

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes 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 out in Appendix I to this prospectus.

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

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing 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 is to illustrate the effect of (i) the Global Offering and (ii) conversion of Series A, B and C Preferred Shares into ordinary shares on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not provide a true picture of the consolidated net tangible assets attributable to owners of the Company had the Global Offering been completed as at 31 December 2022 or at any future date.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2022 RMB'000 (Note 1)	Estimated net proceeds from the Global Offering RMB'000 (Note 2)	Estimated impact related to the changes of terms of convertible redeemable preferred shares upon Listing RMB'000 (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2022 RMB'000 (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per share as at 31 December 2022 RMB HKD (Note 5)	
Based on an Offer Price of HKD20.65 per Offer Share	(1,246,913)	353,872	2,570,021	1,676,980	5.52	6.15
Based on an Offer Price of HKD24.75 per Offer Share	(1,246,913)	428,616	2,570,021	1,751,724	5.76	6.42
Based on an Offer Price of HKD22.70 per Offer Share	(1,246,913)	391,244	2,570,021	1,714,352	5.64	6.29

Notes:

- (1) The consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2022 was equal to the audited net liabilities attributable to owners of the Company as at 31 December 2022 of RMB(1,246,316,000) after deducting of other intangible assets of RMB597,000 as at 31 December 2022 set out in the Accountants' Report in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on an Offer Price of HKD20.65, HKD22.70 and HKD24.75, after deduction of the underwriting fees and other related expenses payable by the Company and does not take into account any Shares which may be issued upon the exercise of the Over-Allotment Option.
- (3) For the purpose of the unaudited pro forma financial information, considering the estimated impact related to the changes of terms of convertible redeemable preferred shares upon Listing, the unaudited pro forma adjusted net tangible assets attributable to the owners of the Company will be increased by RMB2,570,021,000, being the fair value of the Preferred Shares as at 31 December 2022. Upon the Listing and the completion of the Global Offering, all the Preferred Shares will be automatically converted into ordinary shares. These Preferred Shares will be re-designated from liabilities to equity. The amount that is re-designated from liabilities to equity will be the fair value of the Preferred Shares on that date of the Global Offering.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after adjustments referred in note 2 and 3 above and on the basis of 304,024,465 Shares are in issue (retrospectively adjusted for Share Subdivision as disclosed in Note 31 of Appendix I to the Prospectus), assuming that the conversion of Preferred Shares into the ordinary shares and the Global Offering has been completed on 31 December 2022 but does not take into account any Shares which may be sold pursuant to the exercise of the Over-allotment Option.
- (5) For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balances stated in RMB are converted into HKD at the rate of RMB1.00 to HKD1.1148.
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2022.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

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To the Directors of Cutia Therapeutics

We have completed our assurance engagement to report on the compilation of pro forma financial information of Cutia Therapeutics (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 pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 December 2022, and related notes as set out on pages II-1 to II-2 of the prospectus dated 31 May 2023 issued by the Company (the “**Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II(A).

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group’s financial position as at 31 December 2022 as if the transaction had taken place at 31 December 2022. As part of this process, information about the Group’s financial position, has been extracted by the Directors from the Group’s financial statements for the year ended 31 December 2022, on which an accountants’ report has been published.

Directors’ Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the 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 (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

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 Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or 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 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 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 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 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if 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 transaction would have been as presented.

A reasonable assurance engagement to report on whether the 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 Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the 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 transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the 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 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 Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong
31 May 2023