

Effective for engagements where  
the investment circular is dated on or after 1 April 2006

*Hong Kong Standard on  
Investment Circular Reporting Engagements 300*

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# Accountants' Reports on Pro Forma Financial Information in Investment Circulars

1. This HKSIR 300 is applicable for reports dated before 1 July 2013.
2. For reports dated on or after 1 July 2013, HKSAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* is applicable.



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

**HONG KONG STANDARD ON  
INVESTMENT CIRCULAR REPORTING ENGAGEMENTS 300**

**ACCOUNTANTS' REPORTS ON  
PRO FORMA FINANCIAL INFORMATION IN INVESTMENT CIRCULARS**

(Effective for engagements where  
the investment circular is dated on or after 1 April 2006)

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Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 300 "Accountants' Report on Pro Forma Financial Information in Investment Circulars" should be read in the context of the "Preface to Hong Kong Standards on Quality Control, Auditing, Assurance and Related Services" which sets out the application and authority of HKSIRs.

This HKSIR is based on the Listing Rules/GEM Rules that were in effect as at 31 December 2005.

## Definitions

The definitions used in this HKSIR are:

- a. *GEM Rules:* *Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.*
- b. *Investment circular:* *A document, including a prospectus, circular to shareholders or similar document, issued by an issuer pursuant to the Listing Rules/GEM Rules, the Takeover Code or the Companies Ordinance relating to listed or unlisted securities on which it is intended that a third party would make an investment decision.*
- c. *Issuer:* *As defined by the Listing Rules/GEM Rules, an issuer is any company or other legal person any of whose equity or debt securities are the subject of an application for listing or some of whose equity or debt securities are already listed.*
- d. *Listing Rules:* *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.*
- e. *Prospectus:* *Any prospectus, notice, circular, brochure, advertisement, or other document offering any shares or debentures of a company to the public for subscription or purchase for cash or other consideration; or circular to invite offers by the public to subscribe for or purchase for cash or other consideration any shares or debentures of a company.*
- f. *Reporting accountant:* *A professional accountant engaged to prepare public reports and letters for inclusion in, or private letters in connection with, an investment circular. Where the context requires, this term includes auditors where they are carrying out a role in connection with an investment circular, other than that of reporting as auditors on financial statements.*
- g. *Sponsor:* *An entity appointed under the Listing Rules/GEM Rules by an issuer to provide advice to and assist the issuer in listing, lodging the formal application for listing and supporting documents and dealing with the Stock Exchange.*
- h. *Stock Exchange:* *The Stock Exchange of Hong Kong Limited.*
- i. *Takeover Code:* *The Code on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission.*

## Introduction

1. The purpose of this HKSIR is to establish specific standards and provide guidance for reporting accountants engaged to issue an accountants' report on pro forma financial information in an investment circular. The standards and guidance are intended primarily for the purpose of reporting under the Listing Rules/GEM Rules. They may also assist in connection with reporting on pro forma financial information in investment circular other than those prepared under the Listing Rules/GEM Rules.
2. The work outlined in this HKSIR, having regard to the nature of pro forma financial information and the opinion required by paragraph 57 below, does not constitute an audit or review in accordance with Hong Kong Standards on Auditing (HKSA) or Hong Kong Standards on Review Engagements. Such work consists primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments made by the directors and making enquiries of the directors regarding the process by which they have prepared the pro forma financial information.
3. **In an engagement to report on pro forma financial information in investment circulars, reporting accountants should comply with this HKSIR, and to the extent applicable, relevant HKSA and Hong Kong Standards on Assurance Engagements.**
4. Reporting accountants plan and perform their work so as to obtain sufficient evidence to provide reasonable assurance that:
  - a. the pro forma financial information has been properly compiled by the directors of the issuer on the basis stated;
  - b. such basis is consistent with the accounting policies of the issuer; and
  - c. the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to Listing Rule 4.29(1)/GEM Rule 7.31(1).
5. Guidance to the directors of the issuer on the preparation and presentation of pro forma financial information for inclusion in investment circulars is set out in Accounting Guideline (AG) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*.
6. Listing Rule 4.29(1)/GEM Rules 7.31(1) requires that the pro forma financial information presented must not be misleading. In the event that the reporting accountants have reasons to believe that the pro forma financial information is misleading in the context of the purpose for which the pro forma financial information has been presented, they are unable to give the opinion as required in paragraph 58 below until they have resolved the matter. AG 7 provides guidance on judging whether pro forma financial information is misleading.

## Nature of Pro Forma Financial Information

7. Pro forma financial information is included in an investment circular to provide users of the investment circular with information about the transaction that is the subject of the investment circular by showing how it might have affected financial information of the issuer if the transaction had been undertaken at the commencement of the financial period used for the illustration or, in the case of a pro forma balance sheet or net asset statement, at the date reported on.
8. For the purpose of this HKSIR "pro forma financial information" includes financial information such as net assets or profit or cash flow statements which demonstrate the impact of a transaction on previously published financial information and the explanatory notes thereto. Under AG 7 and Listing Rule 4.29(2)/GEM 7.31(2) pro forma financial information is accompanied by an introductory text describing its purpose and limitations.

## **Agreeing the Terms of Engagement**

9. **Reporting accountants should agree the terms of the engagement with those from whom they accept instructions. The whole of the terms of the engagement should be recorded in writing.**
10. **The engagement letter should specify those reports and letters which are intended for publication in the investment circular. The engagement letter should specify, in respect of each report and letter, to whom it is to be addressed.**
11. **If in the course of the engagement it becomes clear that the terms of the engagement need to be changed, such changes should be agreed and recorded in writing.**

## **Quality Control**

12. **Reporting accountants should comply with the applicable standards and guidance set out in HKSQC 1 "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements". Although HKSA 220 does not apply to engagements covered by this HKSIR, they may nevertheless provide relevant guidance, and reporting accountants should also comply, to the extent relevant, with HKSA 220 "Quality Control for Audits of Historical Financial Information".**

## **Planning and Performing the Engagement**

13. **Reporting accountants should develop and document a plan for their work so as to perform the engagement in an effective manner.**
14. Additional basic principles, essential procedures and guidance on planning are set out in paragraphs 15 to 21.
15. **Reporting accountants should obtain an understanding of the key factors affecting the subject matter sufficient to identify and assess the risk of the pro forma financial information not being properly compiled and sufficient to design and perform evidence gathering procedures including:**
  - a. **the nature of the transaction being undertaken by the issuer;**
  - b. **the entity's business; and**
  - c. **the procedures adopted, or planned to be adopted, by the directors of the issuer for the preparation of the pro forma financial information.**
16. Reporting accountants gain an understanding of the transaction in respect of which the pro forma financial information is being prepared by discussion with the directors or management of the issuer and by reading relevant supporting documentation.
17. Reporting accountants use professional judgement to determine the extent of the understanding required of the entity's business.
18. Other matters for consideration by reporting accountants include the availability of evidence to provide factual support for the proposed adjustments and the accounting policies that will form the basis of the adjustments for the pro forma financial information.

### **Materiality**

19. **Reporting accountants should consider materiality in planning their work in accordance with their instructions and in determining the effect of their findings on the report to be issued.**
20. Matters are material if their omission or misstatement could, individually or collectively, influence the economic decisions of the intended users of the pro forma financial information. Materiality depends on the size or nature (or both) of the omission or misstatement judged in light of the surrounding circumstances.
21. A misstatement in the context of the compilation of pro forma financial information includes, for example:
  - a. use of an inappropriate source for the unadjusted financial information;
  - b. incorrect extraction of the unadjusted financial information from an appropriate source; and
  - c. in relation to adjustments, the misapplication of accounting policies.

### **Documentation**

22. **Working papers should record the reporting accountants' planning; the nature, timing and extent of the procedures performed; and the conclusions drawn.**
23. **Reporting accountants should document matters which are important in providing evidence to support their opinion and evidence that their work was carried out in accordance with this HKSIR.**

### **Professional Scepticism**

24. **Reporting accountants should plan and perform an engagement with an attitude of professional scepticism.**

### **Presentation of Pro Forma Financial Information under AG 7 and the Listing Rules/GEM Rules**

25. **Reporting accountants should assess whether the presentation adopted in the pro forma financial information is consistent with the recommended practice in AG 7 and the requirements of the Listing Rules/GEM Rules.**
26. In particular, reporting accountants assess whether:
  - a. the pro forma financial information clearly states the purpose for which it has been prepared, that it has been prepared for illustrative purposes only and that because of its hypothetical nature, it may not give a true picture of the issuer's financial position or results; and
  - b. the pro forma financial information is presented in columnar form showing separately the unadjusted financial information, the pro forma adjustments and the pro forma financial information in accordance with AG 7 and Listing Rule 4.29(3)/GEM Rule 7.31(3).

27. Under AG 7 and Listing Rule 4.29(4)/GEM Rule 7.31(4), pro forma financial information is published in respect of:
- a. the current financial period;
  - b. the most recently completed financial period; and/or
  - c. the most recent interim period for which relevant unadjusted information has been or will be published or is being published in the same document,

and, in the case of a pro forma balance sheet or net asset statement, as at the date on which such periods end or ended.

## Evidence

28. **Reporting accountants should obtain sufficient appropriate evidence on which to base their opinion on the pro forma financial information.**
29. Reporting accountants gain an understanding of the transaction, in respect of which the pro forma financial information is being prepared, by discussions with the directors or management of the issuer and by reading relevant supporting documentation.

### Unadjusted Financial Information

30. **Reporting accountants should consider whether the source of the unadjusted financial information is one of those set out in AG 7 and Listing Rule 4.29(5)/GEM Rule 7.31(5) and assess whether the source of the unadjusted financial information is clearly stated.**
31. Since AG 7 and the Listing Rules/GEM Rules set out the acceptable sources of unadjusted financial information, reporting accountants are not required to have audited or carried out a review on that information nor do reporting accountants have a responsibility to verify it.
32. **If reporting accountants have reason to believe that the unadjusted financial information is, or may be, unreliable, such as if it is unaudited or if an accountants' or auditors' report thereon has identified any uncertainties or disagreements, reporting accountants should seek to ensure that appropriate disclosure is made. Where such disclosure is not made reporting accountants should consider the effect of this on their opinion.**
33. **Reporting accountants should check the extraction and, where relevant, summarisation of the unadjusted financial information from the source concerned.**

### Adjustments

34. **Reporting accountants should report, among other things, that adjustments are appropriate for the purposes of the pro forma financial information.**
35. AG 7 describes the appropriate adjustments to be made "of which the issuer is aware" and provides guidance for directors concerning such adjustments to be made by the directors pursuant to the Listing Rules.
36. Reporting accountants consider the way in which the directors have fulfilled their responsibilities. With their understanding of the transaction and the entity's business as background, reporting accountants discuss with the directors the steps the directors have taken to identify relevant adjustments and whether such adjustments are permitted.



37. **If, as a result of these enquiries, reporting accountants are aware of a significant adjustment which, in their opinion, should be made for the purposes of the pro forma financial information, they should discuss the position with the directors of the issuer and, if appropriate, the issuers' advisers. If reporting accountants are not able to agree with the directors of the issuer as to how the matter should be resolved, they should consider the consequences for their opinion.**
38. The nature of adjustments to be made is qualified by reference to the tests set out in AG 7 and Listing Rule 4.29(6)/GEM Rule 7.31(6), which are that any adjustments must be:
- a. clearly shown and explained;
  - b. directly attributable to the transaction concerned and not relating to future events or decisions;
  - c. factually supportable; and
  - d. in respect of a pro forma profit or cash flow statement, clearly identified as to those adjustments which are expected to have a continuing effect on the issuer and those which are not.
39. Reporting accountants consider the adjustments to assess whether they are "directly attributable" to the transaction whose impact is being illustrated by the pro forma financial information, that is, that they are an integral part of the transaction concerned.
40. Reporting accountants assess whether adjustments "relate to future events and/or decisions". This condition would lead to the exclusion of adjustments that are related to the transaction being illustrated but which are dependent on actions to be taken once the transaction has been completed.
41. Reporting accountants consider whether the adjustments have been clearly shown and explained and, in respect of a pro forma profit or cash flow statement, whether they have been clearly identified as to those which are expected to have a continuing effect on the issuer (that is, relate to events or circumstances that are expected to recur) and to those which are not.
42. Reporting accountants obtain appropriate evidence that the directors of the issuer have factual support for each adjustment. Sources of such evidence would include audited financial statements, other financial information or valuations disclosed elsewhere in the investment circular, purchase and sale agreements and other agreements relating to the transaction. However, as noted in paragraph 2, the reporting accountants' work does not constitute an audit or review.

#### **Consistent Accounting Policies**

43. Directors of the issuer are responsible for ensuring that the pro forma financial information is prepared on a basis consistent with the accounting policies of the issuer.
44. **Reporting accountants should assess and report whether the pro forma financial information has been compiled on a basis consistent with the accounting policies of the issuer.**
45. Where reporting accountants are not the auditors of the issuer or have not prepared an accountants' report on the unadjusted financial information relating to the subject of the securities transaction, they make enquiries of the issuer as to the steps taken to ensure that the pro forma financial information has been prepared on a basis consistent with the accounting policies of the issuer. Guidance for the directors of the issuer with respect to the consistency of accounting policies is provided in AG 7.

**Omitted Adjustments**

46. In view of the nature of the adjustments that are made under AG 7 and Listing Rule 4.29(6)/GEM Rule 7.31(6), the directors of the issuer may not be permitted to make all the adjustments which they would otherwise wish to. For example, an adjustment which is directly attributable but which is not factually supportable could not be included in pro forma financial information.
47. **If any adjustments are excluded because of AG 7 or Listing Rule 4.29(6)/GEM Rule 7.31(6), reporting accountants should consider the effect on the pro forma financial information and in particular whether the exclusion renders the pro forma financial information misleading.**
48. In such circumstances, reporting accountants may consider that disclosure in the notes to the pro forma financial information of the fact that such an adjustment has not been made is sufficient in the context of the overall purpose of the pro forma financial information.
49. **However, if reporting accountants conclude that an omitted adjustment is so fundamental as to render the pro forma statement misleading in the context of the purpose for which the pro forma financial information has been presented, they should discuss the matter with the directors of the issuer and, if appropriate, the issuer's advisers and consider the impact of this on their opinion.**

**Compilation**

50. **Reporting accountants should check whether the pro forma financial information is properly compiled from the source documentation, included under the appropriate financial statement captions and arithmetically accurate.**

**Representation Letter**

51. Reporting accountants obtain from the directors of the issuer such representations as they consider appropriate. Examples of such representations might include an acknowledgement of the directors' responsibility for the pro forma financial information and the completeness of the adjustments. An example of management representation letter clauses covering matters dealt with in this HKSIR is set out in Appendix 2.

**Reporting**

52. **In all reports on pro forma financial information in investment circulars, reporting accountants should:**
- a. **include a title identifying the party or parties to whom the report is addressed;**
  - b. **identify the financial information to which their report relates;**
  - c. **address all matters that are required by the engagement letter;**
  - d. **explain the basis of their opinion;**
  - e. **give, where applicable, a clear expression of opinion;**
  - f. **where reporting accountants have been unable to complete their report or letter in accordance with their instructions, such as in the case of a limitation on the scope of their work, omission of a fundamental adjustment or where, in the reporting accountants' opinion, the issuer has not followed the guidance in AG 7 or the criteria in the Listing Rules/GEM Rules, describe the factors giving rise to the matter and consider consequences for their report or letter;**

**g. include their manuscript or printed signature; and**

**h. state the date of their report or letter.**

53. The key aspects of the reporting accountants' report on pro forma financial information are further elaborated in paragraphs 54 to 66.

#### **Statement of Responsibility**

- 54. Reporting accountants should distinguish between their responsibilities and those of the directors of the issuer by including in their report:**

**a. a statement that the pro forma financial information is the responsibility of the directors; and**

**b. a statement that the reporting accountants' responsibility is to express an opinion on the pro forma financial information.**

55. The reporting accountants' responsibility in relation to the opinion is limited to the provision of the accountants' report and the opinion expressed therein. Reporting accountants do not assume responsibility for the pro forma financial information nor, in so far as the accountants' report is concerned, any responsibility for the components of the pro forma financial information.

#### **Basis of Opinion**

- 56. Reporting accountants should include in the basis of opinion section of the accountants' report a statement that their work was conducted in accordance with this HKSIR.**

#### **Expression of Opinion**

- 57. The reporting accountants' report should contain a clear expression of opinion on the pro forma financial information.**

58. Under Listing Rule 4.29(7)/GEM 7.31(7), the pro forma financial information must be reported on by the reporting accountants who must report that, in their opinion:

a. the pro forma financial information has been properly compiled by the directors on the basis stated;

b. such basis is consistent with the accounting policies of the issuer; and

c. the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to Listing Rule 4.29(1)/GEM Rule 7.31(1).

59. The first element of the opinion relates to the compilation of the pro forma financial information from the stated sources, and entails consideration of the accuracy of extraction of information from those sources and the arithmetical accuracy of the calculations in arriving at the pro forma financial information.

60. The second element relates to whether the adjustments have been measured and presented in the pro forma financial information in accordance with the accounting policies of the issuer.

61. The third element entails consideration of whether the adjustments made by the directors of the issuer in preparing the pro forma financial information satisfy the requirements of the Listing Rules/GEM Rules and guidance in AG 7.

62. In providing their opinion, reporting accountants are not providing any assurance in relation to any source financial information on which the pro forma financial information is based. In particular, reporting accountants are not re-addressing or updating any opinion that they may have given in any other capacity on any source financial information.

#### **Date of Accountants' Report**

63. The accountants' report is normally dated on the same date as the investment circular in which it is included or to which it relates.

#### **Modified Report**

64. **In rare circumstances where the reporting accountants conclude that they are unable to report in the manner prescribed in paragraph 58 above they should consider modifying their opinion accordingly.**

65. If the reporting accountants are likely to express a modified opinion, they are recommended to discuss with the issuer and, where appropriate, the issuer's advisers whether the pro forma financial information should be omitted from the investment circular subject to the requirements of the Listing Rules/GEM Rules and also, subject to the issuer's consent, consider consulting with the Stock Exchange in advance.

#### **Example Accountants' Report**

66. An example accountants' report on pro forma financial information for inclusion in investment circulars expressing an unmodified opinion is set out in Appendix 1.

### **Consent**

67. **Where reporting accountants are to give consent to the inclusion of their report, or references to their name, in an investment circular they should, before doing so, consider their report in the form and context in which it appears, or is referred to, in the investment circular as a whole by:**
- a. **comparing their report together with the information being reporting on with the information in the rest of the investment circular and assessing whether they have any cause to believe that they are inconsistent; and**
  - b. **assessing whether they have any cause to believe any information in the investment circular could be misleading.**

**When reporting accountants believe that information in the investment circular is either inconsistent with their report, together with the information being reported on, or misleading, or the criteria set out in AG 7 and the Listing Rules/GEM Rules have not been applied in the preparation of the pro forma financial information, they should withhold their consent until they are satisfied that their concerns are unwarranted or until the investment circular has been appropriately amended.**

### **Subsequent Events**

68. **After the date of their report, reporting accountants have no obligation to perform procedures or make enquiries regarding the pro forma financial information or investment circular. If reporting accountants become aware of any subsequent events that may have material impact on the pro forma financial information after the date of their report, they should refer to the requirements in HKSA 560 "Subsequent Events" for appropriate action to be taken.**

## **Effective Date**

69. This HKSIR is effective for engagements where the investment circular is dated on or after 1 April 2006. Earlier application is encouraged.

## **Appendix 1 – Example Accountants' Report on Pro Forma Financial Information in Investment Circulars**

### **ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION TO THE DIRECTORS OF XYZ LIMITED**

We report on the unaudited pro forma financial information of XYZ Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors for illustrative purposes only, to provide information about how the [*insert brief description of the transaction*, e.g. "proposed placing and public offer" or "proposed acquisition of DEF Limited"] might have affected the financial information presented, for inclusion as Appendix [ ] to the Investment Circular of XYZ Limited dated [ ]. The basis of preparation of the pro forma financial information is set out on page [ ] to the Circular.

#### **Respective Responsibilities of Directors of the Company and Reporting Accountants**

It is the responsibility solely of the directors of the Company to prepare 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")/paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules")]<sup>2</sup> and with reference to AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by [paragraph 4.29(7) of the Listing Rules/paragraph 7.31(7) of the GEM Rules]<sup>2</sup>, 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.

#### **Basis of Opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that 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/paragraph 7.31 (1) of the GEM Rules]<sup>2</sup>.

[Our work has not been carried out in accordance with the auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it has been carried out in accordance with those standards.]<sup>1</sup>

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at [date covered by the pro forma financial information] or any future date; or

- the [earnings per share/results] of the Group for [period(s) covered by the pro forma financial information] or any future periods.

### **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/paragraph 7.31 (1) of the GEM Rules]<sup>2</sup>.

ABC & Co.  
Certified Public Accountants (Practising) [or Certified Public Accountants]  
Hong Kong  
Date

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### *Notes*

1. *Insert where applicable.*
2. *Delete as appropriate.*

## Appendix 2 – Examples of Management Representation Letter Clauses

*The following are examples of management representation letter clauses relating to a report on pro forma financial information which may be obtained from the issuer.*

- We acknowledge that we are responsible for the pro forma financial information which has been prepared in accordance with the Listing Rules/GEM 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.
- We confirm that, in our opinion, the pro forma financial information, which includes pro forma [net tangible assets as at [ ], balance sheet as at [ ], profit and loss account for the year ended [ ], cash flow statement for the year ended [ ] and earnings per share for the year ended [ ]], provides investors with information about the impact of the transaction by illustrating how that transaction might have affected the financial information presented in the Prospectus had the transaction been undertaken at the commencement of the period being reported on or, in the case of the pro forma balance sheet or net asset statement at the date reported on. Furthermore, we confirm that, in our opinion, the pro forma financial information is not misleading.
- We confirm that, in our opinion, the pro forma financial information includes all appropriate adjustments permitted by Listing Rules 4.29(6)/GEM Rule 7.31(6) of which we are aware, necessary to give effect to the transaction as if the transaction had been undertaken at the commencement of the period being reported on or, in the case of a pro forma balance sheet or net asset statement, at the date reported on.
- We confirm that the pro forma financial information has been properly compiled on the basis stated in Appendix [ ] of the Prospectus and such basis is consistent with the accounting policies of the Company.
- *[any other specific representations relating to the pro forma financial information]*