



**CCTH CPA LIMITED**  
中正天恆會計師有限公司

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

**To the Directors of Xinji Shaxi Group Co., Ltd**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Xinji Shaxi Group Co., Ltd (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) and the right-of-use assets being acquired (collectively referred to as the “**Enlarged 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 30 June 2025 and the unaudited pro forma consolidated income statement and statement of comprehensive income of the Group for the six months ended 30 June 2025 and related notes as set out on pages III-2 to III-6 of the Appendix III of the circular issued by the Company dated 17 November 2025 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page III-1 of the Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition in respect of the possible lease of properties (the “**Proposed Asset Acquisition**”) on the Group’s financial position as at 30 June 2025 and the Group’s financial performance for the six months ended 30 June 2025 as if the Proposed Asset Acquisition had taken place as at 30 June 2025. 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 interim report for the six months ended 30 June 2025, on which no audit or review 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 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* (“**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 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.



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

**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 complied the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules 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 a 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 Proposed Asset Acquisition at 30 June 2025 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.



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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
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(CONTINUED)**

**Reporting Accountants' Responsibilities (Continued)**

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 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.



**CCTH CPA Limited**  
*Certified Public Accountants*  
Hong Kong

**Kwong Tin Lap**  
Practising Certificate No.: P01953

17 November 2025





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中正天恆會計師有限公司

**Basis of Preparation of Unaudited Pro Forma Financial Information of the Enlarged Group**

The following is an illustrative and unaudited pro forma consolidated statement of assets and liabilities and unaudited pro forma consolidated income statement and statement of comprehensive income of the Enlarged Group (the “**Unaudited Pro Forma Financial Information**”), which has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effects upon completion of the very substantial acquisition in relation to possible lease of properties by the Group (the “**Transaction**”) as if it had taken place on 30 June 2025 for the unaudited pro forma consolidated statement of assets and liabilities and for the unaudited pro forma consolidated income statement and statement of comprehensive income.

The Unaudited Pro Forma Financial Information are prepared based on:

- (a) the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 as set out in the Group’s published interim report dated 29 August 2025;
- (b) the unaudited condensed consolidated income statement and statement of comprehensive income for the six months ended 30 June 2025 as set out in the Group’s published interim report dated 29 August 2025; and
- (c) the unaudited pro forma adjustments relating to the Transaction that are (i) directly attributable to the Transaction and not relating to future events or decisions; and (ii) factually supportable.

The Unaudited Pro Forma Financial Information has been prepared by the Directors 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 Enlarged Group that would have been attained has the Transaction been completed on 30 June 2025, nor purport to predict the Enlarged 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 interim report of the Company for the six months ended 30 June 2025 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 Enlarged Group had the Transaction been completed as at 30 June 2025, where applicable, or any future date.



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**(1) Unaudited Pro Forma Consolidated Statement of Assets And Liabilities of the Enlarged Group**

	<b>The Group as at 30 June 2025</b>	<b>Proforma adjustments</b>			<b>The Enlarged Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 1)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property and equipment	3,852				3,852
Investment properties	1,897,520	13,248	833,414	624	2,744,806
Intangible assets	2,018				2,018
Deferred income tax assets	5,195				5,195
Lease and trade receivables and other receivables	-	6,752			6,752
Financial assets at fair value through profit or loss	481				481
<b>Total non-current assets</b>	<b>1,909,066</b>				<b>2,763,104</b>
<b>Current assets</b>					
Inventories	8				8
Lease and trade receivables and other receivables	85,770				85,770
Restricted cash	36				36
Cash and cash equivalents	654,536	(20,000)			634,536
<b>Total current assets</b>	<b>740,350</b>				<b>720,350</b>
<b>Total assets</b>	<b>2,649,416</b>				<b>3,483,454</b>
<b>EQUITY</b>					
Share capital and premium	285,115				285,115
Other reserves	121,194				121,194
Retained earnings	739,669				739,669
	1,145,978				1,145,978
Non-controlling interests	(1,904)				(1,904)
	<b>1,144,074</b>				<b>1,144,074</b>

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**(1) Unaudited Pro Forma Consolidated Statement of Assets And Liabilities of the Enlarged Group (Continued)**

	The Group as at 30 June 2025 RMB'000 (Note 1)	Proforma adjustments				The Enlarged Group RMB'000
		RMB'000 (Note 3)	RMB'000 (Note 4)	RMB'000 (Note 5)		
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings	573,320					573,320
Trade and other payables	14,201					14,201
Lease liabilities	150,706		833,414			984,120
Deferred income tax liabilities	172,371					172,371
<b>Total non-current liabilities</b>	<b>910,598</b>					<b>1,744,012</b>
<b>Current liabilities</b>						
Borrowings	262,704					262,704
Trade and other payables	159,497				624	160,121
Lease liabilities	26,817					26,817
Contract liabilities	24,801					24,801
Advance from customers	83,145					83,145
Current income tax liabilities	35,409					35,409
Amounts due to related parties	2,371					2,371
<b>Total current liabilities</b>	<b>594,744</b>					<b>595,368</b>
<b>Total liabilities</b>	<b>1,505,342</b>					<b>2,339,380</b>
<b>Total equity and liabilities</b>	<b>2,649,416</b>					<b>3,483,454</b>



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**(2) Unaudited Pro Forma Consolidated Income Statement And Statement of Comprehensive Income of the Enlarged Group**

	<b>The Group six months ended 30 June 2025</b>	<b>Proforma adjustments</b>			<b>The Enlarged Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	
Revenue	116,593				116,593
Cost of sales	(21,615)				(21,615)
Fair value losses on investment properties	(76,590)				(76,590)
Selling and marketing expenses	(3,707)				(3,707)
Administrative expenses	(17,448)				(17,448)
Net impairment losses recognised on financial assets and lease receivables	(1,965)				(1,965)
Other income	1,796				1,796
Other losses – net	(5,648)				(5,648)
<b>Operating loss</b>	<b>(8,584)</b>				<b>(8,584)</b>
Finance income	1,063				1,063
Finance expenses	(25,620)				(25,620)
Finance expenses – net	(24,557)				(24,557)
Loss before income tax	(33,141)				(33,141)
Income tax credit	4,011				4,011
<b>Loss for the period</b>	<b>(29,130)</b>				<b>(29,130)</b>
<b>Loss attributable to:</b>					
- Owners of the Company	(29,086)				(29,086)
- Non-controlling interests	(44)				(44)
<b>Loss for the period</b>	<b>(29,130)</b>				<b>(29,130)</b>



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**(2) Unaudited Pro Forma Consolidated Income Statement And Statement of Comprehensive Income of the Enlarged Group (Continued)**

	<b>The Group six months ended 30 June 2025</b>	<b>Proforma adjustments</b>				<b>The Enlarged Group</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 2)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 7)</i>		
<b>Loss for the period</b>	(29,130)					(29,130)
<b>Other comprehensive loss for the period net of tax</b>	-					-
<b>Total comprehensive loss for the period</b>	<u>(29,130)</u>					<u>(29,130)</u>
<b>Total comprehensive loss attributable to:</b>						
- Owners of the Company	(29,086)					(29,086)
- Non-controlling interests	<u>(44)</u>					<u>(44)</u>
<b>Total comprehensive loss for the period</b>	<u>(29,130)</u>					<u>(29,130)</u>





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**Notes to the unaudited pro forma financial information**

- (1) The balances are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 set out on pages 22 to 23 of the Company's published unaudited interim report for the six months ended 30 June 2025.
- (2) The amounts are extracted from the unaudited condensed consolidated income statement and statement of comprehensive income of the Group for the six months ended 30 June 2025 set out on pages 20 to 21 of the Company's published unaudited interim report for the six months ended 30 June 2025.
- (3) The adjustment represents the security deposit of approximately RMB20,000,000 payable by the Group upon the Lease Agreement becoming effective. The security deposit was discounted to its present value of approximately RMB6,752,000 using a discount rate of 5.58% and classified as non-current other receivables. This adjustment is considered as additional lease payments for the right-of-use assets and expected to have a continuing financial effect on the Group as the security deposit is refundable upon expiry of the Lease Agreement.
- (4) The pro forma financial information is prepared in a manner consistent with both the format and accounting policies adopted by the Group in its published unaudited interim report and therefore the pro forma financial information is materially consistent with the accounting basis used by the Group. Pursuant to Hong Kong Financial Reporting Standard 16 *Leases* ("HKFRS 16"), the Transaction is a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. As a proforma result of the Transaction, lease liabilities will be remeasured at the amount of approximately RMB840,544,000 and the right-of-use assets and lease liabilities of the unaudited pro forma consolidated statement of assets and liabilities would then be increased by approximately RMB833,414,000 and RMB833,414,000, respectively.

Upon initial recognition of the Transaction, the Enlarged Group recognised a deferred tax asset and a deferred tax liability due to temporary differences between the carrying amounts and tax bases of these items. The deferred tax asset of approximately RMB208,354,000 was recognised in respect of the lease liability, while the deferred tax liability of RMB208,354,000 was recognised in respect of the right-of-use asset, applying an Enterprise Income Tax rate of the People's Republic of China at 25%. These adjustments are recognised as if the lease arrangement had been effective on 30 June 2025, have no net impact on the Enlarged Group.

As the Group intends to enter into arrangements to sublease the leased assets to third parties while the original lease contracts are in effect, assuming the subleases have been entered into and are classified as operating leases, the Group, as the intermediate lessor, will continue to account for the lease liabilities and right-of-use assets on the head leases like any other lease in accordance with HKFRS 16.

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**Notes to the unaudited pro forma financial information (Continued)**

The right-of-use assets will be presented as investment properties measured at fair value assuming that the right-of-use assets meet the definition of investment property in accordance with HKAS 40 *Investment Property* (“**HKAS 40**”) and a separate line item under non-current assets. The calculation of impact of HKFRS 16 for the Transaction 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 Transaction been completed on the actual date of completion.

- (5) The adjustment represents the estimated legal and professional fees and other direct expenses directly attributable to the Transaction of approximately RMB624,000 which would be part of the cost of the assets acquired. This adjustment is not expected to have a continuing financial effect on the Group.