

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

26 October 2023

To the directors of Asia Cassava Resources Holdings Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma consolidated statement of assets and liabilities (the "Unaudited Pro Forma Financial Information") of Asia Cassava Resources Holdings Limited (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 consolidated statement of assets and liabilities of the Group as at 31 March 2023, and related notes as set out in Appendix II of the circular (the "Circular") dated 26 October 2023 issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed acquisition (the "Acquisitions") of the properties located at Unit Nos. 3, 4 and 9 on 11th Floor, Houston Centre, No. 63 Mody Road Kowloon (the "Properties") at a total consideration (the "Consideration") of HK\$50,560,900 payable in cash as if the Acquisitions had taken place at 31 March 2023. As part of this process, information about the Group's consolidated statement of assets and liabilities has been extracted by the Directors from the Group's audited financial statements for the year ended 31 March 2023 as set out in the published annual report of the Company dated 31 July 2023.

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 Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies Hong Kong Standard on Quality Management 1, 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 assets and liabilities Included in a Prospectus* issued by 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 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 the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Acquisitions on unadjusted financial information of the Group as if the Acquisitions 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 transaction at 31 March 2023 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 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, 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 on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,



ASCENDA CACHET CPA LIMITED
Certified Public Accountants

Wan Kin Man Tony
Practising Certificate Number: P05506
Hong Kong

INTRODUCTION

The accompanying unaudited pro forma consolidated statement of assets and liabilities (the “**Unaudited Pro Forma Financial Information**”) of the Group have been prepared by the directors of the Company (the “**Directors**”) 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**”) for the purpose of illustrating the effects on the historical consolidated statement of assets and liabilities of the Group upon the completion of the Acquisitions by the Company.

The Unaudited Pro Forma Financial Information has been prepared based on the audited consolidated statement of assets and liabilities of the Group as at 31 March 2023, which has been extracted from the Group’s published annual report for the year ended 31 March 2023 dated 31 July 2023 and after taking into account the pro forma adjustments relating to the Acquisitions as described in the notes thereto, that are (i) clearly shown and explained; (ii) directly attributable to the Acquisitions and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Acquisitions had been effected on 31 March 2023.

The accompanying Unaudited Pro Forma Financial Information of the Group is prepared by the Directors based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Group upon completion of the Acquisitions. As the Unaudited Pro Forma Financial Information of the Group is prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the assets and liabilities of the Group following the completion of the Acquisitions and does not purport to describe the actual assets and liabilities of the Group that would have been attained had the Acquisitions been effected on the dates indicated herein. Further, the accompanying Unaudited Pro Forma Financial Information of the Group does not purport to predict the future assets and liabilities of the Group after the completion of the Acquisitions.

The Unaudited Pro Forma Financial Information of the Group has been prepared in accordance with paragraph 4.29 and paragraph 14.69(4)(a)(ii) of the Listing Rules. The Unaudited Pro Forma Financial Information of the Group should be read in conjunction with the financial information of the Group as set out in Appendix I to the Circular and other financial information included elsewhere in the circular.

Unaudited pro forma consolidated statement of assets and liabilities

	Audited consolidated statement of assets and liabilities of the Group as at 31 March 2023 HK\$'000 <i>(Note 1)</i>	Pro-forma adjustments		Unaudited pro forma consolidated statement of assets and liabilities of the Group as if the Acquisition had taken place on 31 March 2023 HK\$'000
		HK\$'000 <i>(Note 2)</i>	HK\$'000 <i>(Note 3)</i>	
NON-CURRENT ASSETS				
Property, plant and equipment	525,376			525,376
Investment properties	510,900	50,561		561,461
Right-of-use assets	34,323			34,323
Equity investments at fair value through other comprehensive income	25,851			25,851
Prepayments, deposits and other receivables	9,510			9,510
Club membership	2,240			2,240
Deferred tax assets	69			69
	<u>1,108,269</u>			<u>1,158,830</u>
CURRENT ASSETS				
Inventories	390,831			390,831
Trade and bills receivables	209,276			209,276
Prepayments, deposits and other receivables	58,934			58,934
Debt investments at fair value through other comprehensive income	1,823			1,823
Financial assets at fair value through profit or loss	5,527			5,527
Restricted bank balance	2,945			2,945
Cash and cash equivalents	264,174	(50,561)	(2,496)	211,117
	<u>933,510</u>			<u>880,453</u>
CURRENT LIABILITIES				
Trade and other payables and accruals	34,039			34,039
Derivative financial liabilities	2,138			2,138
Interest-bearing bank borrowings	549,266			549,266
Lease liabilities	23			23
Tax payable	93,877			93,877
	<u>679,343</u>			<u>679,343</u>
Net current assets	<u>254,167</u>			<u>201,110</u>
Total assets less current liabilities	<u>1,362,436</u>			<u>1,359,940</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities	12,058			12,058
Due to a non-controlling interest of a subsidiary	275,828			275,828
Interest-bearing bank borrowings	412,000			412,000
	<u>699,886</u>			<u>699,886</u>
Net assets	<u>662,550</u>			<u>660,054</u>

Notes to the Unaudited Pro Forma Financial Information

1. The Group's financial information is based upon the consolidated statement of assets and liabilities of the Group for the year ended 31 March 2023, which has been extracted from the Group's published annual report for the years ended 31 March 2023 dated 31 July 2023.
2. The adjustment reflects the Consideration for the Acquisitions of approximately HK\$50,561,000 as if the Acquisitions had taken place on 31 March 2023. The Properties are classified as investment properties as the Group intends to lease out the Properties for the purpose of earning rental income after the completion of the Acquisition. The Consideration is expected to be funded by the Company's internal resources.
3. The adjustment reflects the provision for (i) stamp duty and legal costs and (ii) professional fees and other expenses related to the Acquisition amounting to approximately HK\$2,496,000, which are recognised as expenses into the consolidated statement of profit or loss.
4. No adjustment has been made to the unaudited pro forma financial information to reflect any trading results or other transaction of the Group entered into subsequent to 31 March 2023.