

(A) Basis and Assumptions

The Directors have prepared the forecast combined profit attributable to equity shareholders of the Company for the year ending 31 December 2007 on the basis of the audited combined results of the Group for the six months ended 30 June 2007, the unaudited combined management accounts of the Group for the month ended 31 July 2007, and a forecast of the combined results of the Group for the remaining five months ending 31 December 2007 on the basis that the current group structure had been in existence throughout the whole financial year ending 31 December 2007 and that the accounting policies consistent in all material respects with those adopted by the Group as summarised in the Accountants' Report, the text of which is set out in Appendix I to this Prospectus, and is based on the following principal assumptions:

General Assumptions

- (i) there will be no material changes in the existing political, legal, fiscal or economic conditions in the PRC, or any other countries and territories in which the Group carries on business or which are otherwise to the Group's business;
- (ii) there will be no material changes in legislation or regulations' rules, whether in the PRC, Hong Kong or any other countries and territories, which materially affect the business, suppliers or customers of the Group;
- (iii) the inflation rate, exchange rates and interest rates will not differ materially from those currently prevailing;
- (iv) there will be no material changes in the bases or rates of taxation in the PRC or any other countries and territories in which the Group operates or in the countries or territories in which the Company or its subsidiaries were incorporated; and
- (v) the Group's operations 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, including but not limited to the occurrence of natural disasters, epidemics or serious accidents.
- (vi) there will be no material changes in the Group's fixed operating cost items, such as rental expenses, while other variable cost items such as advertising and promotion, commission are forecasted according to the forecasted sales and other marketing activities.
- (vii) The PRC Government will continue to adopt the macroeconomic and monetary policies similar to those of 2006, in order to maintain a consistent rate of economic growth.
- (viii) There are no significant changes in the critical accounting estimates and judgments.

Assumptions with respect to Pre-IPO Share Option Scheme

Changes in the fair value of the share options are dependent on a number of variables and other factors affected by market conditions that are beyond the Group's control at the relevant time.

Under HKFRSs, the fair value of share options at the date of grant is required to be recognised in the Group's income statement. This charge is a non-cash item. The value of the share options is determined taking into account all features of the grant and is calculated by binomial model (an applicable option-pricing model) by an independent actuary, Watson Wyatt Hong Kong Limited under the following major assumptions:

- (i) volatility of the Company's share price of 30% per annum;
- (ii) expected dividend yield of 2% per annum; and
- (iii) rate of leaving service: 4% per annum
- (iv) risk-free rate of interest of 4.38% per annum

The actual amount of fair value adjustment on the Pre-IPO Share Option Scheme will depend on the Offer Price of the Shares.

The following table illustrates the sensitivity of the combined profit attributable to equity shareholders of the Company, by the changes in fair value adjustments on the Pre-IPO Share Option Scheme if the Offer Price is at the respective offer prices of HK\$4.55, HK\$5.22 and HK\$5.88 per Share:

	Based on an Offer Price of HK\$4.55	Based on an Offer Price of HK\$5.22	Based on an Offer Price of HK\$5.88
Decrease in combined profit attributable to equity shareholders of the Company (HK\$ million)	19.5	22.3	25.1

This sensitivity illustration is intended for reference only. Investors should note in particular that (i) this sensitivity illustration is not intended to be exhaustive and is limited to the quantum of the fair value adjustment on share options (before any further exchange rate adjustment) and (ii) the profit forecast is generally subject to further and additional uncertainties.

Assumptions with respect to net valuation gains on investment properties

Forecasts of net valuation gains on the investment properties (net of deferred taxation effect) of HK49.6 million for year ending 31 December 2007, for which the directors of the Company (the "Directors") are sole responsible and have been prepared by them based on the valuation of HK\$705.1 million for the period ended 31 July 2007 extracted from the valuation report in Appendix IV to this prospectus and a forecast of the valuation on a "not less than" basis for the remaining five months ending 31 December 2007.

The independent property valuers, Knight Frank Petty Limited, have adopted a direct comparison approach, under which the investment properties are directly compared with other comparable properties of similar character and location. Such comparable properties are analysed in respect of their particular characteristics, both advantageous and disadvantageous, in order to provide a fair comparison of capital values. Characteristics considered in conducting such comparisons include the size and other physical features of the property, its location and its economic situation.

In preparing the analysis of the effect of fair value gains on the profit forecast, the estimates are based on transactions in comparable properties currently available, with prices projected as of 31 July 2007 and based on stable upward market trends as reflected in independent market research reports. The Directors have prepared the forecast on a “not less than” basis and estimated “zero” net valuation gain of the investment properties for the remaining five months ending 31 December 2007. Accordingly, the Directors have forecasted the fair value of the investment properties as of 31 December 2007 to remain unchanged from the valuation as of 31 July 2007. It should be noted that any fair value gains on investment properties, to continue to be dependent on market conditions and other factors that are beyond the control of the Directors, and to be based on the valuation performed by an independent professional property valuer of which fair value gains are forecasted, involve the use of assumptions that are, by their nature, subjective and uncertain.

Under HKFRSs, net valuation gains on investment properties are included in the period in which they arise.

(1) Net valuation gains on investment properties

The forecast net valuation gains on investment properties (net of deferred taxation effect) for the year ending 31 December 2007 is HK\$49.6 million. No cash inflow will be generated from any such net valuation gains. The major contribution to the forecast net valuation gains on investment properties (net of deferred taxation effect) in 2007 comes from the properties listed below, mainly due to market growth.

Property number in the valuation report in appendix IV	Address	Year ended 31 December 2006 (HK\$ million)	Period ended 31 July 2007 (HK\$ million)	Year ending 31 December 2007 (HK\$ million)
8-13	Jinguzhou, Jiangmen	24.8	1.8	1.8
22	115 Hennessy Road	1.2	1.3	1.3
23	56 Percival Street	2.5	7.4	7.4
24	Westlands Gardens	—	3.1	3.1
26	67 Sai Yeung Choi Street	3.3	4.1	4.1
27	58 & 60 Sai Yeung Choi Street	6.6	8.3	8.3
28	Mok Chong Street	0.1	0.1	0.1
29	Siu Man Court	—	0.4	0.4
30	Haiwang Hatchery Plant	0.2	0.2	0.2
31	Xing Guang Farm	0.2	—	—
32 to 41	Japan properties	35.1	22.9	22.9
Fair value gains recognised during the year/period		<u>74.0</u>	<u>49.6</u>	<u>49.6</u>

(2) Sensitivity Analysis

The following table illustrates the sensitivity of the forecast net valuation gains on investment properties (net of deferred taxation effect) for the year ending 31 December 2007:

Changes in valuation of investment properties compared to the forecast net valuation gains on investment properties (net of deferred taxation effect) of HK\$49.6 million for the year ending 31 December 2007	-15%	-10%	-5%	0%	5%	10%	15%
Impact on the forecast combined profit attributable to equity shareholders of the Company (HK\$ 'million)	(7.5)	(5.0)	(2.5)	—	2.5	5.0	7.5

This sensitivity illustration is intended for reference only, and any variation could be different from and could exceed or fall short of the ranges given. Investors should note in particular that (i) this sensitivity illustration is not intended to be exhaustive and is limited to the impact of changes in the level of revaluation of investment properties and (ii) the profit forecast is generally subject to further and additional uncertainties. While the Group have considered, for the purposes of the profit forecast, what the Group believes is the best estimate of the net valuation gains on the Group's investment properties for the year ending 31 December 2007, the actual net valuation on the Group's investment properties for that year may differ materially from the Group's estimate and is dependent on market conditions and other factors that are beyond the Group's control.

(B) Letter from KPMG

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Prospectus, in respect of the forecast of combined profit attributable to equity shareholders of the Company.



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

4 October 2007

The Board of Directors
Dah Chong Hong Holdings Limited
BNP Paribas Capital (Asia Pacific) Limited

Dear Sirs,

We have reviewed the accounting policies and calculations adopted in arriving at the forecast combined profit attributable to the equity shareholders of Dah Chong Hong Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the Group's interests in associates and jointly controlled entities for the year ending 31 December 2007 (the "Profit Forecast"), for which the directors of the Company (the "Directors") are solely responsible, as set forth in the section headed "Financial Information — Profit Forecast for the year ending 31 December 2007" in the prospectus of the Company dated 4 October 2007 (the "Prospectus").

The Profit Forecast has been prepared by the Directors based on the audited combined results of the Group for the six months ended 30 June 2007, the unaudited combined management accounts of the Group for the month ended 31 July 2007 and a forecast of the combined results of the Group for the remaining five months ending 31 December 2007.

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled on the bases and assumptions adopted by the Directors 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 adopted by the Group as set out in our accountants' report dated 4 October 2007, the text of which is set out in Appendix I to the Prospectus.

Yours faithfully,
KPMG
Certified Public Accountants
Hong Kong

(C) Letter from BNP Paribas



BNP Paribas Capital (Asia Pacific) Limited
63/F Two International Finance Centre,
8 Finance Street, Central, Hong Kong

4 October 2007

The Board of Directors
Dah Chong Hong Holdings Limited

Dear Sirs,

We refer to the forecast combined profit attributable to equity shareholders of Dah Chong Hong Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the Group’s interests in associates and jointly controlled entities for the year ending 31 December 2007 (the “Profit Forecast”) as set out in the paragraph headed “Profit Forecast for the year ending 31 December 2007” under the section headed “Financial Information” in the prospectus of the Company dated 4 October 2007.

The Profit Forecast, for which the directors of the Company (the “Directors”) are solely responsible, has been prepared by them based on the audited combined results of the Group for the six months ended 30 June 2007, the unaudited combined management accounts of the Group for the month ended 31 July 2007 and a forecast of the combined results of the Group for the remaining five months ending 31 December 2007.

We have discussed with you the bases and assumptions upon which the Profit Forecast has been made. We have also considered the letter dated 4 October 2007 addressed to you and us from KPMG regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the foregoing and on the bases and assumptions made by you and the accounting policies and calculations adopted by you and reviewed by KPMG, we have formed the opinion that the Profit Forecast, for which you as the Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of
BNP Paribas Capital (Asia Pacific) Limited
Isadora Li
Head of Investment Banking — North Asia