

The forecast combined profit after taxation and minority interests but before extraordinary items of the Group for the year ending 30th 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 and minority interests but before extraordinary items of the Group for the year ending 30th June, 2001 based on the audited financial statements of the Group for the five months ended 30th November, 2000, the unaudited management accounts of the Group for the four months ended 31st March, 2001, and a forecast of the combined results of the Group for the remaining three months ending 30th 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 30th 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 political, legal, fiscal, market or economic conditions in Hong Kong, Mainland China, or any of the countries in which any member of the Group carries on business or to which it exports its products or from which it imports or sources its raw materials;
- (ii) There will be no material changes in the legislation or regulations in Hong Kong, Mainland China, or any of the countries in which the Group operates or in which the Group companies are incorporated or registered or countries to which the Group exports its products, which will affect the Group's business;
- (iii) There will be no material changes in the bases or rates of taxation or duties in Hong Kong, Mainland China, or any of the countries in which the Group operates or in which the Group companies are incorporated or registered; and
- (iv) There will be no material changes in foreign currency exchange rates and interest rates from those currently 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 DTCFL and JS Cresvale in connection with the forecast of the combined profit after taxation and minority interests but before extraordinary items of the Group for the year ending 30th June, 2001.

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



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

The Directors
 Sinotronics Holdings Limited
 Deloitte & Touche Corporate Finance Limited
 JS Cresvale International Limited

Dear Sirs,

We have reviewed the accounting policies and calculations made in arriving at the forecast of the combined profit after taxation and minority interests but before extraordinary items of Sinotronics Holdings Limited ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group") for the year ending 30th June, 2001 ("the Forecast"), for which the Directors of the Company are solely responsible, as set out in the prospectus of the Company dated 11th May, 2001. The Forecast has been prepared by the Directors of the Company based on the audited financial statements of the Group for the five months ended 30th November, 2000, the unaudited management accounts for the four months ended 31st March, 2001, and a forecast of the combined results of operations for the remaining three months of the year ending 30th June, 2001.

In our opinion, the Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled based on the assumptions made by the Directors of the Company as set out in Section I of Appendix III to 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 11th May, 2001, the text of which is set out in Appendix I of the above-mentioned prospectus.

Yours faithfully,
ARTHUR ANDERSEN & CO
Certified Public Accountants



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

11th May, 2001

Yours faithfully,
CHARLES CHAN, IP & FUNG CPA LTD.
Certified Public Accountants
Chan Wai Dune, Charles
 Practising Certificate Number P00712

(ii) Letter from the Sponsors**Deloitte & Touche
Corporate Finance Ltd****Deloitte and Touche Corporate Finance Limited**

21st Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

JS CRESVALE**JS Cresvale International Limited**

6th and 7th Floor, Asia Pacific Finance Tower
Citibank Plaza, 3 Garden Road
Central
Hong Kong

11th May, 2001

The Directors
Sinotronics Holdings Limited

Dear Sirs,

We refer to the forecast of the combined profit after taxation and minority interests but before extraordinary items of Sinotronics Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ending 30th June, 2001 (the "Forecast"), for which the directors of the Company are solely responsible, as set out under the heading "Profit forecast, dividends and working capital" in the section headed "Financial information" in the prospectus issued by the Company dated 11th May, 2001 (the "Prospectus"). The Forecast is based on the audited financial statements of the Group for the five months ended 30th November, 2000, the unaudited management accounts of the Group for the four months ended 31st March, 2001 and a forecast of the combined results of operations of the Group for the remaining three months of the year ending 30th June, 2001.

We have discussed with you the bases and assumptions, as set out in part I of Appendix III to the Prospectus, upon which the Forecast has been made. We have also considered the letter dated 11th May, 2001 addressed to you and ourselves from Arthur Andersen & Co and Charles Chan, Ip & Fung CPA Ltd. regarding the accounting policies and calculations upon which the Forecast has been made.

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

Yours faithfully,
For and on behalf of

Deloitte & Touche Corporate Finance Limited

Lawrence Chia
Managing Director

Yours faithfully,
For and on behalf of

JS Cresvale International Limited

Francis Yeung
Director