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PRINCE FROG INTERNATIONAL HOLDINGS LIMITED

青蛙王子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1259)

CLARIFICATION OF MEDIA REPORT AND UNUSUAL PRICE AND VOLUME MOVEMENTS

This announcement is made on a voluntary basis pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of Prince Frog International Holdings Limited (the “**Company**”) noted the decrease in the share price and increase in trading volume of the shares of the Company on Friday, 8 June 2012, and the publication of a press article (the “**Article**”) on Hong Kong Economic Journal issued on 9 June 2012 reporting that, among others, there are rumours in the market on the market share of the products of Prince Frog International Holdings Limited (the “**Company**”) (the “**Rumours**”), and wish to state that other than the possible negative effect caused by the inaccuracies of the claims made in the Rumours as reported in the Article, the Board is not aware of any reasons for such fluctuations. The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, and neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

The Board wishes to clarify that the Company is unable to verify the details or sources of the Rumours, but after having considered the claims raised by the Rumours, the Company finds no merits whatsoever in these Rumours. All information about the market shares of the Company at the relevant time should be the information disclosed in the prospectus of the Company dated 30 June 2011 (the “**Prospectus**”), which were disclosed following due considerations and extracted from the report prepared by Euromonitor International Ltd (“**Euromonitor**”), a market research firm and an independent third party, relating to the analysis of children care products market in China, which was made available for inspection during normal business hours from 9:00 am to 5:00 pm up to and including the date which was 14 days from the date of the Prospectus. Euromonitor conducted the market research under specific research definition, coverage, and research methodology. As disclosed in the Prospectus, unless the content defines otherwise, baby care products refers to personal care product(s) targeting babies from zero to three years old and children care products refers to personal care product(s) targeting children from four to 12 years old (the “**Children Care Market Segment**”), which are separate market segments mutually exclusive to each other and the children moisturising lotions market is a sub-segment of the overall Children Care Market Segment. The Company’s focus is on children care products and any analysis on market shares of the Company should take reference to the Children Care Market Segment alone. The Company would like to clarify that as the approach and basic references made by the “fund manager” in arriving on its conclusions are wrong, the allegations on the inaccuracies of the Company’s market share at the relevant time are inaccurate, without merits and done without due considerations of the appropriate reference materials.

In addition, the Company would also like to clarify that the Company has never used, or officially sanctioned the use of any e-commerce platform as its official sales platform. The Company is currently in the process of formulating an e-commerce strategy and an e-commerce platform and will make an announcement on its launch as and when appropriate. Any current sales of the Company's products on any e-commerce platforms are done without the official sanctions of the Company and are irrelevant for use in estimating market share of the Company's products. The approach and basis used by the "fund manager" in referencing our Company's non-existent sales against sales of other brands' products on the "Taobao" e-commerce platform as reported in the Article are inaccurate, without merits and done without due considerations of the appropriate reference materials.

For the explanations as stated above, the Company advises its shareholders and potential investors to disregard and not to put any credibility on the allegations made in the Rumours as reported in the Article.

Made by the order of the Board, the directors of the Company of which individually and jointly accept responsibility for the accuracy of the above statement.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. The Company advises its shareholders and potential investors to be cautious about the credibility and veracity of any information or claims made in any unverifiable emails or articles from unknown sources. The Company has an investors relations department that would be pleased to help clarify any queries that our shareholders or potential investors may have on the business of the Company. Please forward any relevant queries to ir@princefrog.com.cn and we will try to respond to those queries as soon as possible.

By order of the Board
Prince Frog International Holdings Limited
Li Zhenhui
Chairman

Hong Kong, 11 June 2012

As at the date of this announcement, the Board comprises (i) five executive directors, namely Mr. Li Zhenhui, Mr. Xie Jinling, Mr. Ge Xiaohua, Mr. Huang Xinwen and Ms. Hong Fang; and (ii) three independent non-executive directors, namely Mr. Chen Shaojun, Mr. Ren Yunan and Mr. Wong Wai Ming.