

The information set out in this appendix does not form part of the Accountants' Reports prepared by Grant Thornton, Certified Public Accountants, Hong Kong, the reporting accountants of the Company as set out in Appendices I and II to the prospectus, and is included herein for information only.

The unaudited pro forma financial information set out below should be read in conjunction with the section headed "Financial Information" of the prospectus and the Accountants' Reports on the Company and NH Investments set out in Appendices I and II respectively to the prospectus.

A. UNAUDITED PRO FORMA NET TANGIBLE ASSETS

The following unaudited pro forma net tangible assets is prepared based on the unaudited pro forma financial information of the Enlarged Group as at 30 June 2005, the text of which is set out in Appendix IIIA to this prospectus, and adjusted as described below.

The unaudited pro forma net tangible assets has been prepared to illustrate the effect of the Share Offer on the net tangible assets of the Enlarged Group as at 30 June 2005. This unaudited pro forma net tangible assets has been prepared for illustrative purposes only and because of its nature, may not give a true picture of the financial position of the Enlarged Group.

	Unaudited pro forma net assets of the Enlarged Group HK\$'000	Less: Intangible assets HK\$'000	Unaudited pro forma net tangible assets of the Enlarged Group HK\$'000	Estimated net proceeds from the Share Offer HK\$'000 (note a)	Unaudited pro forma net tangible assets HK\$'000	Unaudited pro forma net tangible assets per Share HK cents (note b)
Based on an Offer Price per Share of HK\$0.56	<u>222,751</u>	<u>(32,356)</u>	<u>190,395</u>	<u>79,800</u>	<u>270,195</u>	<u>42.20</u>
Based on an Offer Price per Share of HK\$0.88	<u>222,751</u>	<u>(32,356)</u>	<u>190,395</u>	<u>132,000</u>	<u>322,395</u>	<u>50.35</u>

Notes:

- (a) The estimated net proceeds from the Share Offer are based on the Offer Price of HK\$0.56 per Share and HK\$0.88 per Share, after deduction of the underwriting fees and other related expenses payable by the Company and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option.
- (b) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in this section and on the basis of 640,321,400 Shares, being the total number of Shares expected to be in issue immediately after completion of the Share Offer, were in issue on 30 June 2005. The calculation assumes no exercise of Over-allotment Option.
- (c) Details of the valuation of the Group's property interests as at 31 August 2005 are set out in Appendix V to this prospectus. The Group will not incorporate the revaluation surplus of the properties classified as property, plant and equipment, properties held under development and properties held for sale in its financial statements for the year ending 31 December 2005. It is the Group's accounting policy to state its property, plant and equipment at cost less accumulated depreciation and any impairment loss. The unaudited net book value of the Group's properties classified as property, plant and equipment as at 31

August 2005 was approximately HK\$9.7 million. With reference to the valuation of the Group's property interests as set out in Appendix V to this prospectus, there was a revaluation surplus of the Group's relevant assets of approximately HK\$1.3 million. If such revaluation surplus was incorporated in the Group's financial statements for the year ending 31 December 2005, an additional annual depreciation charge of approximately HK\$8,600 would be incurred. Under the Group's accounting policies, properties held under development and properties held for sale are stated at the lower of cost and net realisable value. Accordingly, the surplus arising on the valuation of the Group's attributable interests in the properties will not be incorporated into the Group's financial statements for the year ending 31 December 2005. The investment properties of the Group are stated at fair value, the revaluation surplus up to 30 June 2005 had been included in the consolidated income statement of the Group for the six-months ended 30 June 2005.

B. UNAUDITED PRO FORMA FORECASTED EARNINGS PER SHARE

The following unaudited pro forma forecasted earnings per share has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Share Offer as if it had taken place on 1 January 2005. This unaudited pro forma forecasted earnings per share has been prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the financial results of the Group following the Share Offer.

Consolidated forecasted profit attributable to equity holders of the Company for the year ending 31 December 2005 (<i>Note a</i>)	HK\$55.7 million
Shares in issue at the date of this prospectus	472,321,400
Shares to be issued pursuant to the Share Offer	168,000,000
Total shares expected to be issued immediately after Completion of the Share Offer	640,321,400
Unaudited pro forma forecasted earnings per share (<i>Note b</i>)	HK8.70 cents

Notes:

- (a) The consolidated forecasted profit attributable to equity holders of the Company for the year ending 31 December 2005 is extracted from the sub-section headed "Profit Forecast" of section headed "Financial Information" to this prospectus. The bases and assumptions on which the above profit forecasted for the year ending 31 December 2005 has been prepared are summarised in Appendix IV to this prospectus. The Directors have prepared the forecast of the consolidated profit attributable to equity holders of the Company for the year ending 31 December 2005 is based on the audited consolidated results for the six-months ended 30 June 2005, the unaudited management accounts for the three months ended 30 September 2005 and a forecast of the consolidated results for the three months ending 31 December 2005 of the Group and its associate. The forecast has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by the Group as summarised in the Accountants' Reports as set out in Appendices I and II to this prospectus.
- (b) The unaudited pro forma forecasted earnings per share is calculated based on the consolidated forecasted profit attributable to equity holders of the Company for the year ending 31 December 2005, assuming that the Group has been listed since 1 January 2005 and a total of 640,321,400 Shares were in issue during the entire year. This calculation assumes that the Over-allotment Option will not be exercised.

LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a letter from Grant Thornton, the reporting accountants, in respect of the unaudited pro forma financial information. The work was conducted by Grant Thornton with reference to the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 “Reporting on pro forma financial information pursuant to the Listing Rules” issued by the Auditing Practises Board in the United Kingdom, where applicable as there is currently no relevant standard in Hong Kong governing reporting on pro forma financial information.

Certified Public Accountants
Member of Grant Thornton International

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22 November 2005

The Directors
New Heritage Holdings Ltd.
Tanrich Capital Limited
Altus Capital Limited

Dear Sirs,

We report on the unaudited pro forma financial information of New Heritage Holdings Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on pages IIIB-1 to IIIB-2 under the headings of unaudited pro forma net tangible assets and unaudited pro forma forecasted earnings per share in Sections A and B respectively of Appendix IIIB of the Company’s prospectus dated 22 November 2005 (“Prospectus”) in connection with the placing and public offer of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (“Share Offer”). The unaudited pro forma financial information has been prepared by the Directors of the Company, for illustrative purposes only. The unaudited pro forma net tangible assets and the pro forma forecasted earnings per share provide information about how the Share Offer might affect the relevant financial information presented. The basis of preparation of the unaudited pro forma financial information is set out in the section headed unaudited pro forma net tangible assets and unaudited pro forma forecasted earnings per share in Sections A and B respectively of Appendix IIIB to the Prospectus.

Responsibilities

It is the sole responsibility of the Directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 21 of Appendix 1A and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

It is our responsibility to form an opinion, as required by paragraph 29 of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work with reference to the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 “Reporting on pro forma financial information pursuant to the Listing Rules” issued by the Auditing Practices Board in the United Kingdom, where applicable. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors of the Company.

Our work does not constitute an audit or review in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants, and accordingly, we do not express any such assurance on the unaudited pro forma financial information.

The unaudited pro forma net tangible assets and unaudited pro forma forecasted earnings per share are for illustrative purpose only, and based on the directors’ judgements and assumptions, and because of their nature, they may not give any assurance or indicative of:

- the financial position of the Group at any future date; or
- the earnings per share of the Group for any future periods.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the Directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group, and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

Grant Thornton
Certified Public Accountants
Hong Kong