

*The forecast combined profit after taxation but before extraordinary items of the Group for the year ending 31st December, 2000 is set out under “Financial information — Profit forecast and dividend policy”.*

**(1) BASES AND ASSUMPTIONS**

The Directors have prepared the forecast of the combined profit after taxation but before extraordinary items of the Group for the year ending 31st December, 2000 based on the unaudited management accounts of the Group for the four months ended 30th April, 2000, and a forecast of the results of the Group for the remaining eight months of the year ending 31st December, 2000. The forecast combined profit after taxation but before extraordinary items includes the share of forecast loss in an associated company. The Directors are not aware of any extraordinary items which have arisen or are likely to arise in respect of the year ending 31st December, 2000. 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 this prospectus.

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

- (a) there will be no material changes in existing political, legal, fiscal or economic conditions in Hong Kong or other territories in which the Group conducts business or where the Group’s major customers or suppliers are located;
- (b) there will be no changes in legislation or regulations whether in Hong Kong or elsewhere materially affecting the businesses carried on by the Group;
- (c) there will be no material changes in the bases or rates of taxation applicable to the activities of the Group; and
- (d) there will be no material changes in interest rates or exchange rates from those presently prevailing.

**(2) LETTERS**

*Set out below are the texts of the letters received by the Directors from KPMG and from HSBC Investment Bank Asia in connection with the forecast of the combined profit after taxation but before extraordinary items of the Group for the year end 31st December, 2000 for the purpose of incorporation in this prospectus.*

**(i) Letter from KPMG**

8th Floor  
Prince's Building  
10 Chater Road  
Central  
Hong Kong

20th June, 2000

The Directors  
Excel Technology International Holdings Limited  
HSBC Investment Bank Asia Limited

Dear Sirs,

We have reviewed the accounting policies and calculations adopted in arriving at the forecast of the combined profit after taxation but before extraordinary items of Excel Technology International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ending 31st December, 2000 (the "Forecast"), for which the Directors of the Company are solely responsible, as set out in the prospectus of the Company dated 20th June, 2000 (the "Hong Kong Prospectus"). The Forecast has been prepared by the Directors of the Company based on the unaudited management accounts of the Group for the four months ended 30th April, 2000, and a forecast of the results of the Group for the remaining eight months ending 31st December, 2000.

In our opinion, so far as the accounting policies and calculations are concerned, the Forecast has been properly compiled on the bases and assumptions adopted by the Directors of the Company as set out in section (1) of Appendix II to the Hong Kong Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 20th June, 2000, the text of which is set out in Appendix I to the Hong Kong Prospectus.

Yours faithfully,  
**KPMG**  
*Certified Public Accountants*  
Hong Kong

(ii) **Letter from HSBC Investment Bank Asia**



20th June, 2000

The Directors  
Excel Technology International Holdings Limited  
Suites 3306-3307  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

Dear Sirs,

We refer to the forecast of the combined profit after taxation but before extraordinary items of Excel Technology International Holdings Limited (the "Company") and its subsidiaries for the year ending 31st December, 2000 (the "Forecast") as set out in the prospectus of the Company dated 20th June, 2000.

We have discussed with you the bases and assumptions as set out in section (1) of Appendix II to the above-mentioned prospectus, upon which the Forecast has been made. We have also considered the letter dated 20th June, 2000 addressed to yourselves and ourselves from KPMG regarding the accounting policies and calculations upon which the Forecast has been made.

On the basis of the foregoing, the bases and assumptions made by you and the accounting policies and calculations reviewed by KPMG, 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 enquiry.

Yours faithfully,  
For and on behalf of  
**HSBC Investment Bank Asia Limited**  
**Peter Au-Yang**  
*Joint Head of Corporate Finance - Asia*

**HSBC Investment Bank Asia Limited**  
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