

*The forecast of our net profit for the year ending December 31, 2011 is set out in the section entitled “Financial Information—Profit Forecast for the Year Ending December 31, 2011.”*

#### **(A) BASES AND ASSUMPTIONS**

Our Directors have prepared the forecast of our net profit for the year ending December 31, 2011 on the basis of our audited financial results for the three months ended March 31, 2011, our unaudited financial results for the four months ended July 31, 2011 and a forecast of our results for the remaining five months ending December 31, 2011. Our Directors are currently not aware of any extraordinary items which have arisen or are likely to arise in respect of the year ending December 31, 2011.

The profit forecast has been prepared on the basis of accounting policies consistent in all material respects with the accounting policies normally adopted by us as summarized in the Accountants’ Report set out in Appendix I, and on the following assumptions:

- (a) There will be no exceptional circumstances that will require provisions to be made by us in respect of any contingent liabilities or arbitration threatened or otherwise, abnormal bad debts, incomplete contracts or other assets;
- (b) We are able to renew and/or obtain relevant production permits/licenses, and certifications for our products in order to sell our products in domestic and overseas markets;
- (c) There will be no material changes in the existing political, fiscal or economic conditions in the countries in which we carry on business or from which we buy or to which we sell;
- (d) There will be no material changes in laws, rules and/or regulations relevant to the women’s footwear industry in China, including but not limited to governmental policies relating to price control, product liability, certification and production;
- (e) Foreign exchange rates, interest rates and inflation rates will not differ materially from those presently prevailing;
- (f) There will be no material changes in the bases or rates of taxation in China, the country that our principal operations are located, and our PRC subsidiaries can continue to enjoy the tax incentives currently available to them. In addition, a 5% withholding tax to be levied on the dividends to be payable is forecasted based on the profit of the PRC subsidiaries under the relevant tax rules and regulations;
- (g) There will be no significant change in the existing accounting policies, critical accounting estimates and judgements underlying the preparation of the profit and working capital forecasts from those adopted in the preparation of our consolidated financial results to be disclosed in the prospectus for the year ended December 31, 2010;
- (h) Our operations and business will not be materially affected or interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of our Directors, including but not limited to the occurrence of natural disasters, supply failure, labor dispute, significant lawsuit and arbitration;
- (i) Our operations will not be significantly affected by production capacity of major equipment which is beyond the control of our Directors;

- (j) We are not materially and adversely affected by any of the risk factors as set out in the section entitled “Risk Factors” of the prospectus;
- (k) Our Directors expect no extraordinary financial items will incur during the five months period ending December 31, 2011;
- (l) We can substantially maintain the business relationship with our major customers and suppliers during the forecast period;
- (m) Our production and operation will not be significantly affected by interruptions as a result of the failure to meet relevant production and regulations, or obtain industry safety and qualification certificates;
- (n) Our core management will continue to serve us after the Listing and we will not encounter any material difficulties in recruiting and retaining qualified staffs.

**(B) LETTER FROM OUR AUDITORS AND REPORTING ACCOUNTANTS**

*The following is the text of the letters received by the Directors from the Company's auditors and reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus in connection with the profit forecast.*

**Deloitte.**  
**德勤**

德勤·關黃陳方會計師行  
香港金鐘道88號  
太古廣場一座35樓

Deloitte Touche Tohmatsu  
35/F One Pacific Place  
88 Queensway  
Hong Kong

September 12, 2011

The Directors  
Hongguo International Holdings Limited  
Citigroup Global Markets Asia Limited  
DBS Asia Capital Limited

Dear Sirs,

We have reviewed the accounting policies adopted and calculations made in arriving at the forecast of the consolidated net profit of Hongguo International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ending December 31, 2011 attributable to owners of the Company (the "Forecast"), for which the directors of the Company are solely responsible, as set out in the prospectus dated September 12, 2011 issued by the Company (the "Prospectus"). The Forecast is prepared based on the audited results of the Group for the three months ended March 31, 2011, the results shown in the unaudited management accounts of the Group for the four months ended July 31, 2011, and a forecast of the results for the remaining five months of the financial year ending December 31, 2011.

In our opinion, the Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the directors of the Company as set out in part A of Appendix III to the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report on the financial information of the Group for the three years ended December 31, 2010 and the three months ended March 31, 2011 as set out in Appendix I to the Prospectus.

Yours faithfully,

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

**(C) LETTER FROM THE JOINT SPONSORS**

*The following is the text of a letter, prepared for inclusion in this prospectus by the Joint Sponsors in connection with the profit forecast for the year ending December 31, 2011.*

**Citigroup Global Markets Asia Limited**

50th Floor, Citibank Tower  
3 Garden Road  
Central, Hong Kong

**DBS Asia Capital Limited**

17th Floor, The Center  
99 Queen's Road Central  
Hong Kong

September 12, 2011

The Directors  
Hongguo International Holdings Limited

Dear Sirs,

We refer to the forecast of the consolidated profit attributable to the equity holders of Hongguo International Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ending December 31, 2011 (the "Profit Forecast") as set out in the prospectus issued by the Company dated September 12, 2011 (the "Prospectus").

The Profit Forecast, for which you as the directors of the Company (the "Directors") are solely responsible, has been prepared by them based on the audited consolidated financial results of the Group for the three months ended March 31, 2011, the unaudited consolidated financial results of the Group for the four months ended July 31, 2011 and a forecast of the consolidated results of the Group for the remaining five months ending December 31, 2011.

We have discussed with you the bases and assumptions, as set forth in Appendix III to the Prospectus, upon which the Profit Forecast has been made. We have also considered and relied upon the letter dated September 12, 2011 addressed to you and us from Deloitte Touche Tohmatsu regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the information comprising the Profit Forecast and on the basis of the accounting policies and calculations adopted by you and reviewed by Deloitte Touche Tohmatsu, we are of the opinion that the Profit Forecast, for which you as the directors of the Company are solely responsible, has been made after due and careful enquiry.

For and on behalf of  
**Citigroup Global Markets Asia Limited**

Rodney Tsang  
Managing Director  
Co-Head of China Global Banking

For and on behalf of  
**DBS Asia Capital Limited**

Andrew Yeung  
Senior Vice President