

Appendix II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 as if the Rights Issue had been completed on that date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 June 2024, as extracted from the unaudited condensed consolidated financial statements for the six months ended 30 June 2024 set out in the published interim report of the Company, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company had the Rights Issue been completed as at 30 June 2024 or at any future date.

			Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 HK\$'000	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2024 before the Share Consolidation and the completion of the Rights Issue HK\$ (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2024 immediately after the Share Consolidation and the completion of the Rights Issue HK\$ (Note 5)
Based on 217,823,718 Rights Shares to be issued at the Subscription Price of HK\$0.334 per Rights Share			76,273	69,551	145,824	0.07	0.45

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 set out in the published interim report of the Company, which is based on the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 June 2024.
2. The Board proposes to implement the Share Consolidation on the basis that every ten issued Existing Shares in the share capital of the Company will be consolidated into one Consolidated Share. As at 30 June 2024, there were 1,089,118,593 Existing Shares in issue. The number of Consolidated Shares in issue upon the Share Consolidation becoming effective will be 108,911,859 Consolidated Shares in issue assuming that no change in the number of Existing Shares in issue from 30 June 2024 until the effective date of Share Consolidation.
3. The estimated net proceeds from the Rights Issue are based on the issuance of 217,823,718 Rights Shares (according to the number of Consolidated Shares disclosed in Note 2) at HK\$0.334 each, after deducting the estimated cost directly attributable to the Rights Issue of approximately HK\$3,202,000 to be incurred by the Group assuming full subscription under the Rights Issue or placed by the Placing Agent.
4. The unaudited consolidated net tangible assets of Group attributable to the owners of the Company per Share as at 30 June 2024 before the Share Consolidation and the completion of the Rights Issue is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 of approximately HK\$76,273,000 divided by 1,089,118,593 Shares (according to the number of Existing Shares disclosed in Note 2) which represents Shares in issue as at 30 June 2024.
5. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2024 immediately after the Share Consolidation and the completion of the Rights issue is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 of approximately HK\$145,824,000 divided by 326,735,577 Shares in issue upon completion of the Share Consolidation and Rights Issue as at 30 June 2024, which comprises 108,911,859 Consolidated Shares in issue as at 30 June 2024 according to the number of Shares before the Rights Issue and 217,823,718 Rights Shares to be issued under the Rights Issue.
6. Save as disclosed in the above notes, no adjustments have been made to reflect any trading or other transactions of the Group entered into subsequent to 30 June 2024.



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

To the directors of Far East Holdings International Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Far East Holdings International 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 statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 and related notes as set out on pages 2 to 3 of Appendix II of the Company's circular dated 22 November 2024 (the "Circular") in connection with the proposed rights issue of the Company on the basis of two rights shares for every one consolidated share held on the record date (the "Proposed Rights Issue"). The applicable criteria on the basis of which the directors of the Company 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 of the Company to illustrate the impact of the Proposed Rights Issue on the Group's consolidated financial position as at 30 June 2024 as if the Proposed Rights Issue had taken place at 30 June 2024. As part of this process, information about the Group's consolidated financial position has been extracted by the directors of the Company from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2024, on which an interim report (with no audit or review 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 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 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.

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 of the Company 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 a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity 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 Rights Issue at 22 November 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 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' judgement, having regard to the reporting accountants' understanding of the nature of the entity, 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 by the directors of the Company 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.

BDO Ltd

BDO Limited
Certified Public Accountants
Hong Kong, 22 November 2024