

The forecast of our consolidated profit attributable to equity holders of the Company for the twelve months ending December 31, 2011 is set out in the section entitled “Financial Information — Profit Forecast for the Year Ending December 31, 2011.”

BASES AND ASSUMPTIONS

Our Directors have prepared the forecast consolidated profit attributable to equity holders of the Company for the year ending December 31, 2011 based on the audited results of the Group for the six months ended June 30, 2011 the unaudited consolidated results of our Group based on management accounts for the three months ended September 30, 2011 and a forecast of the consolidated results of the Group for the remaining three months ending December 31, 2011 on the basis that the current Group structure had been in existence throughout the whole twelve 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 consistent in all material respects with the accounting policies presently adopted by our Company as set out in Note 3 of section II of the Accountant’s Report set out in Appendix I of this prospectus, and on the following principal assumptions:

- (a) there will be no material change in existing political, legal, fiscal, market or economic conditions in China, Hong Kong or any other country or territory in which we currently operate or which are otherwise material to our revenues;
- (b) there will be no change in legislation, regulations or rules in China, Hong Kong or any other country or territory in which we operate or with which we have arrangements or agreements, which may materially adversely affect our business;
- (c) based on information currently available to us, there will be no tariff reduction that will have a material adverse effect on our business;
- (d) there will be no material change in the bases or rates of taxation in the countries or territories in which we operate, except as otherwise disclosed in this prospectus;
- (e) there will be no material change in inflation, interest rates or foreign currency exchange rates from those currently prevailing and applicable to the business activities of the Group;
- (f) there will be no deterioration, arising from the fluctuation of the specialty chemical industry and overall economic development in the PRC and other countries where the Group’s customers are located; and
- (g) the Group will be able to continue in business and will not be materially interrupted by any unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors, including an earthquake or other natural disasters. The Group’s operations, results, and financial position will not be adversely affected by the occurrence of any of the events described in the “Risk Factors” as mentioned in the Prospectus.

LETTERS

(1) LETTER FROM THE REPORTING ACCOUNTANT ON THE PROFIT FORECAST

The following is the text of a letter received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

November 29, 2011

The Directors
China First Chemical Holdings Limited

Morgan Stanley Asia Limited

Dear Sirs,

We have reviewed the calculations of and accounting policies adopted in arriving at the forecast of the consolidated profit attributable to equity holders of China First Chemical Holdings Limited (the “Company”) for the year ending December 31, 2011 (the “Profit Forecast”) as set out in the subsection headed “Profit forecast for the year ending December 31, 2011” in the section headed “Financial information” in the prospectus of the Company dated November 29, 2011 (the “Prospectus”).

We conducted our work in accordance with Auditing Guideline 3.341 on “Accountants’ report on profit forecasts” issued by the Hong Kong Institute of Certified Public Accountants.

The Profit Forecast, for which the directors of the Company are solely responsible, has been prepared by them based on the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as “the Group”) for the six months ended 30 June 2011, the unaudited consolidated results of the Group based on management accounts for the three months ended September 30, 2011 and a forecast of the consolidated results of the Group for the remaining three months ending December 31, 2011.

In our opinion, the Profit Forecast, so far as the calculations and accounting policies are concerned, has been properly compiled in accordance with the bases and assumptions made by the directors of the Company as set out on page III-1 of the Prospectus, and is presented on a basis consistent in all material respects with the accounting policies adopted by the Group as set out in Note 3 of section II of the Financial Information section in Appendix I of the Prospectus.

Yours faithfully,

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

PricewaterhouseCoopers, 22/F Prince’s Building, Central, Hong Kong
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(2) LETTER FROM THE SOLE SPONSOR

The following is the text of a letter, prepared for inclusion in this prospectus, we have received from Morgan Stanley, our Sponsor, in connection with the forecast of our profits attributable to equity holders of our Company for the year ending December 31, 2011.

Morgan Stanley Asia Limited

Level 46, International Commerce Centre,
1 Austin Road West, Kowloon,
Hong Kong

November 29, 2011

The Directors
China First Chemical Holdings Limited

Dear Sirs,

We refer to the forecast of the consolidated net profit attributable to the equity holders of China First Chemical Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ending December 31, 2011 (the “Profit Forecast”) as set out in the section headed “Financial Information” in the prospectus of the Company dated November 29, 2011 (the “Prospectus”).

The Profit Forecast, for which the Directors are solely responsible, has been prepared based on the audited results of the Group for the six months ended June 30, 2011, the management accounts for the three months ended September 30, 2011 and the forecast consolidated results for the remaining three months ending December 31, 2011.

We have discussed with you the bases made by the Directors of the Company as set out in Appendix III to the Prospectus upon which the Profit Forecast has been made. We have also considered the letter dated November 29, 2011 addressed to yourselves and ourselves from PricewaterhouseCoopers 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 PricewaterhouseCoopers, 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
Morgan Stanley Asia Limited
Terence Keyes
Managing Director