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## **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

### **To the directors of Jiahua Stores Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jiahua Stores Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2022, the unaudited pro forma consolidated statement of comprehensive income of the Group for the year ended 31 December 2022 and related notes as set out on pages III-1 to III-7 of Appendix III of the Company's circular dated 27 June 2023 (the "Circular") in connection with the very substantial acquisitions and connected transaction in relation to the connected lease agreements (the "Transactions"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on page III-1 to III-7 of Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Transactions on the Group's assets and liabilities as at 31 December 2022 as if the Transactions had taken place on 31 December 2022, and on the Group's consolidated financial performance for the year ended 31 December 2022 as if the Transactions had been taken place on 1 January 2022, respectively. As part of this process, information about the Group's financial position and the financial performance has been extracted by the directors of the Company from the Company's consolidated financial statements for the year ended 31 December 2022, on which an auditor's report has been published.

### **Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company 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").

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## **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 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 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.

## **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 of the Company 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 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 Transactions at 31 December 2022 or 1 January 2022 would have been as presented.

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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 unaudited 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, 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 of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; 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.



**BDO Limited**  
Certified Public Accountants  
Hong Kong

27 June 2023

**(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP****(1) Introduction to Unaudited Pro Forma Financial Information of The Group**

The following is an illustrative unaudited pro forma financial information including unaudited pro forma consolidated statement of assets and liabilities and unaudited pro forma consolidated statement of comprehensive income of the Group (the “**Unaudited Pro Forma Financial Information**”), which has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Group upon completion of the very substantial acquisitions and connected transaction in relation to the connected lease agreements (the “**Transactions**”) as if they had taken place on 31 December 2022 for the unaudited pro forma consolidated statement of assets and liabilities and as if they had taken place on 1 January 2022 for the unaudited pro forma consolidated statement of comprehensive income.

The Unaudited Pro Forma Financial Information are prepared based on:

- (a) the audited consolidated statement of financial position of the Group as at 31 December 2022 as set out in the Group’s published annual report dated 29 March 2023;
- (b) the audited consolidated statement of comprehensive income for the year ended 31 December 2022 as set out in the Group’s published annual report dated 29 March 2023;
- (c) the unaudited pro forma adjustments relating to the Transactions that are (i) directly attributable to the Transactions and not relating to future events or decisions; and (ii) factually supportable.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company for illustrative purpose only and is based on a number of assumptions, estimates, uncertainties and currently available information.

Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual assets and liabilities and financial performance of the Group that would have been attained have the Transactions been completed on 31 December 2022 or 1 January 2022, nor purport to predict the Group’s future financial position and financial performance.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Group for the year ended 31 December 2022, and other financial information included elsewhere in the Circular.

This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position and financial performance of the Group had the Transactions been completed as at 31 December 2022 or 1 January 2022, where applicable, or at any future date.

**(2) Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of The Group as at 31 December 2022**

	The assets and liabilities of the Group as at 31 December 2022				Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2022
	<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2a)</i>	<i>RMB'000</i> <i>(Note 2b)</i>	<i>RMB'000</i> <i>(Note 3)</i>	<i>RMB'000</i>
<b>Assets and liabilities</b>					
<b>Non-current assets</b>					
Property, plant and equipment	150,870	–	–	–	150,870
Right-of-use assets	296,092	121,430	1,922	–	419,444
Investment properties	258,600	–	–	–	258,600
Intangible assets	6,463	–	–	–	6,463
Deposits paid, prepayments and other receivables	15,920	–	–	2,776	18,696
Investment in an associate	–	–	–	–	–
	<u>727,945</u>	<u>121,430</u>	<u>1,922</u>	<u>2,776</u>	<u>854,073</u>

	The assets and liabilities of the Group as at 31 December 2022				Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2022
	<i>RMB'000</i>	Pro forma adjustments			<i>RMB'000</i>
	<i>(Note 1)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 1)</i>	<i>(Note 2a)</i>	<i>(Note 2b)</i>	<i>(Note 3)</i>	<i>(Note 3)</i>
<b>Current assets</b>					
Inventories and consumables	12,460	–	–	–	12,460
Trade and loan receivables	53,267	–	–	–	53,267
Deposits paid, prepayments and other receivables	34,517	–	–	–	34,517
Tax recoverable	66	–	–	–	66
Restricted bank deposit	2,000	–	–	–	2,000
Cash and cash equivalents	66,171	–	–	(3,645)	62,526
	<u>168,481</u>	<u>–</u>	<u>–</u>	<u>(3,645)</u>	<u>164,836</u>
<b>Current liabilities</b>					
Trade payables	54,029	–	–	–	54,029
Contract liabilities	19,794	–	–	–	19,794
Deposits received, other payables and accruals	90,896	348	164	–	91,408
Amount due to a director	59	–	–	–	59
Lease liabilities	60,360	1,729	506	–	62,595
Borrowings	5,712	–	–	–	5,712
Provision for taxation	9,214	–	–	–	9,214
	<u>240,064</u>	<u>2,077</u>	<u>670</u>	<u>–</u>	<u>242,811</u>
<b>Net current liabilities</b>	<u>(71,583)</u>	<u>(2,077)</u>	<u>(670)</u>	<u>(3,645)</u>	<u>(77,975)</u>

	The assets and liabilities of the Group as at 31 December 2022				Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2022
	<i>RMB'000</i>	Pro forma adjustments			<i>RMB'000</i>
	<i>(Note 1)</i>	<i>(Note 2a)</i>	<i>(Note 2b)</i>	<i>(Note 3)</i>	
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Total assets less current liabilities</b>	656,362	119,353	1,252	(869)	776,098
<b>Non-current liabilities</b>					
Lease liabilities	357,288	118,487	1,249	–	477,024
Borrowings	151,464	–	–	–	151,464
Deferred tax liabilities	16,201	–	–	–	16,201
	524,953	118,487	1,249	–	644,689
<b>Net assets</b>	131,409	866	3	(869)	131,409

## (3) Unaudited Pro Forma Consolidated Statement of Comprehensive Income of the Group

	Consolidated statement of comprehensive income of the Group for the year ended 31 December 2022				Unaudited pro forma consolidated statement of comprehensive income of the Group for the year ended 31 December 2022
	RMB'000	Pro forma adjustments			RMB'000
	(Note 1)	(Note 4)	(Note 5)	(Note 6)	
Revenue	335,272	-	-	-	335,272
Cost of inventories sold	(168,004)	-	-	-	(168,004)
	167,268	-	-	-	167,268
Other operating income	51,832	-	-	74	51,906
Decrease in fair value of investment properties	(15,600)	-	-	-	(15,600)
Selling and distribution costs	(231,177)	(13,564)	-	-	(244,741)
Administrative expenses	(40,127)	-	-	-	(40,127)
Other operating expenses	(2,266)	-	-	-	(2,266)
Impairment loss on loan receivables	(881)	-	-	-	(881)
Finance costs	(39,438)	-	(15,416)	-	(54,854)
Loss before income tax	(110,389)	(13,564)	(15,416)	74	(139,295)
Income tax credit	2,492	-	-	-	2,492
<b>Loss and total comprehensive income for the year and attributable to owners of the Company</b>	<b>(107,897)</b>	<b>(13,564)</b>	<b>(15,416)</b>	<b>74</b>	<b>(136,803)</b>



*Notes to the Unaudited Pro Forma Financial Information of the Group:*

1. The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2022 and the audited consolidated statement of comprehensive income of the Group for the year ended 31 December 2022 included in the Group's published annual report dated 29 March 2023 ("**Consolidated Financial Statements**").
2. The Unaudited Pro Forma Financial Information is prepared in a manner consistent with both the format and accounting policies adopted by the Group in its Consolidated Financial Statements and therefore the Unaudited Pro Forma Financial Information is materially consistent with the accounting basis used by the Group. For the purposes of the preparation of the Unaudited Pro Forma Financial Information, the impact of the Transactions, comprising the effective of the Long-Term Lease Agreement, Independent Lease Agreement and Commercial Lease Agreement, and the commencement of the lease term of these lease agreements, are assuming to be taken place on 31 December 2022. The following adjustments in Note 2 reflect the addition of new leases upon the effective of the Long-Term Lease Agreement and Independent Lease Agreement, and lease modification of the existing lease arrangement upon the effective of the Commercial Lease Agreement, in accordance with Hong Kong Financial Reporting Standard 16, Leases ("**HKFRS 16**"), as if these agreements had been effective and the respective lease terms had been commenced on 31 December 2022.

**(a) Addition of new leases**

The adjustments represent the recognition of the lease liabilities of approximately RMB120,216,000, comprising current portion of approximately RMB1,729,000 and non-current portion of approximately RMB118,487,000, of which RMB52,103,000 and RMB68,113,000 are for the Independent Lease Agreement and Long-Term Lease Agreement respectively in the unaudited pro forma consolidated statement of assets and liabilities. The lease liabilities are measured at the present value of the lease payments, which represent a total fixed payments that are not paid at the date of commencement of the leases pursuant to the Independent Lease Agreement and Long-Term Lease Agreement. The lease payments are discounted using the lessee's incremental borrowing rate of 14.36% and 14.54% for the Independent Lease Agreement and Long-Term Lease Agreement respectively. For the purposes of the preparation of the Unaudited Pro Forma Financial Information, the lessee's incremental borrowing rates are determined based on the directors' estimate of the rates that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions, which existed as at 31 December 2022.

The adjustments also represent the recognition of the right-of-use assets at cost of approximately RMB52,772,000 and RMB68,658,000 for the Independent Lease Agreement and Long-Term Lease Agreement respectively in the unaudited pro forma consolidated statement of assets and liabilities. The right-of-use assets comprise (i) the amount of the initial measurement of the lease liabilities of approximately RMB52,103,000 and RMB68,113,000 for the Independent Lease Agreement and Long-Term Lease Agreement respectively, (ii) initial direct costs of approximately RMB178,000 and RMB170,000 incurred by the Group for the Independent Lease Agreement and Long-Term Lease Agreement respectively, and (iii) a prepaid lease payment of approximately RMB491,000 and RMB375,000 for the Independent Lease Agreement and Long-Term Lease Agreement respectively, being the difference between the nominal amount of the refundable rental deposit and its fair value at the commencement date.

**(b) Lease modification**

The effective of the Commercial Lease Agreement results in lease modification as there is a change in lease term of the existing lease.

The adjustments represent the remeasurement of the lease liabilities, resulting in additional lease liability of approximately RMB1,755,000 recognised, comprising current portion of approximately RMB506,000 and non-current portion of approximately RMB1,249,000, in the unaudited pro forma consolidated statement of assets and liabilities. The lease liabilities are measured at the present value of the lease payments, which represent a total fixed payments that are not paid at the date of commencement of the leases pursuant to the Commercial Lease Agreement. The lease payments are discounted using the lessee's revised incremental borrowing rate of 13.95% as at the effective date of the lease modification. For the purposes of the preparation of the Unaudited Pro Forma Financial Information, the lessee's incremental borrowing rates are determined based on the directors' estimate of the rates that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions, which existed as at 31 December 2022.

The adjustments also represent the recognition of the right-of-use assets at cost of approximately RMB1,922,000 in the unaudited pro forma consolidated statement of assets and liabilities. The right-of-use assets comprise (i) the amount of the initial measurement of the lease liabilities of approximately RMB1,755,000, (ii) initial direct costs of approximately RMB164,000 incurred by the Group and (iii) a prepaid lease payment of approximately RMB3,000, being the difference between the nominal amount of the refundable rental deposit and its fair value at the commencement date.

The pro forma impact of HKFRS 16 for the Transactions have been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the impact to the Group had the Transactions been completed on the actual date of completion.

3. The adjustment represents the refundable rental deposits of approximately RMB3,645,000 paid by the Group in accordance with the term of Commercial Lease Agreement, Independent Lease Agreement and Long-Term Lease Agreement and are recognised initially at fair value at approximately RMB2,776,000 in accordance with HKFRS 9. The difference between the nominal amount of the refundable rental deposit and its fair value at the commencement date has been recognised in the right-of-use assets as mentioned in note 2(a) and note 2(b).
4. The adjustment represents the recognition of depreciation expenses of the right-of-use assets as if the Transactions are completed on 1 January 2022, based on the initial measurement of right-of-use assets as at 1 January 2022. The right-of-use assets are depreciated over the lease periods of 36 months, 119 months and 180 months for the Commercial Lease Agreement, Independent Lease Agreement and Long-Term Lease Agreement, respectively on a straight-line basis. The adjustment is expected to have a continuing effect on the Group.
5. The adjustment represents the recognition of interest expenses incurred for the lease liabilities as if the Transactions are completed on 1 January 2022. The lease liability is recognised and measured at the present value of the lease payments that are not paid at the date of commencement of the lease. Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made. The weighted average lessees' incremental borrowing rates applied to lease liabilities recognised as if the Transactions completed on 1 January 2022 are 9.06%, 9.36% and 9.57% for the Commercial Lease Agreement, Independent Lease Agreement and Long-Term Lease Agreement respectively. For the purposes of the preparation of the Unaudited Pro Forma Financial Information, the lessee's incremental borrowing rates are determined based on the directors' estimate of the rates that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions, which existed as at 1 January 2022. The adjustment is expected to have a continuing effect on the Group.
6. The adjustment represents the recognition of interest income incurred for the refundable rental deposits as if the Transactions are completed on 1 January 2022. The rental deposits are recognised initially at fair value in accordance with HKFRS 9 and are measured subsequent to initial recognition at amortised cost using the effective interest method, resulting in the recognition of interest income over the lease terms for the difference between the fair value at the commencement of the leases and their nominal amounts receivable at the end of the lease terms. The adjustment is expected to have a continuing effect on the Group.
7. Saved as aforesaid, no other adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2022.

**(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of the independent reporting accountants' assurance report received from BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.*



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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Jiahua Stores Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jiahua Stores Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2022, the unaudited pro forma consolidated statement of comprehensive income of the Group for the year ended 31 December 2022 and related notes as set out on pages III-1 to III-7 of Appendix III of the Company's circular dated 27 June 2023 (the "Circular") in connection with the very substantial acquisitions and connected transaction in relation to the connected lease agreements (the "Transactions"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on page III-1 to III-7 of Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Transactions on the Group's assets and liabilities as at 31 December 2022 as if the Transactions had taken place on 31 December 2022, and on the Group's consolidated financial performance for the year ended 31 December 2022 as if the Transactions had been taken place on 1 January 2022, respectively. As part of this process, information about the Group's financial position and the financial performance has been extracted by the directors of the Company from the Company's consolidated financial statements for the year ended 31 December 2022, on which an auditor's report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company 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 Management**

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 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.

**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 of the Company 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 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 Transactions at 31 December 2022 or 1 January 2022 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 unaudited 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, 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 of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; 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.

**BDO Limited**

*Certified Public Accountants*

Hong Kong

27 June 2023