



UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

A. INTRODUCTION

The following is an unaudited pro forma consolidated statement of assets and liabilities (the “**Unaudited Pro Forma Financial Information**”) of Miramar Hotel and Investment Company, Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”), as enlarged by the Target Group, which has been prepared on the basis of the notes set out below and in accordance with Paragraph 4.29 of the Listing Rules for the purpose of illustrating the effects of the proposed acquisition of 100% equity interest in, and all the amount owing to Kinsford International Limited (the “**Vendor**”) by, Solution Right Limited (the “**Target Company**”) by Mira HK Holdings Limited, which is a wholly-owned subsidiary of the Company (the “**Purchaser**”) (the “**Proposed Acquisition**”) on the Group’s assets and liabilities, as if the Proposed Acquisition had taken place on 30 June 2024.

The Unaudited Pro Forma Financial Information has been prepared based on (1) the unaudited consolidated statement of financial position of the Group as at 30 June 2024, which has been extracted from the Company’s interim report for the six months ended 30 June 2024; and (2) the audited consolidated statement of financial position of the Target Company and its subsidiaries (the “**Target Group**”) as at 31 October 2024, which has been extracted from the Accountants’ Report of the Target Group set out in Appendix II to this circular, after making pro forma adjustments as summarised in the accompanying notes that are factually supportable and directly attributable to the Proposed Acquisition.

The Group and the Target Group are collectively referred to as the “Enlarged Group”.

The Unaudited Pro Forma Financial Information has been prepared by the Directors of the Company for illustrative purposes only and is based on a number of assumptions, estimations and uncertainties. Because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Proposed Acquisition been completed on 30 June 2024 or any future dates.

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 Group for the six months ended 30 June 2024, the Accountants’ Reports on the financial information of the Target Group as set out in Appendix II to this circular, and other financial information included elsewhere in this circular.



B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

	The Group	The Target Group	Other pro forma adjustments				The Enlarged Group
	At 30 June 2024	At 31 October 2024	HK\$'000	HK\$'000	HK\$'000	HK\$'000	At 30 June 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	
Investment properties	15,092,083	1,624,788	—	—	(1,624,788)	—	15,092,083
Other property, plant and equipment	278,862	—	—	—	1,624,788	—	1,903,650
	15,370,945	1,624,788	—	—	—	—	16,995,733
Interest in associates	1,224	—	—	—	—	—	1,224
Equity securities designated at fair value through other comprehensive income	430,737	—	—	—	—	—	430,737
Deferred tax assets	16,297	—	—	—	—	—	16,297
	<u>15,819,203</u>	<u>1,624,788</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>17,443,991</u>
Current assets							
Inventories	114,490	—	—	—	—	—	114,490
Trade and other receivables	290,229	134,010	—	—	—	—	424,239
Financial assets measured at fair value through profit or loss	404,268	—	—	—	—	—	404,268
Cash and bank balances	5,794,472	—	(1,039,346)	—	—	—	4,755,126
Tax recoverable	1,032	—	—	—	—	—	1,032
	<u>6,604,491</u>	<u>134,010</u>	<u>(1,039,346)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,699,155</u>
Current liabilities							
Trade and other payables	(632,421)	(565)	—	—	—	(4,910)	(637,896)
Rental deposits received	(79,472)	—	—	—	—	—	(79,472)
Contract liabilities	(162,512)	—	—	—	—	—	(162,512)
Lease liabilities	(45,431)	—	—	—	—	—	(45,431)
Tax payable	(67,322)	—	—	—	—	—	(67,322)
	<u>(987,158)</u>	<u>(565)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,910)</u>	<u>(992,633)</u>
Net current assets	<u>5,617,333</u>	<u>133,445</u>	<u>(1,039,346)</u>	<u>—</u>	<u>—</u>	<u>(4,910)</u>	<u>4,706,522</u>
Total assets less current liabilities	<u>21,436,536</u>	<u>1,758,233</u>	<u>(1,039,346)</u>	<u>—</u>	<u>—</u>	<u>(4,910)</u>	<u>22,150,513</u>
Non-current liabilities							
Deferred liabilities	(171,393)	—	—	—	—	—	(171,393)
Lease liabilities	(66,078)	—	—	—	—	—	(66,078)
Deferred tax liabilities	(340,227)	—	—	—	—	—	(340,227)
Amount due to an ultimate holding company	—	—	(584,892)	(133,995)	—	—	(718,887)
Amount due to an intermediate holding company	—	(2,453,491)	2,453,491	—	—	—	—
	<u>(577,698)</u>	<u>(2,453,491)</u>	<u>1,868,599</u>	<u>(133,995)</u>	<u>—</u>	<u>—</u>	<u>(1,296,585)</u>
NET ASSETS/(LIABILITIES)	<u>20,858,838</u>	<u>(695,258)</u>	<u>829,253</u>	<u>(133,995)</u>	<u>—</u>	<u>(4,910)</u>	<u>20,853,928</u>



C. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. The amounts are extracted from the unaudited consolidated statement of financial position of the Group at 30 June 2024 as set out in the published interim report of the Group for the six months ended 30 June 2024.
2. The amounts are extracted from the Accountants' Report on the Target Group at 31 October 2024 as set out in Appendix II to this circular.
3. Pursuant to the sale and purchase agreement dated 15 January 2025 (the "**S&P Agreement**"), the Purchaser has conditionally agreed to acquire from the Vendor: (a) the entire of the aggregate amount outstanding and owing by the Target Company to the Vendor at completion of the Proposed Acquisition (the "**Sale Loan**"); and (b) the entire issued share capital of the Target Company, for an initial consideration of HK\$3,120,000,000, subject to adjustment. The completion of the Proposed Acquisition ("**Completion**") is dependent on the fulfilment of certain conditions including, among others, the approval from the independent shareholders of the Company.
 - (i) The Sales Loan to be assigned by the Vendor to the Purchaser, as if the Proposed Acquisition had taken place on 30 June 2024, is estimated to be HK\$2,453,491,000, being the amount due from the Target Group to the Vendor as at 31 October 2024 as extracted from the Accountants' Report set out in Appendix II to this circular.
 - (ii) The total consideration for the Proposed Acquisition, as if it had taken place on 30 June 2024, is as follows:

	<i>HK\$'000</i>
Initial consideration	3,120,000
Less: adjustment on Completion (<i>note</i>)	<u>(550)</u>
Total consideration	<u><u>3,119,450</u></u>

Note: Pursuant to the S&P Agreement, the total consideration is HK\$3,120,000,000, plus or minus any adjustment(s) based on the Completion NAV of the Target Group. Completion NAV represents the amount equivalent to the total consolidated assets of the Target Group (excluding the value of the Target Property, the prepaid building order costs, the prepaid stamp duty and any deferred tax assets) minus the total consolidated liabilities of the Target Group (excluding the Sale Loan and any deferred tax liabilities) as at the date of Completion. The Completion NAV, if the Proposed Acquisition had taken place on 30 June 2024, would be amounted to HK\$550,000.



Pursuant to the S&P Agreement, the Group had paid HK\$312,000,000 to the Vendor as deposit on 15 January 2025, and the additional amount payable by the Group upon Completion is estimated to be HK\$727,346,000 (being 23.33% of the initial consideration, adjusted by the estimated Completion NAV). If the Proposed Acquisition had taken place on 30 June 2024, this would result in an adjustment of HK\$1,039,346,000 to the Enlarged Group's cash and bank balances.

- (iii) The remaining consideration of HK\$2,080,104,000 (subject to adjustment) will be settled subsequent to the date of Completion in accordance with the terms of the S&P Agreement. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

Pursuant to the S&P Agreement, the Target Group's property, comprising the Remaining Portion of Section B of Kowloon Inland Lot No 6022 and the composite building of 10 storeys with an additional roof floor erected thereon now known as "Champagne Court (香檳大廈)" at No.16 Kimberley Road, Kowloon, Hong Kong (the "**Target Property**"), will not be handed over to the Group at Completion. Instead, the Vendor will procure the demolition and redevelopment of the Target Property into a new hotel (the "**Redevelopment**") on or before the expiry of 48 months after the issuance of the written acknowledgement of completion of demolition works in respect of the existing building(s) and structure(s) erected on the Target Property by the Building Authority (subject to extension) (the "**Latest Handover Date**").

Given that vacant possession of the Target Property will not be delivered to the Group at Completion, if the Proposed Acquisition had taken place on 30 June 2024, this would result in an amount due to the ultimate holding company of HK\$584,892,000 which is calculated by (a) the carrying value of the Target Property of HK\$1,624,788,000 minus (b) the difference of HK\$1,039,896,000 between the gross development value of the Target Property of HK\$3,120,000,000 and the remaining consideration of HK\$2,080,104,000.

- 4. As at 31 October 2024, the Target Group had prepaid stamp duty of approximately HK\$133,062,546. Pursuant to the S&P Agreement, the Group shall pay to the Vendor an amount equivalent to the Stamp Duty Refund within 60 days after the Group or any member of the Target Group receives such Stamp Duty Refund from the Inland Revenue Department.

As at 31 October 2024, Far Union had paid the Prepaid Building Order Costs of HK\$932,000 to the Trustee's solicitors as stakeholders. Pursuant to the S&P Agreement, the Group shall pay to the Vendor an amount equivalent to the refund of the Prepaid Building Order Costs (or the balance thereof) received from the Trustee's solicitors within 30 days after the actual receipt of the same by the Purchaser or any member of the Target Group.



The adjustment represents the estimated aggregate amount of the Stamp Duty Refund and the refund of Prepaid Building Order Costs payable by the Group to the Vendor assuming that the entire prepaid stamp duty and Prepaid Building Order Costs has been received by the Group from the relevant authority or entity at 30 June 2024.

5. As mentioned in Note 3, the Target Property will be demolished and redeveloped into a new hotel by the Latest Handover Date, which will be operated by the Group after being handed over to the Group pursuant to the S&P Agreement. Accordingly, the carrying amount of Target Property is reclassified from “investment properties” to “property, plant and equipment”.
6. The adjustment represents estimated transaction costs directly attributable to the Proposed Acquisition (including fees to legal advisers, independent financial advisers, reporting accountants, valuer, printer and other expenses).
7. No other adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions entered into by the Enlarged Group subsequent to 30 June 2024.



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

TO THE DIRECTORS OF MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Miramar Hotel and Investment Company, Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2024 and related notes as set out in Appendix IV to the circular dated 12 March 2025 (the “**Circular**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Appendix IV to the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of 100% equity interest in, and all the amount owing to Kinsford International Limited by, Solution Right Limited by Mira HK Holdings Limited, which is a wholly-owned subsidiary of the Company (the “**Proposed Acquisition**”) on the Group’s financial position as at 30 June 2024 as if the Proposed Acquisition had taken place at 30 June 2024. As part of this process, information about the Group’s financial position as at 30 June 2024 has been extracted by the Directors from the interim report of the Company for the six months ended 30 June 2024, on which a review report has been published.

Directors’ Responsibilities 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 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”, 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 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 (“**HKSAE**”) 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 purpose 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 the 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 events or transactions at 30 June 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 accountants' judgement, having regard to the reporting accountants' 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 4.29(1) of the Listing Rules.

A handwritten signature in black ink, appearing to be 'K. P. M. G.', written over the printed text of the firm's name.

Certified Public Accountants
Hong Kong

12 March 2025