

For illustrative purpose only, the unaudited pro forma financial information, is set out here to provide the prospective investors with further information about the effect of listing on the financial position of the Group after completion of the Share Offer and should be read in conjunction with the section headed “Financial Information” of this prospectus and the accountants’ report of the Group set out in Appendix I to this prospectus.

Although reasonable care has been exercised in preparing the said information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the actual financial position of the Group after the Share Offer.

(A) UNAUDITED PRO FORMA BASIC EARNINGS PER SHARE

Net profit for the year ended 31st March, 2004	<u>HK\$34.2 million</u>
Weighted average number of Shares outstanding during 2004	225,000,000
Shares to be issued under the Pre-IPO Share Option Scheme	<u>15,000,000</u>
	<u>240,000,000</u>
Unaudited pro forma basic earnings per Share	<u>HK\$0.143</u>

The unaudited pro forma basic earnings per Share is calculated by dividing the historical net profit of the Group for the year ended 31st March, 2004 by the weighted average number of Shares outstanding during 2004 adjusted retrospectively as if the effect of the Shares to be issued under the Pre-IPO Share Option Scheme, had taken place on 1st April, 2003.

(B) UNAUDITED PRO FORMA FULLY DILUTED ESTIMATED EARNINGS PER SHARE

Profit estimate for the financial year ended 31st March, 2005

Estimated combined profit after taxation but before extraordinary items of the Group (<i>Note 1</i>)	HK\$50.5 million
Fully diluted estimated earnings per Share (<i>Note 2</i>)	HK\$0.168

Notes:

1. The bases on which the estimated combined profit after taxation but before extraordinary items of the Group for the year ended 31st March, 2005 are set forth in Appendix II to this prospectus. The Directors are not aware of any extraordinary items which have arisen during the year ended 31st March, 2005.
2. The calculation of the estimated earnings per Share on a fully diluted basis is based on the estimated combined profit after taxation but before extraordinary items of the Group for the year ended 31st March, 2005 and 300,000,000 Shares in issue during the year but takes no account of any Shares which may be issued upon the exercise of the Pre-IPO Options and options which may be granted under the Share Option

Scheme and any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix VI to this prospectus.

(C) UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group is based on the audited combined net tangible assets of the Group as at 30th November, 2004, as shown in the accountants' report set out in Appendix I of this prospectus, adjusted as described below:

	Audited combined net tangible assets of the Group as at 30th November, 2004 (HK\$'000)	Estimated net proceeds from the Share Offer (Note 1) (HK\$'000)	Adjusted net tangible assets (HK\$'000)	Adjusted net tangible assets per Share (Note 2)
Based on an Offer Price of HK\$0.88 per Offer Share	<u>42,264</u>	<u>50,250</u>	<u>92,514</u>	<u>HK\$0.3084</u>
Based on an Offer Price of HK\$1.06 per Offer Share	<u>42,264</u>	<u>63,750</u>	<u>106,014</u>	<u>HK\$0.3534</u>

Notes:

1. The estimated net proceeds from the Share Offer is based on the indicative Offer Price range of HK\$0.88 to HK\$1.06 per Offer Share, after deduction of the underwriting fees and related expenses payable by the Company.
2. The unaudited pro forma adjusted net tangible asset value per Share is arrived at after the adjustments referred to this section and on the basis of a total of 300,000,000 Shares in issue immediately after completion of the Share Offer and the Capitalisation Issue but takes no account of any Shares which may fall to be allotted and issued pursuant to the exercise of options granted under the Share Option Schemes, or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandate, for the allotment and issue or repurchase of Shares referred to in Appendix VI to this prospectus.
3. A surplus of approximately HK\$90,000 arises from the revaluation of the Group's land and buildings as at 31st March, 2005. According to the Group's accounting policy, the Group's land and buildings are stated at cost less accumulated depreciation, amortisation and any identified impairment loss. The surplus arising on revaluation of the Group's land and buildings will not be incorporated in the financial statements of the Group for the year ended 31st March, 2005. If the surplus was incorporated in the Group's financial statements for the year ended 31st March, 2005, the depreciation charge of the Group would increase by no more than HK\$3,000.

(D) COMFORT LETTER ON PRO FORMA FINANCIAL INFORMATION RELATING TO THE PRO FORMA BASIC EARNINGS PER SHARE, FULLY DILUTED ESTIMATED EARNINGS PER SHARE AND THE ADJUSTED NET TANGIBLE ASSETS

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27th May, 2005

The Directors
Linfair Holdings Limited
Somerley Limited
TIS Securities (HK) Limited

Dear Sirs,

We report on the pro forma financial information set out in pages 188 and 189 under the headings of (i) unaudited pro forma basic earnings per share, (ii) unaudited pro forma fully diluted estimated earnings per share and (iii) unaudited pro forma adjusted net tangible assets set out in sections A to C of Appendix III of the prospectus dated 27th May, 2005 in connection with the placing and public offer of the shares of Linfair Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared, for illustrative purposes only, to provide information about how listing might have affected the relevant financial information presented.

RESPONSIBILITIES

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

It is our responsibility to form an opinion, as required by the Listing Rules, on the 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 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 in accordance with or 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 Practice 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 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 pro forma financial information.

The pro forma financial information has been prepared on the bases set out on pages 188 and 189 for illustrative purpose only and because of its nature, it may not be indicative of:

- the results of the Group for the two years ended 31st March, 2004 and 2005 or for any future periods.
- the financial position of the Group as at 30th November, 2004 or at any future date.

OPINION

In our opinion:

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

Yours faithfully
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong