

*The forecast of the consolidated profit attributable to equity shareholders of our Company for the year ending December 31, 2020 is set out in the section headed “Financial Information – Profit Forecast for the Year Ending December 31, 2020” in this prospectus.*

#### **A. BASES AND ASSUMPTIONS**

Our Directors have prepared the forecast of the consolidated profit attributable to equity shareholders of our Company for the year ending December 31, 2020 based on the audited consolidated results of our Group for the six months ended June 30, 2020, the unaudited consolidated results based on management accounts of our Group for the two months ended August 31, 2020, and a forecast of the consolidated results of our Group for the remaining four months ending December 31, 2020 and in the absence of unforeseen circumstances. 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 summarized in Appendix I to this prospectus and has been prepared on the following principal bases and assumptions:

1. There will be no material changes in existing government policies or political and legal (including changes in legislation or regulations or rules), fiscal, market or economic conditions in any of the countries, regions or industries in which our Group operates.
2. There will be no significant fluctuations in currency exchange rates, interest rates and tariffs and duties in the respective countries in which our Group operates.
3. Our Group’s operation and business will not be severely interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of our Directors, including but not limited to the occurrence of natural disasters of catastrophe or serious accidents. Our Directors assume no extraordinary event will occur during the four months ending December 31, 2020 (“the profit forecast period”).
4. Our Group’s operation and financial performance will not be materially and adversely impacted by any of the risk factors set forth in the section headed “Risk Factors” in the Prospectus.
5. There will be no material changes in the business relationships between our Group and our suppliers, customers and other contract counterparties, which may result in the loss of business opportunities or disruption or termination of relevant projects.
6. Our Group will continue to be able to recruit sufficient qualified personnel to achieve our planned expansion and will at all times maintain a staffing level that will be sufficient for our operational requirements.

7. There will be no significant fluctuation for the fair value of the financial assets at fair value through profit or loss held by our Group.
8. Our Group's associates and joint venture will operate based on their latest business plan and it is assumed there will be no significant adverse impacts of the financial results of these associates and joint venture in the profit forecast period.
9. Saved for those specifically disclosed in the prospectus, our Group will not undertake any other major acquisition or disposal of assets or investments.
10. The profit forecast has been prepared after taking into account the continued involvement of our Directors, senior management and other necessary personnel in the development of our Group's operations. It is assumed that our Group will be able to retain our senior management and other personnel during the profit forecast period.

**B. LETTER FROM THE REPORTING ACCOUNTANTS**

*The following is the text of a letter, prepared for the sole purpose of inclusion in this prospectus, received from our Company's Reporting Accountants, KPMG, Certified Public Accountants, Hong Kong in connection with the forecast consolidated profit attributable to equity shareholders of our Company for the year ending December 31, 2020.*



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

October 13, 2020

The Directors  
Sincere Pharmaceutical Group Limited

Morgan Stanley Asia Limited  
China International Capital Corporation Hong Kong Securities Limited

Dear Sirs,

Sincere Pharmaceutical Group Limited ("the Company")

**Profit Forecast for Year Ending December 31, 2020**

We refer to the forecast of the consolidated profit attributable to equity shareholders of the Company for the year ending December 31, 2020 ("the Profit Forecast") set forth in the section headed "Financial Information" in the prospectus of the Company dated October 13, 2020 (the "Prospectus").

**Directors' Responsibilities**

The Profit Forecast has been prepared by the directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as "the Group") for the six months ended June 30, 2020, the unaudited consolidated results based on the management accounts of the Group for the two months ended August 31, 2020 and a forecast of the consolidated results of the Group for the remaining four months ending December 31, 2020.

The Company's directors are solely responsible for the Profit Forecast.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Forecast based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Profit Forecast in accordance with the bases and assumptions adopted by the directors and as to whether the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

**Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the bases and assumptions adopted by the directors as set out in Appendix III of the 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 October 13, 2020, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

**KPMG**

*Certified Public Accountants*  
8th Floor, Prince’s Building  
10 Chater Road  
Central, Hong Kong

## C. LETTER FROM THE JOINT SPONSORS

Morgan Stanley



The Board of Directors

Sincere Pharmaceutical Group Limited 先聲藥業集團有限公司

October 13, 2020

Dear Sirs,

We refer to the forecast of the consolidated profit attributable to equity shareholders of Sincere Pharmaceutical Group Limited (the “**Company**”) for the year ended December 31, 2020 (the “**Profit Forecast**”) as set out in the section headed “Financial Information – Profit Forecast For the Year Ending December 31, 2020” in the prospectus of the Company dated October 13, 2020 (the “**Prospectus**”).

The Profit Forecast, for which the directors of the Company (the “**Directors**”) are solely responsible, has been prepared by the Directors based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended June 30, 2020 as set out in the Accountants’ Report of the Group in Appendix I to the Prospectus, the unaudited consolidated results based on the management accounts of the Group for the two months ended August 31, 2020 and the forecast of the consolidated results of the Group for the remaining four months ending December 31, 2020.

We have discussed with you the bases and assumptions made by the Directors as set out in Appendix III to the Prospectus, upon which the Profit Forecast has been made. We have also considered, and relied upon, the letter dated October 13, 2020 addressed to you and us from KPMG regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the information comprising the Profit Forecast and on the basis of the accounting policies and calculations adopted by you and reviewed by KPMG, we are of the opinion that the Profit Forecast, for which you as the Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of  
**Morgan Stanley Asia Limited**  
**Michelle Kong**  
*Managing Director*

For and on behalf of  
**China International Capital Corporation**  
**Hong Kong Securities Limited**  
**Barry Chan**  
*Managing Director*