

2 November 2016

The Board of Directors
Anhui Tianda Oil Pipe Company Limited
Unit 406B, 4/F Mirror Tower
61 Mody Road, Tsim Sha Tsui
Kowloon, Hong Kong

Dear Sirs,

**Anhui Tianda Oil Pipe Company Limited (“the Target”)
Profit estimate for the nine months ended 30 September 2016**

We refer to the following statements (“Profit Estimate”) set out in Appendix II to the composite document of the Target and Vallourec Tubes SAS dated 4 November 2016 (the “Composite Document”).

- (i) the Target Group recorded a decrease in (a) revenue and cost of sales for the nine months ended 30 September 2016 as compared to the corresponding period in 2015, which was mainly attributable to the decrease in sales volume and average selling price of products as compared to the corresponding period of 2015 as a result of persistent deterioration of market environment with the imbalance of demand and supply, decrease in demand and fiercer competition; and (b) gross profit and gross profit margin for the nine months ended 30 September 2016 as compared to the corresponding period in 2015, which was mainly due to the fact that under the circumstances where the macro-economy is gloomy, the demand in the specialized pipe industry was weak and the competition is fierce, the decrease in market selling price to a greater extent than the decrease in raw materials cost, the Target Group actively adjusted the product mix structure and customer bases structure in order to cope with changes in market demand and get rid of operating risks. The decrease in sales volume and gross profit for the nine months ended 30 September 2016, together with the decrease in other income and gains and the increase in other expenses, caused the Target Group to record net loss for the nine months ended 30 September 2016 as compared to a net profit for the corresponding period in 2015; and

- (ii) the Target Group recorded a decrease in other income and gains for the nine months ended 30 September 2016 as compared to the corresponding period in 2015, which was mainly due to the decrease in investment income from (a) bank financial products; and (b) foreign exchange forward contracts not qualifying as hedges.

Directors' Responsibilities

The Profit Estimate has been prepared by the directors of the Target based on the unaudited consolidated management accounts of the Target Group for the nine months ended 30 September 2016 with the corresponding figures for the corresponding period in 2015.

The Target's directors are solely responsible for the Profit Estimate.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500, Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Target's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Target Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Appendix III(A) to the Composite Document and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Target Group as set out in the annual report of the Target for the year ended 31 December 2015.

Yours faithfully

A handwritten signature in cursive script, appearing to read 'Chan Yuk Tong', written in black ink.

Ascenda Cachet CPA Limited
Certified Public Accountants

Chan Yuk Tong
Practicing Certificate Number P03723

Hong Kong