

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

To the Directors of Time Interconnect Technology Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Time Interconnect Technology Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), together with Dejinchang Investment Limited (the "Target Company") 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 assets and liabilities as at 30 June 2025 and related notes as set out on pages IV-1 to IV-6 of the Company's circular dated 21 November 2025 (the "Circular"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages IV-1 to IV-6 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 acquisition of the entire issued share capital of Dejinchang Investment Limited (the "Proposed Acquisition") on the Company's consolidated assets and liabilities as at 30 June 2025 as if the Proposed Acquisition had taken place on 30 June 2025. As part of this process, information about the Group's 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 2025, on which a 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").

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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 an investment 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 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 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 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.



UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

In connection with the proposed acquisition of the entire issued share capital of the Target Company (the “Proposed Acquisition”) by the Company, the unaudited pro forma financial information of the Enlarged Group has been prepared by the Directors in accordance with paragraph 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 Proposed Acquisition on the Group’s financial position as at 30 June 2025 as if the Proposed Acquisition had taken place on 30 June 2025.

The unaudited pro forma condensed consolidated statement of assets and liabilities as at 30 June 2025 and related notes (hereinafter collectively referred to as the “Unaudited Pro Forma Financial Information”) of the Enlarged Group are prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 as extracted from the published interim report of the Company for the six months ended 30 June 2025 after giving effect to the pro forma adjustments described in the accompanying notes. Narrative description of the pro forma adjustments of the Proposed Acquisition that are (i) directly attributable to the Proposed Acquisition; and (ii) factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information of the Enlarged 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 Enlarged Group may not give a true picture of the financial position of the Enlarged Group would have been if the Proposed Acquisition had been completed on 30 June 2025 or any future date.

The Unaudited Pro forma Financial Information of the Enlarged Group should be read in conjunction with the financial information of the Group as set out in Appendix I to this Circular and the historical financial information of the Target Group as set out in Appendix II to this Circular and other financial information included elsewhere in this Circular.

Unaudited Pro Forma Condensed Consolidated Statement of assets and liabilities of the Enlarged Group

	The Group as at 30 June 2025	Pro forma adjustments				Pro forma of the Enlarged Group as at 30 June 2025
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000
Non-current assets						
Investment in subsidiaries	-	371,384	(4,131)	(367,253)		-
Property, plant and equipment	819,027			564,666		1,383,693
Investment properties	-			68,503		68,503
Right-of-use assets	149,400			85,435		234,835
Intangible assets	450			120,621		121,071
Deposits paid for acquisition of property, plant and equipment	33,146			8		33,154
Associates	10,114			-		10,114
Other investment	2,448			-		2,448
Rental deposits	2,540			-		2,540
Deferred tax assets	23,001			-		23,001
	1,040,126	371,384	(4,131)	471,980	-	1,879,359
Current assets						
Inventories	3,260,451			378,399		3,638,850
Trade and other receivables	2,789,988			1,058,827		3,848,815
Contract assets	9,297			-		9,297
Amounts due from related companies	-			-		-
Taxation recoverable	2,381			2,485		4,866
Derivative financial instrument	5,382			5,929		11,311
Pledged bank deposits	270,772			528,375		799,147
Bank balances and cash	363,678	(130,000)		147,507		381,185
	6,701,949	(130,000)	-	2,121,522	-	8,693,471

Unaudited Pro Forma Condensed Consolidated Statement of assets and liabilities of the Enlarged Group - Continued

	The Group as at 30 June 2025	Pro forma adjustments				Pro forma of the Enlarged Group as at 30 June 2025
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000
Current liabilities						
Trade and other payables	3,459,344		(4,131)	1,584,077	2,300	5,041,590
Contract liabilities	137,383			-		137,383
Amounts due to related companies	3,733			-		3,733
Lease liabilities	28,488			2,779		31,267
Taxation payable	94,004			7,903		101,907
Bank and other borrowings	337,096			832,295		1,169,391
Loans from related companies	1,654,268			-		1,654,268
	5,714,316	-	(4,131)	2,427,054	2,300	8,139,539
Net current assets	987,633	(130,000)	4,131	(305,532)	(2,300)	553,932
Total assets less current liabilities	2,027,759	241,384	-	166,448	(2,300)	2,433,291
Non-current liabilities						
Lease liabilities	50,339			13,953		64,292
Bank and other borrowings	5,513			46,603		52,116
Deferred tax liabilities	20,607			61,407		82,014
Long service payment obligation	447			-		447
	76,906	-	-	121,963	-	198,869
Net assets	1,950,853	241,384	-	44,485	(2,300)	2,234,422

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group

Note 1

The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 as set out in the published interim report of the Company for the six months ended 30 June 2025.

Note 2

Pursuant to the conditional sale and purchase agreement entered into among the Company, Jin's Investment Limited (the "Vendor") and Mr. Jin Zhenghua (the "Guarantor") in relation to the Proposed Acquisition, the consideration will be payable in accordance with the following schedule:

- (i) HK\$130,000,000 shall be settled in cash on completion of the Proposed Acquisition (the "Completion");
- (ii) HK\$330,000,000 shall be settled by allotting and issuing the consideration shares to the Vendor within 20 business days after the Completion. The issue price of the consideration shares is to be set on the Completion date, with the number of consideration shares to be issued likewise finalised concurrently.

For the purpose of the Pro Forma Financial Information, the consideration shares were assumed to be issued on the Completion and the fair value of the consideration shares is approximately HK\$241,384,000 based on 32,531,545 new consideration shares to be issued at the market price of HK\$7.42 per share, which represents the closing price of the Company's share on 30 June 2025.

Note 3

The Group has applied the acquisition method in accordance with Hong Kong Financial Reporting Standard 3 "Business Combinations" to account for the Proposed Acquisition as if the Proposed Acquisition had been completed on 30 June 2025.

The Group had trade payables due to the Target Group of HK\$4,131,000 and the Target Group had trade receivables due from the Group of HK\$4,131,000 as at 30 June 2025. Both carrying amounts of trade receivables and trade payables approximate to their fair values as at 30 June 2025. According to HKFRS 3, trade payables due to the Target Group were effectively settled as a result of the Proposed Acquisition. The consideration of the Proposed Acquisition shall be reduced by the carrying amount of the trade payables due to the Target Group of HK\$4,131,000 with no gain or loss to be recognised on settlement and the trade receivables due from the Group of HK\$4,131,000 would not form part of the Proposed Acquisition.

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group - Continued

Note 4

For the purpose of the Unaudited Pro Forma Financial Information, the Directors have estimated the values of the identifiable assets and liabilities of the Target Group with reference to the valuation in relation to the purchase price allocation of the Proposed Acquisition carried out by an independent qualified professional valuer, Ravia Global Appraisal Advisory Limited (the "Valuer"). The pro forma values of identifiable assets acquired and liabilities assumed of the Target Group as at 30 June 2025 is as follows:

Identifiable assets acquired and liabilities assumed	Carrying amount RMB'000 (Note 4a)	Carrying amount HK\$'000 (Note 4a)	Fair value and deferred tax adjustments HK\$'000 (Note 3, Note 4b, Note 4c)	After adjustments HK\$'000
Property, plant and equipment	423,046	463,891	100,775	564,666
Intangible assets	-	-	120,621	120,621
Investment properties	26,958	29,561	38,942	68,503
Right-of-use assets	60,411	66,244	19,191	85,435
Deposits paid for acquisition of property, plant and equipment	7	8	-	8
Inventories	345,081	378,399	-	378,399
Trade and other receivables	969,366	1,062,958	(4,131)	1,058,827
Taxation recoverable	2,266	2,485	-	2,485
Derivative financial instrument	5,407	5,929	-	5,929
Pledged bank deposits	481,852	528,375	-	528,375
Bank balances and cash	134,519	147,507	-	147,507
Trade and other payables	(1,444,601)	(1,584,077)	-	(1,584,077)
Bank and other borrowings - current	(759,012)	(832,295)	-	(832,295)
Bank and other borrowings - non-current	(42,500)	(46,603)	-	(46,603)
Lease liabilities - current	(2,534)	(2,779)	-	(2,779)
Lease liabilities - non-current	(12,724)	(13,953)	-	(13,953)
Taxation payable	(7,207)	(7,903)	-	(7,903)
Deferred tax liabilities	-	-	(61,407)	(61,407)
	<u>180,335</u>	<u>197,747</u>	<u>213,991</u>	<u>411,738</u>

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group - Continued

Note 4 - Continued

- a. The amounts are extracted from the audited consolidated statements of financial position of the Target Group as at 30 June 2025 as set out in Appendix II in this Circular with amounts in Renminbi (“RMB”) being translated into Hong Kong dollars (“HK\$”) at an exchange rate of RMB1 to HK\$1.09655 on 30 June 2025.
- b. Pursuant to the valuation performed by the Valuer, the unaudited pro forma fair value adjustments of approximately HK\$100,775,000, HK\$38,942,000 and HK\$19,191,000 on property, plant and equipment, investment properties and right-of-use assets, respectively, are to record the appreciations in the fair values of the Target Group’s land, buildings and equipment as at 30 June 2025.
- c. Pursuant to the valuation performed by the Valuer, the unaudited pro forma adjustment of HK\$120,621,000 has been made to recognise the identifiable intangible assets of the Target Group at their fair value as at 30 June 2025. The intangible assets represent customer relationship and was measured under income approach based on multi-period excess earnings method, which is a commonly adopted valuation method in assessing this type of intangible assets. The key assumptions used in the valuation include projected profits, useful lives and discount rate.
- d. Deferred tax liabilities of HK\$61,407,000 arising from the unaudited pro forma fair value adjustments of note 4b above are calculated at the applicable income tax rates in the respective jurisdictions, which represent the tax rates that are expected to apply to the period when the asset is realised.
- e. The values of the identifiable assets and liabilities of the Target Group and consideration transferred are subject to change when these amounts are finalised on Completion. Consequently, the resulting gain on bargain purchase and the actual allocation of the purchase price on Completion will likely result in different amounts than those stated in the Unaudited Pro Forma Financial Information.

	30 June 2025	
	HK\$'000	HK\$'000
Aggregated fair value of consideration (note 2)	371,384	
Less: Consideration for settlement of trade payables due to the Target Group (note 3)	(4,131)	367,253
Less: Value of identifiable assets acquired and liabilities assumed		
- Carrying amounts of net assets of the Target Group (note 4a)	(197,747)	
- Pro forma fair values adjustment on property, plant and equipment (note 4b)	(100,775)	
- Pro forma fair values adjustment on investment properties (note 4b)	(38,942)	
- Pro forma fair values adjustment on right-of-use assets (note 4b)	(19,191)	
- Pro forma fair values of intangible assets (note 4b)	(120,621)	
- Deferred tax liabilities (note 4c)	61,407	
- Exclusion of trade receivables due from the Group (note 3)	4,131	(411,738)
Pro forma gain on bargain purchase to be recognised in profit or loss		<u>(44,485)</u>

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group - Continued

Note 5

The adjustment represents the estimated transaction costs, including legal and professional fees of approximately HK\$2,300,000, that are directly attributable to the Proposed Acquisition and will be settled by cash after the Completion.

Note 6

Save as aforesaid, no other adjustments have been made to reflect any trading or other transactions of the Enlarged Group entered into subsequent to 30 June 2025.