

*The forecast of our net profit for the six months ending June 30, 2011 is set out in the section entitled “Financial Information — Profit Forecast for the Six Months Ending June 30, 2011” in the prospectus*

#### **A. BASES, ASSUMPTIONS AND SENSITIVITY ANALYSIS**

##### **Bases and Assumptions**

The profit forecast has been prepared by the Directors of the Company based on the unaudited consolidated management accounts of the Group for the two months ended February 28, 2011 and a forecast of the consolidated results of the Group for the remaining four months ending June 30, 2011. The significant accounting policies adopted by directors of the Company in the preparation of the profit forecast are consistent in all material respects, with those adopted by the Company as set out in the Accountants’ Report in Appendix I to this prospectus.

The principal general bases and assumptions underlying the profit forecast are set out below:

1. There will be no material changes in the existing political, legal, fiscal, market or economic conditions in China, Hong Kong or any other countries or territories in which the Group currently operates or which are otherwise material to our business;
2. There will be no changes in legislation, regulations or rules in China, Hong Kong or any other countries or territories in which the Group operates or with which the Group has arrangements or agreements, which may materially adversely affect the Group’s business or operations;
3. There will be no material changes in the landscape of the industries in which the Group operates in and the conditions of the markets in which the Group provides design, procurement, production, sale and installation of curtain wall systems to their customers;
4. There will be no material delays to the production schedules, operation plans and production expansion plans of the Group as set out in this prospectus;
5. Operating activities of the Group will not be adversely affected by critical shortage in raw materials used by the Group in their production processes, and the occurrences such as labor shortages and disputes, or any other factors outside the control of its management such as government act;
6. There will be no material increases in the purchase price of major raw materials during the profit forecast period;
7. There will be no material changes in inflation rates, interest rates, or foreign exchange rates from those currently prevailing in the context of the Group’s operations;

8. There will be no material changes in the taxation system and relevant tax bases or tax rates or duties applied to the Group in the PRC, Hong Kong or any of the countries or territories in which the Group operate; and
9. The operations of the Group 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 the Directors.

### Sensitivity Analysis

The following table illustrates the sensitivity of forecasted consolidated profit attributable to equity shareholders of the Company to the changes of the forecasted purchase cost of aluminum extrusions for the six months ending June 30, 2011, without considering the effect of aluminum futures contracts we have entered into.

	5% increase in the forecasted purchase cost of aluminum extrusion	10% increase in the forecasted purchase cost of aluminum extrusion	5% decrease in the forecasted purchase cost of aluminum extrusion	10% decrease in the forecasted purchase cost of aluminum extrusion
(Decrease) / increase in forecasted consolidated profit attributable to equity shareholders of the Company (RMB'000) .....	(24,423)	(48,846)	24,423	48,846
Forecasted consolidated profit attributable to equity shareholders of the company (RMB'000) .....	386,115	361,692	434,691	459,384

This sensitivity illustration is intended for reference only and any variation could exceed the amounts indicated. Investors should note in particular that (i) this sensitivity illustration is not intended to be exhaustive and is limited to the impact of the changes in the forecasted purchase cost of aluminum extrusion; (ii) the profit forecast is subject to further and additional uncertainties. While we consider that for the purposes of the profit forecast what we believe is the best estimate of, among other assumptions, the change in the forecasted purchase cost of aluminum extrusion for the six months ending June 30, 2011, the actual change in the purchase cost of aluminum extrusion may differ materially from our estimate and is dependent on market conditions and other factors that are beyond our control.

**B. LETTER FROM THE REPORTING ACCOUNTANTS ON THE PROFIT FORECAST**

*The following is the text of a letter, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in connection with the forecast of the consolidated profit attributable to equity shareholders of the Company for the six months ending 30 June 2011.*



8th Floor  
Prince's Building  
10 Chater Road  
Central  
Hong Kong

20 April 2011

The Directors  
Yuanda China Holdings Limited

Deutsche Bank AG, Hong Kong Branch  
J.P. Morgan Securities (Asia Pacific) Limited

Dear Sirs

We have reviewed, in accordance with the Auditing Guideline 3.341 "Accountants' report on profit forecasts" issued by the Hong Kong Institute of Certified Public Accountants, the accounting policies adopted and calculations made in arriving at the forecast of the consolidated profit attributable to equity shareholders of Yuanda China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ending 30 June 2011 (the "Profit Forecast"), for which the directors of the Company are solely responsible, as set forth in the section headed "Financial Information – Profit Forecast for the Six Months Ending June 30, 2011" in the prospectus of the Company dated 20 April 2011 (the "Prospectus").

The Profit Forecast has been prepared by the directors of the Company based on the unaudited consolidated management accounts of the Group for the two months ended 28 February 2011 and a forecast of the consolidated results of the Group for the remaining four months ending 30 June 2011.

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the assumptions made by the directors as set out in Appendix III of 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 dated 20 April 2011, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully

**KPMG**  
*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 six months ending June 30, 2011.*

**Deutsche Bank**   
Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

**J.P.Morgan**  
J.P. Morgan Securities (Asia Pacific) Limited  
28/F Chater House  
8 Connaught Road Central  
Hong Kong

20 April 2011

The Directors  
Yuanda China Holdings Limited

Dear Sirs,

We refer to the profit forecast of the consolidated net profit of Yuanda China Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) attributable to equity holders of the Company for the six months ending June 30, 2011 (the “Profit Forecast”) as set out in the prospectus issued by the Company dated April 20, 2011 (the “Prospectus”).

The Profit Forecast, for which you as the directors of the Company (the “Directors”) are solely responsible, has been prepared based on the unaudited consolidated management accounts of the Group for the two months ended February 28, 2011 and a forecast of the consolidated results of the Group for the remaining four months ending June 30, 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 the letter dated April 20, 2011 addressed to yourselves and ourselves from KPMG 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 KPMG, we are of the opinion that the Profit Forecast, for which you as Directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,  
For and on behalf of

**Deutsche Bank AG, Hong Kong Branch**

**J.P. Morgan Securities (Asia Pacific) Limited**

**Douglas Morton**  
*Managing Director*

**Tony Yau**  
*Director*

**David Lau**  
*Executive Director*