

The forecast combined profit after taxation but before extraordinary items of the Group for the year ending 30 June 2001 is set out under the heading “Profit Forecast, Dividends and Working Capital” in the section headed “Financial information” in this prospectus.

### **1. BASES AND ASSUMPTIONS**

The Directors have prepared the forecast combined profit after taxation but before extraordinary items of the Group for the year ending 30 June 2001 based on the unaudited management accounts of the Group for the five months ended 30 November 2000 and a forecast of the results of the Group for the remaining seven months ending 30 June 2001. The Directors are not aware of any extraordinary items which have arisen or are likely to arise in respect of the year ending 30 June 2001. The profit forecast has been prepared on the basis of accounting policies consistent in all material respects with those adopted by the Group as summarised in the accountants’ report as set out in Appendix I to the Prospectus.

The Directors have adopted the following assumptions in the preparation of the profit forecast:

- (i) there will be no material changes in existing government policies or political, legal, fiscal, market or economic conditions in PRC;
- (ii) there will be no material changes in legislation, regulations or rules in PRC which adversely affect the business of the Group;
- (iii) there will be no material changes in the bases or rates of taxation applicable to the activities of the Group; and
- (iv) there will be no material changes in exchange rates or interest rates from those presently prevailing.

## 2. LETTERS

Set out below are the texts of the letters received by the Directors from Arthur Andersen & Co and Charles Chan, Ip & Fung CPA Ltd and China Everbright in connection with the forecast of the combined profit after taxation but before extraordinary items of the Group for the year ending 30 June 2001.

## (i) Letter from Arthur Andersen &amp; Co and Charles Chan, Ip &amp; Fung CPA Ltd



ARTHURANDERSEN

**Arthur Andersen & Co**  
21st Floor Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong



**Charles Chan, Ip & Fung CPA Ltd**  
Certified Public Accountants  
陳葉馮會計師事務所有限公司

**Charles Chan, Ip & Fung CPA Ltd**  
37th Floor Hennessy Centre  
500 Hennessy Road  
Causeway Bay  
Hong Kong  
31 January 2001

The Directors  
Techwayson Holdings Limited  
China Everbright Capital Limited

Dear Sirs,

We have reviewed the accounting policies applied and the calculations made in arriving at the forecast of the combined profit after taxation but before extraordinary items of the Company and its subsidiaries (hereinafter collectively referred to as "the Group") for the year ending 30 June 2001 ("the profit forecast"), for which the Directors of the Company are solely responsible, as set out in the prospectus of the Company dated 31 January 2001. The profit forecast has been prepared by the Directors of the Company based on the unaudited results shown in the management accounts of the Group for the five months ended 30 November 2000, and a forecast of the results of the Group for the remaining seven months ending 30 June 2001.

In our opinion, the profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the bases and assumptions made by the Directors of the Company as set out in Section 1 of Appendix II of the above-mentioned prospectus, and is presented on a basis consistent in all material respects with the accounting policies currently adopted by the Group as set out in our accountants' report dated 31 January 2001, the text of which is set out in Appendix I of the above-mentioned prospectus.

Yours faithfully,  
**ARTHUR ANDERSEN & CO**  
*Certified Public Accountants*

Yours faithfully,  
**CHARLES CHAN, IP & FUNG CPA LTD**  
*Certified Public Accountants*  
**Betty P.C. Tse**  
Practising Certificate Number P03024

## (ii) Letter from China Everbright

**China Everbright Capital Limited**

40th Floor, Far East Finance Centre  
16 Harcourt Road  
Admiralty  
Hong Kong

31 January 2001

The Directors  
Techwayson Holdings Limited

Dear Sirs,

We refer to the forecast of the combined profit after taxation but before extraordinary items of Techwayson Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), for which the Directors of the Company are solely responsible, for the year ending 30 June 2001 as set out under the heading “Profit Forecast, Dividends and Working Capital” in the section headed “Financial Information” in the prospectus of the Company dated 31 January 2001, (the “Prospectus”). The forecast is based on the unaudited management accounts of the Group for the five months ended 30 November 2000 and a forecast of the combined results of the Group for remaining seven months ending 30 June 2001.

We have discussed with you the bases and assumptions, as set out in part I of Appendix II to the Prospectus, upon which the profit forecast has been made. We have also considered the letter dated 31 January 2001 addressed to yourselves and ourselves from Arthur Andersen & Co and Charles Chan, Ip & Fung CPA Ltd regarding the accounting policies and calculations upon which the profit forecast has been made.

On the basis of the foregoing, the bases and assumptions made by you and on the accounting policies and calculations reviewed by Arthur Andersen & Co and Charles Chan, Ip & Fung CPA Ltd, we are of the opinion that the profit forecast, for which you as Directors are solely responsible, has been made after due and careful consideration.

Your faithfully,  
For and on behalf of  
**China Everbright Capital Limited**  
**Gary Sik**  
*Deputy General Manager*