
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purpose only, and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to the equity holders of the Company as at June 30, 2010 as if the Global Offering had taken place on June 30, 2010 assuming the Over-allotment Option is not exercised.

This 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 consolidated net tangible assets of the Group as at June 30, 2010 or at any future dates following the Global Offering. It is prepared based on the consolidated net tangible assets of the Group attributable to the equity holders of the Company as at June 30, 2010 as set out in the accountants' report of the financial information of the Group, the text of which is set out in Appendix IA to this prospectus, and adjusted as described below.

	Audited consolidated net assets of the Group attributable to the equity holders of the Company as at June 30, 2010	Less: intangible assets of the Group as at June 30, 2010	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted net tangible assets of the Group attributable to the equity holders of the Company	Unaudited pro forma adjusted net tangible assets per Share
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000	RMB (Note 4)
Based on an Offer					
Price of HK\$3.88 per Share	<u>321,970</u>	<u>10,469</u>	<u>1,594,840</u>	<u>1,906,341</u>	<u>0.95</u>
Based on an Offer					
Price of HK\$4.98 per Share	<u>321,970</u>	<u>10,469</u>	<u>2,058,885</u>	<u>2,370,386</u>	<u>1.19</u>

Notes:

- (1) The audited consolidated net assets of the Group attributable to the equity holders of the Company as at June 30, 2010 is extracted from the Accountants' Report of the Group set out in Appendix IA of this prospectus.
- (2) The intangible assets of the Group represent the trademark of the Group as at June 30, 2010 as disclosed in the Accountants' Report of the Group set out in Appendix IA of this prospectus.
- (3) Total expenses for the Global Offering (excluding the underwriting fees) are estimated to be approximately RMB41,971,000, of which approximately RMB14,832,000 has been recognized in the consolidated statement of comprehensive income for the six months ended June 30, 2010. The estimated net proceeds from the Global Offering are based on 500,000,000 Shares at the Offer Price of HK\$3.88 and HK\$4.98, respectively, after deduction of the underwriting fees of approximately RMB59,372,000 and RMB76,204,000 and the remaining expenses payable by the Company and takes no account of any Shares which may fall to be sold upon the exercise of the Over-allotment Option.
- (4) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 2,000,000,000 Shares are in issue and the Over-allotment Option is not exercised.
- (5) The property interests of the Group as at June 30, 2010 have been revalued by Jones Lang LaSalle Sallmanns Limited, an independent property valuer, and the relevant property valuation report is set out in Appendix IV to this prospectus. The values of revalued investment property and other property interests are approximately RMB14,697,000 and RMB115,000,000, respectively. By comparing the valuation of the Group's property interests as set out in Appendix IV and the audited carrying amount of these properties as at June 30, 2010, the net revaluation surplus on other property interests is approximately RMB65,789,000, which has not been included in the above adjusted net tangible assets of the Group. Revaluation surplus related to investment property and other property interests will not be recorded in the Group's consolidated financial statements in subsequent years as they are carried at cost less accumulated depreciation and any recognized impairment loss. Had these property interests been stated at the valuation amount, additional annual depreciation of approximately RMB3,497,000 would be recognized in profit or loss.
- (6) The estimated net proceeds from the Global Offering are converted at the PBOC rate from Hong Kong dollars into Renminbi at an exchange rate of HK\$1.00 to RMB0.8744 prevailing on September 3, 2010. No representation is made that the Hong Kong dollar amounts have been, could have been or could be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

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B. UNAUDITED PRO FORMA FORECAST BASIC EARNINGS PER SHARE

The following unaudited pro forma forecast basic earnings per Share 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 January 1, 2010. This unaudited pro forma forecast basic 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 or for any future period.

For the year ending December 31, 2010

Forecast consolidated profit attributable to equity holders of the Company (Note 1)	Not less than RMB250.0 million
Forecast basic earnings per Share (Note 2)	Not less than RMB0.125 per Share

Notes:

- (1) The bases and assumptions on which the forecast consolidated profit attributable to equity holders of the Company for the year ending December 31, 2010 is extracted from the section headed "Profit Forecast" in Appendix III of the prospectus. The bases on which the above profit forecast for the year ending December 31, 2010 has been prepared are summarized in the section headed "Profit Forecast" in Appendix III to the prospectus.
- (2) The calculation of the forecast basic earnings per Share is based on the forecast consolidated profit attributable to equity holders of the Company for the year ending December 31, 2010 assuming that the Global Offering had occurred on January 1, 2010 and a total of 2,000,000,000 Shares had been in issue during the year, but does not take into account any Shares which may be issued upon the exercise of the Over-allotment Option.

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The following is the text of a report, prepared for inclusion in this prospectus, in respect of the unaudited pro forma statement of adjusted net tangible assets and unaudited pro forma forecast basic earnings per share of the Group, received from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.



ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION TO THE DIRECTORS OF BOSHIWA INTERNATIONAL HOLDING LIMITED

We report on the unaudited pro forma financial information of Boshiwa International Holding Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), set out on pages II-1 to II-2 under the heading of "A. Unaudited Pro Forma Statement of Adjusted Net Tangible Assets" and "B. Unaudited Pro Forma Forecast Basic Earnings Per Share" (the "Unaudited Pro Forma Financial Information") in Appendix II to the Company's prospectus dated September 16, 2010 (the "Prospectus") which has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Global Offering might have affected the financial information of the Group. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages II-1 to II-2 of the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 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 29(7) of Chapter 4 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 source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying 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

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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 purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Our work has not been carried out in accordance with the auditing 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 it has been carried out in accordance with those standards.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of:

- the financial position of the Group as at June 30, 2010 or any future date; or
- the basic earnings per share of the Group for the year ending December 31, 2010 or any future period.

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 purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 16, 2010