

**(A) THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE  
REMAINING GROUP**

In connection with the proposed disposal of the equity interest of Target Company by Colour Life Services Group Co., Limited, a non-wholly owned subsidiaries of Fantasia Holdings Group Co., Limited, the unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effect of the proposed Disposal on the Group's financial position as at 30 June 2021 and the Group's financial performance and cash flows for the year ended 31 December 2020 as if the Disposal had been completed at 30 June 2021 and 1 January 2020, respectively.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2021, which has been extracted from the published interim report of the Company for the six months ended 30 June 2021.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2020, which have been extracted from the published annual report of the Company for the year ended 31 December 2020.

The unaudited pro forma financial information of the Remaining Group has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules and solely for the purpose to illustrate (a) the financial position of the Remaining Group as if the Disposal had been completed on 30 June 2021; and (b) the financial results and cash flows of the Remaining Group as if the Disposal had been completed on 1 January 2020.

The unaudited pro forma financial information of the Remaining Group is prepared based on the aforesaid historical data after giving effect to the Pro forma adjustments described in the accompanying notes. Narrative description of the Pro forma adjustments of the proposed Disposal that are (i) directly attributable to the transaction; and (ii) factually supportable, is summarised in the accompanying notes.

The unaudited pro forma financial information of the Remaining Group has been prepared by the Directors based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, the unaudited pro forma financial information of the Remaining Group may not purport to predict what the financial position of the Remaining Group would have been if the Disposal had been completed at 30 June 2021 or at any future dates, or what the financial results and cash flows of the Remaining Group for the year ended 31 December 2020 or for any future periods would have been if the Disposal had been completed at 1 January 2020.

The unaudited pro forma financial information of the Remaining Group should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and the financial information of the Target Group as set out in Appendix II to this circular respectively, and other financial information included elsewhere in this circular.

## APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUPUNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION OF THE REMAINING GROUP

AS AT 30 JUNE 2021

	Pro forma adjustments				The Remaining Group RMB'000
	The Group RMB'000 (Note 1)	The Target Group RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000 (Note 4)	
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	1,125,014	(91,450)			1,033,564
Right-of-use assets	641,131	(6,138)			634,993
Investment properties	9,746,425	(122,370)			9,624,055
Interests in associates	3,517,100	–			3,517,100
Interests in joint ventures	4,831,601	–			4,831,601
Equity instruments designated at FVTOCI	47,409	–			47,409
Goodwill	2,753,853	(1,430,545)			1,323,308
Intangible assets	1,032,904	(824,579)			208,325
Other receivables	703,763	–			703,763
Contract assets	6,733	–			6,733
Amounts due from related parties	365,979	–			365,979
Pledged bank deposits	540,394	–			540,394
Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures	3,652,205	–			3,652,205
Deferred tax assets	665,731	(52,233)			613,498
	<u>29,630,242</u>	<u>(2,527,315)</u>			<u>27,102,927</u>
<b>CURRENT ASSETS</b>					
Properties for sale	38,597,073	–			38,597,073
Contract assets	823,621	–			823,621
Contract costs	392,384	–			392,384
Trade and other receivables	5,096,657	(1,131,729)			3,964,928
Tax recoverable	32,501	–			32,501
Amounts due from related parties	4,007,154	(1,012,803)		309,731	3,304,082
Restricted/pledged bank deposits	3,864,440	(14,937)			3,849,503
Bank balances and cash	27,177,862	(67,731)	3,287,200		30,397,331
	<u>79,991,692</u>	<u>(2,227,200)</u>			<u>81,361,423</u>

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	Pro forma adjustments				The Remaining Group RMB'000
	The Group RMB'000 (Note 1)	The Target Group RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000 (Note 4)	
<b>CURRENT LIABILITIES</b>					
Trade and other payables	10,223,994	(1,161,394)			9,062,600
Contract liabilities	12,157,490	(270,927)			11,886,563
Derivative financial instruments	99,114	-			99,114
Amounts due to related parties	1,156,859	(75,487)		309,731	1,391,103
Tax liabilities	6,450,912	(76,733)	33,257		6,407,436
Borrowings due within one year	8,478,383	-			8,478,383
Lease liabilities due within one year	67,667	(2,714)			64,953
Senior notes and bonds due within one year	10,986,416	-			10,986,416
Asset-backed securities issued	12,581	-			12,581
	<u>49,633,416</u>	<u>(1,587,255)</u>			<u>48,389,149</u>
<b>NET CURRENT ASSETS</b>	<u>30,358,276</u>	<u>(639,945)</u>			<u>32,972,274</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>59,988,518</u>	<u>(3,167,260)</u>			<u>60,075,201</u>
<b>NON-CURRENT LIABILITIES</b>					
Derivative financial instruments	21,231	-			21,231
Deferred contribution	32,242	-			32,242
Deferred tax liabilities	1,076,692	(209,178)			867,514
Borrowings due after one year	8,371,958	-			8,371,958
Lease liabilities due after one year	232,941	(3,456)			229,485
Asset-backed securities issued	255,000	-			255,000
Senior notes and bonds due after one year	23,383,819	-			23,383,819
	<u>33,373,883</u>	<u>(212,634)</u>			<u>33,161,249</u>
<b>NET ASSETS</b>	<u>26,614,635</u>	<u>(2,954,626)</u>			<u>26,913,952</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	498,787				498,787
Reserves	13,838,952		299,317		14,138,269
Equity attributable to owners of the Company	14,337,739				14,637,056
Non-controlling interests	12,276,896				12,276,896
	<u>26,614,635</u>				<u>26,913,952</u>

## APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUPUNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP  
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Pro forma adjustments</u>			The Remaining Group RMB'000
	The Group RMB'000 (Note 1)	The Target Group RMB'000 (Note 5)	RMB'000 (Note 6)	
Revenue				
Contracts with customers	21,586,402	(2,489,499)		19,096,903
Leases	<u>172,442</u>	<u>–</u>		<u>172,442</u>
Total revenue	21,758,844	(2,489,499)		19,269,345
Cost of sales and services	<u>(16,414,675)</u>	<u>1,786,170</u>		<u>(14,628,505)</u>
Gross profit	5,344,169	(703,329)		4,640,840
Other income	240,461	(40,006)		200,455
Other gains and losses	2,457,241	1,714		2,458,955
Impairment losses under expected credit loss model, net of reversal	(98,522)	9,011		(89,511)
Change in fair value of investment properties	129,399	–		129,399
Selling and distribution expenses	(494,623)	–		(494,623)
Administrative expenses	(1,652,591)	149,931		(1,502,660)
Finance costs	(2,902,766)	–		(2,902,766)
Share of results of associates	31,420	–		31,420
Share of results of joint ventures	2,642	–		2,642
Net gain on disposal of subsidiaries	<u>869,283</u>	<u>–</u>	1,104,499	<u>1,973,782</u>
Profit before tax	3,926,113	(582,679)		4,447,933
Income tax expense	<u>(2,174,797)</u>	<u>133,283</u>	(110,450)	<u>(2,151,964)</u>
Profit for the year	<u>1,751,316</u>	<u>(449,396)</u>		<u>2,295,969</u>
<b>Other comprehensive income (expense)</b>				
Item that may be reclassified subsequently to profit or loss:				
Fair value change on hedging instruments designated as cash flow hedges	<u>10,706</u>	<u>–</u>		<u>10,706</u>
Items that will not be reclassified subsequently to profit or loss:				
Fair value gain on equity instruments designated at FVTOCI	2,866	–		2,866
Deferred taxation effect	<u>(716)</u>	<u>–</u>		<u>(716)</u>
	<u>2,150</u>	<u>–</u>		<u>2,150</u>

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	<u>Pro forma adjustments</u>			<b>The Remaining Group RMB'000</b>
	<b>The Group RMB'000 (Note 1)</b>	<b>The Target Group RMB'000 (Note 5)</b>	<b>RMB'000 (Note 6)</b>	
Other comprehensive income for the year, net of income tax	<u>12,856</u>	<u>–</u>	<u>–</u>	<u>12,856</u>
Total comprehensive income for the year	<u>1,764,172</u>	<u>(449,396)</u>	<u>994,049</u>	<u>2,308,825</u>
Profit for the year attributable to:				
Owners of the Company	977,420	(449,396)	994,049	1,522,073
Other non-controlling interests	<u>773,896</u>	<u>–</u>	<u>–</u>	<u>773,896</u>
	<u>1,751,316</u>	<u>(449,396)</u>		<u>2,295,969</u>
Total comprehensive income for the year attributable to:				
Owners of the Company	989,244	(449,396)	994,049	1,533,897
Other non-controlling interests	<u>774,928</u>	<u>–</u>	<u>–</u>	<u>774,928</u>
	<u>1,764,172</u>	<u>(449,396)</u>		<u>2,308,825</u>

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UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUPUNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF  
THE REMAINING GROUP  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Pro forma adjustments				The Remaining Group RMB'000
	The Group RMB'000 (Note 1)	The Target Group RMB'000 (Note 5)	RMB'000 (Note 6)	RMB'000 (Note 7)	
<b>OPERATING ACTIVITIES</b>					
Profit before tax	3,926,113	(582,679)			3,343,434
Adjustments for:					
Change in fair value of investment properties	(129,399)	(344)			(129,743)
Change in fair value of financial assets at FVTPL	(677,894)	–			(677,894)
Amortisation of intangible assets	138,685	(68,998)			69,687
Depreciation of property, plant and equipment	230,102	(32,049)			198,053
Depreciation of right-of-use assets	100,199	(1,567)			98,632
Share-based payment expenses	6,698	–			6,698
Loss on disposal of property, plant and equipment	5,915	(124)			5,791
Gain on disposal of subsidiaries, associates and joint ventures	(869,283)	–			(869,283)
Gain on remeasurement of interests in associates and joint ventures	(193,995)	–			(193,995)
Impairment losses under expected credit loss model, net of reversal	98,522	(9,011)			89,511
Impairment of property, plant and equipment	15,029	–			15,029
Interest income	(154,776)	15,080			(139,696)
Finance costs	2,902,766	–			2,902,766
Loss on repurchase/early redemption of senior notes and bonds and asset-backed securities issued	5,467	–			5,467
Net foreign exchange (gain) loss	(1,773,297)	–			(1,773,297)
Fair value change on hedging instruments	174,890	–			174,890
Share of results of associates	(31,420)	–			(31,420)
Share of results of joint ventures	(2,642)	–			(2,642)
Operating cash flows before movements in working capital	3,771,680	(679,692)			3,091,988
Increase in properties for sale	(1,213,956)	–			(1,213,956)
Decrease in inventories	42,623	–			42,623
Decrease in trade and other receivables	2,966,334	18,625			2,984,959
Decrease in contract costs	62,266	–			62,266
Increase in contract assets	(58,859)	–			(58,859)
Increase in trade and other payables	4,954,473	53,063			5,007,536
Decrease in contract liabilities	(2,304,196)	(45,246)			(2,349,442)
Increase in provisions	1,717	–			1,717
Others	(1,179)	–			(1,179)
Cash generated from operations	8,220,903	653,250			7,567,653
Income tax paid	(1,161,349)	128,851			(1,032,498)
Interest paid	(3,507,511)	–			(3,507,511)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,552,043</b>	<b>(524,399)</b>			<b>3,027,644</b>

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	Pro forma adjustments				The Remaining Group RMB'000
	The Group RMB'000 (Note 1)	The Target Group RMB'000 (Note 5)	RMB'000 (Note 6)	RMB'000 (Note 7)	
<b>INVESTING ACTIVITIES</b>					
Placement of restricted/pledged bank deposits	(2,592,555)	14,937			(2,577,618)
Withdrawal of restricted/pledged bank deposits	1,443,270	-			1,443,270
Settlement of consideration receivables of disposal of subsidiaries	24,301	-			24,301
Purchases of property, plant and equipment	(148,384)	18,414			(129,970)
Payments for right-of-use assets	(17,048)	-			(17,048)
Proceeds from disposal of property, plant and equipment	182,955	(1,049)			181,906
Additions to investment properties	(810,997)	-			(810,997)
Proceeds from disposal of investment properties	1,289,422	(1,324)			1,288,098
Purchases of financial assets at FVTPL	(7,409)	-			(7,409)
Redemption of financial assets at FVTPL	35,354	-			35,354
Purchases of equity instruments designated at FVTOCI	10	-			10
Proceeds from disposal of equity instruments designated at FVTOCI	8,360	-			8,360
Acquisition of associates and joint ventures	(3,852)	-			(3,852)
Capital injection to associates and joint ventures	(2,540,890)	-			(2,540,890)
Disposal of associates and joint ventures	1,848	-			1,848
Acquisition of property projects and other assets and liabilities through acquisition of subsidiaries (net of cash and cash equivalents acquired)	63,768	-			63,768
Deposits paid for potential acquisition of subsidiaries and investments in associates and joint ventures	(3,799,733)	-			(3,799,733)
Deposit refunded for acquisition of subsidiaries	595	-			595
Disposal of subsidiaries (net of cash and cash equivalent disposed of)	(46,910)	-	3,287,200		3,240,290
Deemed disposal of partial interests in a subsidiary without loss of control	190,420	-			190,420
Disposal of partial interests in subsidiaries resulting in loss of control	(1,448,186)	-			(1,448,186)
Dividend received from joint ventures and associates	540	-			540
Interest received	107,562	(15,080)			92,482
Advance of loan receivables	(198,588)	-			(198,588)
Repayment of loan receivables	165,513	-			165,513
Advances to related parties	(6,356,314)	842,492		(835,949)	(6,349,771)
Repayment from related parties	2,819,554	(178,999)		596,594	3,237,149
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<u>(11,637,394)</u>	<u>679,391</u>			<u>(7,910,158)</u>

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	Pro forma adjustments				The Remaining Group RMB'000
	The Group RMB'000 (Note 1)	The Target Group RMB'000 (Note 5)	RMB'000 (Note 6)	RMB'000 (Note 7)	
<b>FINANCING ACTIVITIES</b>					
Net proceeds from the issuance of senior notes and bonds	19,344,195	–	–	–	19,344,195
Repayment of senior notes and bonds	(5,554,627)	–	–	–	(5,554,627)
Repurchase/early redemption of senior notes and bonds	(889,584)	–	–	–	(889,584)
Repayment of principal receipts under securitisation arrangements	(85,740)	–	–	–	(85,740)
New borrowings raised	8,461,135	–	–	–	8,461,135
Repayment of borrowings	(10,575,737)	–	–	–	(10,575,737)
Repayment of lease liabilities	(130,786)	1,754	–	–	(129,032)
Issue of shares upon exercise of share options	2,110	–	–	–	2,110
Dividend paid to shareholders of the Company	(288,384)	–	–	–	(288,384)
Dividend paid to non-controlling shareholders of the subsidiaries	(26,112)	–	–	–	(26,112)
Contributions from non-controlling shareholders of the subsidiaries	1,976,167	–	–	–	1,976,167
Acquisition of additional interest in subsidiaries	(9,909)	–	–	–	(9,909)
Advances from related parties	1,474,816	(547)	–	835,949	2,310,218
Repayments to related parties	(984,086)	629,988	–	(596,594)	(950,692)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>12,713,458</b>	<b>631,195</b>	<b>–</b>	<b>–</b>	<b>13,584,008</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,628,107</b>	<b>786,187</b>	<b>3,287,200</b>	<b>–</b>	<b>8,701,494</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>20,379,733</b>	<b>(1,088,275)</b>	<b>–</b>	<b>–</b>	<b>19,291,458</b>
Effect of foreign exchange rate changes	(84,457)	–	–	–	(84,457)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash</b>	<b>24,923,383</b>	<b>(302,088)</b>	<b>3,287,200</b>	<b>–</b>	<b>27,908,495</b>

**Notes:**

- (1) The unaudited condensed consolidated statement of financial position of the Group as at 30 June 2021 is extracted from the interim report of the Company for the six months ended 30 June 2021 and its audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows for the year ended 31 December 2020 are extracted from the annual report of the Company for the year ended 31 December 2020.
- (2) The adjustment represents the exclusion of the assets and liabilities of the Target Group as at 30 June 2021, assuming the Disposal had taken place on 30 June 2021. The assets and liabilities of the Target Group are extracted from the unaudited condensed consolidated statement of financial position of the Target Group set out in Appendix II to this circular.



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- (3) The adjustments reflect the cash consideration received upon completion of the Disposal of RMB3,300,000,000 and pro forma gain on Disposal of RMB299,317,000. The calculation of the pro forma gain on Disposal is stated as follows, assuming the Disposal had taken place on 30 September 2021:

	<i>RMB'000</i>
Calculation of pro forma gain on Disposal	
Cash consideration	3,300,000
Less: Estimated professional fees and other expenses directly attributable to the Disposal ( <i>note b</i> )	(12,800)
Less: Net assets of the Target Group as at 30 September 2021 ( <i>note a</i> )	<u>(2,954,626)</u>
Gain on Disposal before income tax	332,574
Less: Estimated income tax expense regarding the Disposal ( <i>note c</i> )	<u>(33,257)</u>
Gain on Disposal	<u>299,317</u>
Gain on Disposal attributable to:	
Owners of the Company	299,317
Other non-controlling interests	<u>—</u>
	<u>299,317</u>
Cash received upon the Disposal	3,300,000
Less: Estimated professional fees and other expenses directly attributable to the Disposal ( <i>note b</i> )	<u>(12,800)</u>
Net proceeds arising on Disposal upon completion as at 30 June 2021	<u>3,287,200</u>

*Notes:*

- (a) The amount represents the net assets of the Target Group as at 30 June 2021 as extracted from the unaudited consolidated statement of financial position of the Target Group as at 30 September 2021 set out in Appendix II to this circular.
- (b) The adjustment represents the recognition of the estimated transactions costs of approximately RMB12,800,000, including but not limited to legal and professional fees, directly attributable to the Disposal as estimated by the Directors.
- (c) The amount represents the estimated income tax payable to the PRC tax authority in relation to the gain on the Disposal, which is calculated based on a tax rate of 10%.
- (4) The adjustment represents the elimination of intercompany balances between the Target Group and the Remaining Group.
- (5) The adjustment represents the exclusion of the results of the operation and cash flows of the Target Group for the year ended 31 December 2020, assuming the Disposal had taken place on 1 January 2020. The results of the operation and cash flows of the Target Group are extracted from the unaudited consolidated statement of profit or loss and other comprehensive income and the unaudited consolidated statement of cash flows of the Target Group for the year ended 31 December 2020 set out in Appendix II to this circular.

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- (6) The adjustments reflect the gain on disposal of the Target Group by the Group, assuming the Disposal had taken place on 1 January 2020:

	<i>RMB'000</i>
Calculation of pro forma gain on Disposal	
Cash consideration	3,300,000
Less: Estimated professional fees and other expenses directly attributable to the Disposal ( <i>note b</i> )	(12,800)
Less: Net assets of the Target Group as at 1 January 2020 ( <i>note a</i> )	<u>(2,182,701)</u>
Gain on Disposal before income tax	1,104,499
Less: Estimated income tax expense regarding the Disposal ( <i>note c</i> )	<u>(110,450)</u>
Gain on Disposal	<u>994,049</u>
Gain on Disposal attributable to:	
Owners of the Company	994,049
Other non-controlling interests	<u>—</u>
	<u>994,049</u>
Cash received upon the Disposal	3,300,000
Less: Estimated professional fees and other expenses directly attributable to the Disposal ( <i>note b</i> )	<u>(12,800)</u>
Net proceeds arising on Disposal upon completion as at 1 January 2020	<u>3,287,200</u>

*Notes:*

- (a) The amount represents the net assets of the Target Group as at 1 January 2020 as extracted from the unaudited consolidated statement of financial position of the Target Group as at 31 December 2019 set out in Appendix II to this circular.
- (b) The adjustment represents the recognition of the estimated transactions costs of approximately RMB12,800,000, including but not limited to legal and professional fees, directly attributable to the Disposal as estimated by the Directors.
- (c) The amount represents the estimated income tax payable to the PRC tax authority in relation to the gain on the Disposal, which is calculated based on a tax rate of 10%.
- (7) The adjustment represents the adjustments of cash flows between the Target Group and the Remaining Group.
- (8) Other than set out above, no other adjustment has been made to reflect any trading results, cash flows or other transactions of the Group entered into subsequent to 30 June 2021 or 1 January 2020, respectively, for the preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2021 or the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2020. These Pro forma adjustments will not have any continuing effect on the Remaining Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

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

The following is the text of a report received from the reporting accountants of the Company, Prism Hong Kong and Shanghai Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Remaining Group.

The Directors

**Fantasia Holdings Group Co., Limited**

Block A, Funian Plaza, Shihua Road and Zijing Road  
Interchange in Futian Duty-free Zone, Shenzhen 518048  
Guangdong Province, China

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Fantasia Holdings Group Co., 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 financial position as at 30 June 2021, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2021, the unaudited pro forma consolidated statement of cash flows for the six months ended 30 June 2021, and related notes as set out on pages III-1 to III-11 of the investment circular in connection with disposal of equity interests in Link Joy Holdings Group Co., Limited. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Note 1 to 8.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the disposal of equity interest in Link Joy Holdings Group Co., Limited (the “**Disposal**”) on the Group’s financial position as at 30 June 2021 and the Group’s financial performance and cash flows for the six months ended 30 June 2021 as if the Disposal had taken place at 30 June 2021 and 1 January 2021 respectively. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the directors of the Company from the Group’s financial statement for the six months ended 30 June 2021, on which an audit 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 29 of Chapter 4 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” (“**AG7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Auditing and Assurance Standards Board (“**IAASB**”), which is founded on fundamental principles of integrity, objectivity professional competence and due care, confidentiality and professional behavior. The firm applies International Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” 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 29(7) of Chapter 4 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 International Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the IAASB. 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 29 of Chapter 4 of the Listing Rules and with reference to AG7 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 the Disposal on unadjusted financial information of the Group as if the Disposal had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal at 30 June 2021 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 Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

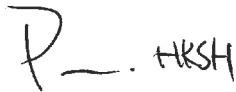
The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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 29(1) of Chapter 4 of the Listing Rules.



**Prism Hong Kong and Shanghai Limited**

*Certified Public Accountants*

**Lee Kwok Lun**

Practising Certificate Number: P06294

Hong Kong

25 July 2023