

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**Introduction**

The following is a summary of an illustrative and unaudited pro forma condensed consolidated statement of financial position, unaudited pro forma condensed consolidated statement of profit or loss and other comprehensive income and unaudited pro forma condensed consolidated statement of cash flows (collectively referred to as the “Unaudited Pro Forma Financial Information”) of the Remaining Group, which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of (i) group restructuring to streamline the structure of the Distributed Subsidiaries and the Scheme Subsidiaries in the Group; (ii) transfer of Scheme Subsidiaries to the Creditors’ Scheme; (iii) Distribution In Specie of SIH which holds the Distributed Subsidiaries; and (iv) CB Subscription in the sum of HK\$75,000,000 by the Purchaser, as if the transactions were completed on 30 November 2013 for the unaudited pro forma condensed consolidated statement of financial position and as if the transactions were completed on 1 April 2013 for the unaudited pro forma condensed consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma condensed consolidated statement of cash flows.

This Unaudited Pro Forma Financial Information of the Remaining Group has been prepared by the directors of the Company in accordance with Paragraph 4.29 of the Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 30 November 2013 or at any future date or the results and cash flows of the Group for the eight months ended 30 November 2013 or for any future period.

The Unaudited Pro Forma Financial Information of the Remaining Group should be read in conjunction with the unaudited condensed consolidated financial statements of the Group for the eight months ended 30 November 2013 as disclosed in the results announcements of the Company for the eight months ended 30 November 2013, on which no audit or review report has been published, and other financial information included elsewhere in the Circular.

Unaudited pro forma condensed consolidated statement of financial position of the Remaining Group

The unaudited pro forma condensed consolidated statement of financial position of the Remaining Group has been prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 November 2013, which has been extracted from the results announcements of the Company for the eight months ended 30 November 2013, with the pro forma adjustments relating to the transactions, which include, amongst others, (i) group restructuring to streamline the structure of the Distributed Subsidiaries and the Scheme Subsidiaries in the Group; (ii) transfer of Scheme Subsidiaries to the Creditors’ Scheme; (iii) Distribution In Specie of SIH which holds the Distributed Subsidiaries; and (iv) CB Subscription in the sum of HK\$75,000,000 by the Purchaser, as explained in notes below and other adjustments directly attributable to the transactions and factually supportable.

Unaudited pro forma condensed consolidated statement of profit or loss and other comprehensive income and unaudited pro forma condensed consolidated statement of cash flows of the Remaining Group

The unaudited pro forma condensed consolidated statement of profit or loss and other comprehensive income and unaudited pro forma condensed consolidated statement of cash flows of the Remaining Group have been prepared based on the unaudited condensed consolidated statement of profit or loss and other comprehensive income and unaudited condensed consolidated statement of cash flows of the Group for the eight months ended 30 November 2013, which have been extracted from the results announcements of the Company for the eight months ended 30 November 2013, with the pro forma adjustments relating to the transactions, which include, amongst others, (i) group restructuring to streamline the structure of the Distributed Subsidiaries and the Scheme Subsidiaries in the Group; (ii) transfer of Scheme Subsidiaries to the Creditors' Scheme; (iii) Distribution In Specie of SIH which holds the Distributed Subsidiaries; and (iv) CB Subscription in the sum of HK\$75,000,000 by the Purchaser, as explained in notes below and other adjustments directly attributable to the transactions and factually supportable.

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**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION**
AS AT 30 NOVEMBER 2013

	The									Pro forma Remaining Group (unaudited)
	Group as									
	at 30									
	November									
	Pro forma adjustments									
2013	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(unaudited)	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	(Note 9)	
Non-current assets										
Investment properties	259,525	(26,825)	(232,700)	-	-	-	-	-	-	-
Property, plant and equipment	79,258	(60,117)	(14,408)	-	-	-	-	-	-	4,733
Prepaid lease payments	3,331	(3,331)	-	-	-	-	-	-	-	-
Goodwill	17,665	-	-	-	-	-	-	-	-	17,665
Investment in a subsidiary	-	-	(109)	109	-	-	-	-	-	-
Interest in an associate	6,072	-	-	-	-	-	-	-	-	6,072
Available-for-sale investments	9,400	(9,400)	-	-	-	-	-	-	-	-
Deferred tax assets	14,036	-	-	-	-	-	-	-	-	14,036
	<u>389,287</u>	<u>(99,673)</u>	<u>(247,217)</u>	<u>109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,506</u>
Current assets										
Inventories	94,471	(24,597)	(3,263)	-	-	-	-	-	-	66,611
Debtors, deposits and prepayments	145,613	(2,759)	(5,190)	-	-	3,985	-	-	-	141,649
Amounts due from group companies	-	(93,028)	(40,848)	622,063	(484,202)	(3,985)	-	-	-	-
Prepaid lease payments	121	(121)	-	-	-	-	-	-	-	-
Investments held for trading	1,082	-	-	-	-	-	-	-	-	1,082
Financial assets designated at fair value through profit or loss	35	-	-	-	-	-	-	-	-	35
Bank balances and cash	44,703	(7,312)	(12,871)	-	-	-	74,788	(12,000)	(4,000)	83,308
	<u>286,025</u>	<u>(127,817)</u>	<u>(62,172)</u>	<u>622,063</u>	<u>(484,202)</u>	<u>-</u>	<u>74,788</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>292,685</u>
Current liabilities										
Creditors and accrued charges	150,660	(39,455)	(35,725)	-	-	87,311	-	-	-	162,791
Amounts due to group companies	-	(512,259)	(68,000)	712,513	(44,943)	(87,311)	-	-	-	-
Taxation payable	1,046	(1,046)	-	-	-	-	-	-	-	-
Borrowings	158,592	(73,883)	(63,462)	-	-	-	-	-	-	21,247
Bank overdraft	780	(780)	-	-	-	-	-	-	-	-
Convertible notes	36,129	-	-	-	-	-	-	-	-	36,129
	<u>347,207</u>	<u>(627,423)</u>	<u>(167,187)</u>	<u>712,513</u>	<u>(44,943)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,167</u>
Net current (liabilities) assets	<u>(61,182)</u>	<u>499,606</u>	<u>105,015</u>	<u>(90,450)</u>	<u>(439,259)</u>	<u>-</u>	<u>74,788</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>72,518</u>

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INFORMATION OF THE REMAINING GROUP**

	The Group as at 30 November 2013									Pro forma Remaining Group
	HK\$'000 (unaudited) (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	Pro forma adjustments		HK\$'000 (Note 7)	HK\$'000 (Note 8)	HK\$'000 (Note 9)	
					HK\$'000 (Note 5)	HK\$'000 (Note 6)				
Total assets less current liabilities	<u>328,105</u>	<u>399,933</u>	<u>(142,202)</u>	<u>(90,341)</u>	<u>(439,259)</u>	<u>-</u>	<u>74,788</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>115,024</u>
Non-current liabilities										
Deferred tax liabilities	7,946	(7,462)	(484)	-	-	-	-	-	-	-
Convertible bonds	-	-	-	-	-	-	38,965	-	-	38,965
	<u>7,946</u>	<u>(7,462)</u>	<u>(484)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,965</u>	<u>-</u>	<u>-</u>	<u>38,965</u>
	<u>320,159</u>	<u>407,395</u>	<u>(141,718)</u>	<u>(90,341)</u>	<u>(439,259)</u>	<u>-</u>	<u>35,823</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>76,059</u>
Capital and reserves										
Share capital	164,781	-	-	-	-	-	-	-	-	164,781
Reserves	137,795	407,395	(139,540)	(90,341)	(439,259)	-	35,823	(12,000)	(4,000)	(104,127)
Equity attributable to owners of the Company	<u>302,576</u>	<u>407,395</u>	<u>(139,540)</u>	<u>(90,341)</u>	<u>(439,259)</u>	<u>-</u>	<u>35,823</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>60,654</u>
Non-controlling interests	<u>17,583</u>	<u>-</u>	<u>(2,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,405</u>
	<u>320,159</u>	<u>407,395</u>	<u>(141,718)</u>	<u>(90,341)</u>	<u>(439,259)</u>	<u>-</u>	<u>35,823</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>76,059</u>

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**UNAUDITED PRO FORMA FINANCIAL
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**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2013

	The Group								Pro forma Remaining Group (unaudited)	
	for the eight months ended 30 November 2013									
	HK\$'000 (unaudited)	HK\$'000 (Note 10)	HK\$'000 (Note 11)	Pro forma adjustments			HK\$'000 (Note 8)	HK\$'000 (Note 9)		HK\$'000
				HK\$'000 (Note 12)	HK\$'000 (Note 13)	HK\$'000 (Note 14)				
Turnover	317,990	(51,663)	(85,327)	112,016	-	-	-	-	293,016	
Cost of sales	(356,324)	151,208	91,600	(112,016)	-	-	-	-	(225,532)	
Gross (loss) profit	(38,334)	99,545	6,273	-	-	-	-	-	67,484	
Other income	8,712	(5,245)	(4,768)	1,458	-	-	-	-	157	
Other gains and losses	(16,947)	46,340	102,895	(133,564)	-	-	-	-	(1,276)	
Distribution costs	(47,301)	6,197	17,850	(433)	-	-	-	-	(23,687)	
Administrative expenses	(53,225)	9,559	14,263	(3,068)	-	-	(12,000)	(4,000)	(48,471)	
Decrease in fair value of investment properties	(17,411)	18,211	(800)	-	-	-	-	-	-	
Gain on disposal of a subsidiary	440	-	(440)	-	-	-	-	-	-	
Gain on deconsolidation of Scheme Subsidiaries	-	-	-	-	275,811	-	-	-	275,811	
Reversal of provision for amounts due from fellow subsidiaries	-	-	(431,772)	566,403	-	-	-	-	134,631	
Interest expenses	(6,567)	1,505	1,253	-	-	(6,490)	-	-	(10,299)	
Share of profit of an associate	357	-	-	-	-	-	-	-	357	
(Loss)/profit before taxation	(170,276)	176,112	(295,246)	430,796	275,811	(6,490)	(12,000)	(4,000)	394,707	
Taxation	1,253	(257)	195	-	-	-	-	-	1,191	
(Loss)/profit for the period	(169,023)	175,855	(295,051)	430,796	275,811	(6,490)	(12,000)	(4,000)	395,898	
Other comprehensive income Items that may be subsequently reclassified to profit or loss:										
Exchange difference arising on translation of foreign operations	1,413	-	-	-	-	-	-	-	1,413	
Total comprehensive (expense) income for the period	(167,610)	175,855	(295,051)	430,796	275,811	(6,490)	(12,000)	(4,000)	397,311	

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	The Group for the eight months ended 30 November 2013							Pro forma Remaining Group	
	HK\$'000 (unaudited) (Note 1)	HK\$'000 (Note 10)	HK\$'000 (Note 11)	Pro forma adjustments			HK\$'000 (Note 8)	HK\$'000 (Note 9)	HK\$'000 (unaudited)
			HK\$'000 (Note 12)	HK\$'000 (Note 13)	HK\$'000 (Note 14)				
(Loss)/profit for the period attributable to:									
Owners of the Company	(174,376)	175,855	(295,030)	430,796	275,811	(6,490)	(12,000)	(4,000)	390,566
Non-controlling interests	5,353	-	(21)	-	-	-	-	-	5,332
	<u>(169,023)</u>	<u>175,855</u>	<u>(295,051)</u>	<u>430,796</u>	<u>275,811</u>	<u>(6,490)</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>395,898</u>
Total comprehensive (expense) income for the period attributable to:									
Owners of the Company	(173,209)	175,855	(295,030)	430,796	275,811	(6,490)	(12,000)	(4,000)	391,733
Non-controlling interests	5,599	-	(21)	-	-	-	-	-	5,578
	<u>(167,610)</u>	<u>175,855</u>	<u>(295,051)</u>	<u>430,796</u>	<u>275,811</u>	<u>(6,490)</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>397,311</u>

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**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2013**

	The Group for the eight months ended 30 November 2013							Pro forma Remaining Group Group HK\$'000 (unaudited)
	HK\$'000 (unaudited) (Note 1)	HK\$'000 (Note 10)	HK\$'000 (Note 11)	Pro forma adjustments		HK\$'000 (Note 8)	HK\$'000 (Note 9)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 10)	(Note 11)	(Note 12)	(Note 14)	(Note 8)	(Note 9)	(unaudited)
Net cash (used in) from operating activities	(60,289)	52,153	(16,766)	(2,043)	-	(12,000)	(4,000)	(42,945)
Net cash from (used in) investing activities	881	(72,968)	(3,494)	2,043	-	-	-	(73,538)
Net cash from (used in) financing activities	66,395	23,704	16,796	-	74,788	-	-	181,683
Net increase (decrease) in cash and cash equivalents	6,987	2,889	(3,464)	-	74,788	(12,000)	(4,000)	65,200
Cash and cash equivalents at beginning of the period	35,806	(9,421)	(9,407)	-	-	-	-	16,978
Effect of exchange difference	1,130	-	-	-	-	-	-	1,130
Cash and cash equivalents at end of the period	<u>43,923</u>	<u>(6,532)</u>	<u>(12,871)</u>	<u>-</u>	<u>74,788</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>83,308</u>
Cash and cash equivalents at end of the period, representing:								
Bank balances and cash	44,703	(7,312)	(12,871)	-	74,788	(12,000)	(4,000)	83,308
Bank overdraft	(780)	780	-	-	-	-	-	-
	<u>43,923</u>	<u>(6,532)</u>	<u>(12,871)</u>	<u>-</u>	<u>74,788</u>	<u>(12,000)</u>	<u>(4,000)</u>	<u>83,308</u>

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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

- (1) Figures are extracted from the unaudited condensed consolidated financial statements of the Group as set out in the results announcement of the Company for the eight months ended 30 November 2013.
- (2) The adjustment reflects (a) the exclusion of the assets and liabilities of the Scheme Subsidiaries; and (b) the pro forma gain on deconsolidation of the Scheme Subsidiaries, assuming the Creditors' Scheme had become effective and the Scheme Subsidiaries were transferred to the Administrators Vehicle on 30 November 2013. The net liabilities of the Scheme Subsidiaries disposed of amounted to HK\$407,395,000 as at 30 November 2013. Figures are extracted from the condensed combined statement of financial position of the Scheme Subsidiaries as at 30 November 2013 included in Appendix IVB to the Circular.
- (3) The adjustment reflects the exclusion of the assets and liabilities of the Privateco Group, assuming the Distribution In Specie had taken place on 30 November 2013. Figures are based on the financial information of the Privateco Group for the eight months ended 30 November 2013 as extracted from note 4 to the review report of the SIH Group for the eight months ended 30 November 2013 included in Appendix IIIB to the Circular.

The Distribution In Specie is accounted for at the carrying amount of the assets and liabilities of the Privateco Group as the ultimate controlling shareholders of the Privateco Group remain unchanged before and after the Distribution In Specie.

- (4) The adjustment reflects the elimination of inter-company balances among the Remaining Group, Privateco Group and Scheme Subsidiaries, assuming the transactions had taken place on 30 November 2013. Figures are extracted from the unaudited management accounts of respective companies within the Remaining Group, Privateco Group and Scheme Subsidiaries for the eight months ended 30 November 2013.
- (5) The adjustment reflects the waiver of certain receivables by the Remaining Group to facilitate the Distribution In Specie and the implementation of the Creditors' Scheme through the assignment of the receivables from the Scheme Subsidiaries to the Administrators Vehicle and the assignment of the receivables from the companies with the Privateco Group to Privateco, assuming the transactions had taken place on 30 November 2013. The effect of the assignment of receivables from the Privateco Group and the Scheme Subsidiaries is summarised and reconciled as follows:

	<i>HK\$'000</i>
Assignment of receivables from the Privateco Group (recognised in equity as part of the Distribution in Specie)	(34,196)
Assignment of receivables from the Scheme Subsidiaries (recognised in profit or loss)	<u>(405,063)</u>
	<u><u>(439,259)</u></u>

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	<i>HK\$'000</i>
Amounts due from the Privateco Group and Scheme Subsidiaries to the Remaining Group before assignment (as extracted from the unaudited pro forma financial information of the Privateco Group on page IIIC-3 in Appendix IIIC to the Circular)	488,187
Amounts due to the Privateco Group and Scheme Subsidiaries by the Remaining Group before assignment (as extracted from the unaudited pro forma financial information of the Privateco Group on page IIIC-4 in Appendix IIIC to the Circular)	(132,254)
Less: Amounts due from the Privateco Group and Scheme Subsidiaries to the Remaining Group after assignment (as extracted from the unaudited pro forma financial information of the Remaining Group on page V-3 in Appendix V to the Circular)	(3,985)
Less: Amounts due to the Privateco Group and Scheme Subsidiaries by the Remaining Group after assignment (as extracted from the unaudited pro forma financial information of the Remaining Group on page V-3 in Appendix V to the Circular)	<u>87,311</u>
Assignment of receivables from the Privateco Group and the Scheme Subsidiaries	<u><u>439,259</u></u>

This adjustment is not expected to have continuing effect on the Remaining Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

- (6) The adjustment reflects the reinstatement of the balances among the Remaining Group, Privateco Group and Scheme Subsidiaries as at 30 November 2013, assuming the Distribution In Specie and the implementation of the Creditors' Scheme had taken place on 30 November 2013.
- (7) The adjustment reflects the net proceeds (after deducting estimated transaction costs of HK\$212,000) of HK\$74,788,000 from issue of Convertible Bonds in the principal amount of HK\$75,000,000, assuming the CB Subscription had taken place on 30 November 2013. The Convertible Bonds bear interest at the rate of 3% per annum and will be payable half-yearly in arrears on 30 June and 31 December each year. The Convertible Bonds are convertible into shares of the Company at Conversion Price of HK\$0.172 (subject to adjustments) per share. The maturity date of the Convertible Bonds is on the third anniversary of the date of issue. At the date of initial recognition, the liability component is measured at fair value of HK\$39,075,000 and the difference between the cash consideration and liability component of HK\$35,925,000 represent the equity component. Transaction costs of HK\$110,000 and HK\$102,000 are charged against the liability component and equity component in proportion to the allocation of the gross proceeds, respectively. The fair value of the liability component is determined based on the present value of the estimated future cash flows discounted at an effective interest rate of 26.1% per annum, being the average yield of similar financial instruments with similar credit rating and structure but without the call conversion option, which incorporated appropriate adjustments to reflect possible impact of country factors, firm specific risk and liquidity risk. The equity component is presented as convertible bonds reserve in equity, whereas the liability component is classified under non-current liabilities as at 30 November 2013.

The liability component and equity component represent provisional amounts which are subject to change at the date of CB Subscription Completion.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded option is exercised (in which case the balance stated in convertible bonds reserve will be transferred to share premium).

- (8) The adjustment reflects the estimated amount payable by the Company to the Administrators Vehicle for the purpose of implementing the Creditors' Scheme, assuming the amount was paid on 30 November 2013. The estimated amount is subject to changes.

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This adjustment is not expected to have continuing effect on the Remaining Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

- (9) The adjustment reflects the estimated restructuring costs for the Remaining Group of approximately HK\$4,000,000, which will be recognised in profit or loss, assuming the estimated restructuring costs were paid on 30 November 2013. The estimated amounts are subject to changes.

This adjustment is not expected to have continuing effect on the Remaining Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

- (10) The adjustment reflects the exclusion of the income and expenses and cash flows of the Scheme Subsidiaries, assuming the Creditors' Scheme had become effective and the Scheme Subsidiaries were transferred to the Administrators Vehicle on 1 April 2013. Figures are extracted from the condensed combined statement of profit or loss and other comprehensive income and statement of cash flows of the Scheme Subsidiaries for the eight months ended 30 November 2013 included in Appendix IVB to the Circular.
- (11) The adjustment reflects the exclusion of the income and expenses and cash flows of the Privateco Group, assuming the Distribution In Specie had taken place on 1 April 2013. Figures are based on the financial information of the Privateco Group for the eight months ended 30 November 2013 as extracted from note 4 to the review report of the SIH Group for the eight months ended 30 November 2013 included in Appendix IIIB to the Circular.
- (12) The adjustment reflects the elimination of inter-company transactions among the Remaining Group, Privateco Group and Scheme Subsidiaries, assuming the transactions had taken place on 1 April 2013. Figures are extracted from the unaudited management accounts of respective companies within the Remaining Group, Privateco Group and Scheme Subsidiaries for the eight months ended 30 November 2013.
- (13) The adjustment reflects the pro forma gain on deconsolidation of the Scheme Subsidiaries of HK\$275,811,000, representing the disposal of net liabilities of the Scheme Subsidiaries amounting to HK\$231,540,000 (as extracted from the combined statement of the financial position of the Scheme Subsidiaries as at 31 March 2013 included in Appendix IVA to the Circular) after taking into consideration the waiver of payables to the Scheme Subsidiaries amounting to HK\$44,271,000 (see (i) below).
- (i) The below reflects the waiver of certain receivables by the Remaining Group and the Scheme Subsidiaries to facilitate the Distribution In Specie and the implementation of the Creditors' Scheme through the assignment of the receivables from the companies within the Privateco Group to Privateco and the waiver of receivables from the Remaining Group by the Scheme Subsidiaries, assuming the transactions had taken place on 1 April 2013. The effect of the assignment of receivables from the Privateco Group and the waiver of receivables from the Remaining Group by the Scheme Subsidiaries is summarised and reconciled as follows:

	<i>HK\$'000</i>
Assignment of receivables from the Privateco Group (recognised in equity as part of the Distribution in Specie)	(451,879)
Waiver of receivables from the Remaining Group by the Scheme Subsidiaries (see above) (recognised in profit or loss)	<u>44,271</u>
	<u><u>(407,608)</u></u>

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	<i>HK\$'000</i>
Amounts due from the Privateco Group and Scheme Subsidiaries to the Remaining Group before assignment (as extracted from the unaudited management accounts of the Remaining Group)	996,394
Amounts due to the Privateco Group and and Scheme Subsidiaries by the Remaining Group before assignment (as extracted from the unaudited management accounts of the Remaining Group)	(672,112)
Less: Amounts due from the Privateco Group and Scheme Subsidiaries to the Remaining Group after assignment (as extracted from the unaudited pro forma financial information of the Remaining Group on page V-3 in Appendix V to the Circular)	(3,985)
Less: Amounts due to the Privateco Group and Scheme Subsidiaries by the Remaining Group after assignment (as extracted from the unaudited pro forma financial information of the Remaining Group on page V-3 in Appendix V to the Circular)	<u>87,311</u>
Assignment of receivables from the Privateco Group and waiver of receivables from the Remaining Group by the Scheme Subsidiaries	<u><u>407,608</u></u>

This adjustment is not expected to have continuing effect on the Remaining Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

- (14) The adjustment reflects the net proceeds (after deducting estimated transaction costs of HK\$212,000) of HK\$74,788,000 from issue of Convertible Bonds in the principal amount of HK\$75,000,000, assuming the CB Subscription had taken place on 1 April 2013. The adjustment also reflects the recognition of interest expenses on Convertible Bonds amounting to HK\$6,490,000 calculated at an effective interest rate of 21.8% per annum, assuming the CB Subscription had taken place on 1 April 2013 and assuming the fair value of the liability component of the Convertible Bonds were HK\$46,366,000, net of transaction costs.
- (15) Except for the Group Restructuring, transfer of Scheme Subsidiaries to the Creditors' Scheme, Distribution In Specie, the CB Subscription and provision of estimated amount paid for implementation of the Creditors' Scheme and restructuring costs, no adjustment has been made to reflect any trading result or other transaction of the Remaining Group entered into subsequent to 30 November 2013.



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION
OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

TO THE BOARD OF DIRECTORS OF STARLIGHT INTERNATIONAL HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Starlight International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consisted of the unaudited pro forma condensed consolidated statement of financial position as at 30 November 2013, the unaudited pro forma condensed consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma condensed consolidated statement of cash flows for the eight months ended 30 November 2013 and related notes as set out on pages V-3 to V-11 of the circular issued by the Company dated 24 May 2014 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages V-1 to V-2 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed deemed very substantial disposal relating to transfer of the entire equity interest in the share capital of Dual Success Holdings Limited under a creditors' scheme, proposed distribution in specie of SIH Limited's shares after completion of the group restructuring, proposed subscription of convertible bonds and proposed share premium reduction on the Group's financial position as at 30 November 2013 and the Group's financial performance and cash flows for the eight months ended 30 November 2013 as if the transactions had taken place at 30 November 2013 and 1 April 2013, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's condensed consolidated financial statements for the eight months ended 30 November 2013, on which no audit or review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling 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" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express 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.

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 unaudited 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 purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited 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 unaudited pro forma financial information.

The purpose of unaudited 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 the event or transaction at 30 November 2013 or 1 April 2013 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited 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 unaudited 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 unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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

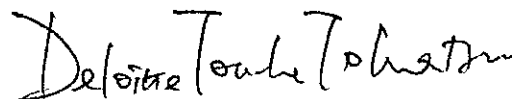
The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

- (a) the unaudited 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 unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 May 2014