بِسْمِ اللهِ الرَّحْمَنِ الرَّحِيم
In the name of Allah, The Most Gracious, The Most Merciful

16th Apr 2024 | 7 Shwl. 1445 AH

SHARIAH STATUS FOR INITIAL PUBLIC OFFERING (IPO) OF SICHUAN BAICHA BAIDAO INDUSTRIAL CO., LTD (2555)

We, Sharlife Sdn Bhd, a Registered Shariah Advisers (Corporation) under the Securities Commission Malaysia, focusing on Islamic Capital Market products, alternative assets as well as Islamic Social Finance, we hereby acknowledge as follows:

- Name: **Sichuan Baicha Baidao Industrial Co., Ltd**
- Stock Code: **2555**
- IPO: Global Offering
- Exchange: Hong Kong Exchange
- Financial Statement Year Ended: 2023

We have conducted a comprehensive Shariah Screening of **Sichuan Baicha Baidao Industrial Co., Ltd** to determine the Shariah Status of its IPO. Due to the absence of a localized Shariah Screening Methodology in the region, we have adopted the Shariah Screening Methodology of the Shariah Advisory Council of the Securities Commission Malaysia which adopts a two-tier quantitative approach, which applies the business activity benchmarks and financial ratio benchmarks.

Based on our assessment conducted on the publicly available prospectus and to the best of our knowledge, we are of the opinion that the IPO of **Sichuan Baicha Baidao Industrial Co., Ltd (2555)** is **Non-Compliance with Shariah.**

Details of our assessment can be reviewed in **Appendix I.**

والله أعلمُ

Issued by,
Sharlife Sdn. Bhd.

Ustaz Arham Merican
Shariah Officer

APPENDIX I

Business Activity Benchmark Assessment

The contribution of Shariah non-compliant (SNC) activities to the Group revenue before taxation of the company will be computed and compared against the relevant business activity benchmarks.

Sichuan Baicha Baidao Industrial Co., Ltd. is a leading freshly made tea drink company in China, dedicated to redefining traditional Chinese tea drinks with continuous product development. They focus on offering diverse beverage flavors, promoting tea culture, and satisfying consumers' evolving demands for quality and health.

Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Description	Results
Sales of good and equipment	5,419,980	0	0.00%	Including store materials and ingredients for the production of tea drinks as well as packaging materials and store equipment	Passed
Royalty and franchising income	231,595	0	0.00%	Consisting of non-refundable upfront initial fees, royalty income and pre-opening training service fees	Passed
Other	52,732	0	0.00%	Derived from design services, online operation and management services and income from self-operated ChaPanda stores.	Passed
TOTAL	**5,651,575**	**0**	**0.00%**	**Beverages company**	**Passed**

Non-Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Description	Results
Government grant	54,603	0	0.00%	N/A	Passed
Interest income on bank deposits	6,954	6,954	100.0%	Subject to 5% benchmark	Failed
Compensations received	2,565	0	0.00%	Representing payment from supplier	Passed
Commissions from online payment service providers	1,373	0	0.00%	N/A	Passed
TOTAL	**65,495**	**6,954**	**10.6%**	**-**	**Failed**

Revenue Classification	SNC Revenue
SNC Operating Revenue	0
SNC Non-operating Revenue	6,954
Total SNC Revenue	6,954
Total Revenue (Gross)	5,717,070
% SNC Revenue	0.12%
STATUS	**PASSED**

Financial Ratio Benchmark Assessment

Cash over total assets: Cash in Conventional Account or any prohibited Financial Instrument

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Description	Result
Bank balances and cash	945,989	3,085,498	75.8%	Subject to 33% benchmark	Over 33% limit
Financial assets at fair value through profit and loss	1,391,562				
TOTAL	**2,337,551**				**FAILED**

Debt over total assets: Interest-Bearing Debt

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Description	Result
Lease liabilities	83,524	3,085,498	%	Subject to 33% benchmark	Within 33% limit
TOTAL	**83,524**				**PASSED**

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IPO Shariah Status

Segment		Status
Business Activity Benchmark		**PASSED**
Financial Ratio Benchmark	Cash	**FAILED**
	Debt	**PASSED**
Result		**FAILED**

Disclosure

This research is free to our clients and is grounded in presently available public information that we deem reliable. It is crucial to note that this research does not constitute an offer to sell or a solicitation of an offer to buy any security, particularly in jurisdictions where such actions would be considered illegal. Furthermore, it does not serve as a personalized recommendation and does not consider the individual investment objectives, financial situations, or needs of specific clients.