

## APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION

*The information set out in this Appendix does not form part of the Accountant’s Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I in this prospectus, and is included herein for illustrative purposes only.*

*The unaudited pro forma financial information should be read in conjunction with the sections headed “Financial Information” in this prospectus and “Appendix I — Accountant’s Report” to this prospectus.*

### A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the net tangible assets of the Group attributable to the owners of the Company as of 30 June 2020 as if the Global Offering had taken place on 30 June 2020.

This unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes 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 the owners of the Company as at 30 June 2020 or at any future dates following the Global Offering.

	Audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 30 June 2020 <sup>(1)</sup>	Estimated impact to the net tangible assets upon conversion of the Series A1, Series A2, Series X, and Series B Preferred Shares <sup>(2)</sup>	Estimated net proceeds from the Global Offering <sup>(3)</sup>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2020	Unaudited pro forma adjusted net tangible assets per Share	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB<sup>(4)</sup></i>	<i>HK\$<sup>(5)</sup></i>
Based on an Offer Price of						
HK\$20.00 per Offer Share . . .	(1,760,961)	2,637,440	1,600,029	2,476,508	6.78	7.83
Based on an Offer Price of						
HK\$23.80 per Offer Share . . .	(1,760,961)	2,637,440	1,910,287	2,786,766	7.63	8.81

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*Notes:*

- (1) The audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 30 June 2020 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2020 of RMB(925,021,000) with adjustments for the intangible assets as at 30 June 2020 of RMB835,940,000.
- (2) The Company's Series A1 Preferred Shares, Series A2 Preferred Shares, Series X Preferred Shares, and Series B Preferred Shares are all required to be converted into ordinary shares upon the Listing. The adjustment represents the impact of the conversion of all these preferred shares into ordinary shares, issued up to the date of this prospectus, on the net tangible assets attributable to the equity holders. The estimated impact is RMB2,637,440,000, being the carrying amount of the Series A1 Preferred Shares, Series A2 Preferred Shares, Series X Preferred Shares, and Series B Preferred Shares as at 30 June 2020.
- (3) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$20.00 and HK\$23.80 per Offer Share, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB7,669,000 which have been accounted for in the Group's consolidated statements of comprehensive loss prior to 30 June 2020) payable by the Company and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option, any Shares which may be issued under the Share Incentivization Schemes, the Syracuse Holdback Shares and Juno Settlement Shares or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed "Share Capital" in this prospectus.
- (4) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in Note 3 above and on the basis that 365,342,120 Shares (including the completion of the conversion of the Preferred Shares into ordinary shares as mentioned above upon Listing, and excluding the 10,834,109 Shares held by the Trustee) were in issue assuming that Global Offering had been completed on 30 June 2020 but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option, any Shares which may be issued under the Share Incentivization Schemes, the Syracuse Holdback Shares and Juno Settlement Shares or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as set out in the section headed "Share Capital" in this prospectus.
- (5) For the purpose of this unaudited pro forma adjusted net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.86614 to HK\$1.00. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (6) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2020.

**B. ACCOUNTANT’S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.*



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of JW (Cayman) Therapeutics Co. Ltd

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of JW (Cayman) Therapeutics Co. Ltd (the “Company”) and its subsidiaries (collectively 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 of the Group as at 30 June 2020, and related notes (the “Unaudited Pro Forma Financial Information”) as set out on pages II-1 to II-2 of the Company’s prospectus dated 22 October 2020, in connection with the proposed initial public offering of the shares of the Company, (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 the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group’s financial position as at 30 June 2020 as if the proposed initial public offering had taken place at 30 June 2020. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial information for the period ended 30 June 2020, on which an accountant’s report has been published.

*Directors’ Responsibility 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 (“HKICPA”).

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*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 behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 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 Accountant's 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 accountant plans and performs 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 a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity 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 proposed initial public offering at 30 June 2020 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:

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- 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 accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, 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 by the Directors 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.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 22 October 2020