

The information set forth in this appendix does not form part of the accountants' report prepared by Ernst & Young, 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 information 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 FORECAST EARNINGS PER SHARE

The following unaudited pro forma forecast earnings per Share for the six months ending 30 June 2011 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 2011. This unaudited pro forma forecast earnings per Share has been prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the financial results of the Group following the Global Offering and the Reorganisation set out in Appendix VI to the Prospectus.

Forecast combined profit attributable to the equity holders of the Company for the six months ending 30 June 2011 (<i>Note 1</i>)	Not less than RMB67.7 million (Approximately HK\$81.5 million)
Unaudited pro-forma forecast earnings per Share (<i>Note 3</i>)	Not less than RMB0.07 (Approximately HK\$0.08)

Notes:

- (1) The forecast combined profit attributable to the equity holders of the Company for the six months ending 30 June 2011 is extracted from the paragraph headed "Profit Forecast" under the section headed "Financial Information" in this prospectus. The bases and assumptions on which the profit forecast for the six months ending 30 June 2011 have been prepared are summarised in Appendix III to this prospectus.
- (2) The forecast combined profit attributable to equity holders of the Company for the six months ending 30 June 2011 prepared by the Directors is based on the unaudited combined results of the Group for the four months ended 30 April 2011 and a forecast of the combined results of the Group for the remaining two months ending 30 June 2011. The forecast has been prepared on the basis of the accounting policies being consistent in all material aspects with those currently adopted by the Group as set out in Note 2.3 of the Accountants' Report, contained in Appendix I to this prospectus.
- (3) The calculation of the forecast earnings per Share on a pro forma basis of RMB0.07 (approximately HK\$0.08) is based on the forecast combined profit attributable to equity holders of the Company for the six months ending 30 June 2011, assuming that the Company had been listed since 1 January 2011 and a total of 1,000,000,000 Shares have been in issue during the entire period. The calculation of the 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.
- (4) The forecast of our combined profit attributable to the equity holders of the Company and the unaudited pro forma forecast earnings per share are translated into Hong Kong

dollars at the exchange rate of RMB0.83113 to HK\$1, the prevailing rate quoted by the People's Bank of China on 23 June 2011. No representation is made that the Renminbi amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate.

(B) UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of the Group is based on the combined net assets derived from the financial information of the Group as at 31 December 2010, as set out in Appendix I to this prospectus and adjusted as follows:

	Combined net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2010	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted net tangible assets attributable to the equity holders of the Company	Unaudited pro forma adjusted net tangible assets per Share
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB</u>
		(Note 1)		(Note 2)
Based on the Offer Price of HK\$2.51 per Share	145,511	467,524	613,035	0.61
Based on the Offer Price of HK\$3.76 per Share	145,511	716,863	862,374	0.86

Notes:

- (1) The audited combined net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2010 is arrived at after deducting intangible asset of RMB144,000 from the audited combined net assets of the Group attributable to the equity holders of the Company of RMB145,655,000.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$2.51 and HK\$3.76 per Share, after deduction of the underwriting fees and other related expenses payable by the Company. No account has been taken of the Shares which may be allotted and issued upon exercise of the Over-allotment Option.
- (3) The unaudited pro forma adjusted net tangible asset per Share is arrived at after the adjustments referred to in the preceding paragraph and on the basis that 1,000,000,000 Shares are in issue assuming that the Global Offering has been completed on 31 December 2010, which takes no account any Shares which may be allotted and issued upon exercise of the Over-allotment Option.
- (4) The Group's property interests as at 31 May 2011 have been valued by Jones Lang LaSalle Sallmanns Limited, an independent property valuer, the relevant property valuation report is set out in Appendix IV to this prospectus, "Property Valuation". The revaluation surplus of these properties was not incorporated in the Group's combined financial information for the year ended 31 December 2010 and will not be included in the Group's financial information for the six months ending 30 June 2011. The above adjustments do not take into account the revaluation surplus attributable to the Group arising from the revaluation of the Group's property interests amounting to approximately RMB1.9 million. If the revaluation surplus was recorded in the Group's financial statements, additional annual depreciation and amortisation of approximately RMB87,000 would be charged against profit for the six months ending 30 June 2011.

(C) COMFORT LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus, in respect of the unaudited pro forma financial information on the Group:



18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

30 June 2011

The Directors
Prince Frog International Holdings Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

and

CCB International Capital Limited
34/F, Two Pacific Place
88 Queensway, Admiralty
Hong Kong

and

CIMB Securities (HK) Limited
Units 7706-08, Level 77
International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Dear Sirs,

We report on the unaudited pro forma adjusted combined net tangible assets and unaudited pro forma forecast earnings per share (the “Unaudited Pro Forma Financial Information”) of Prince Frog International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which have been prepared by the directors of the Company (the “Directors”) for illustrative purposes only, to provide information about how the global offering of 300,000,000 shares of HK\$0.01 each in the capital of the Company might have affected the financial information presented, for inclusion in Appendix II to the prospectus of the Company dated 30 June 2011 (the “Prospectus”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

Respective Responsibilities of the Directors and Reporting Accountants

It is the responsibility solely of the Directors 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 engagement 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 the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance 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 on the bases stated, that such bases are 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.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, 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 31 December 2010 or any future dates; or
- the forecast earnings per share of the Group for the six months ending 30 June 2011 or any future periods.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the bases stated;
- (b) such bases are 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,
Ernst & Young
Certified Public Accountants
Hong Kong