

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the two years ended 31 December 2017 and the six months ended 30 June 2018 (the "Accountants' Report") from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the proposed Hong Kong public offering and international offering of the Shares of the Company (the "Global Offering") on the consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2018 as if the Global Offering had taken place on such date.

This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2018 or at any further dates following the Global Offering.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2018 as derived from the Accountants' Report set out in Appendix I to this prospectus and adjusted as described below.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2018 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Global Offering <i>RMB'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted net tangible assets of the Group attributable to owners of the Company as at 30 June 2018 <i>RMB'000</i>	Unaudited pro forma adjusted net tangible assets of the Group attributable to owners of the Company per Share as at 30 June 2018 <i>RMB</i> <i>HK\$</i> <i>(Note 3)</i> <i>(Note 4)</i>	
Based on an offer price of HK\$12.50 per Share	(1,573,875)	2,485,720	911,845	2.06	2.34
Based on an offer price of HK\$14.00 per Share	(1,573,875)	2,785,767	1,211,892	2.74	3.11

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Notes:

1. The audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2018 is extracted from the consolidated statements of financial position set out in Appendix I to this prospectus.
2. The estimated net proceeds from the Global Offering are based on 236,350,000 Shares at the Global Offering of HK\$12.50 (equivalent to RMB11.02) and HK\$14.00 (equivalent to RMB12.34) per offer share, being the low-end and high-end of the stated offer price range, respectively, after deduction of the estimated underwriting fees and commissions and other related expenses paid/payable by the Group (excluding listing expenses charged to profit or loss prior to 30 June 2018) and without taking into account of any shares (i) which may be allotted and issued upon the exercise of the Over-allotment Option or (ii) which may be issued under Pre-IPO Share Incentive Plan or the Post-IPO ESOP or (iii) which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of shares granted to the directors of the Company.

For the purpose of the estimated net proceeds from the Global Offering, the amount denominated in HK\$ has been converted into RMB at the rate of HK\$1 to RMB0.8817, which was the exchange rate prevailing on 9 October 2018 with reference to the rate published by the People's Bank of China. No representation is made that the HK\$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group per Share is arrived at on the basis that 442,606,893 Shares were in issue (retrospectively adjusted for share subdivision as disclosed in Appendix I to the Prospectus) assuming that the Global Offering had been completed on 30 June 2018 and without taking into account of any shares (i) which may be allotted and issued upon the exercise of the Over-allotment Option or (ii) which may be issued under Pre-IPO Share Incentive Plan or the Post-IPO ESOP or (iii) which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of shares granted to the directors of the Company or (iv) the conversion of the Preferred Shares or (v) any unvested restricted shares.
4. For the purpose of unaudited pro forma adjusted consolidated net tangible assets of the Group per Share, the amount stated in RMB is converted into Hong Kong dollar at the rate of HK\$1 to RMB0.8817, which was the exchange rate prevailing on 9 October 2018 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.
5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2018 to reflect any trading result or other transaction of the Group entered into subsequent to 30 June 2018. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on II-1 have not been adjusted to illustrate the effect of the conversion of Preferred Shares into ordinary shares. The conversion of Preferred Shares upon completion of IPO would then have reclassified the RMB3,550,116,000 Preferred Shares to equity. The conversion of Preferred Shares would have increased the total share in issue assumption stated in note 3 by 671,783,410 shares to a total of 1,114,390,303 shares in issue. The adjustment to the unaudited pro forma adjusted consolidated net tangible assets of the Group after conversion of Preferred Shares would be as follows:

	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2018 after conversion of the Preferred Shares <i>RMB'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 June 2018 after conversion of the Preferred Shares <i>RMB</i> <i>(Note 5)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 June 2018 after conversion of the Preferred Shares <i>HK\$</i> <i>(Note 4)</i>
Based on an offer price of HK\$12.50 per Share	4,461,961	4.00	4.54
Based on an offer price of HK\$14.00 per Share	4,762,008	4.27	4.84

**B. ASSURANCE REPORT FROM THE REPORTING ACCOUNTANTS ON
UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from our reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purposes of incorporation in this prospectus, in respect of the Group’s unaudited pro forma financial information of our Group.

Deloitte.**德勤****INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Innovent Biologics, Inc.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Innovent Biologics, Inc. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at 30 June 2018 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 18 October 2018 (the “Prospectus”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Global Offering (as defined in the Prospectus) on the Group’s financial position as at 30 June 2018 as if the proposed Global Offering had taken place at 30 June 2018. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s historical financial information for each of the two years ended 31 December 2017 and the six months ended 30 June 2018, on which an accountants’ report set out in Appendix I to the Prospectus has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors 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 (the “HKICPA”).

Our Independence and Quality Control

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 Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and 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 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 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 event or transaction at 30 June 2018 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 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 Group, 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 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 October 2018