

The information set forth in this Appendix does not form part of the Accountants' Report prepared by the reporting accountants, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong, 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 "Financial Information" in this prospectus and "Appendix I — Accountants' Report" set forth in Appendix I to this prospectus.

For illustrative purpose only, the unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules is set out herein to provide prospective investors with further financial information about how the combined net tangible assets of the Group as at 30 April 2011 might be affected by the completion of the Share Offer as if the Share Offer had been completed on that date.

The unaudited pro forma financial information has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the Group's combined net tangible assets had the Share Offer been completed as at 30 April 2011 or at any future date. It is prepared based on the Group's combined net assets as at 30 April 2011 as derived from our combined financial information set forth in the Accountants' Report in Appendix I, and adjusted as described below.

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

	Audited combined net tangible assets of the Group as at 30 April 2011	Estimated net proceeds from the Share Offer	Unaudited pro forma adjusted combined net tangible assets	Unaudited pro forma adjusted combined net tangible assets per Share
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000	HK\$ (Note 3)
Based on the Offer				
Price of HK\$0.5 per Share	<u>59,991</u>	<u>39,693</u>	<u>99,684</u>	<u>0.24</u>

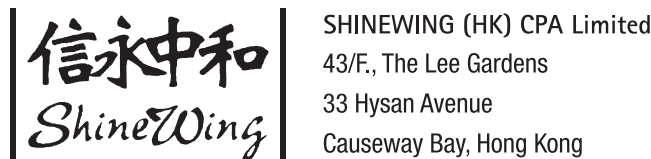
Notes:

- (1) The audited combined net tangible assets attributable to the owners of the Company as at 30 April 2011 is arrived based on the Company's audited combined net tangible assets of approximately HK\$59,991,000 as at 30 April 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\$0.5 per Share, after deduction of the underwriting fees and other related expense payable by the Company. The calculation of the estimated net proceeds from the Share Offer does not take into account any Shares which may be issued upon the exercise of any options granted under the Share Option Scheme.

- (3) The unaudited pro forma adjusted combined net tangible assets 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) above and on the basis that a total of 416,000,000 Shares were in issue as at 30 April 2011 (including Shares in issue as at the date of this prospectus and those Shares to be issued pursuant to the Capitalisation Issue and the Share Offer but not taking into account any Shares which may be issued upon the exercise of any options granted under the Share Option Scheme).
- (4) By comparing the valuation of the property interests as set out in Appendix III to this prospectus, the net valuation surplus is approximately HK\$324,000 as compared to the carrying amounts of the Group's property interests as at 31 July 2011, which has not been included in the above combined net tangible assets attributable to the owners of the Company. The valuation surplus will not be incorporated in the Group's financial statements because it is the Group's accounting policy to state the property interests, classified under the sub-sections headed "Prepaid lease payment" in Appendix I to this prospectus, at cost less accumulated amortisation and impairment in accordance with Hong Kong Financial Reporting Standards rather than at revalued amounts. If the valuation surplus was recorded in the Group's financial statements, an additional amortisation of approximately HK\$7,000 per annum would have been charged.

**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.



18 October 2011

The Board of Directors  
Fornton Group Limited  
Optima Capital Limited

Dear Sirs,

We report on the unaudited pro forma information of Fornton Group Limited (the “Company”), and its subsidiaries (hereafter collectively referred to as the “Group”) (the “Unaudited Pro Forma Financial Information”) set out on pages II-1 and II-2 in Appendix II of the prospectus dated 18 October 2011 (the “Prospectus”) in connection with the proposed placing and public offer of 104,000,000 shares of HK\$0.01 each in the Company (the “Share Offer”), which has been prepared by the directors of the Company (the “Directors”), for illustrative purpose only, to provide information about how the Share Offer might have affected the unaudited combined net tangible assets of the Group if the Share Offer had been completed as at 30 April 2011. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Section A of Appendix II of the Prospectus.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS**

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 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 29(7) of Chapter 4 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.

Our work did not constitute an audit or review performed in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagement 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 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 paragraph 29(1) of Chapter 4 of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustration 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 the future and may not be indicative of the financial position of the Group as at 30 April 2011 or at any future date.

We make no comment 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" 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 paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

**Tang Kwan Lai**

Practising Certificate Number: P05299

Hong Kong