
APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth in this appendix does not form part of the Accountants' Report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, as set forth in Appendix I to this listing document, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this listing document and the Accountants' Report set forth in Appendix I to this listing document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted combined net tangible assets of our Group prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules for the purpose of illustrating the effect of the Listing as if it had taken place on 31 December 2018 and based on the audited combined net tangible assets attributable to equity shareholders of the Company as at 31 December 2018 as shown in the Accountants' Report, the text of which is set out in Appendix I to this Listing Document, and adjusted as described below.

The unaudited pro forma adjusted combined net tangible assets of the Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not provide a true picture of our financial position of the Group had the Listing been completed as at 31 December 2018 or at any future dates.

Audited combined net tangible assets attributable to equity shareholders of the Company as of 31 December 2018	Estimated expenses relating to the Listing	Unaudited pro forma combined net tangible assets attributable to equity shareholders of the Company	Unaudited pro forma adjusted combined net tangible assets per Share
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>
<i>Note 1</i>	<i>Note 2</i>		<i>Note 3</i>
Based on 234,544,750 Shares assumed to be in issue immediately prior to the Listing (<i>Note 3</i>)			
<u>220,803</u>	<u>(8,370)</u>	<u>212,433</u>	<u>0.91</u>

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Notes:

- 1 The combined net tangible assets attributable to equity shareholders of the Group as at 31 December 2018 is arrived at after deducting non-controlling interests of HK\$7,633,000 from the audited combined net assets of HK\$228,436,000 as at 31 December 2018, as shown in the Accountants' Report, the text of which is set out in Appendix I to this listing document.

- 2 The amount represents estimated expenses relating to the Listing expected to be incurred by the Group subsequent to 31 December 2018 which mainly include professional fees for the Sole Sponsor, the Company's legal advisers and reporting accountants and other listing related expenses.

- 3 The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments as described in note 2 above and is based on 234,544,750 Shares assumed to be in issue immediately prior to the Listing. No account has been taken of any Shares which may be allotted and issued pursuant to the exercise of any options that have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme and of any Shares which may be allotted and issued or repurchased by our Company pursuant to the Issue Mandate and the Repurchase Mandate, and of any outstanding options granted pursuant to share option scheme of China Aluminum Cans Group adopted on 20 June 2013 and convertible rights attached to outstanding convertible bonds of China Aluminum Cans Group held by certain shareholders.

- 4 No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2018.

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

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose for inclusion in this listing document.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

To the Directors of Precious Dragon Technology Holding Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Precious Dragon Technology Holding 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 pro forma financial information consists of the pro forma combined net tangible assets as at 31 December 2018 and related notes as set out on pages II-1 to II-2 of the listing document dated 3 June 2019 issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II to the listing document.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the listing of shares of the Company on the Group's financial position as at 31 December 2018 as if the transaction had taken place at 31 December 2018. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 31 December 2018, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the 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 ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* 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 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 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 4.29(7) of the Listing Rules, on the 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 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 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 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in this listing document is solely to illustrate the impact of the listing of shares of the Company on unadjusted financial information of the Group as if 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 transaction would have been as presented. A reasonable assurance engagement to report on whether the 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 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 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 transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The engagement also involves evaluating the overall presentation of the 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 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 Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Certified Public Accountants

Hong Kong