

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set out in this Appendix does not form part of the Accountants’ Report on the historical financial information of the Group for the Track Record Period prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the Reporting Accountants of our Company, as set out in Appendix I to this document, and is included in this document for information only. The unaudited pro forma financial information should be read in conjunction with the section headed “Financial Information” in this document and the Accountants’ Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with paragraph 4.29(1) of the Listing Rules is set out below to illustrate the effect of the [REDACTED] on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2022 as if the [REDACTED] had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2022 or any future dates following the [REDACTED].

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2022 as derived from the Accountants’ Report as set out in Appendix I to this document, and adjusted as follows:

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as of March 31, 2022	Estimated [REDACTED] from the [REDACTED]	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of March 31, 2022	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of March 31, 2022 per Share	
	<i>RMB’000</i> <i>(Note 1)</i>	<i>RMB’000</i> <i>(Note 2)</i>	<i>RMB’000</i>	<i>RMB</i> <i>(Note 3)</i>	<i>HK\$</i> <i>(Note 4)</i>
Based on an [REDACTED] of [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Based on an [REDACTED] of [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

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Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as of March 31, 2022 is extracted from the Accountants’ Report set out in Appendix I to this document, which has been calculated based on the audited consolidated net assets of the Group attributable to owners of the Company as of March 31, 2022 of [REDACTED] less intangible assets as of March 31, 2022 of approximately [REDACTED].
2. The estimated [REDACTED] from the issue of the [REDACTED] pursuant to the [REDACTED] are based on [REDACTED] [REDACTED] at the [REDACTED] of lower limit and upper limit of [REDACTED] and [REDACTED] per [REDACTED], respectively, after deduction of the [REDACTED] commissions and fees and other related expenses incurred and to be incurred by our Company (excluding [REDACTED] of [REDACTED] which have been charged to profit or loss up to March 31, 2022). The calculation of such estimated [REDACTED] does not take into account any Shares which may be allotted and issued pursuant to the exercise of [REDACTED], or any Shares which may be issued pursuant to the exercise of options which may be granted under the [REDACTED] Share Option Scheme, or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described in the section headed “Share Capital” in this document.

The estimated [REDACTED] from the [REDACTED] are converted from Hong Kong dollars into Renminbi at an exchange rate of HK\$1 to RMB0.8830, which was the exchange rate published by the People’s Bank of China (“PBOC rate”) prevailing on September 16, 2022. No representation is made that Hong Kong dollars amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis of a total of [REDACTED] Shares (including Shares in issue as of the date of this document, Shares to be issued pursuant to the [REDACTED] and Shares to be issued pursuant to the [REDACTED]). It does not take into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED], or any Shares which may be issued pursuant to the exercise of options which may be granted under the [REDACTED] Share Option Scheme, or any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described in the section headed “Share Capital” in this document.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is converted into Hong Kong dollars at a rate of RMB0.8830 to HK\$1.00, which was the PBOC rate prevailing on September 16, 2022. 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 or at any other rates or at all.
5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of March 31, 2022 to reflect any operating result or other transactions of the Group entered into subsequent to March 31, 2022.

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The following is the text of the independent reporting accountants’ assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, prepared for the purpose of incorporation in this document, in respect of the unaudited pro forma financial information of the Group.

Deloitte.

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INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Flowing Cloud Technology Ltd

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Flowing Cloud Technology Ltd (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as 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 March 31, 2022 and related notes as set out on pages II-1 to II-2 of Appendix II to the document issued by the Company dated September [29], 2022 (the “**Document**”). 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 Appendix II to the Document.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the [REDACTED] (as defined in the Document) on the Group’s financial position as at March 31, 2022 as if the [REDACTED] had taken place at March 31, 2022. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s historical financial information for the three years ended December 31, 2021 and the three months ended March 31, 2022, on which an accountants’ report set out in Appendix I to the Document has been published.

Directors’ Responsibilities 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 (the “**HKICPA**”).

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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 “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 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 accountants plan and perform 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 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 the event or transaction at March 31, 2022 would have been as presented.

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[REDACTED]