

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, as set out in Appendix I to this prospectus, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" in this prospectus and the historical financial information included in the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED 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 and is set out below for the purpose of illustrating the effect of the Global Offering on the consolidated net tangible liabilities attributable to equity shareholders of the Company as if the Global Offering had taken place on 31 December 2021.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at 31 December 2021 or at any future dates.

| Consolidated net tangible liabilities of the Group attributable to equity shareholders of the Company as at 31 December 2021 ⁽¹⁾ | Estimated net proceeds from the Global Offering ⁽²⁾ | Estimated impact upon the conversion of the Preferred Shares in issue as at 31 December 2021 ⁽³⁾ | Unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company | Unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share ⁽⁴⁾ | | |
|---|--|---|---|--|----------------------------|------|
| <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB</i> | <i>HK\$ ⁽⁵⁾</i> | |
| Based on an Offer Price of HK\$30.50 per Share | (7,306,557) | 451,549 | 8,907,708 | 2,052,700 | 4.00 | 4.65 |

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Notes:

- (1) The consolidated net tangible liabilities of the Group attributable to equity shareholders of the Company as at 31 December 2021 is arrived at after (i) deducting goodwill of RMB25,625,000 and intangible assets of RMB164,583,000 and (ii) adjusting the share of intangible assets attributable to non-controlling interests of RMB21,603,000 from the total deficit attributable to equity shareholders of the Company of RMB7,137,952,000 as at 31 December 2021, which is extracted from the Accountants' Report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the issuance of 19,000,000 Shares and the indicative Offer Price of HK\$30.50 per Share, after deduction of the estimated underwriting fees and other related expenses related to Global Offering (excluding approximately RMB37,391,000 listing expenses which have been accounted for prior to 31 December 2021) and takes no account of any Shares that may be issued upon exercise of the Over-allotment Option, and excluding any Shares which may be issued or repurchased by the Company pursuant to the general mandates, and any Shares which may be issued pursuant to the Pre-IPO Equity Incentive Scheme.

The estimated net proceeds from the Global Offering are converted into RMB at an exchange rate of HK\$1.1632 to RMB1 published by PBOC prevailing on 14 June 2022. No representation is made that Hong Kong dollar amounts have been, could have been or may be converted into RMB, or vice versa, at that rate or at any other rate or at all.

- (3) As at 31 December 2021, the aggregate carrying amount of convertible redeemable preferred shares was RMB8,907,708,000. Upon the Listing, the convertible redeemable preferred shares will be automatically converted into ordinary shares of the Company and will be re-designated from liabilities to equity. Accordingly, for the purpose of the unaudited pro forma financial information, the unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company would be increased by RMB8,907,708,000 for the conversion of convertible redeemable preferred shares to ordinary shares had the Global Offering been taken place on 31 December 2021.
- (4) The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 513,708,584 Shares were in issue (which is calculated based on 96,756,026 Shares in issue (excluding the 73,329,635 treasury shares held by Prime Forest Assets Limited, as depositary, which are reserved for future delivery upon exercise or vesting of share awards granted under the Company's 2015 Global Share Plan) as at 31 December 2021, 397,952,558 Shares would be converted from the convertible redeemable preferred shares in issue as at 31 December 2021 and 19,000,000 Shares to be issued under the Global Offering) without taking into account of any Shares which may be issued upon exercise of the Over-allotment Option, any Shares which may be issued or repurchased by the Company pursuant to the general mandates, and any Shares which may be issued pursuant to the Pre-IPO Equity Incentive Scheme.
- (5) The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share is converted into Hong Kong dollars at an exchange rate of RMB1 to HK\$1.1632 published by PBOC prevailing on 14 June 2022. No representation is made that RMB amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate or at any other rate or at all.
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company to reflect any trading result or other transactions of the Group subsequent to 31 December 2021.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group’s pro forma financial information for the purpose in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF CLOUDR GROUP LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of ClouDr Group 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 net tangible assets as at 31 December 2021 and related notes as set out in Part A of Appendix II to the prospectus dated 23 June 2022 (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the “**Global Offering**”) on the Group’s financial position as at 31 December 2021 as if the Global Offering had taken place at 31 December 2021. As part of this process, information about the Group’s financial position as at 31 December 2021 has been extracted by the Directors from the Group’s historical financial information included in the Accountants’ Report as set out in Appendix I to the Prospectus.

Directors’ Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the 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 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, as required by paragraph 4.29(7) of 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.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“**HKSAE**”) 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 accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the 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 purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the 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 pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group 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 events or transactions as at 31 December 2021 would have been as presented.

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A reasonable assurance engagement to report on whether the 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 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 pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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

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

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

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future plans and Use of Proceeds" in the Prospectus.

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 Group, and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG

Certified Public Accountants

Hong Kong

23 June 2022