



ONLINE FINANCIAL DUE DILIGENCE

Speedy and cost effective approach to conduct a review on Target's financial data

OBJECTIVE

A due diligence review is to enhance an investor's understanding of a target business. However, current movement control and lockdowns have restricted the ability to perform traditional onsite due diligence reviews.

To navigate the financial due diligence processes remotely, BDO HK has intensified the use of data analytical tools. Through such tools, the target business's financial and operational data can be presented in a user-friendly format (e.g. data visualization) to potential investors, even without a full due diligence process.

REPORT HIGHLIGHTS

Our deliverables comprise a high-level data analysis covering:

- **Historical trends and analysis:** Present historical seasonality & volatility of revenues, margins & costs. Provide value drivers of the target company including analysis by customers and products and quality of earnings.
- **Analysis of key operating metrics:** Provide analysis of key expense items and liquidity ratios, etc.
- **Key balance sheet items:** Present analysis of movement in PPE, accounts receivable, accounts payable, inventories, net debt, etc.
- **Working capital review:** Present analysis of funding trends.

REPORT LAYOUT AND COVERAGE

Our standard analysis report will reflect the analysis results, but no management explanation of trends or recommended next steps will be included. If this is required, we can tailor our deliverables to client's specific requirements subject to agreement on expanded scope of work.

BDO File Exchange

- Web-based file transfer solution to transfer files securely between BDO and clients

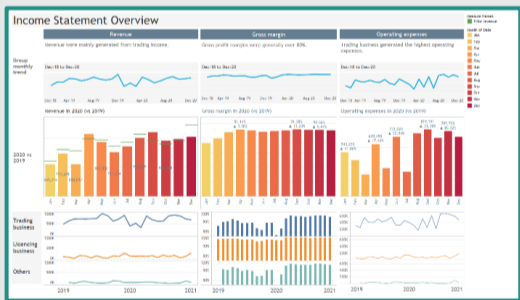
Optical character recognition

- Convert hard copy/PDF files into searchable and editable formats
- Create accurate MS Excel-based records of scanned hard copy

Data analytical tools

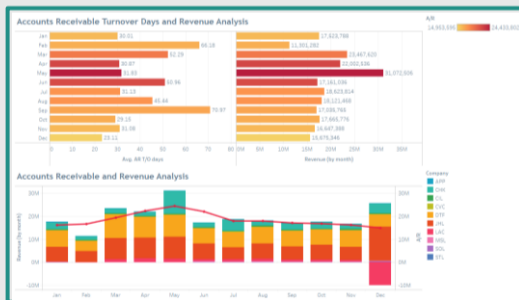
- Examine data functionally to allow clients to quickly assess the risks involved and derive actionable insights
- Interrogate Target's data by utilising data analytical tools - from traditional forms of management information to other textual and image-based data
- Allow clients to not only assess financial information and results, but also to consider other commercial and operational information

BROAD AND STRATEGIC



- Display overall financial information about the entire target company
- Provide a high-level and broad view of historical performance

SPECIFIC AND ANALYTICAL



- Focus on a specific KPIs, QoE, NWC, etc.
- Provide a visualized view of financial performance

KEY TEAM IN BDO HONG KONG

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