

***A. INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF  
THE ENLARGED GROUP***

The accompanying unaudited pro forma consolidated statement of profit or loss and other comprehensive income, unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of cash flow of the Enlarged Group (the “Unaudited Pro Forma Financial Information”) has been prepared to illustrate the effect of the proposed acquisition of the worldwide global surface solution from Merck KGaA (the “Target Group”)(the “Acquisition”) might have affected the financial information of the Group.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Enlarged Group for the year ended 31 December 2024 are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2024 and the audited combined statement of profit or loss and other comprehensive income and audited combined statement of cash flows of the Target Group for the year ended 31 December 2024 as extracted from the accountants’ report set out in Appendix II to this circular as if the Acquisition had been completed on 1 January 2024.

The unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 31 December 2024 is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2024 and the audited combined statement of financial position of the Target Group as at 31 December 2024 as extracted from the accountants’ report set out in Appendix II to this circular as if the Acquisition had been completed on 31 December 2024.

The Unaudited Pro Forma Financial Information of the Enlarged Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Unaudited Pro Forma Financial Information of the Enlarged Group, it may not give a true picture of the actual financial position, results of operation or cash flows of the Enlarged Group that would have been attained had the Acquisition actually occurred on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict the Enlarged Group’s future financial position, results of operation or cash flows.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the financial information of the Group, the financial information of the Target Group as set out in Appendix II and other financial information included elsewhere in this circular.

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UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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**B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME OF THE ENLARGED GROUP**

	The Group The year ended 31 December 2024 RMB'000 (Audited) (note 1)	Target Group The year ended 31 December 2024 RMB'000 (Audited) (note 2)	Pro forma adjustments RMB'000 (Unaudited) (note 4)      (Unaudited) (note 5)		The Enlarged Group RMB'000 (Unaudited)
<b>Turnover</b>	1,648,763	3,127,560	—	—	4,776,323
Cost of sales	(764,105)	(2,108,380)	—	—	(2,872,485)
Sales related tax and auxiliary charges	(10,999)	—	—	—	(10,999)
Gross profit	873,659	1,019,180	—	—	1,892,839
Other income, other gains and losses	2,437	7,780	—	—	10,217
Reversal of impairment losses on trade, bills and other receivables, net	6,607	—	—	—	6,607
Selling expenses	(95,534)	(692,420)	—	—	(787,954)
Administrative and other operating expenses	(262,441)	(342,320)	(86,962)	(119,229)	(810,952)
Profit/(loss) from operations	524,728	(7,780)	(86,962)	(119,229)	310,757
Finance costs	(118,436)	(15,560)	(213,970)	—	(347,966)
<b>Profit/(loss) before tax</b>	406,292	(23,340)	(300,932)	(119,229)	(37,209)
Income tax (expense)/credit	(86,020)	15,560	20,262	—	(50,198)
<b>Profit/(loss) for the year</b>	<u>320,272</u>	<u>(7,780)</u>	<u>(280,670)</u>	<u>(119,229)</u>	<u>(87,407)</u>
<b>Attributable to:</b>					
Owners of the Company	242,176	(7,780)	(280,670)	(119,229)	(165,503)
Non-controlling interests	<u>78,096</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>78,096</u>
	<u>320,272</u>	<u>(7,780)</u>	<u>(280,670)</u>	<u>(119,229)</u>	<u>(87,407)</u>

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	<b>The Group For the year ended 31 December 2024</b>	<b>Target Group For the year ended 31 December 2024</b>	<b>Pro forma 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>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(note 1)</i>	<i>(note 2)</i>	<i>(note 4)</i>	<i>(note 5)</i>	
<b>Profit/(loss) for the year</b>	320,272	(7,780)	(280,670)	(119,229)	(87,407)
<b>Other comprehensive income:</b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement losses on defined benefit pension plan	(4,822)	(23,340)	—	—	(28,162)
Income tax on item that will not be reclassified to profit or loss	1,007	—	—	—	1,007
	(3,815)	(23,340)	—	—	(27,155)
<i>Item that may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations	(48,403)	15,560	—	—	(32,843)
<b>Other comprehensive income for the year, net of tax</b>	(52,218)	(7,780)	—	—	(59,998)
<b>Total comprehensive income for the year</b>	<u>268,054</u>	<u>(15,560)</u>	<u>(280,670)</u>	<u>(119,229)</u>	<u>(147,405)</u>
<b>Attributable to:</b>					
Owners of the company	220,006	(15,560)	(280,670)	(119,229)	(195,453)
Non-controlling interests	48,048	—	—	—	48,048
	<u>268,054</u>	<u>(15,560)</u>	<u>(280,670)</u>	<u>(119,229)</u>	<u>(147,405)</u>



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OF THE ENLARGED GROUPC. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF  
THE ENLARGED GROUP

	The Group As at 31 December 2024	Target Group As at 31 December 2024	Pro forma adjustments				The Enlarged Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(note 1)	(note 2)	(note 3)	(note 5)	(note 6)	(note 7)	
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	1,447,877	807,720	511,558	—	—	—	2,767,155
Right-of-use assets	144,324	106,680	—	—	—	—	251,004
Intangible assets	15,003	7,620	228,600	—	—	—	251,223
Prepayments for construction in progress	401,418	—	—	—	—	—	401,418
Deposits paid for acquisition of property, plant and equipment	70,000	—	—	—	—	—	70,000
Goodwill	94,160	1,234,440	(2,438)	—	—	—	1,326,162
Restricted deposits	2,050	—	—	—	—	—	2,050
Defined benefit assets, net	723	—	—	—	—	—	723
Deposits and other receivables	1,551	—	—	—	—	—	1,551
Escrow deposit	496,427	—	—	—	—	(496,427)	—
Long term time deposit	50,000	—	—	—	—	—	50,000
Deferred tax assets	8,367	160,020	—	—	—	—	168,387
	<u>2,731,900</u>	<u>2,316,480</u>	<u>737,720</u>	<u>—</u>	<u>—</u>	<u>(496,427)</u>	<u>5,289,673</u>
<b>Current assets</b>							
Inventories	310,264	1,927,860	—	—	—	—	2,238,124
Trade and other receivables	512,473	472,440	—	—	—	—	984,913
Deposits, prepayments and other receivables	57,420	144,780	—	—	—	—	202,200
Derivative component of convertible bond	733	—	—	—	—	—	733
Tax recoverable	317	—	—	—	—	—	317
Restricted bank deposits	30,000	—	—	—	—	—	30,000
Bank and cash balances	3,411,401	—	(4,192,539)	(119,229)	3,566,160	496,427	3,162,220
	<u>4,322,608</u>	<u>2,545,080</u>	<u>(4,192,539)</u>	<u>(119,229)</u>	<u>3,566,160</u>	<u>496,427</u>	<u>6,618,507</u>
<b>Total assets</b>	<u>7,054,508</u>	<u>4,861,560</u>	<u>(3,454,819)</u>	<u>(119,229)</u>	<u>3,566,160</u>	<u>—</u>	<u>11,908,180</u>
<b>Capital and reserves</b>							
Share capital	103,701	3,642,360	(3,642,360)	—	—	—	103,701
Reserves	3,272,796	(15,240)	15,240	(119,229)	—	—	3,153,567
<b>Equity attributable to owners of the Company</b>	<u>3,376,497</u>	<u>3,627,120</u>	<u>(3,627,120)</u>	<u>(119,229)</u>	<u>—</u>	<u>—</u>	<u>3,257,268</u>



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	The Group As at 31 December 2024	Target Group As at 31 December 2024	Pro forma adjustments				The Enlarged Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(note 1)	(note 2)	(note 3)	(note 5)	(note 6)	(note 7)	
<b>Equity attributable to owners of the Company</b>	3,376,497	3,627,120	(3,627,120)	(119,229)	—	—	3,257,268
<b>Non-controlling interests</b>	976,628	—	—	—	—	—	976,628
<b>Total equity</b>	4,353,125	3,627,120	(3,627,120)	(119,229)	—	—	4,233,896
<b>Non-current liabilities</b>							
Bank loans and other borrowings	1,126,800	—	—	—	3,520,440	—	4,647,240
Convertible bonds	333,715	—	—	—	—	—	333,715
Lease liabilities	5,103	83,820	—	—	—	—	88,923
Other payables	1,748	411,480	—	—	—	—	413,228
Provisions	—	7,620	—	—	—	—	7,620
Deferred revenue	7,487	—	—	—	—	—	7,487
Deferred tax liabilities	11,431	—	172,301	—	—	—	183,732
	1,486,284	502,920	172,301	—	3,520,440	—	5,681,945
<b>Current liabilities</b>							
Bank loans and other borrowings	602,212	—	—	—	45,720	—	647,932
Convertible bonds	349,574	—	—	—	—	—	349,574
Derivative component of convertible bonds	13,080	—	—	—	—	—	13,080
Lease liabilities	3,842	30,480	—	—	—	—	34,322
Trade payables	89,013	190,500	—	—	—	—	279,513
Accruals and other payables	127,885	175,260	—	—	—	—	303,145
Provisions	—	15,240	—	—	—	—	15,240
Refund liabilities	—	7,620	—	—	—	—	7,620
Contract liabilities	21	22,860	—	—	—	—	22,881
Loan from related parties	—	68,580	—	—	—	—	68,580
Amount due to related parties	—	198,120	—	—	—	—	198,120
Deferred revenue	8,770	—	—	—	—	—	8,770
Current tax liabilities	20,702	22,860	—	—	—	—	43,562
	1,215,099	731,520	—	—	45,720	—	1,992,339
<b>Total liabilities</b>	2,701,383	1,234,440	172,301	—	3,566,160	—	7,674,284
<b>Total equity and liabilities</b>	7,054,508	4,861,560	(3,454,819)	(119,229)	3,566,160	—	11,908,180

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**D. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP**

	The Group For the year ended 31 December 2024 RMB'000 (Audited) (note 1)	Target Group For the year ended 31 December 2024 RMB'000 (Audited) (note 2)							The Enlarged Group RMB'000 (Unaudited) (note 7)
				Pro forma adjustments					
			RMB'000 (Unaudited) (note 3)	RMB'000 (Unaudited) (note 4)	RMB'000 (Unaudited) (note 5)	RMB'000 (Unaudited) (note 6)	RMB'000 (Unaudited) (note 7)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Profit/(loss) from operations	406,292	(23,340)	—	(300,932)	(119,229)	—	—	(37,209)	
Adjustments for:									
Finance cost	118,436	15,560	—	213,970	—	—	—	347,966	
Interest income	(17,161)	—	—	—	—	—	—	(17,161)	
Depreciation on:									
- Property, plant and equipment	76,783	101,140	—	41,242	—	—	—	219,165	
- right-of-use assets	4,474	46,680	—	—	—	—	—	51,154	
Amortisation of:									
- intangible assets	6,947	7,780	—	45,720	—	—	—	60,447	
- deferred revenue	(3,297)	—	—	—	—	—	—	(3,297)	
Reversal of impairment losses on trade, bills and other receivables, net	(6,607)	—	—	—	—	—	—	(6,607)	
Allowance for inventories	2,968	—	—	—	—	—	—	2,968	
Property, plant and equipment written off	3	—	—	—	—	—	—	3	
Inventories written off	—	15,560	—	—	—	—	—	15,560	
Gain on termination of a lease contract	(14)	—	—	—	—	—	—	(14)	
Fair value gain on derivative component of convertible bonds	(3,643)	—	—	—	—	—	—	(3,643)	
Share-based payment expenses	—	7,780	—	—	—	—	—	7,780	
Operating profit before working capital changes	585,181	171,160	—	—	(119,229)	—	—	637,112	
(Increase)/decrease in inventories	(87,081)	210,060	—	—	—	—	—	122,979	
Increase in trade receivable and bills receivables	(147,244)	—	—	—	—	—	—	(147,244)	
(Increase)/decrease in deposits, prepayments and other receivables	(29,584)	7,780	—	—	—	—	—	(21,804)	
Increase in trade payables	56,351	23,340	—	—	—	—	—	79,691	

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	The Group	Target Group						The Enlarged Group
	For the year ended 31 December 2024	For the year ended 31 December 2024	Pro forma adjustments					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(note 1)	(note 2)	(note 3)	(note 4)	(note 5)	(note 6)	(note 7)	
Increase in defined benefit assets	(568)	—	—	—	—	—	—	(568)
Increase in provisions	—	(38,900)	—	—	—	—	—	(38,900)
Increase in deferred revenue	9,487	—	—	—	—	—	—	9,487
Increase in accruals and other payables	42,424	—	—	—	—	—	—	42,424
Decrease in contract liabilities	(145)	(15,560)	—	—	—	—	—	(15,705)
Cash generated from operating activities	428,821	357,880	—	—	(119,229)	—	—	667,472
Income tax (paid)/refund	(74,489)	15,560	—	—	—	—	—	(58,929)
Interest on lease liabilities	(323)	—	—	—	—	—	—	(323)
Interest paid	(81,921)	—	—	—	—	—	—	(81,921)
Net cash generated from operating activities	272,088	373,440	—	—	(119,229)	—	—	526,299
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Acquisition of:								
- property, plant and equipment	(441,817)	(210,060)	—	—	—	—	—	(651,877)
- intangible assets	(69)	(7,780)	—	—	—	—	—	(7,849)
- leasehold land	(76,034)	—	—	—	—	—	—	(76,034)
- a subsidiary	—	—	(4,192,539)	—	—	—	—	(4,192,539)
Payment for:								
- construction in progress	(401,418)	—	—	—	—	—	—	(401,418)
- deposit for acquisition of property, plant and equipment	(70,000)	—	—	—	—	—	—	(70,000)
- escrow deposit	(496,427)	—	—	—	—	—	496,427	—
Withdrawal of restricted deposits	375	—	—	—	—	—	—	375
Placement of time deposits	(80,000)	—	—	—	—	—	—	(80,000)
Interest received	16,436	—	—	—	—	—	—	16,436
Net cash used in investing activities	(1,548,954)	(217,840)	(4,192,539)	—	—	—	496,427	(5,462,906)



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	The Group For the year ended 31 December 2024	Target Group For the year ended 31 December 2024	Pro forma adjustments					The Enlarged Group
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(note 1)	(note 2)	(note 3)	(note 4)	(note 5)	(note 6)	(note 7)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Net proceeds from bank loans and other borrowings raised	1,699,063	—	—	—	—	3,566,160	—	5,265,223
Repayment of bank loans and other borrowings	(272,200)	—	—	(213,970)	—	—	—	(486,170)
Principal elements of lease payments	(2,384)	(46,680)	—	—	—	—	—	(49,064)
Proceeds from:								
- issuance of convertible bonds, net	77,502	—	—	—	—	—	—	77,502
- related parties	—	256,740	—	—	—	—	—	256,740
Payment to loans from related parties	—	(31,120)	—	—	—	—	—	(31,120)
Withdrawals to Merck Group	—	(334,540)	—	—	—	—	—	(334,540)
Dividend paid to a non-controlling shareholder of a subsidiary	(74)	—	—	—	—	—	—	(74)
Net cash generated from/(used in) financing activities	1,501,907	(155,600)	—	(213,970)	—	3,566,160	—	4,698,497
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>								
	225,041	—	(4,192,539)	(213,970)	(119,229)	3,566,160	496,427	(238,110)
Effect of foreign exchange rate changes	(17,116)	—	—	—	—	—	—	(17,116)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY 2024</b>								
	3,203,476	—	—	—	—	—	—	3,203,476
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2024</b>								
	3,411,401	—	(4,192,539)	(213,970)	(119,229)	3,566,160	496,427	2,948,250

**E. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP**

1. The audited consolidated statement of financial position of the Group as at 31 December 2024, 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 2024 are extracted from the annual report of the Group for the year ended 31 December 2024.
2. The audited combined statement of financial position of the Target Group as at 31 December 2024 and the audited combined statement of profit or loss and other comprehensive income and audited combined statement of cash flows for the year ended 31 December 2024 of the Target Group are extracted from the accountant's report as set out in Appendix II to this circular, where certain reclassification adjustments were made in order to conform with the presentation of the annual report of the Group.

For the purpose of preparing the unaudited pro forma consolidated statement of financial position of the Enlarged Group, the translation of EUR to RMB was made at a rate of EUR1 to RMB7.62. For the purpose of preparing the unaudited pro forma consolidated statement of profits or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Enlarged Group, the translation of EUR to RMB was made at a rate of EUR1 to RMB7.78.

3. The adjustment represents the Initial Cash Price (total consideration) calculation to meet the aggregate Debt Free/ Cash Free Price of EUR665,000,000 (equivalent to RMB5,067,300,000).

	EUR'000	RMB'000
Debt Free / Cash Free Price	665,000	5,067,300
Minus: Estimated External Debt	(15,000)	(114,300)
Minus: Estimated Total Employee Benefit Indemnification Amount	(55,698)	(424,419)
Minus: Estimated Inter-Company Non-Trading Payables	(35,000)	(266,700)
Plus: Estimated Loss Compensation Receivables	4,500	34,290
Plus: Aggregate amount of all Estimated Cash	130,000	990,600
Minus: Difference between the estimated working capital and the target working capital	(13,600)	(103,632)
Total consideration	<u>680,202</u>	<u>5,183,139</u>

The total consideration is payable to the Seller in the following manner:

- EUR468,000,000 (equivalent to RMB3,566,160,000) will be satisfied by the proceed of acquisition loan from Banks.
- The remaining balance of EUR212,202,000 (equivalent to RMB1,616,979,000) will be satisfied in cash.

Upon completion of the Acquisition, the identifiable assets acquired and liabilities assumed of the Target Group will be accounted for at their fair values under the acquisition method of accounting in accordance with IFRS 3 (Revised) Business Combinations.

For the preparation of the unaudited pro forma consolidated statement of assets and liabilities, and for illustrative purposes only, the adjustment represents the inclusion of unaudited pro forma fair value adjustments resulted from the allocation of the unaudited pro forma purchase price allocation to Target Group's identifiable assets acquired and liabilities assumed ("PPA Valuation"), as if the Acquisition had been taken place on 31 December 2024.

The unaudited pro forma purchase price allocation to the identifiable assets and liabilities of Target Group has been determined based on a valuation carried out by the management with the assistance from Avista Valuation Advisory Limited, an independent firm of professional valuers not connected with the Group or Target Group, with respect to the fair value of assets to be acquired and liabilities to be assumed as if the Acquisition had been taken place on 31 December 2024. For the purpose of preparing the unaudited pro forma consolidated statement of assets and liabilities, the directors of the Company assumed that apart from the assets and liabilities subject to the unaudited pro forma fair value adjustments stated in note (ii) and note (iii) below, the unaudited pro forma fair values of the remaining identifiable assets and liabilities of Target Group are approximate to their respective carrying amounts as of 31 December 2024.

	<i>RMB'000</i>
Total consideration <sup>(a)</sup>	5,183,139
Carrying amount of identifiable net assets acquired before fair value adjustments <sup>(b)</sup>	(2,392,680)
Unaudited pro forma fair value adjustments to property, plant and equipment <sup>(c)</sup>	(511,558)
Unaudited pro forma fair value adjustments to intangible assets <sup>(d)</sup>	(228,600)
Deferred tax liabilities arising from unaudited pro forma fair value adjustment to land use rights and other intangible assets <sup>(e)</sup>	172,301
Aggregate amount of all Estimated Cash <sup>(f)</sup>	<u>(990,600)</u>
Goodwill arising from the Acquisition <sup>(g)</sup>	<u><u>1,232,002</u></u>



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- (a) This amount represents total consideration for acquiring the Target Group.
- (b) The identifiable net assets of the Target Group refers to the net assets of RMB3,627,120,000 recorded by the Target Group as at 31 December 2024, deducting the goodwill of RMB1,234,440,000 arisen from the past acquisition conducted by the Target Group.
- (c) The unaudited pro forma fair value adjustment is to record the appreciation in the fair value of property, plant and equipment of approximately EUR67,000,000 (approximately RMB511,558,000) as of 31 December 2024.
- (d) The unaudited pro forma fair value adjustments to intangible assets related to technology know-how.
- The unaudited pro forma fair value of technology know-how of the Target Group is estimated at approximately EUR30,000,000 (approximately RMB228,600,000) based on relief-from royalty method.
- (e) Deferred tax liabilities are recognised arising from the future taxable temporary differences in relation to the increase in fair value of the Target Group's property, plant and equipment and recognition of intangible assets upon completion of Acquisition.
- (f) Prior to the Closing, the estimated operating cash in an amount of approximately EUR130,000,000 (equivalent to RMB990,600,000) will be injected by the Target Group.

*RMB'000*

Net cash outflow arising on acquisition

Cash consideration paid	5,183,139
Cash and cash equivalents acquired	<u>(990,600)</u>

4,192,539

- (g) Goodwill represents the excess of the cost of the Acquisition over the Group's share of the net fair value of the Target Group's identifiable assets and liabilities. The Consideration for the Acquisition will be satisfied by the Company's cash of EUR680,202,000 (approximately RMB5,183,139,000). For the purpose of compiling this unaudited pro forma statement of financial position, the audited net asset value of the Target Group as at 31 December 2024 is assumed to be the net fair value of the identifiable assets and liabilities.

Since the net fair value of the assets and liabilities of the Target Group as at the Completion Date of the Acquisition may differ from their fair values used in the preparing the unaudited pro forma financial information presented above, the actual goodwill arising from the Acquisition, if any, may be different from the estimated amount presented above.

In assessing impairment on goodwill arising from the Acquisition as of 31 December 2024, the Group has estimated the recoverable amount of the Target Group by applying a value-in-use calculation for the cash-generating units with goodwill as of 31 December 2024. The assessment indicates that no impairment of goodwill is necessary as of that date.

Since the identifiable net assets of the Target Group as at the Completion Date may be materially different from the fair values used in the preparation of the Unaudited Pro Forma Financial Information, the actual amounts of the identifiable net assets (including intangible assets) to be recognised in connection with the Acquisition may be different from the amounts presented above and the differences may be significant.

4. The adjustment relates to additional depreciation of property, plant and equipment of RMB41,242,000 calculated with the estimated useful lives and the related deferred tax impact of RMB9,609,000 as a consequence of recognition of fair value adjustment of the property, plant and equipment.

The adjustment also includes the additional amortization of the intangible asset of RMB45,720,000, calculated with useful lives of 5 years and the related deferred tax impact of RMB10,653,000 of recognition of fair value adjustment of the intangible assets.

For the purpose of this Unaudited Pro Forma Financial Information, the Directors considered and assumed that there are no significant changes on the fair values of property, plant and equipment and intangible assets as set out in the valuation report prepared by AVISTA Valuation Advisory Limited between January 1, 2024 and December 31, 2024 and no separate valuation report as at January 1, 2024 was prepared. Had this report been prepared, the amounts of the additional depreciation, amortisation expenses and deferred tax liabilities for the compilation of the unaudited pro forma financial information of the Enlarged Group may be different from the amounts presented in this appendix.

The adjustment also relates to additional finance cost of RMB213,969,600 for the year ended 31 December 2024, which refers to the amount of loan raised in Note 6 with the estimated interest rate.

The above adjustments are assumed to be provided for the year as if the completion had been completed on 1 January 2024. This adjustment is expected to have an effect on the Enlarged Group's consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Enlarged Group.

5. The adjustment represents the recognition of estimated transaction expenses, such as legal and professional fees, of approximately RMB119,229,000 to be incurred that directly attributable to the Acquisition. The amount is subject to change upon the actual completion of the Acquisition.
6. The adjustments represent the loan raised for the Acquisition of EUR468,000,000 (approximately RMB3,566,160,000). The two transactions (i.e. the Acquisition and the raising of the loan) are an integral part of the whole transaction, and they are regarded as interlocking components of the transaction.
7. The adjustment represents the escrow deposit for the Acquisition. Assuming the escrow deposit will be transferred to bank and cash account as at the Completion date when the Acquisition is completed.
8. Save as set out above, no other adjustment has been made to the unaudited pro forma consolidated statement of financial position of the Enlarged Group to reflect any trading results or other transactions entered into by the Enlarged Group subsequent 31 December 2024. No other adjustment has been made to the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Enlarged Group to reflect any trading results or other transactions entered into by the Enlarged Group subsequent to 1 January 2024.



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

*The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, RSM Hong Kong, Certified Public Accountants, Hong Kong.*

RSM Hong Kong  
Certified Public Accountants



29th Floor  
Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong

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

To the Board of Directors  
Global New Material International Holdings Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Global New Material International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), and the worldwide global surface solution business from Merck KGaA (the “Target Group”) (collectively the “Enlarged Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated statement of financial position as at 31 December 2024, the pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024, the pro forma consolidated statement of cash flows for the year ended 31 December 2024 and related notes as set out on pages III-1 to III-12 of the investment circular issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages III-1 to III-12 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of the worldwide global surface solution from Merck KGaA on the Group’s financial position as at 31 December 2024 as if the transaction had been taken place at 31 December 2024, and on the Group’s financial performance and cash flows for the year ended 31 December 2024 as if the transaction had been taken place at 1 January 2024. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the Directors from the Group’s consolidated financial statements as included in the annual report for the year ended 31 December 2024, on which an audit 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 29 of Chapter 4 of the Rules Governing the Listing of Securities 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 (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 Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, 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 Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 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 accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 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 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 1 January 2024 and 31 December 2024 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 event or 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 accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

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 purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,



**RSM Hong Kong**  
Certified Public Accountants  
Hong Kong  
25 June 2025