

*The information set forth 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 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.*

**REPORT ON PRO FORMA FINANCIAL INFORMATION**

For illustrative purpose, the financial information prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules, is set out here to provide prospective investors with further information about how the financial information of 361 Degrees International Limited 361 度國際有限公司 and its subsidiaries (the "**Group**") might be affected by completion of the Global Offering as if the Global Offering had been completed on 30 June 2008. The statement has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Global Offering.

**(A) UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS**

The following statement of unaudited pro forma adjusted net tangible assets of the Group is based on the audited combined net assets of our Group as at 31 March 2009, as shown in the accountants' report, the text of which is set out in Appendix I to this prospectus and adjusted as described below:

	<b>Combined net tangible assets attributable to the equity holders of the Company as at 31 March 2009</b>	<b>Estimated net proceeds from the Global Offering</b>	<b>Unaudited pro forma adjusted net tangible assets</b>	<b>Unaudited pro forma adjusted net tangible assets per Share</b>
	<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i>	<i>RMB</i> <i>(Note 3)</i>
Based on the Offer Price of HK\$3.15 per Share (being the lowest) . . . . .	637,207	1,277,477	1,914,684	0.96
Based on the Offer Price of HK\$4.35 per Share (being the highest) . . . . .	637,207	1,786,997	2,424,204	1.21

*Notes:*

- (1) The audited combined net tangible assets attributable to the equity holders of our Company as at 31 March 2009 are arrived based on our audited combined net tangible assets of approximately RMB637,207,000 as at 31 March 2009 extracted from the accountants' report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$3.15 and HK\$4.35 per Share, after deduction of the underwriting fees and other related expenses payable by our Company. The calculation of the estimated net proceeds from the Global Offering does not take into account any Shares which may be issued upon the exercise of the Over-allotment Option, any options granted under the Pre-IPO Share Option Scheme or options that may be granted under the Share Option Scheme.
- (3) The unaudited pro forma 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 2,000,000,000 Shares were in issue as at 31 March 2009 (including Shares in issue as at the date of this prospectus and those Shares to be issued pursuant to the Global Offering and the Capitalisation Issue).
- (4) Details of valuation of our Group's properties interest as at 31 March 2009 are set out in Appendix IV to this prospectus. Our Group will not incorporate the revaluation surplus or deficit in its financial statements for the year ending 30 June 2009. It is our Group's accounting policy to state its interests in leasehold land held for own use under operating leases and property, plant and equipment at cost less accumulated depreciation/amortisation and any impairment loss in accordance with the relevant HKASs, rather than at revalued amounts. The impairment reviews performed by the Company as at 31 March 2009 did not indicate the need to recognise any impairment loss for its interests in leasehold land held for own use under operating leases and property, plant and equipment. With reference to the valuation of our Group's property interests as set out in Appendix IV to this prospectus, there was a revaluation surplus of our Group's properties of approximately RMB25.2 million. If the revaluation surplus was incorporated in our Group's financial statements for the year ending 30 June 2009, an additional depreciation of approximately RMB0.15 million per annum would be incurred.

**(B) UNAUDITED PRO FORMA FULLY DILUTED ESTIMATE EARNINGS PER SHARE**

Estimated combined net profit for the year ending

30 June 2009<sup>(1)&(2)</sup> . . . . . Not less than RMB552.5 million (approximately HK\$627.9 million)

Unaudited pro forma estimated earnings per shares—

fully diluted<sup>(3)</sup> . . . . . Not less than RMB0.276 (approximately HK\$0.314)

*Notes:*

- (1) The bases and assumptions on which the above profit estimate for the year ending 30 June 2009 have been prepared are summarised in Appendix III to this prospectus.
- (2) The estimated combined net profit of our Group for the financial year ending 30 June 2009 prepared by our Directors is based on, in the absence of unforeseen circumstances, the audited combined accounts of our Group for the nine months ended 31 March 2009, the unaudited management accounts of our Group for the one month ended 30 April 2009 and a forecast of the combined results of our Group for the two months ending 30 June 2009.
- (3) The calculation of the estimated earnings per Share on a pro forma fully diluted basis is based on the estimated net combined profit for the year ending 31 March 2009, assuming that our Company had been listed since 1 July 2008 and a total of 2,000,000,000 Shares have been in issue during the entire year. The calculation of the estimated earnings per Share on a pro forma fully diluted basis does not take into account any Shares which may be issued upon the exercise of the Over-allotment Option, any options granted under the Pre-IPO Share Option Scheme or options that may be granted under the Share Option Scheme.

**C. COMFORT LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report prepared for the purpose of incorporation in this prospectus, received from the auditors and reporting accountants of the Company, KPMG, Certified Public Accountants, Hong Kong in respect of the unaudited pro forma financial information for the purpose of incorporation in this prospectus:*



8th Floor  
Prince's Building  
10 Chater Road  
Central  
Hong Kong

18 June 2009

The Directors  
361 Degrees International Limited

Dear Sirs,

We report on the unaudited pro forma financial information (“**the Pro Forma Financial Information**”) of 361 Degrees International Limited (“**the Company**”) and its subsidiaries (“**the Group**”) set out in Parts A and B of Appendix II of the prospectus dated 18 June 2009 (“**the Prospectus**”), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the share offer might have affected the financial information presented. The basis of preparation of the unaudited Pro Forma Financial Information is set out in Parts A and B of Appendix II of the Prospectus.

**Responsibilities**

It is the responsibility solely of the directors of the Company 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 work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (“**HKSIR**”) 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 of the Company. The engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review 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 of the Company on the basis stated, that such basis is consistent with the accounting policies of the Company and that 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.

The unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, it 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 Company as at 31 March 2009 or any future date; or
- the earnings per share of the Group for the year ending 30 June 2009 or any future periods.

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 unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; 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.

Yours faithfully,  
**KPMG**  
*Certified Public Accountants*  
Hong Kong