December 2010	Estimated net proceeds of the New Issue	Unaudited pro forma adjusted combined net tangible assets	Unaudited pro forma adjusted combined net tangible assets per Share	
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 4)	RMB (Note 5)	(HK\$ equivalent) (Note 5)
Based on an Offer Price of HK\$0.7 per Offer Share	430,769	97,649	528,418	0.56	0.67

Notes:

- (1) The audited combined net tangible assets attributable to owners of the Company as at 31 December 2010 is extracted from the accountants' report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds of the New Issue are based on the Offer Price of HK\$0.7 per Offer Share, after deduction of the underwriting fees and other related expenses payable by the Company. The estimated net proceeds of the New Issue are translated from Hong Kong dollars into Renminbi at an exchange rate of HK\$1.00 to RMB0.84.
- (3) The prepaid land lease payments and buildings (the "Property Interests") as at 31 May 2011 have been valued by Vigers Appraisal & Consulting Limited, an independent property valuer. By comparing the valuation of the Property Interests of approximately RMB80,540,000 as set out in Appendix III to this prospectus and the unaudited carrying amounts of the Property Interests of approximately RMB71,232,000 as at 31 May 2011, the valuation surplus is approximately RMB9,308,000, which has not been included in the tangible assets set forth above. The revaluation surplus will not be incorporated in the combined financial statements of the Group. If the revaluation surplus is recorded in the combined financial statements of the Group, the annual depreciation and amortization will be increased by approximately RMB427,000.
- (4) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2010.
- (5) The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 941,900,000 Shares were in issue assuming that the Share Offer were completed on 31 December 2010. The unaudited pro forma adjusted combined net tangible assets per Share is translated at an exchange rate of HK\$1.00 to RMB0.84.

LETTER FROM THE REPORTING ACCOUNTANTS ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a letter received from the reporting accountants, BDO Limited and Martin C. K. Pong & Company, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



龐志鈞會計師行
Martin C. K. Pong & Company

28 June 2011

The Directors
Golden Shield Holdings (Industrial) Limited
Guotai Junan Capital Limited

Dear Sirs,

We report on the unaudited pro forma adjusted combined net tangible assets (the “Unaudited Pro Forma Financial Information”) of Golden Shield Holdings (Industrial) Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company (the “Directors”) for illustrative purposes only, to provide information about how the new issue of 188,380,000 shares of HK\$0.10 each in the capital of the Company might have affected the financial information presented, for inclusion in Appendix II to the prospectus of the Company dated 28 June 2011 (the “Prospectus”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II 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 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” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 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 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 consisted primarily of comparing the unadjusted financial

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information with the 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.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma 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 bases stated, that such bases are 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 paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements 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 future and may not be indicative of the financial position of the Group as at 31 December 2010 or any future dates.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such bases are 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 4.29(1) of the Listing Rules.

Yours faithfully,

BDO Limited
Certified Public Accountants
Li Wing Yin
Practising Certificate No. P05035

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