

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 net tangible assets our Company as of December 31, 2010 as if the Global Offering had taken place on December 31, 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 of December 31, 2010 or at any future date.

The unaudited pro forma statement of adjusted net tangible assets below has been prepared as if the Global Offering had taken place on December 31, 2010, therefore, no adjustment has been made to reflect any trading and other transactions of the Group entered into subsequent to December 31, 2010. In particular, no account has been taken in respect of the dividend of RMB324.6 million declared by Billion Fujian on January 10, 2011, which was paid to Billion H.K., its then shareholder, on January 17, 2011. Had such dividend been declared as of December 31, 2010, our unaudited pro forma adjusted net tangible assets would have been reduced by RMB324.6 million and our unaudited pro forma adjusted net tangible assets per Share would have been reduced by RMB0.14.

	Net tangible assets as of December 31, 2010 ⁽¹⁾⁽²⁾	Estimated net proceeds from the Global Offering ⁽³⁾⁽⁴⁾	Unaudited pro forma adjusted net tangible assets	Unaudited pro forma adjusted net tangible assets per Share ⁽⁴⁾⁽⁵⁾	
	RMB million	RMB million	RMB million	RMB	HK\$
Based on an Offer Price of HK\$4.53 per Share	2,183.9	2,124.8	4,308.7	1.87	2.20
Based on an Offer Price of HK\$6.08 per Share	2,183.9	2,863.9	5,047.8	2.20	2.58

Notes:

- (1) The net tangible assets as of December 31, 2010 are extracted from the Accountants' Report set out in Appendix I to this prospectus.
- (2) Our property interests as of February 28, 2011 have been valued by Jones Lang LaSalle Sallmanns, an independent property valuer the details of which are set out in Appendix IV to this Prospectus. We will not incorporate the revaluation surplus of RMB163.8 million in our financial statements. It is our accounting policy to state our land and buildings held for own use at cost less accumulated depreciation and any impairment loss in accordance with HKFRS, 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 RMB5.4 million per annum would have been incurred.

- (3) The estimated net proceeds from the Global Offering are based on the Offer Prices of HK\$4.53 and HK\$6.08 per Share, after deduction of the underwriting commissions (excluding any discretionary incentive fees) and other related expenses payable by us without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option.
- (4) For the purpose of estimated net proceeds from the Global Offering and the calculation of the unaudited pro forma adjusted net tangible assets per Share, the translation between Renminbi and HK dollars was made at the rate of HK\$1 = RMB0.8509, the central parity exchange rate for the HK dollars to the Renminbi on December 31, 2010 published by PBOC.
- (5) 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 2,299,000,000 Shares are in issue but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme.

B. UNAUDITED PRO FORMA FORECAST EARNINGS PER SHARE

The following forecast profit after taxation and the unaudited pro forma forecast earnings per share for the year ending December 31, 2011 have 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 January 1, 2011. This forecast profit after taxation and the 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 December 31, 2011 or for any future period.

Forecast profit after taxation^{(1), (3)} unlikely to be less than RMB847.5 million
(approximately HK\$1,012.8 million)

Unaudited pro forma forecast earnings per share^{(2), (3)} unlikely to be less than RMB0.369
(approximately HK\$0.441)

Notes:

- (1) The bases and assumptions on which the above profit forecast has been prepared are summarized in Appendix III to this Prospectus. The Directors have prepared the forecast profit after taxation of the Company for the year ending December 31, 2011 based on the unaudited results for the one month ended January 31, 2011 and a forecast of the results for the remaining eleven months ending December 31, 2011.
- (2) The calculation of the unaudited pro forma forecast earnings per share is based on the forecast profit after taxation of the Company for the year ending December 31, 2011, assuming that a total of 2,299,000,000 shares had been in issued during the entire year without taking into account any shares which may be issued upon the exercise of the Over-allotment Option or options that may be granted under the Share Option Scheme.
- (3) The forecast profit after taxation and unaudited pro forma forecast earnings per share in Renminbi are converted to HK dollars at the rate of RMB1.00 to HK\$1.1950. Such translations should not be construed as representations that amounts in HK dollars were or may have been converted into Renminbi at such rates or any other exchange rates, or vice versa.

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

May 5, 2011

The Directors
Billion Industrial Holdings Limited

Dear Sirs

We report on the unaudited pro forma financial information (the "Pro forma Financial Information") of Billion Industrial Holdings Limited (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 May 5, 2011 (the "Prospectus"), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the Global Offering might have affected the financial information presented. The basis of preparation of the unaudited Pro Forma Financial Information is set out in Part (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 ("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 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 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 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 Group as of December 31, 2010 or any future date; or
- the earnings per share of the Group for the year ending December 31, 2011 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 “Future Plans and Use of Proceeds — 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