

The information set forth in this appendix does not form part of the Accountant's Report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountant's Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules, is for the purpose of illustrating the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2020 as if the Global Offering had taken place on 30 June 2020.

This unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the net tangible assets of the Group as at 30 June 2020 or at any future dates following the Global Offering. It is prepared based on the consolidated financial information of the Group as at 30 June 2020 as set forth in the Accountant's Report of the Group, the text of which is set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma statement of adjusted net tangible assets does not form part of the Accountant's Report.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2020 (Note 1)	Estimated net proceeds from the Global Offering (Note 2)	Estimated impact related to the re-designation of convertible redeemable preference shares upon Listing (Note 3)	Unaudited pro forma adjusted net tangible assets attributable to owners of the Company as at 30 June 2020	Unaudited pro forma adjusted net tangible assets per share	
	RMB'000	RMB'000	RMB'000	RMB'000	(Note 4) RMB	(Note 6) HK\$
Based on the Offer Price of HK\$1.08 per share	141,174	172,176	42,445	355,795	0.32	0.38
Based on the Offer Price of HK\$1.28 per share	141,174	205,990	42,445	389,609	0.35	0.42

Notes:

- (1) The audited consolidated net tangible assets attributable to owners of the Company as at 30 June 2020 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2020 of approximately RMB152,331,000, with an adjustment for the intangible assets as at 30 June 2020 of approximately RMB11,157,000.
- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$1.08 and HK\$1.28 per share, being the lower end and higher end of the stated offer price range, respectively, and 204,000,000 shares expected to be issued under the Global Offering, after deduction of the underwriting fees and other related expenses payable by the Company (excluding listing expenses of approximately RMB22,251,000 which have been accounted for in the Group's consolidated statement of comprehensive income prior to 30 June 2020), and takes no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any shares which may be granted under the Restricted Share Unit Scheme ("RSU Scheme") and Share Award Scheme ("SA Scheme") or any Shares which may be allotted and issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed "Share Capital" in this prospectus.

- (3) Pursuant to clause 4.6.3 of the pre-IPO shareholder's agreement signed between the Company and the pre-IPO investor, the Series A Preferred Shares were converted to ordinary shares on 21 June 2019. According to clause 4.6.2 of the pre-IPO shareholder's agreement, the ordinary share can be converted back to Series A Preferred Shares when the listing event has been denied, rejected or dismissed. Hence, the aforesaid ordinary shares continued to be recognised as convertible redeemable preference shares and included in non-current liabilities in the consolidated statement of financial position as set out in Appendix I to this prospectus. All convertible redeemable preference shares will be accounted as ordinary shares upon listing and will be re-designated from liabilities to equity. Accordingly, for the purpose of this unaudited pro forma financial information, the unaudited pro forma adjusted net tangible assets attributable to the equity holders of the Company will increase by RMB42,445,000, being the carrying amount of the convertible redeemable preference shares as at 30 June 2020.
- (4) The unaudited pro forma net tangible asset per share was arrived after adjustment referred to in the preceding paragraphs and on the basis that 1,104,000,000 Shares were in issue assuming that the Global Offering and the re-designation of the convertible redeemable preference shares as detailed in paragraph (3) had completed on 30 June 2020, but takes no account of (1) 20,000,000 shares issued under the RSU Scheme and (2) 80,000,000 Shares issued under the SA Scheme, which shares issued under both RSU Scheme and SA Scheme had not yet been granted, or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

Assuming the aforesaid 100,000,000 Shares under the RSU Scheme and SA Scheme were fully granted and vested, such that 1,204,000,000 Shares were in issue immediately following the completion of the Global Offering and the re-designation of the convertible redeemable preference shares as detailed in paragraph (3), the unaudited pro forma adjusted net tangible assets per share would have been RMB0.30 (equivalent to HK\$0.35), based on the Offer Price of HK\$1.08 per share and RMB0.32 (equivalent to HK\$0.38), based on the Offer Price of HK\$1.28 per share, respectively. This did not take into account any Shares that may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

- (5) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2020.
- (6) For the purpose of this unaudited pro forma of adjusted net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at rate of HK\$1.00 to RMB0.8500. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

B. ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**To the Directors of Cheshi Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Cheshi Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2020, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated 31 December 2020, in connection with the proposed initial public offering of shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at 30 June 2020 as if the proposed initial public offering had taken place at 30 June 2020. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the six months ended 30 June 2020, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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 HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 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 Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited 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 Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at 30 June 2020 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong

31 December 2020