SUMMARY

***This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to* [REDACTED] *in the* [REDACTED]. *We are a pharmaceutical company seeking a* [REDACTED] *under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Listing Rule 8.05 (1), (2) or (3). There are risks associated with any* [REDACTED]. *Some of the particular risks in* [REDACTED] *in the* [REDACTED] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [REDACTED] *in the* [REDACTED].**

OVERVIEW

We are a China-based ophthalmic pharmaceutical platform company dedicated to identifying, developing and commercializing first- or best-in-class ophthalmic therapies. Our vision is to provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China. We believe our platform positions us well to achieve leadership in China ophthalmology, with a significant first-mover advantage over future competitors.

Ophthalmology is a highly specialized area. In China, eye diseases are common, yet treatment rates are low, lagging significantly behind the United States. According to Frost & Sullivan, the Chinese ophthalmic pharmaceutical market is expected to expand from RMB19.4 billion in 2019 to RMB40.8 billion in 2024, at a CAGR of 16.0%. To capture significant under-tapped commercial potential in this emerging market, we have, since our inception, focused on building a platform integrating specialized capabilities in each major functionality involved in an ophthalmic drug's development cycle, from research and development, manufacturing to commercialization.

Leveraging our platform, we have, in less than three years, built a strategically designed ophthalmic drug portfolio that is comprehensive, innovative and validated. As of the Latest Practicable Date, we had 16 drug assets in our portfolio, covering all major front- and back-of-the-eye diseases, making us one of only a few pharmaceutical companies in China with such full coverage, according to Frost & Sullivan. We have four innovative drug candidates in advanced-stage development in China, which we believe will potentially be first- or best-in-class if approved and have significant near-term revenue potential from as early as 2022. Our portfolio includes three of the ten ophthalmic drugs approved by the United States Food and Drug Administration, or the FDA, since 2015 that are not yet available in China in any formulation. Additionally, our portfolio includes three drugs that are in or near the commercial stage.

We have demonstrated strong execution capabilities in every aspect of our operations with a singular focus on delivering innovative world-class products to ophthalmic patients in China. We set out to build a portfolio of innovative drugs comprehensively addressing key ophthalmic diseases and pursued a dual-source innovation strategy through in-licensing/acquisition or internal research and development. At this stage of our rapid development, our portfolio comprises predominantly in-licensed or acquired drug assets. We have established a successful track record of in-licensing innovative ophthalmic drugs from global partners, and believe that we are well positioned to be the "go to" China partner for global ophthalmic pharmaceutical companies. Going forward, we intend to gradually shift our priority to conducting most of our new drug candidate discovery, research and development internally. In clinical drug development, we advance our drug candidates through optimal regulatory pathways toward commercialization in China with maximum efficiency, leveraging our broad regulatory and commercial expertise. In addition, we have made significant progress establishing our own manufacturing and commercialization capabilities. Development has begun on a new facility in Suzhou, which is expected to be larger than any other specialized ophthalmic manufacturing facility in China by capacity when completed (up to 455 million doses annually), according to Frost & Sullivan. We have also established a concrete commercialization plan with high execution visibility, and have been expanding our sales force and drawing up marketing strategies.

Our Company is led by some of the best talent in China ophthalmology with relevant industry experience. Our visionary management team has extensive experience and deep domain expertise in ophthalmic drug research and development, manufacturing and commercialization in China. We believe that their track record will prove a valuable asset for us as we pursue our future success.

We boast top-tier global and Chinese institutional investors and biotech-focused investment funds as our Shareholders, including 6 Dimensions, Boyu, Temasek, General Atlantic, Eight Roads, 3W Partners and Cormorant Asset Management.

OUR PORTFOLIO

The following chart summarizes our portfolio as of the Latest Practicable Date:

	Program	MOA	Classification	Front / Back of the Eye	Indication	Commercial Rights	Licensing Partner	Preclinical	IND Preparation	Phase I/II	Phase III	NDA/BLA
ADVANCED-STAGE	OT-401 (YUTIQ)	Corticosteroids intravitreal implant	New drug[3]	Back	Chronic NIU-PS*	Greater China	EyePoint Pharmaceuticals	China: to submit NDA in 1H2022				US Approved (EyePoint)
	OT-101	Atropine	New drug[3]	Front	Myopia	Global		Global: Phase III trial expected in 2H2020 in the United States, in 1H2021 in the EU and in mid 2021 in China subject to IND approval from the FDA, EMA and CDE			**	
	OT-301 (NCX 470)	NO-donating bimatoprost analog	New drug[3]	Front	Glaucoma	Greater China, Korea and 12 countries in Southeast Asia[4]	nicox visible science	Global: 1st Phase III trial initiated in June 2020 in the United States. 2nd Phase III trial expected in 2H2020 subject to IND approval from the FDA and CDE China: Phase III trials expected in 4Q2020 subject to IND approvals from the CDE			**	Phase III US (Nicox)
	OT-1001 (ZERVIATE)	Cetirizine	New drug[3]	Front	Allergic conjunctivitis	Greater China and 11 countries of the Southeast Asian region[5]	nicox visible science	China: Phase III trial expected in 2H2020			**	US Approved (Nicox)
NEAR CLINICAL-STAGE	OT-502 (DEXYCU)	Dexamethasone	New drug[3]	Front	Postoperative inflammation	Greater China	EyePoint Pharmaceuticals	China: Phase III trial expected in 2Q2021			**	US Approved (EyePoint)
	OT-202	Tyrosine kinase inhibitor	New drug[3]	Front	Dry eye	Global		China: to submit IND in 1H2021			**	
	OT-503 (NCX 4251)	Fluticasone propionate nanocrystals	New drug[3]	Front	Blepharitis	Greater China	nicox visible science	China: expected Phase II trial in 2Q2021 and Phase III trial in 4Q2022			***	Phase II US completed (Nicox)
	OT-701	Anti-VEGF	Biosimilar	Back	wet AMD*	Greater China	SENJU GENE TECHNO SCIENCE	China: to submit IND for Phase I trial in late 2021 and Phase I trial expected in 2Q2022 and Phase III trial expected in 2Q2023				Phase III trial in Japan substantially completed and to submit NDA in Japan (Senju and GTS)
COMMERCIAL-STAGE AND NEAR COMMERCIAL-STAGE	Ou Qin[1]	Hyaluronic acid	Generic drug	Front	Dry eye	Mainland China	汇恩兰德 HUONLAND					China Approved in July 2019
	Brimonidine tartrate eye drop[2]	Brimonidine tartrate	Generic drug	Front	Glaucoma and ocular hypertension	Mainland China	汇恩兰德 HUONLAND					China Approved in July 2016
	0.5% moxifloxacin eye drop	Moxifloxacin	Generic drug	Front	Bacterial conjunctivitis	Global		China: abbreviated NDA submitted in January 2020				
PRE CLINICAL STAGE	OT-601-C	Moxifloxacin-dexamethasone sodium phosphate	New drug[3]	Front	Postoperative inflammation	Global		China			**	
	OT-302	Acetazolamide	Generic drug	Front	Acute glaucoma	Global		China			**	
	OT-1301	Cyclosporine implant	New drug[3]	Front	Cornea graft rejection	Global		China			**	
	OT-1601	Stem cells	New drug[3]	Back	Retinitis pigmentosa and dry AMD*	Greater China	SanBio	China			**	
	OT-1602	Stem cells	New drug[3]	Back	Optic neuritis	Greater China	SanBio	China			**	

In-licensed/acquired Internally developed

Our Core Product. The Phase III clinical trial in China was approved by the NMPA. The clinical trial registration number is JXHL1900130.

* Chronic NIU-PS refers to chronic non-infectious uveitis affecting the posterior segment of the eye. AMD refers to age-related macular degeneration.

** May not require Phases I and II clinical trials prior to beginning Phase III clinical trials.

*** May not require Phase I clinical trials prior to beginning Phase II clinical trials.

1 We acquired Ou Qin from Huonland and are entitled to all drug registration certificates and data related to Ou Qin. We plan to register ourselves as the MAH of Ou Qin.

2 We are the exclusive sales agent of brimonidine tartrate eye drop in Mainland China. Huonland is the drug registrant and registered manufacturer of brimonidine tartrate eye drop.

3 Referring to drugs classified as class 1 drugs (innovative new drugs), class 2 drugs (improved new drugs) and class 5.1 drugs (original research drugs registered abroad and applying for registration in China) under relevant PRC drug registration laws and regulations.

4 Including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Papua New Guinea, the Philip pines, Singapore, Thailand, Timor Leste and Vietnam.

5 Including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Papua New Guinea and Timor Leste.

Advanced-Stage Drug Candidates

Core Product

OT-401 (YUTIQ), our Core Product, is an innovative intravitreal implant designed to provide sustained release of a corticosteroid active ingredient for 36 months from a single administration to treat chronic non-infectious uveitis affecting the posterior segment of the eye, or chronic NIU-PS, an indication for which there is no standard of care in China. In the United States, YUTIQ is the first and only FDA-approved uveitis treatment designed to deliver fluocinolone for up to 36 months. Uveitis is one of the leading causes of blindness in China and worldwide, as blindness will be the natural course of the disease if it is left untreated, in particular in young adults. According to Frost & Sullivan, non-infectious posterior uveitis, or NIPU, affected 1.4 million people in China in 2019, and is expected to affect 1.8 million people in 2030. We are developing (including conducting a bridging Phase III clinical trial and seeking regulatory approvals) OT-401 as a potential first-in-class treatment for chronic NIU-PS in China. We initiated a bridging Phase III trial in China and enrolled the first patient in November 2019. We plan to submit an NDA in the first half of 2022 and commence commercialization in the second half of 2022 upon approval. Considering that (i) there are only three marketed steroid implants indicated for chronic NIU-PS globally and none of these implants are currently available for uveitis patients in China, and (ii) OT-401 is the only steroid implant being evaluated under a Phase III clinical trial in China, OT-401 is expected to be the first and only ocular implant indicated for chronic NIU-PS in China upon approval, accordingly to Frost & Sullivan. Separately, OT-401 has been approved for treating patients under the Boao Pilot Program and started to generate limited revenue for us since August 2019. PRC patent for OT-401 will expire in October 2024. Considering that we have rights of key

know-how and other confidential technologies of OT-401 and we have taken patent expiration date into consideration when establishing our commercialization plan, our Directors are of the view that there will be no adverse impact on our commercialization plan for OT-401 in the PRC upon patent expiration.

Summary of Clinical Trial Data

The NDA approval by the FDA for YUTIQ was based on two Phase III clinical trials sponsored by EyePoint, PSV-FAI-001 and PSV-FAI-005. In both trials, patients were randomized to receive either a sham injection or YUTIQ and were observed for three years following treatment to evaluate the efficacy and safety of YUTIQ. The primary efficacy endpoints in both trials (PSV-FAI-001 and PSV-FAI-005) were the proportion of patients who experienced recurrence of uveitis within six months of follow-up. The recurrence rates of YUTIQ-treated patients in both trials were statistically significantly lower than those of sham-treated patients. YUTIQ was also generally well tolerated through 6 months, 12 months and 36 months of follow-up in both trials. Selected efficacy and safety data of the two trials are presented below. Another Phase III trial, PSV-FAI-006, was conducted to evaluate the utilization and safety of two types of intravitreal inserters. The primary utilization endpoint in this trial (PSV-FAI-006) was defined as the proportion of intravitreal insertion procedures that were assessed as satisfactory by the investigator. For the full summary of clinical trial data of these trials, see "Business—Our Portfolio—Advanced-Stage Drug Candidates—OT-401 (YUTIQ)—Summary of Clinical Trial Data."

	Efficacy Data			
	PSV-FAI-001		**PSV-FAI-005**	
	YUTIQ N=87	**Sham N=42**	**YUTIQ N=101**	**Sham N=52**
Recurrence at 6 months follow up	18.4%	78.6%	21.8%	53.8%
Recurrence at 12 months follow up	27.6%	85.7%	32.7%	59.6%
Recurrence at 36 months follow up	56.3%	92.9%	46.5%	75.0%
Assistant treatment with intraocular/periocular steroids needed for uveitis inflammation	19.5%	69.0%	8.9%	51.9%

	Safety Data			
	PSV-FAI-001		**PSV-FAI-005**	
	YUTIQ N=87	**Sham N=42**	**YUTIQ N=101**	**Sham N=52**
Elevated IOP				
IOP-lowering medication used	42.5%	33.3%	74.3%	73.1%
IOP-lowering surgery performed	5.7%	11.9%	2.0%	0.0%
Cataracts extracted	48.3%	50.0%	70.5%	26.5%

Ongoing Phase III Clinical Trial in China

We are conducting a multi-center, randomized, double-blinded, controlled Phase III clinical trial to evaluate the clinical safety and efficacy of OT-401 in subjects with chronic NIU-PS in China. The primary purpose of the bridging study is to demonstrate that the clinical data in the United States (PSV-FAI-001 and PSV-FAI-005, on which the NDA approval for YUTIQ from the FDA was based) could be extrapolated to the Chinese population.

As of the Latest Practicable Date, we had recruited a total of 29 patients out of the total 150 patients that the study is designed to enroll. Out of the 29 enrolled patients, 23 patients had already received their 7-day follow-up visits, 19 patients had received their 28-day follow-up visits, 12 patients had received their 2-month follow-up visits, 12 patients had received their 3-month follow-up visits and 5 patients had received their 6-month follow-up visits.

Further Clinical Development Plan

We plan to continue the Phase III trial in China and complete the clinical study report of a 12-month follow-up in the first quarter of 2022. We target to make an NDA submission for OT-401 in the first half of 2022.

Licensing

Licensing is a common business model in the pharmaceutical industry. We entered into an exclusive license agreement and a related supply and quality agreement with respect to OT-401 in November 2018 from EyePoint, an ophthalmology-focused biopharmaceutical company listed on the NASDAQ, which are in line with industry norms, according to Frost & Sullivan. Under the license agreement, we obtained the right from EyePoint to import, test, use, sell, develop and commercialize OT-401 in the Greater China region, which allows us to develop and commercialize OT-401 in China (independent of EyePoint) according to our business plan. The license is expected to continue to be in full force and effect until we stop selling OT-401 commercially in each relevant jurisdiction in the licensed territory, which timing is within our control. EyePoint is not entitled to terminate the license agreement without cause or uncured material breach by us. EyePoint will be our exclusive supplier of OT-401 for clinical development and commercialization needs. In the event of a major supply disruption, the parties have agreed to a backup plan to transfer the relevant manufacturing technology (not patent) to allow manufacture of OT-401 by a third-party manufacturer. For details, see "Business—Collaboration and License Arrangements—Collaboration with EyePoint—License of OT-401 (YUTIQ)," "Business—Intellectual Property" and "Risk Factors—Risks Relating to Our Intellectual Property Rights—Our rights to develop and commercialize our drug candidates are subject, in part, to the terms and conditions of licenses granted to us by licensing partners."

Our R&D Work

During the Track Record Period and up to the Latest Practicable Date, we independently conducted substantial R&D work for OT-401 and made progress towards its Phase III clinical trial in China and its admission to the Boao Pilot Program. We have predominantly been involved in post-in-licensing clinical-stage development of OT-401 and we conducted a broad range of R&D activities during: (i) IND preparation and approval, which includes conducting detailed technical analysis, developing registration strategy and clinical protocol and organizing communication with regulatory authorities, CRO and licensing partner, (ii) ongoing Phase III clinical trial in China, which includes selection of vendors and clinical sites, documentation and system preparation, clinical trial personnel training, subject screening and study management, monthly review of protocol deviation cases, monthly review of media data, real-time communication of AEs and risk management during the COVID-19 outbreak, and (iii) Boao Pilot Program, which includes pre-treatment R&D work such as setting up assessment committee and post-treatment R&D work such as closely follow-up for post-treatment clinical data. Our R&D efforts helped us obtain from the NMPA a Phase I clinical trial waiver and an approval for bridging Phase III clinical trial. See "Business—Our Portfolio—Late-Stage and Near Late-Stage Drug Candidates—OT-401 (YUTIQ)—Our R&D Work."

Other Advanced-Stage Drug Candidates

OT-101 is a low-concentration (0.01%) atropine eye drop developed to retard, or slow down, the progression of myopia in children and adolescents. According to Frost & Sullivan, atropine is the only medication to date that has been demonstrated to be consistently effective and safe in controlling myopic progression. OT-101, as a low-concentration (0.01%) atropine eye drop, is believed to have lower rates of adverse effects compared to high-concentration (0.5-1%) atropine. The instability of low-concentration atropine solutions has long been a technical barrier. We are developing a unique approach to address the stability of low-concentration atropine solutions, so that OT-101 could be a viable product for the treatment of myopia. According to Frost & Sullivan, myopia affected nearly 168.8 million children and adolescents in China in 2019 and is expected to affect 191.4 million in 2030. Subject to IND approval from the CDE, EMA and FDA, we plan to initiate an MRCT Phase III clinical trial in the United States, the EU and China in the second half of 2020, the first half of 2021 and mid 2021, respectively.

OT-301 (NCX 470) is a new chemical entity designed to release both bimatoprost, an FDA-approved prostaglandin analog, or PGA, and nitric oxide, or NO, for the treatment of open-angle glaucoma and ocular hypertension. We expect the dual mechanism of action to activate two independent aqueous humor outflows from the eye, which is expected to be a more effective method to lower intraocular pressure. As a novel second-generation NO-donating bimatoprost analog, OT-301 has demonstrated superior efficacy to a PGA monotherapy. According to Frost & Sullivan, glaucoma is currently considered the second-leading cause of irreversible blindness worldwide; the prevalence of glaucoma in China reached 19.6 million in 2019, and the rate of blindness is 38.3%. Two PRC patents for OT-301 will expire in May 2029

and July 2039, respectively. Subject to IND approval, we and Nicox plan to initiate two Phase III MRCTs of OT-301 (NCX 470) in 2020 and we plan to use data from the global trials to support a NDA submission in China. We plan to initiate Chinese arms of both trials in the fourth quarter of 2020 (having taken impact of the COVID-19 pandemic into consideration), subject to IND approvals from the NMPA. During the Track Record Period and up to the Latest Practicable Date, we made substantial R&D efforts for OT-301. In particular, we jointly developed the globally synchronized clinical development plans, clinical trial designs and study protocol that meets the requirements in China and the United States with Nicox. We may use data from both MRCTs to support our NDA submission in China in the future. See "Business—Our Portfolio—Late-Stage and Near Late-Stage Drug Candidates—OT-301 (NCX 470)—Our R&D Work."

OT-1001 (ZERVIATE) is the first and only FDA-approved topical ocular formulation of the antihistamine cetirizine for the treatment of ocular itching associated with allergic conjunctivitis. OT-1001 is a novel formulation of cetirizine, which is the best-selling antihistamine with a well-characterized systemic efficacy and favorable safety profile. If approved, it will be the only ophthalmic drug in China that is safe for adults as well as children aged two years and older. According to Frost & Sullivan, approximately 250.9 million people suffered from allergic conjunctivitis in China in 2019, with a CAGR of 5.1% from 2015. Frost & Sullivan further estimates that the allergic conjunctivitis patients will reach 308.6 million and 375.9 million in China in 2024 and 2030, respectively. We plan to conduct a confirmatory Phase III clinical trial in China in the second half of 2020 subject to IND approval. During the Track Record Period and up to the Latest Practicable Date, we made substantial R&D efforts to prepare for the confirmatory Phase III clinical trial for OT-1001 to be initiated in China. In particular, we developed a clinical development plan and a clinical protocol matching the characteristics of the onset of allergic conjunctivitis among the Chinese population and clinical practices in China. We also optimized our clinical trial design and clinical development plan to in line with current clinical practices in China based on technical consultations with the CDE. See "Business—Our Portfolio—Late-Stage and Near Late-Stage Drug Candidates—OT-1001 (ZERVIATE)—Our R&D Work."

Near Clinical-Stage Drug Candidates

OT-502 (DEXYCU) is a single-dose, sustained-release intraocular injection to treat postoperative (mostly cataract surgery) inflammation, the first and only FDA-approved long-acting intraocular product for the indication. PRC patents for OT-502 will expire between 2025 to 2034. We plan to discuss with the NMPA to conduct a bridging Phase III trial for OT-502 in the second quarter of 2021 to support our NDA submission in China. Similar to OT-401, we plan to enroll patients in Hainan under the Boao Pilot Program to use OT-502 upon approval from the competent authorities. During the Track Record Period and up to the Latest Practicable Date, we made substantial R&D efforts to further develop OT-502, including research and preparation of pre-IND meeting application, design of a bridging Phase III clinical trial and preparation of real-world study under the Boao Pilot Program. See "Business—Our Portfolio—Near Clinical-Stage Drug Candidates—OT-502 (DEXYCU)—Clinical Development Plan and Our R&D Work."

OT-202 is an innovative topical targeted treatment for dry eye. We are investigating a novel chemical compound to reduce inflammation in dry eye by targeting tyrosine kinases, which is expected to qualify OT-202 to be classified as a class 1 drug (innovative new drug) under relevant PRC drug registration laws and regulations. In particular, we synthesized and selected chemical compounds that may be suitable tyrosine kinases inhibitors. We completed over 60 experiments for selecting the optimal crystal form and over 20 experiments for selecting the optimal molecule form. We plan to make an IND submission to the NMPA in the first half of 2021 and commence a Phase I clinical trial in China for OT-202 in the second half of 2021 subject to IND approval.

OT-503 (NCX 4251), an ophthalmic suspension of fluticasone propionate nanocrystals, is an innovative targeted topical treatment for acute exacerbations of blepharitis. We believe OT-503 has the potential to be first-in-class in China as there is no treatment solely indicated for blepharitis in China. Our licensing partner Nicox had completed a Phase II trial in the United States in December 2019. PRC patents for OT-503 will expire in 2033. We plan to commence a Phase II clinical trial in the second quarter of 2021 and a Phase III clinical trial in the fourth quarter of 2022 in China. During the Track Record Period and up to the Latest Practicable Date, our R&D efforts to further develop OT-503 including evaluation of comparative advantages of OT-503 in the Chinese market and formulation of our registration plan. See "Business—Our Portfolio—Near Clinical-Stage Drug Candidates—OT-503 (NCX 4251)—Clinical Development Plan and Our R&D Work."

OT-701 (SJP-0133) is an intravitreal ranibizumab injection for the treatment of wet age-related macular degeneration, or wet AMD. Ranibizumab was developed by Genentech, Inc. and was approved by the FDA in 2006 and sold under the brand name Lucentis. Senju and GTS are developing SJP-0133 as a biosimilar to Lucentis. We understand that Senju and GTS have substantially completed a Phase III clinical trial for SJP-0133 in Japan to investigate the comparability of SJP-0133 and Lucentis, and expect to submit an NDA in Japan in due course in 2020. We plan to initiate a Phase I clinical trial in the second quarter of 2022 and a Phase III clinical trial in China in the second quarter of 2023. We believe a Phase II clinical trial is not required for OT-701 as a biosimilar drug. During the Track Record Period and up to the Latest Practicable Date, our R&D efforts to further develop OT-701 mainly include formulation of a clinical trial plan based on our analysis of the clinical trial data in Japan, differences in clinical characteristics between Chinese and Japanese patient populations, and the use of Lucentis in China. See "Business—Our Portfolio—Near Clinical-Stage Drug Candidates—OT-701 (SJP-0133)—Clinical Development Plan and Our R&D Work."

Commercial-Stage and Near Commercial-Stage Assets

Ou Qin (0.3% Hyaluronic Acid) is an NMPA-approved hyaluronic acid eye drop to treat dry eye. It has a unique dosage form (0.3% concentration in 0.8 ml single-dose packaging) and potentially an improved safety profile compared to similar drugs as it is free of preservatives. We launched Ou Qin in April 2020.

Brimonidine tartrate eye drop is an NMPA-approved generic eye drop to treat open-angle glaucoma and ocular hypertension. We launched brimonidine tartrate eye drop in March 2020.

0.5% moxifloxacin eye drop is an antibiotic eye drop to treat bacterial conjunctivitis. We submitted an abbreviated NDA for 0.5% moxifloxacin eye drop to the NMPA in January 2020 and are expecting approval in the first half of 2021. We plan to launch 0.5% moxifloxacin eye drop rapidly upon approval.

Preclinical-Stage Drug Candidates

OT-601-C is a moxifloxacin-dexamethasone sodium phosphate eye drop for the treatment of postoperative inflammation. OT-601-C includes both the antibiotic moxifloxacin and the anti-inflammatory dexamethasone. Moxifloxacin has a broad spectrum of action and high tissue concentration. It also has lower bacteria resistance rate than certain commonly used antibiotic drugs, such as tobramycin.

OT-302 is an acetazolamide injection for the treatment of acute glaucoma and for reducing high intraocular pressure prior to anti-glaucoma surgeries and other intraocular surgeries. Acetazolamide is a potent carbonic anhydrase inhibitor which effectively controls the secretion of aqueous humor.

OT-1301 is a cyclosporine implant used to prevent transplant rejection after keratoplasty, or corneal transplant surgery. It is implanted into the anterior chamber angle at the end of keratoplasty. We may also consider investigating the effect of OT-1301 on treating dry eye.

OT-1601 and OT-1602 are stem cell therapies that we plan to develop with SanBio pursuant to our development and commercialization agreement for the treatment of retinitis pigmentosa and dry AMD in the former case and acute optic neuritis in the latter case.

OUR STRENGTHS

We believe the following strengths have contributed to our success:

- a China-based ophthalmic pharmaceutical total solution platform;
- comprehensive, innovative and validated ophthalmic drug portfolio including commercial-ready drugs;
- four advanced-stage, first/best-in-class ophthalmic drug candidates with significant near-term revenue potential;

- strong execution capabilities underlying successful track record of delivering world-class products to ophthalmic patients in China; and

- visionary CEO and management, renowned advisors and industry-leading investors.

OUR STRATEGIES

Our vision is to provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China. To achieve this vision, we plan to pursue the following strategies:

- advance clinical development and commercialization of advanced-stage drug candidates, including OT-401, OT-101, OT-301, OT-1001 and OT-502;

- commercialize the commercial-/near commercial-stage assets, including Ou Qin, brimonidine tartrate eye drop and 0.5% moxifloxacin eye drop;

- initiate clinical trials for drug candidates with proof of concept and advance them to clinical trial stage in the midterm future;

- further expand drug portfolio through in-licensing, internal discovery and acquisition;

- continue to build commercialization capabilities in anticipation of product launches, and build our own highly focused and specialized commercial team, comprising dedicated sales force for each product;

- establish an industry-leading, dedicated ophthalmic pharmaceutical manufacturing facility; and

- maximize the global value of our drug candidates, selectively advance clinical trials and apply for NDAs outside China, and strategically seek global out-licensing opportunities.

COLLABORATION AND LICENSE ARRANGEMENTS

In-licensing

EyePoint. In November 2018 and January 2020, we entered into exclusive license agreements with EyePoint, under which EyePoint granted us exclusive rights to import, develop and commercialize OT-401 (YUTIQ) and OT-502 (DEXYCU), respectively, in the Greater China region. Pursuant to related supply and quality agreements, EyePoint will be the exclusive supplier of YUTIQ and DEXYCU to meet our clinical development and commercialization needs of YUTIQ and DEXYCU in the Greater China region. Our right to manufacture YUTIQ and DEXYCU is limited to the right to package and label the finished product supplied by EyePoint. EyePoint has also retained the right to manufacture YUTIQ and DEXYCU in the Greater China region for commercialization outside of the Greater China region and to use or license certain of its intellectual property to develop and commercialize products other than YUTIQ and DEXYCU. In March 2019, we entered into a Memorandum of Understanding with EyePoint, pursuant to which EyePoint is obliged to supply YUTIQ for the Boao Pilot Zone use. We believe that we are well positioned to be the "go to" China partner for EyePoint due to our China-based ophthalmic pharmaceutical platform and our strong management and execution capabilities. See "Business—Our Strengths—Strong execution capabilities underlying successful track record of delivering world-class products to ophthalmic patients in China" and "Business—Our Strengths—Visionary CEO and management, renowned advisors and industry-leading investors."

Nicox. In December 2018, March 2019 and June 2019, we entered into exclusive license agreements with Nicox, under which Nicox granted us exclusive rights to develop, make, have made, import, export and sell OT-301 (NCX 470), OT-1001 (ZERVIATE) and OT-503 (NCX 4251), respectively. We were granted exclusive rights in the Greater China region for all three drug candidates, and, for NCX 470 and ZERVIATE, we were also granted exclusive rights in certain other Asian countries.

Senju and GTS. In January 2019, we entered into an exclusive license agreement with Senju and GTS, under which we were granted exclusive rights to develop and commercialize OT-701 (SJP-1033) in the Greater China region.

Sanbio. In March 2020, we entered into a collaboration and license agreement with SanBio, under which SanBio granted us an exclusive license to research, develop and commercialize OT-1601 and OT-1602 in the Greater China region.

Acquisition and Other Collaboration

Huonland. In December 2019, we entered into a hyaluronic acid eye drop technology transfer agreement with Huonland, under which Huonland agreed to transfer all its rights to 0.8 mL dose hyaluronic acid eye drop of 0.3% concentration, to us. In February 2020, we entered into an exclusive sales agency agreement with Huonland, under which Huonland agreed to grant us an exclusive sales right to its brimonidine tartrate eye drops in China for a term of five

years. In January 2019, we entered into a manufacturing outsourcing agreement with Huonland, under which we agreed to outsource the manufacturing of 0.5% moxifloxacin eye drop to Huonland for a term of at least five years commencing from the date we receive NDA approval for 0.5% moxifloxacin eye drop.

Our license agreements typically have no definitive expiration dates and will continue to be in full force and effect so long as we choose to continue to commercially exploit the relevant licenses, which are in line with industry norms according to Frost & Sullivan. Our licensing arrangements were reached after arm's-length negotiations between licensing partners and us, which in the view of our Directors and according to Frost & Sullivan, are in line with industry norms. We will effectively be able to enjoy the benefits of the licenses during the periods we consider commercially meaningful. For details, see "Business—Collaboration and License Arrangements."

RECENT DEVELOPMENTS

In January 2020, we entered into an exclusive license agreement with EyePoint for DEXYCU. In March 2020, we entered into a collaboration and license agreement with Sanbio for the development and commercialization of OT-1601 and OT-1602. Additionally, we submitted an abbreviated NDA for 0.5% moxifloxacin eye drops to the NMPA in January 2020, and are expecting approval in the first half of 2021. We entered into an exclusive sales agreement with Huonland for brimonidine tartrate eye drop in February 2020, and we launched brimonidine tartrate eye drop and Ou Qin in March and April 2020, respectively. Furthermore, we enrolled additional patients for the bridging Phase III clinical trial of OT-401. As of the Latest Practicable Date, we had enrolled 29 patients. Additionally, in January 2020, ground was broken on our dedicated ophthalmic pharmaceutical manufacturing facility in Suzhou, Jiangsu Province.

Impact of the COVID-19 Outbreak

An outbreak of a respiratory disease COVID-19 was first reported in December 2019 and continues to expand across the PRC and globally. Significant rises in COVID-19 cases have been reported since then, causing governments around the world to implement unprecedented measures such as city lockdowns, travel restrictions, quarantines and business shutdowns.

Although we experienced a delay in screening patients for the ongoing Phase III clinical trial of OT-401 due to travel restrictions implemented to contain the spread of COVID-19, we had not experienced any early or unexpected termination of treatment or removal of any enrolled patients under the trial. We implemented a risk management plan to ensure that our subjects remain on the trial and that any information or assistance they need will be readily available. Specifically, as of the date of this document, 12 out of 29 subjects who have been enrolled into the trial were unable to return to the sites for follow-up evaluations during the outbreak of the COVID-19 pandemic due to travel restrictions, and we provided guidance for them to visit other qualified hospitals for such evaluations. Given that the 12 subjects visited other qualified hospitals for follow-up evaluations, all of them remain enrolled in the trial as

of the date of this document. As the travel restrictions have been relaxed as of the date of this document, we do not expect this situation to cause any material delay to the timeline of our clinical trials. We also suggested that the investigators contact the subjects on a weekly basis to confirm whether any adverse effects had occurred and we recorded such safety information in a timely manner. Our potential subjects were also actively contacted by the investigators to ensure that they could be screened and enrolled once individual travel could resume. As of the Latest Practicable Date, seven out of ten trial sites for OT-401 had resumed patient screening. Among the three remaining trial sites, (i) one has currently resumed patient screening, (ii) we expect the site in Wuhan to resume patient screening after further containment of the COVID-19 outbreak, and (iii) we expect the other one site to resume patient screening and enrollment no later than July 2020. We expect this situation to continue to improve with the containment of the COVID-19 outbreak and do not expect it to have any material long-term impact on the OT-401's ongoing Phase III trial or our business in general. The expected development progress of OT-401 has taken into account the COVID-19 outbreak. While the extent to which the COVID-19 outbreak will affect our operations cannot be accurately predicted at this stage, we have not experienced and do not expect significant financial damage or impact to our long-term commercial prospect from the COVID-19 outbreak. We cannot guarantee you, however, that the COVID-19 outbreak will not further escalate or have a material adverse effect on our results of operations. See "Risk Factors—Risks Relating to Our Operations—Our operations and business plans may be adversely affected by the COVID-19 pandemic."

We expect that our net loss for the year ending December 31, 2020 will increase as compared to that for the year ended December 31, 2019, primarily due to (i) an increase in workforce and stock-based compensation; (ii) continued expenses for product in-licensing and clinical development; and (iii) [**REDACTED**] expenses. In addition, we expect that loss on changes in fair value of financial liabilities at fair value through profit or loss will contribute a significant proportion of our net loss for the year ended December 31, 2020, but will cease upon [**REDACTED**].

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of (i) licensors from which we obtained intellectual property rights in respect of our in-licensed drug candidates; (ii) CROs; and (iii) suppliers of other materials for research and development activities, machines and equipment. In general, we select our suppliers by considering their product quality, industry reputation and compliance with relevant regulations and industry standards. During the Track Record Period, we did not procure raw materials or equipment for commercial manufacturing because the construction of the Suzhou manufacturing facility had not been commenced as of December 31, 2019. In 2018 and 2019, our purchases from our five largest suppliers in the aggregate accounted for 56.5% and 92.8% of our total purchases, respectively, and purchases from our largest supplier alone accounted for 21.7% and 55.4% of our total purchases, respectively. During the Track Record Period, we had a small number of suppliers, and the largest purchase amounts related to upfront payments for drug in-licensing and

acquisition arrangements, which were customary in industry practice and not recurring in nature. See "Risk Factors—Risks Relating to Our Reliance on Third Parties—We had a limited number of suppliers during the Track Record Period."

Specifically, we engage industry-leading CROs to manage, conduct and support our preclinical research and clinical trials. We select CROs based on various factors, such as professional qualifications, research experience, industry reputation, adequacy of clinical trial equipment and data management system. We choose CROs based on their ability to facilitate site selection, timely recruit patients and conduct complex clinical trials efficiently. We generally enter into a general service agreement with a CRO for clinical trial management services under which we execute separate work orders for each clinical development project. To ensure the performance of these CROs in a manner that complies with our protocols and applicable laws, which in turn protects the integrity and authenticity of the data from our trials and studies, we closely supervise these CROs.

OUR CUSTOMER

During the Track Record Period, we had only one customer, the designated procurement agent for Boao Super Hospital, where patients received treatment with YUTIQ. We sold OT-401 (YUTIQ) to this customer in the Boao Pilot Zone in Hainan Province, taking advantage of favorable policies to import foreign drugs not yet approved in China for urgent medical needs. For details, see "Business—Our Portfolio—Advanced-Stage Drug Candidates—OT-401 (YUTIQ)—Boao Pilot Program."

COMMERCIALIZATION

The commercialization of our drug candidates is critical to our future success. As of December 31, 2019, we had a commercialization team of 14 employees. As of the Latest Practicable Date, our commercialization team had 46 employees. Members of our commercialization team have strong experience in the commercialization of ophthalmic drug products, and we believe we will be able to commercialize our drug products effectively. Specifically, we launched brimonidine tartrate eye drop and Ou Qin in March and April 2020, respectively. In anticipation of launch of our late-stage drug candidates, we are expanding our sales team and plan to have about 100 members across China by 2021.

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the 6 Dimensions Entities will be interested in approximately [**REDACTED**]% of the total issued share capital of our Company and will be our Controlling Shareholders as defined under the Listing Rules upon [**REDACTED**]. See "Relationship with Controlling Shareholders" in this document.

OUR PRE-[REDACTED] INVESTORS

Our Company underwent several rounds of Pre-[**REDACTED**] Investments since our establishment. Our major Pre-[**REDACTED**] Investors include top-tier global and Chinese institutional investors and biotech-focused investment funds, including 6 Dimensions, Boyu, Temasek, General Atlantic, Eight Roads, 3W Partners and Cormorant Asset Management. For details of our Pre-[**REDACTED**] Investments, please see the section headed "History, Restructuring and Corporate Structure—Pre-[**REDACTED**] Investments."

SHARE INCENTIVE SCHEMES

In recognition of the contributions of our Directors and employees and to incentivize them to further promote our development, our Company adopted the Employee Stock Option Plan on May 23, 2018 and the RSU Scheme on April 28, 2020. As of the Latest Practicable Date, options to subscribe for an aggregate of 60,328,890 Shares (as adjusted after the Share Subdivision), representing [**REDACTED**]% of the total issued share capital of the Company immediately following the Share Subdivision and [**REDACTED**] (assuming the [**REDACTED**] is not exercised), had been granted to 41 grantees under the Employee Stock Option Plan. Pursuant to the RSU Scheme, an aggregate of 2,400,000 underlying shares (before the Share Subdivision) were issued to Coral Incentivization, representing an aggregate of [**REDACTED**]% of the total issued share capital of our Company immediately following the Share Subdivision and the [**REDACTED**] (assuming no exercise of the [**REDACTED**]). As of the Latest Practicable Date, our Company had granted RSUs representing 2,286,692 shares (before the Share Subdivision) upon vesting to 74 grantees under the RSU Scheme. For details and principal terms of the Employee Stock Option Plan and the RSU Scheme, please see "Statutory and General Information—D. Share Incentive Schemes" in Appendix IV to this document.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary of historical financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this document, as well as the information set forth in "Financial Information" of this document. Our financial information was prepared in accordance with IFRS.

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Expenses

	Period ended December 31, 2018	Year ended December 31, 2019
	(RMB in thousands)	
Revenue	–	190
Cost of sales	–	(10)
Gross profits	–	180
Other income	25	3,877
Other gains and losses	(159,977)	(1,170,347)
Selling expenses	–	(2,479)
Research and development expenses	(40,679)	(99,464)
Administrative expenses	(8,769)	(57,185)
Finance costs	(5)	(63)
Loss before tax	(209,405)	(1,325,481)
Income tax expense	–	–
Loss and total comprehensive expenses for the period/year	(209,405)	(1,325,481)
Non-IFRS adjusted net loss for the period/year[(1)]	(46,988)	(82,430)

Note:

(1) Non-IFRS adjusted net loss for the period/year was calculated by taking loss and total comprehensive expenses for the period/year and adding back (i) fair value loss of financial liabilities at FVTPL and (ii) share-based payment expenses. Non-IFRS adjusted net loss for the period/year is not a measure required by or presented in accordance with IFRS. We believe that such non-IFRS measure facilitates comparisons of our operating performance from period to period by eliminating impacts of such non-cash items (and, for fair value loss of financial liabilities at FVTPL, also an item that pertains to financial instruments that will cease upon [**REDACTED**]) that our management considers to be not indicative of our operating performance and provides useful information to investors and others in evaluating our operating results in the same manner of our management. The use of non-IFRS adjusted net loss for the period/year has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. See "Financial Information—Non-IFRS Measure." The following table reconciles our non-IFRS adjusted net loss for the period/year with our loss and total comprehensive expenses for the period/year, which is the most directly comparable financial measure calculated and presented in accordance with IFRS:

	Period ended December 31, 2018	**Year ended December 31, 2019**
	(RMB in thousands)	
Loss and total comprehensive expenses for the period/year	(209,405)	(1,325,481)
Add		
Fair value loss of financial liabilities at FVTPL	158,736	1,196,248
Share-based payment expenses	3,681	46,803
Non-IFRS adjusted net loss for the period/year	(46,988)	(82,430)

Our loss and total comprehensive expenses increased from RMB209.4 million in 2018 to RMB1,325.5 million in 2019. The increase in net losses was primarily attributable to an increase of RMB1,037.5 million in fair value loss of financial liabilities at FVTPL as a result of the issuance of Preferred Shares and Share Purchase Option (as defined in note 23 to the Accountants' Report set out in Appendix I to this document), and the increase in company valuation and probability of the [**REDACTED**]. The Share Purchase Option was exercised on September 18, 2019. The Preferred Shares will automatically convert into Shares upon [**REDACTED**], at which time we expect to record them as equity. Due to the issuance of Preferred Shares and the grant of Share Purchase Option, and subsequent recognition of fair value loss of financial liabilities at FVTPL, our results of operations were adversely affected during the Track Record Period. We expect to continue to recognize fair value loss of financial liabilities at FVTPL and we may still retain accumulated losses since December 31, 2019 and up to the [**REDACTED**] and, as a result, our financial performance after the Track Record Period may be adversely affected.

Summary of Consolidated Statements of Financial Position

	As of December 31,	
	2018	**2019**
	(RMB in thousands)	
Total non-current assets	1,626	27,704
Total current assets	92,996	1,261,993
Total assets	94,622	1,289,697
Total current liabilities	4,054	39,435
Total non-current liabilities	867,872	3,318,750
Total liabilities	871,926	3,358,185
Net current assets	88,942	1,222,558
Share capital	2	4
Reserves	(821,098)	(2,068,492)
Equity attributable to owners of the Company	(821,096)	(2,068,488)
Non-controlling interests	43,792	–
Total Deficits	(777,304)	(2,068,488)

We recorded total deficits of RMB777.3 million and RMB2,068.5 million as of December 31, 2018 and 2019, respectively, primarily due to the issuance of Preferred Shares and the Share Purchase Option. The Share Purchase Option was exercised on September 18, 2019. The Preferred Shares will automatically convert into Shares upon [**REDACTED**], at which time we expect to record them as equity and, accordingly, turn into a net asset position. For risks relating to the fair-value changes in our Preferred Shares and the Share Purchase Option, please refer to "Risk Factors—Risk Relating to Our Financial Position and Need for Additional Capital—Our results of operations, financial condition and prospects may be adversely affected by fair-value changes in our Preferred Shares and the Share Purchase Option at fair value through profit or loss."

Summary Consolidated Statements of Cash Flows

	Period ended December 31, 2018	Year ended December 31, 2019
	(RMB in thousands)	
Operating cash flow before movements in working capital	(45,703)	(108,948)
Total movements in working capital	2,353	860
Net cash used in operating activities	(43,350)	(108,088)
Net cash used in investing activities	(66,660)	(979,917)
Net cash from financing activities	136,981	1,241,625
Net increase in cash and cash equivalents	26,971	153,620
Cash and cash equivalents at beginning of the period/year	–	25,629
Effects of exchange rate changes	(1,342)	13,155
Cash and cash equivalents at the end of the period/year	25,629	192,404

During the Track Record Period, we incurred negative net cash flows from operations, substantially due to our research and development expenses. During the Track Record Period, we relied on equity financing as the major source of liquidity. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. Although we had cash outflow from operating activities and recorded deficit position and net losses throughout the Track Record Period, as our business develops, we expect to generate more cash flow from operations, through launching and commercializing products, such as Ou Qin and brimonidine tartrate eye drop, which we launched in April 2020 and March 2020, respectively. The Directors are of the opinion that, taking into account the financial resources available to us, including cash and cash equivalents, internally generated funds and the estimated net [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, business development and marketing expenses and administrative and operating costs, for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, which includes research and development expenses, and (ii) capital expenditures. Assuming an average cash burn rate going forward of 4.5 times the level in 2019, we estimate that our cash and cash equivalents and short-term investments (including time deposit over three months and other financial assets) as of December 31, 2019 will be able to maintain our financial viability for 30.0 months or, if we take into account 10% of the estimated net [**REDACTED**] from the [**REDACTED**] (namely, the portion allocated for our working capital and other general corporate purposes), 33.7 months or, if we also take into account the entire amount of the estimated net [**REDACTED**] from the [**REDACTED**], 67.3 months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

KEY FINANCIAL RATIO

Our current ratio, which represents current assets divided by current liabilities, was 22.9 and 32.0 as of December 31, 2018 and 2019, respectively. For further details, see "Financial Information—Key Financial Ratio."

[REDACTED] STATISTICS

All statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has completed and [**REDACTED**] new Shares are [**REDACTED**] pursuant to the [**REDACTED**]; (ii) [**REDACTED**] Shares are [**REDACTED**] and outstanding following the completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised and without taking into account the Shares to be issued upon the exercise of the options granted under the Employee Stock Option Plan.

	Based on an [REDACTED] of HK$[REDACTED]	**Based on an [REDACTED] of HK$[REDACTED]**
Market capitalization of our Shares[(1)]	**[REDACTED]**	**[REDACTED]**
Unaudited *pro forma* adjusted consolidated net tangible liabilities per Share[(2)]	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The calculation of the market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**], without taking into account the Shares to be issued upon the exercise of the options granted under the Employee Stock Option Plan.

(2) The unaudited *pro forma* adjusted net tangible asset per Share as at December 31, 2019 is calculated after making the adjustments referred to in Note 3 of Appendix II. For further details, please refer to the section headed "Appendix II—Unaudited Pro Forma Financial Information" in this document.

DIVIDENDS

We are a holding company incorporated in the Cayman Islands. We have never declared or paid any dividends on our ordinary shares or Preferred Shares. We may need dividends and other distributions on equity from our PRC subsidiaries to satisfy our liquidity requirements. We currently intend to retain all available funds and any future earnings, if any, to fund the research and development of our drug candidates and we do not anticipate paying any cash dividends in the foreseeable future. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Cayman Companies Law. The declaration and payment of any dividends in the future will be determined by our Board of Directors, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial conditions and contractual restrictions. Our Shareholders in a general meeting may approve any declaration of dividends, which must not

exceed the amount recommended by our Board. As advised by our Cayman Islands counsel, under the Cayman Islands law a company may declare and pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be declared or paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. [**REDACTED**] should not purchase our Shares with the expectation of receiving cash dividends. See "Financial Information—Dividend."

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million after deducting the [**REDACTED**] fees and expenses payable by us in the [**REDACTED**], assuming no exercise of the [**REDACTED**] and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**] in this document.

We intend to use the net [**REDACTED**] from the [**REDACTED**] for the following purposes:

- Approximately HK$[**REDACTED**] million (representing [**REDACTED**]% of the net [**REDACTED**]) will be used for OT-401, our Core Product;

- Approximately HK$[**REDACTED**] million (representing [**REDACTED**]% of the net [**REDACTED**]) will be used for our other drug candidates;

- Approximately HK$[**REDACTED**] million (representing [**REDACTED**]% of the net [**REDACTED**]) will be used for the acquisition of the manufacturing facility in Suzhou pursuant to our cooperation agreement with the local government; and

- Approximately HK$[**REDACTED**] million (representing [**REDACTED**]% of the net [**REDACTED**]) will be used for our working capital and other general corporate purposes.

See "Future Plans and Use of [**REDACTED**]" for details.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in "Risk Factors" in this document. Some of the major risks we face include:

- We have incurred significant operating losses since our inception, and may continue to incur operating losses for the foreseeable future and may never become profitable. As a result, you may lose substantially all of your [**REDACTED**] in us if our business fails.

- Our rights to develop and commercialize our drug candidates are subject, in part, to the terms and conditions of licenses granted to us by licensing partners.

- We expect to rely on third parties (including our licensing partners) to supply drug candidates or raw materials for manufacturing our future approved drugs, and our business could be harmed if those third parties fail to provide us with sufficient quantities of product or fail to do so at acceptable quality levels or prices.

- We may rely on third parties (including our licensing partners) to manufacture or import our clinical and commercial drug supplies, and our business could be harmed if those third parties fail to provide us with sufficient quantities of product or fail to do so at acceptable quality levels or prices.

- If we fail to comply with our obligations in the license agreements or otherwise experience disruptions to our business relationships with our licensing partners, we could be required to pay monetary damages or could lose license rights that are important to our business.

- We rely on third parties to conduct our preclinical studies and clinical trials and we must work effectively with collaborators to develop our drug candidates. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates and our business could be substantially harmed.

- We may be unable to successfully complete clinical trials, obtain regulatory approval and commercialize our drug candidates, or experience significant delays in doing so.

- The research and development of our drug candidates involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results. You may lose all or part of your [**REDACTED**] in us if our research and development fails.

- Our future approved drugs may fail to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community necessary for commercial success.

- If we encounter difficulties enrolling patients in our clinical trials, our clinical trials could be delayed or otherwise adversely affected.

- If we are not able to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our drug candidates, and our ability to generate revenue will be materially impaired.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses to be borne by us are estimated to be approximately HK$[**REDACTED**] million (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), assuming no exercise of the [**REDACTED**]. Among such expenses, nil was recognized and charged to our consolidated statements of profit or loss in 2018 and 2019. After December 31, 2019, approximately HK$[**REDACTED**] million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] million is expected to be accounted for as a deduction from equity upon the [**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.