

<b>APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP</b>
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## **UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP**

### **INTRODUCTION**

The accompanying unaudited pro forma financial information have been prepared to illustrate the effect of “Proposed Restructuring” which comprises (i) the Proposed Capital Reorganisation, (ii) the Proposed [REDACTED], (iii) the Subscription and the Working Facility Capitalisation, (iv) the Creditors Schemes, (v) the Acquisition of the entire equity interest in China General (HK) Company Limited (the “Target Company”) and its subsidiaries (hereinafter collectively referred to as the “Target Group”) and (vi) the Disposal, which might have affected the financial information of First Mobile Group Holdings Limited (the “Company”) and its subsidiaries (hereafter collectively referred to as the “Group”). The Group immediately after the completion of the Proposed Restructuring is referred to as the “Enlarged Group”. In accordance with Hong Kong Financial Reporting Standard 3 “Business Combinations” (“HKFRS 3”), the Target Company is accounted for as the accounting acquirer and the Company as the accounting acquiree of the Acquisition. Details of the Proposed Restructuring are contained in the circular of the Company dated [●] 2015 (the “Circular”).

The unaudited pro forma consolidated statement of financial position of the Enlarged Group and the unaudited pro forma consolidated net tangible assets attributable to the owners of the Company as at 30 July 2015 have been prepared based on (1) unaudited condensed consolidated statement of financial position of the Group as at 30 July 2015 as extracted from the interim report of the Company for the six month ended 30 June 2015 and (2) the audited combined statement of financial position of the Target Group as at 30 June 2015, which has been extracted from the accountants’ report of the Target Group as set out in Appendix I to the Circular, and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Proposed Restructuring had been completed on 30 June 2015.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Enlarged Group have been prepared based on (1) the [audited] consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2014, which have been extracted from the [annual report] of the Company for the year ended 31 December 2014 and (2) the audited combined statement of profit or loss and other comprehensive income and combined statement of cash flows of the Target Group for the year ended 31 December 2014, which have been extracted from the accountants’ report of the Target Group as set out in Appendix I to the Circular, and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Proposed Restructuring had been completed on 1 January 2014.

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The unaudited pro forma financial information has been prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purpose only. Accordingly, as a result of the nature of the unaudited pro forma financial information of the Enlarged Group, it may not give a true picture of the actual financial position, results of operation or cash flows of the Enlarged Group that would have been attained had the Proposed Restructuring actually occurred on the dates indicated herein. Furthermore, the unaudited pro forma financial information of the Enlarged Group does not purport to predict the Enlarged Group's future financial position, results of operation or cash flows.

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**A. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP AS AT 30 JUNE 2015**

	The Group										The Retained Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2(a))</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5(a))</i>	<i>(Note 6(a))</i>	<i>(Note 7(a))</i>	<i>(Note 8(a))</i>	<i>(Note 8(b))</i>	<i>(Note 10)</i>	
<b>Non-current assets</b>											
Property, plant and equipment	43										
<b>Current assets</b>											
Prepayments, deposits and other receivables	344										
Amounts due from Scheme Subsidiaries	—										
Cash and bank balances	79										
	<u>423</u>										
<b>Current liabilities</b>											
Trade and bills payables	419,765										
Accruals and other payables	1,024,388										
Bank borrowings	408,622										
Amounts due to Scheme Subsidiaries	—										
Current tax liabilities	1,377										
Financial guarantee liabilities	178,540										[REDACTED]
Convertible loans	33,000										
	<u>2,065,692</u>										
<b>Net current liabilities</b>	<u>(2,065,269)</u>										
<b>NET LIABILITIES</b>	<u><u>(2,065,226)</u></u>										
<b>Capital and reserves</b>											
Issued shares	194,600										
Share premium	127,539										
Reserves	(2,385,833)										
	<u>          </u>										
Equity attributable to owners of the Company	(2,063,694)										
Non-controlling interests	<u>(1,532)</u>										
<b>TOTAL EQUITY</b>	<u><u>(2,065,226)</u></u>										

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**A. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP AS AT 30 JUNE 2015 (continue)**

	The Retained Group	The Target Group	The Target Group	Sub-total	Pro forma adjustments				The Enlarged Group
	HK\$'000	RMB'000 (Note 11)	HK\$'000 (Note 11)		HK\$'000 (Note 12(a))	HK\$'000 (Note 12(b))	HK\$'000 (Note 13(a))	HK\$'000 (Note 15)	
<b>Non-current assets</b>									
Property, plant and equipment	38	950	1,205	1,243					
Investment properties	—	118,300	150,011	150,011					
Deferred tax assets	—	5,802	7,357	7,357					
	<u>38</u>	<u>125,052</u>	<u>158,573</u>	<u>158,611</u>					
<b>Current assets</b>									
Inventories	—	687,689	872,027	872,027					
Trade and other receivables	—	13,205	16,745	16,745					
Prepayments, deposits and other receivables	—	—	—	—					
Prepaid land appreciation tax	—	5,299	6,719	6,719					
Restricted and pledged bank deposits	—	32,456	41,156	41,156					
Time deposits, bank balances and cash	—	124,875	158,348	158,348					
	<u>—</u>	<u>863,524</u>	<u>1,094,995</u>	<u>1,094,995</u>					
<b>Current liabilities</b>									
Trade payables and bills payables	8,997	3,331	4,224	13,221					
Accruals and other payables	42,295	97,360	123,460	165,755					
Pre-sales proceeds received on sales of properties	—	113,044	143,346	143,346					
Amount due to related parties	—	53,764	68,176	68,176					
Amounts due to Scheme Subsidiaries	65,484	—	—	65,484					
Secured bank borrowings	—	9,000	11,412	11,412					
Income tax payable	1,377	11,552	14,649	16,026					
	<u>118,153</u>	<u>288,051</u>	<u>365,267</u>	<u>483,420</u>					[REDACTED]
<b>Net current (liabilities)/assets</b>	<u>(118,153)</u>	<u>575,473</u>	<u>729,728</u>	<u>611,575</u>					
<b>Total assets less current liabilities</b>	<u>(118,115)</u>	<u>700,525</u>	<u>888,301</u>	<u>770,186</u>					
<b>Non-current liabilities</b>									
Secured bank borrowings	—	167,000	211,765	211,765					
Deferred tax liabilities	—	16,618	21,073	21,073					
	<u>—</u>	<u>183,618</u>	<u>232,838</u>	<u>232,838</u>					
<b>NET (LIABILITIES)/ASSETS</b>	<u>(118,115)</u>	<u>516,907</u>	<u>655,463</u>	<u>537,348</u>					
<b>Capital and reserves</b>									
Share capital/paid-up capital	8,758	389,190	493,514	502,272					
Share premium	226,398	—	—	226,398					
Special reserves	—	—	—	—					
Reserves	(351,739)	118,676	150,488	(201,251)					
	<u>(116,583)</u>	<u>507,866</u>	<u>644,002</u>	<u>527,419</u>					
Equity attributable owners of the Company	(116,583)	507,866	644,002	527,419					
Non-controlling interests	(1,532)	9,041	11,461	9,929					
<b>TOTAL EQUITY</b>	<u>(118,115)</u>	<u>516,907</u>	<u>655,463</u>	<u>537,348</u>					

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**B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE ENLARGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2014**

	The Target		Sub-total	Pro Forma adjustments						The Enlarged Group	
	The Group	Group		Group	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000
	HK\$'000	RMB'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 11)	(Note 11)	(Note 2(b))	(Note 7(b))	(Note 9(a))	(Note 10)	(Note 12(a))	(Note 13(b))	(Note 14)	
<b>Revenue</b>	—	256,532	322,900	322,900							
Cost of sales	—	(186,705)	(235,008)	(235,008)							
<b>Gross profit</b>	—	69,827	87,892	87,892							
Other income	24	1,404	1,767	1,791							
Other gains or losses	—	(428)	(539)	(539)							
Fair value change of investment properties	—	4,400	5,538	5,538							
Selling expenses	(1)	(9,252)	(11,646)	(11,647)							
General and administrative expenses	[(20,445)]	(10,313)	(12,981)	(33,436)							
Other operating expenses	(159)	—	—	(159)							
Provision for financial guarantee liabilities	(172,398)	—	—	(172,398)							
Gain on deconsolidation of a liquidated subsidiary	227,198	—	—	227,198							
<b>Profit from operations</b>	34,209	55,638	70,031	104,240							
Gain on debt restructuring of the Group	—	—	—	—							
Gain on disposal of Retained Subsidiaries	—	—	—	—							[REDACTED]
Deemed listing expenses	—	—	—	—							
Finance costs	(151,686)	(1,977)	(2,488)	(154,174)							
<b>(Loss)/profit before tax</b>	(117,477)	53,661	67,543	(49,934)							
Income tax expense	—	(17,848)	(22,465)	(22,465)							
<b>(Loss)/profit and total comprehensive income/(loss) for the year</b>	<u>(117,477)</u>	<u>35,813</u>	<u>45,078</u>	<u>(72,399)</u>							
<b>(Loss)/profit and total comprehensive income/(loss) for the year attributable to:</b>											
Owners of the Company	(117,477)	35,094	44,173	(73,304)							
Non-controlling interests	—	719	905	905							
	<u>(117,477)</u>	<u>35,813</u>	<u>45,078</u>	<u>(72,399)</u>							

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**C. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2014**

	The Group	The Target Group	The Target Group	Sub-total	Pro forma adjustments							The Enlarged Group		
	HKS'000 (Note 1)	RMB'000 (Note 11)	HKS'000 (Note 11)	HKS'000	HKS'000 (Note 2)	HKS'000 (Note 5(b))	HKS'000 (Note 6(b))	HKS'000 (Note 7b)	HKS'000 (Note 9(b))	HKS'000 (Note 10)	HKS'000 (Note 12(a))	HKS'000 (Note 13(b))	HKS'000 (Note 14)	HKS'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>														
(Loss)/profit before tax	(117,477)	53,661	67,543	(49,934)										
Adjustments for:														
Bank interest income	—	(1,151)	(1,449)	(1,449)										
Finance costs	151,686	1,977	2,488	154,174										
Depreciation and amortisation	179	1,042	1,312	1,491										
Impairment loss/(reversal of impairment loss) on trade and other receivable	125	(68)	(86)	39										
Impairment on inventories	17	—	—	17										
Write-off of plant and equipment	—	283	356	356										
Gain on deconsolidation of a liquidated subsidiary	172,398	—	—	172,398										
Reversal of impairment on other receivables	(227,198)	—	—	(227,198)										
Fair value changes on investment properties	—	(4,400)	(5,538)	(5,538)										
Fair value changes on structured deposits designated as at fair value through profit or loss	—	(30)	(38)	(38)										
Net foreign exchange (gains)/ losses	—	243	306	306										
Deemed listing expenses	—	—	—	—										
Gain on disposal of Retained Subsidiaries	—	—	—	—										
Gain on debt restructuring of the Group	—	—	—	—										
														[REDACTED]
Operating cash flows before working capital changes	(20,270)	51,557	64,894	44,624										
Changes in inventories	—	82,882	104,325	104,325										
Changes in trade receivables and other receivables	—	14,078	17,718	17,718										
Changes in prepayments, deposits and other receivables	(239)	—	—	(239)										
Changes in trade and bills payables	1,200	(45,125)	(56,799)	(55,599)										
Changes in pre-sales proceeds received on sales of properties	—	(138,296)	(174,075)	(174,075)										
Changes in accruals and other payables	10,016	(14,903)	(18,759)	(8,743)										
Cash generated from/(used in) operations	(9,293)	(49,807)	(62,696)	(71,989)										
Interest paid	(257)	—	—	(257)										
PRC income taxes and land appreciation taxes paid	—	(8,194)	(10,314)	(10,314)										
Overseas tax paid	(14)	—	—	(14)										
Net cash used in operating activities	(9,564)	(58,001)	(73,010)	(82,574)										

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	The Target Group		The Target Group		Sub-total	Pro forma adjustments								The Enlarged Group
	The Group	Group	The Group	Group		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
	HKS'000	RMB'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
	(Note 1)	(Note 11)	(Note 11)	(Note 11)	(Note 2)	(Note 3(b))	(Note 6(b))	(Note 7b)	(Note 9(b))	(Note 10)	(Note 12(a))	(Note 13(b))	(Note 14)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>														
Decrease in restricted deposits	—	(10,109)	(12,724)	(12,724)										
Net cash inflows in deconsolidation of scheme subsidiaries	—	—	—	—										
Net cash inflows on deconsolidation of a liquidated subsidiary	56,183	—	—	56,183										
Advance to related parties	—	(16,419)	(20,667)	(20,667)										
Repayment from related parties	—	39,720	49,996	49,996										
Purchase of property, plant and equipment	—	(512)	(644)	(644)										
Withdrawal of pledged bank deposits	—	15,000	18,881	18,881										
Redemption of structured deposits	—	25,030	31,506	31,506										
Interest received from bank deposits	—	1,151	1,449	1,449										
Net cash generated from investing activities	56,183	53,861	67,797	123,980										
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>														
Advance from directors	—	11,954	15,047	15,047										
Repayment to a related party	—	(2,750)	(3,461)	(3,461)										
Repayment of bank borrowings	—	(21,855)	(27,509)	(27,509)										
Interest expense and bills discounting charges paid	—	(16,254)	(20,459)	(20,459)										
New bank borrowings raised	—	139,130	175,125	175,125										
Deemed distribution to Controlling Equity Holders	—	(10,000)	(12,587)	(12,587)										
Net cash generated from financing activities	—	100,225	126,156	126,156										
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>														
Effect of changes in foreign exchange rates	5,509	—	—	5,509										
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(60,494)	29,522	37,160	(23,334)										
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>														
	(8,366)	125,607	158,103	149,737										
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>														
Bank and cash balances	82	125,607	158,103	158,185										
Bank overdrafts, secured	(8,448)	—	—	(8,448)										
	(8,366)	125,607	158,103	149,737										

[REDACTED]

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**D. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF  
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- (1) For the preparation of unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows, the amounts are extracted from the [audited] consolidated financial statements of the Group for the year ended 31 December 2014, which are set out in Appendix II to the Circular.
  
- (2) [REDACTED]



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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

- (16) Apart from the above, no adjustments have been made to the unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 30 June 2015 where applicable.

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**E. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE ENLARGED GROUP AS AT 30 JUNE 2015**

	Unaudited consolidated net tangible assets of the Group <i>HK\$'000</i> <i>Note 1</i>	Unaudited consolidated net tangible assets of the Group per share <i>HK\$</i> <i>Note 2</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Enlarged Group <i>HK\$'000</i> <i>Note 3</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Enlarged Group per share <i>HK\$</i> <i>Note 4</i>
Consolidated net tangible assets attributable to owners of the Company	<u>(2,063,694)</u>	<u>(1.06)</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

*Notes:*

- (1) The unaudited consolidated net tangible assets of the Group as at 30 June 2015 is based on the amount of unaudited consolidated net tangible assets attributable to the owners of the Company as at 30 June 2015, which is extracted from the unaudited condensed consolidated financial information of the Group for the year ended 30 June 2015.
- (2) The number of shares used for the calculation of the unaudited consolidated net tangible assets of the Group per share is [REDACTED], being the number of shares in issue as at 30 June 2015.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Enlarged Group as at 30 June 2015 is based on the amount of the unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 30 June 2015, which is extracted from the unaudited pro forma consolidated statement of financial position of the Enlarged Group of approximately [REDACTED].
- (4) The number of shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Enlarged Group per share is [REDACTED] after completion of the Proposed Restructuring as at 30 June 2015 as described in the note 12(b).
- (5) Apart from the above, no adjustments have been made to the unaudited pro forma statement of adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 30 June 2015 where applicable.

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**ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL  
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*The following is the text of a report, prepared for the sole purpose of inclusion in the Circular, from the independent reporting accountants, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.*

[REDACTED]

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[REDACTED]



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[REDACTED]