

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

### **To the Directors of Skyworth Group Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Skyworth Group 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 net assets of the Group as at 31 December 2024 and the unaudited pro forma adjusted earnings per share of the Group for the year ended 31 December 2024 and related notes as set out on pages III -1 to III-3 of Appendix III to the offer document issued by the Company dated 28 April 2025 (the "Offer Document"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-3 of Appendix III of the Offer Document.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed conditional cash offer by CLSA Limited on behalf of the Company to buy-back up to 350,000,000 shares of the Company for HK\$3.11 per share of the Company (the "Offer") on the Group's financial position as at 31 December 2024 and the Group's earnings per share for the year ended 31 December 2024 as if the Offer had taken place at 31 December 2024 and 1 January 2024, respectively. As part of this process, information about the Group's financial position and financial performance has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2024, on which an auditor's report 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 Offers" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "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 (HKSQM) 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 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 31 December 2024 or 1 January 2024 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 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 purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.



Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
28 April 2025

The following is the unaudited pro forma net assets of the Group per Share as at 31 December 2024 prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2024 stated in the latest published annual report of the Group for the year ended 31 December 2024 adjusted for the impact of the Offer in accordance with Rule 4.29 of the Listing Rules assuming that the Offer had been completed on 31 December 2024 to illustrate the effect of the Offer on the financial position of the Group. As it is prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture, of what the net assets and net assets of the Group per Share shall be on the actual completion of the Offer or any future date.

	<b>Audited net assets of the Group as at 31 December 2024</b> <i>RMB million</i>	<b>Pro forma adjustment</b> <i>RMB million</i> <i>(Note 1)</i>	<b>Unaudited pro forma adjusted net assets of the Group as at 31 December 2024</b> <i>RMB million</i>
Non-current Assets	<u>20,286</u>		<u>20,286</u>
Current Assets*	49,722	(1,011)	48,711
Current Liabilities	<u>37,334</u>		<u>37,334</u>
Net Current Assets	<u>12,388</u>	(1,011)	<u>11,377</u>
Non-current Liabilities	<u>9,536</u>		<u>9,536</u>
Net assets	<u><u>23,138</u></u>	(1,011)	<u><u>22,127</u></u>
Equity attributable to owners of the Company	18,238	(1,011)	17,227
Non-controlling interests	<u>4,900</u>		<u>4,900</u>
Total equity	<u>23,138</u>		<u>22,127</u>
*Including:			
Cash and cash equivalents	<u>8,348</u>	(1,011)	<u>7,337</u>
	<i>RMB</i>		<i>RMB</i>
Net assets per share ( <i>Notes 2&amp;3</i> )	<u><u>8.16</u></u> <i>(Note 2)</i>		<u><u>9.14</u></u> <i>(Note 3)</i>

*Notes:*

1. To reflect the consideration payable for the buy-back of 350,000,000 Shares at the offer price of HK\$3.11 per Share payable in cash of HK\$1,089 million (equivalent to approximately RMB1,008 million) and the estimated expenses of RMB3 million directly attributable to the Offer, assuming the Maximum Number of Shares to be repurchased by the Company shall be accepted in full under the Offer. The expenses mainly include legal fees, financial advisory fees and other professional fees, which are incurred for the equity transaction and are accounted for as a reduction from equity.

For the purposes of the consideration payable for the Offer, the amount denominated in HK\$ has been converted into RMB at an exchange rate of HK\$1 to RMB0.92604, which is the rate as of 31 December 2024 for the sake of convenience. No representation is made that the HK\$ amounts have been, could have been or may be converted to RMB, at that rate or at all.

2. The audited net assets of the Group per Share immediately before the completion of the Offer is calculated based on the audited net assets of the Group attributable to owners of the Company as at 31 December 2024 of RMB18,238 million and 2,234,211,420 Shares in issue (excluding 2,488,000 Shares being repurchased during the year ended 31 December 2024 and cancelled during January 2025) as at 31 December 2024.
3. The unaudited pro forma adjusted net assets of the Group immediately following the completion of the Offer per Share is calculated based on the unaudited pro forma adjusted net assets of the Group attributable to owners of the Company as at 31 December 2024 of RMB17,227 million and 1,884,211,420 Shares in issue (excluding 2,488,000 Shares being repurchased during the year ended 31 December 2024 and cancelled during January 2025) following the completion of the Offer, which is 2,234,211,420 Shares in issue (immediately before the completion of the Offer as detailed above, excluding 2,488,000 Shares being repurchased during the year ended 31 December 2024 and cancelled during January 2025), reduced by 350,000,000 Shares bought back assuming that the Offer had been completed on 31 December 2024 and there is full acceptance of the Offer up to the Maximum Number of Shares.
4. No adjustment has been made to the above unaudited pro forma financial information to reflect any operating result or other transactions of the Group entered into subsequent to 31 December 2024.

The following unaudited pro forma adjusted earnings per Share of the Group for the year ended 31 December 2024 is prepared based on the audited consolidated profit for the year ended 31 December 2024 attributable to owners of the Company as shown in the annual report of the Group for the year ended 31 December 2024 reproduced on page II-1 of this Offer Document, and adjusted for the effect of the Offer as if the completion of the Offer had taken place at the beginning of the year ended 31 December 2024.

It has been prepared in accordance with Rule 4.29 of the Listing Rules assuming that the Offer had been completed on 1 January 2024 to illustrate the effect of the Offer on the earnings per Share of the Group for the year ended 31 December 2024. As it is prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of what the earnings per Share of the Group shall be on the actual completion of the Offer or any future period.

	<b>For the year ended 31 December 2024</b>	
	<b>Audited</b>	<b>Unaudited pro forma adjusted</b>
	<i>RMB cents</i>	<i>RMB cents</i>
	<i>(Note 5)</i>	<i>(Note 6)</i>
Earnings per Share		
— basic and diluted	<u>24.59</u>	<u>28.99</u>

*Notes:*

5. The audited basic and diluted earnings per Share of the Group for the year ended 31 December 2024 is calculated based on the audited consolidated profit attributable to owners of the Company for the year ended 31 December 2024 of RMB568 million and the weighted average number of ordinary shares of 2,309,586,352 in the calculations of both basic and diluted earnings per Share for the year then ended.
6. The unaudited pro forma adjusted basic and diluted earnings per Share of the Group for the year ended 31 December 2024 is calculated based on the audited consolidated profit attributable to owners of the Company for the year ended 31 December 2024 of RMB568 million and the weighted average number of ordinary shares of 2,309,586,352 in the calculations of both basic and diluted earnings per Share for the year then ended and reduced by 350,000,000 Shares bought back, assuming as if the completion of the Offer had taken place at 1 January 2024 and there is full acceptance of the Offer up to the Maximum Number of Shares for both the calculations of both basic and diluted earnings per Share.
7. No adjustment has been made to the above unaudited pro forma financial information to reflect any operating result or other transactions of the Group entered into subsequent to 31 December 2024.