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Private and Confidential

The Board of Directors
Jiahua Stores Holdings Limited
Suite 715, 7th Floor,
Ocean Centre, Harbour City,
5 Canton Road, Tsimshatsui
Hong Kong

27 June 2023

Our ref: 075103/VA0323/2706

AGREED-UPON PROCEDURES REPORT ON UNAUDITED PROFIT AND LOSS STATEMENTS

To the Board of Directors of Jiahua Stores Holdings Limited

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting the Board of Directors of Jiahua Stores Holdings Limited (the “Company”) in evaluating whether the amounts shown in the unaudited profit and loss statements of identifiable net income stream attributable to the right-of-use asset in relation to the commercial lease agreement for the commercial premises located at 1st Floor, Building 1, Jiahua Shuyuan Yage, Dabao South Road, Xinan Street, Baoan District, Shenzhen, Guangdong Province, the PRC (深圳市新安街道大寶路南側佳華書苑雅閣 1 棟商場 01 層) (the “Commercial Premises”) to be acquired for the years ended 31 December 2020, 2021 and 2022 (the “Relevant Periods”) (the “Unaudited Profit and Loss Statements”) have been properly compiled and derived from the underlying books and records and records of the Group for the purpose of satisfying the requirements under Rule 14.69(4)(b)(i) of the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited and may not be suitable for another purpose. This report is intended solely for the Company, and should not be used by, or distributed to, any other parties, except that we agree that a copy of this report may be provided to The Stock Exchange of Hong Kong Limited upon their request without further comment from us.

Responsibilities of the Directors of the Company

The directors of the Company have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The directors of the Company are responsible for the subject matter on which the agreed-upon procedures are performed.

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BDO Limited
香港立信德豪會計師事務所有限公司

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Our Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Hong Kong Standard on Related Services (“HKRSRS”) 4400 (Revised), *Agreed-Upon Procedures Engagements* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the directors of the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures. We expressly disclaim any liability or duty to any other parties for the content of this report.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Our Independence and Quality Management

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.

Our firm applies Hong Kong Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the directors of the Company in the terms of engagement dated 8 May 2023, on the Unaudited Profit and Loss Statements.

	Procedures	Findings
1	Obtain the Unaudited Profit and Loss Statements which were prepared by the management of the Company, and check their arithmetical accuracy.	We obtained the Unaudited Profit and Loss Statements as included in Appendix I, which were prepared by the management of the Company, and found them to be arithmetically accurate.

2	In respect of the Unaudited Profit and Loss Statements obtained, compare the amounts shown on the Unaudited Profit and Loss Statements with the relevant amounts in the underlying books and records of the Group for the Relevant Periods.	In respect of the Unaudited Profit and Loss Statements as included in Appendix I, we compared the amounts shown on the Unaudited Profit and Loss Statements with the relevant amounts in the underlying books and records of the Group for the Relevant Periods and found them to be in agreement.
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BDO Limited
Certified Public Accountants

Hong Kong, 27 June 2023

The Commercial Premises

	Year ended 31 December		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Revenue	846	807	820
Cost of inventories sold	-	-	-
	<u>846</u>	<u>807</u>	<u>820</u>
Other operating income	10	200	114
Selling and distribution costs	(858)	(946)	(794)
Finance costs	(81)	(28)	(47)
	<u>(83)</u>	<u>33</u>	<u>93</u>
(Loss)/profit before income tax expense	<u>(83)</u>	<u>33</u>	<u>93</u>