

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 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.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the combined net tangible assets attributable to the equity holders of our Company as of 30 June 2010 as if the Global Offering had taken place on 30 June 2010.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at 30 June 2010 or at any future date.

	Combined net tangible assets attributable to equity holders of the Company as of 30 June 2010	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted net tangible assets	Unaudited pro forma adjusted net tangible assets per Share	
	RMB'000 ⁽¹⁾	RMB'000 ⁽²⁾	RMB'000	RMB ⁽³⁾	HK\$ ⁽⁴⁾
Based on an Offer Price of HK\$3.55 per Share	1,511,768	1,678,261	3,190,029	0.911	1.055
Based on an Offer Price of HK\$4.80 per Share	1,511,768	2,282,283	3,794,051	1.084	1.255

Notes:

- (1) The combined net tangible assets attributable to equity holders of the Company as of 30 June 2010 is extracted from the Accountants' Report set out in Appendix I to this Prospectus, which is based on the combined net assets attributable to the equity owner of the Company as of 30 June 2010 of RMB1,520.0 million after deducting intangible assets of RMB8.3 million and adjusting the share of these intangible assets attributable to non-controlling interests of RMB0.03 million.
- (2) The estimated net proceeds from the Global Offering are based on indicative Offer Prices of HK\$3.55 and HK\$4.80 per Share, respectively, after deduction of the underwriting fees and other related expenses payable by us and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option, the options granted under the Pre-IPO Share Option Scheme or the options that may be granted under the Share Option Scheme. For the purpose of estimated net proceeds from the Global Offering, the translation of RMB into HK dollars was made at the rate of RMB0.8635 to HK\$1, the exchange rate prevailing on 30 September 2010 set by PBOC for foreign exchange transactions.

- (3) The unaudited pro forma adjusted net tangible assets per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 3,500,000,000 Shares (including the Shares in issue as of 30 June 2010, and Shares that may be issued under the Capitalisation Issue and the Global Offering) are in issue but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option, the options granted under the pre-IPO Share Option Scheme or the options that may be granted under the Share Option Scheme.
- (4) The unaudited pro forma adjusted net tangible assets per Share amounts in RMB are converted to HK\$ with the exchange rate at RMB0.8635 to HK\$1.0, the prevailing rate quoted by PBOC on 30 September 2010.
- (5) Our property interests as of 31 August 2010 have been valued by Vigers Appraisal and Consulting Ltd., an independent property valuer. The details of such valuation are set out in Appendix IV to this Prospectus. We will not incorporate the revaluation surplus of RMB169,334,000 in our financial statements. It is our Group's accounting policy to state our land and buildings held for own use and our investment properties at cost less accumulated depreciation and any impairment loss in accordance with IFRS, rather than at revalued amounts. With reference to the valuation of our property interests as set forth in Appendix IV to this Prospectus, if such revaluation surplus was incorporated in our financial statements, an additional depreciation charge of approximately RMB4.5 million per annum would have been incurred.

B. UNAUDITED PRO FORMA FORECAST EARNINGS PER SHARE

The following unaudited pro forma forecast earnings per share for the year ending 31 December 2010 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on 1 January 2010. This unaudited pro forma forecast earnings per share had been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial results of the Group for the year ending 31 December 2010 or for any future period.

Forecast consolidated profit attributable to equity holders of the Company ⁽¹⁾⁽³⁾	Not less than RMB496 million (approximately HK\$574 million)
Unaudited pro forma forecast earnings per share ⁽²⁾⁽³⁾	Not less than RMB0.142 (approximately HK\$0.164)

Notes:

- (1) The bases and assumptions on which the above profit forecast has been prepared are summarised in Appendix III to this Prospectus. The Directors have prepared the forecast consolidated profit attributable to equity holders of the Company for the year ending 31 December 2010 based on the audited combined results for the six months ended 30 June 2010, the unaudited consolidated results for the two months ended 31 August 2010 and a forecast of the consolidated results for the remaining four months ending 31 December 2010.
- (2) The calculation of the unaudited pro forma forecast earnings per share is based on the forecast consolidated profit attributable to equity holders of the Company for the year ending 31 December 2010, assuming that a total of 3,500,000,000 shares had been issued during the entire year. The calculation of the unaudited pro forma forecast earnings per share does not take into account any shares which may be issued upon the exercise of the Over-allotment Option, the options granted under the Pre-IPO Share Option Scheme or the options that may be granted under the Share Option Scheme.
- (3) The forecast consolidated profit attributable to equity holders of the Company and the unaudited pro forma forecast earnings per share are converted into Hong Kong Dollars at the PBOC rate of RMB0.8635 to HK\$1.0 prevailing on 30 September 2010.

C. REPORT 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 Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong.



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

20 October 2010

The Directors
Yashili International Holdings Ltd

Dear Sirs,

We report on the unaudited pro forma financial information (the “unaudited Pro Forma Financial Information”) of Yashili International Holdings Ltd (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out in Parts (A) and (B) of Appendix II to the Prospectus dated 20 October 2010 (the “Prospectus”), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the proposed offering 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) on pages II-1 to II-3 of Appendix II to 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 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 performed 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 Group 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.

Our procedures on the unaudited Pro Forma Financial Information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

The unaudited Pro Forma Financial Information is for illustrative purposes 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 Group as at 30 June 2010 or any future date; or
- the earnings per share of the Group for the year ending 31 December 2010 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 under “Use of Proceeds” set out 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 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.

Yours faithfully

KPMG

Certified Public Accountants

Hong Kong