
HISTORY, RESTRUCTURING AND CORPORATE STRUCTURE

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. Our Company was founded by 6 Dimensions, specialist healthcare private equity funds and incubators and Controlling Shareholders of our Company, as an incubation project and a financial investment with the goal to develop a leading and independent ophthalmology platform (the “**Ocumension Platform**”). For the background and relevant industry experience of 6 Dimensions, please refer to the subsection headed “Pre-[REDACTED] Investments” in this section and the section headed “Relationship with Controlling Shareholders” in this document.

Our Company was incorporated as an exempt company with limited liability in the Cayman Islands on February 27, 2018 by utilizing 6 Dimensions’ own capital. Prior to the formal establishment of the Company’s legal entity, the principal businesses of the Group had already started back in 2017, focusing on researching and developing through either in-licensing or self-developing ophthalmic therapies. Over the past few years, we have developed into an ophthalmic pharmaceutical company with a market-driven, designed pipeline of 16 drugs and drug candidates.

KEY MILESTONES

The following sets forth certain key business development milestones of our Group:

Year	Event
January 2017	<ul style="list-style-type: none">• 6 Dimensions started incubation of the Ocumension Platform by establishing an incubation team
February 2018	<ul style="list-style-type: none">• Our Company was incorporated in the Cayman Islands
March 2018	<ul style="list-style-type: none">• A letter of interest indication relating to in-license of OT-401 (YUTIQ) was entered into between 6 Dimensions and EyePoint
May 2018	<ul style="list-style-type: none">• Our principal operating subsidiary, Ocumension Shanghai, was established in the China (Shanghai) Pilot Free Trade Zone as a wholly foreign owned enterprise by Ocumension Hong Kong
October 2018	<ul style="list-style-type: none">• We obtained type B preliminary meeting comments from the FDA on the research of OT-101

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Year	Event
November 2018	<ul style="list-style-type: none">• We entered into an exclusive license agreement relating to OT-401 (YUTIQ) with EyePoint
December 2018	<ul style="list-style-type: none">• We obtained the Medicines & Healthcare Products Regulatory Agency’s (“MHRA”) scientific advice letter on the research of OT-101, in which the MHRA generally demonstrated a positive attitude• We entered into an exclusive license agreement relating to OT-301 (NCX 470) with Nicox
February 2019	<ul style="list-style-type: none">• Our Series A financing was completed which in aggregate raised approximately US\$20 million
March 2019	<ul style="list-style-type: none">• We obtained EMA’s scientific advice letter on the research of OT-101• We entered into an exclusive license agreement relating to OT-1001 (ZERViate, an eye drop to treat ocular itching associated with allergic conjunctivitis) with Nicox Ophthalmics Inc.
June 2019	<ul style="list-style-type: none">• Our Series B financing was completed which in aggregate raised US\$180 million
August 2019	<ul style="list-style-type: none">• We successfully obtained an IND approval from the NMPA to initiate a bridging Phase III clinical trial in the PRC for OT-401• OT-401 was approved first for treatments on patients under the Boao Pilot Program
October 2019	<ul style="list-style-type: none">• Ocumension Hong Kong entered into a cooperation agreement with the Management Committee of Suzhou Wuzhong Economic and Technological Development Zone (蘇州吳中經濟技術開發區管理委員會), based on which development has begun on an ophthalmic pharmaceutical manufacturing facility in Suzhou and the facility will contain a state-of-the-art research laboratory
November 2019	<ul style="list-style-type: none">• We initiated the Phase III trial of OT-401 in China and enrolled the first patient

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Year	Event
December 2019	<ul style="list-style-type: none">• Ocumension Shanghai entered into a product transfer and cooperation agreement relating to Ou Qin (an hyaluronic acid eye drop to treat dry eye) with Huonland. Ou Qin obtained the NDA approval from the NMPA in July 2019
January 2020	<ul style="list-style-type: none">• We submitted an abbreviated NDA for 0.5% moxifloxacin eye drop (a moxifloxacin antibiotic eye drop to treat bacterial conjunctivitis) to the NMPA
February 2020	<ul style="list-style-type: none">• Our second operating subsidiary, Ocumension Suzhou, was established by Ocumension Hong Kong in Suzhou, China• Ocumension Shanghai entered into a product agency agreement relating to brimonidine tartrate eye drop with Huonland. Brimonidine tartrate eye drop obtained the NDA approval from the NMPA in July 2016
March 2020	<ul style="list-style-type: none">• We commercially launched brimonidine tartrate eye drop
April 2020	<ul style="list-style-type: none">• We commercially launched Ou Qin
May 2020	<ul style="list-style-type: none">• Our third operating subsidiary, Ocumension Zhejiang, was established by Ocumension Hong Kong in Hangzhou, China

MAJOR CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES OF OUR GROUP

Our business operations were conducted through our operating subsidiaries, namely Ocumension Shanghai, Ocumension Suzhou and Ocumension Zhejiang. Ocumension Shanghai made a material contribution to our results of operations during the Track Record Period and hence is our principal operating subsidiary. The following sets forth the major corporate history and shareholding changes of our Company and our subsidiaries.

Our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on February 27, 2018 with an authorized share capital of US\$50,000 divided into 50,000 shares of a par value of US\$1.00 each as at the date of incorporation.

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(i) Subdivision of the Share Capital and Share Subscription by the Pre-Series A Shareholders

On May 23, 2018, our Company passed a special resolution, pursuant to which the share capital of the Company was subdivided into 500,000,000 Shares and such Shares were reclassified and re-designated into (i) 480,000,000 ordinary shares of par value of US\$0.0001 each, and (ii) 20,000,000 series A preferred shares of par value of US\$0.0001 each (“**Series A Preferred Shares**”).

Pursuant to two ordinary share subscription letters dated May 23, 2018 and two ordinary share subscription letters dated July 12, 2018 entered into by the Company, 6 Dimensions Capital and 6 Dimensions Affiliates, respectively, a total of 3,050,000 ordinary shares of the Company were issued to 6 Dimensions Capital and 6 Dimensions Affiliates on May 23, 2018 and August 28, 2018, respectively, at a purchase price of US\$0.001 per share for a total consideration of US\$3,050.

Pursuant to two option agreements entered into between the Company, Ocumension Hong Kong, Ocumension Shanghai and Suzhou Frontline II and Suzhou 6 Dimensions on July 12, 2018, respectively (the “**Option Agreements**”), the Company issued share options to Suzhou Frontline II and Suzhou 6 Dimensions to purchase a total of 3,050,000 ordinary shares. As part of the corporate restructuring, Suzhou Frontline II and Suzhou 6 Dimensions further exercised their share options under the Option Agreements and purchased the relevant ordinary shares on September 18, 2019. Please refer to “—Restructuring” below for more details.

Pursuant to two ordinary share subscription letters and two restricted share agreements entered into by the Company and other four pre-series A shareholders (together with 6 Dimensions Capital, 6 Dimensions Affiliates, Suzhou Frontline II and Suzhou 6 Dimensions, the “**Pre-Series A Shareholders**”) on August 28, 2018, respectively, a total of 540,555 ordinary shares of the Company were issued to such Pre-Series A Shareholders on August 28, 2018 at a purchase price of US\$0.001 per share for a total consideration of US\$540. Details are set forth as follows:

Name of Shareholder	Number of Shares Issued	Consideration (US\$)
6 Dimensions Capital	2,897,500 ordinary shares	2,897.5
6 Dimensions Affiliates	152,500 ordinary shares	152.5
Suzhou Frontline II	2,135,000 ordinary shares	2,135
Suzhou 6 Dimensions	915,000 ordinary shares	915
Mr. Ye LIU	290,370 ordinary shares	290
Dr. Changdong LIU	145,185 ordinary shares	145
Dr. Steven Brian LANDAU	90,000 ordinary shares	90
Dr. Riccardo Nazzareno PANICUCCI	15,000 ordinary shares	15
Total	6,640,555 ordinary shares	6,640

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(ii) *Offshore Series A Financing*

Pursuant to (i) a series A share purchase agreement and (ii) an amended and restated series A share purchase agreement entered into among the Company, Ocumension Hong Kong, Ocumension Shanghai, 6 Dimensions Capital and 6 Dimensions Affiliates on May 23, 2018 and July 12, 2018, respectively, a total of 9,500,000 and 500,000 Series A Preferred Shares were issued to 6 Dimensions Capital and 6 Dimensions Affiliates on August 28, 2018 and November 22, 2018, respectively, at a purchase price of US\$1.00 per share for a total consideration of US\$10,000,000.

Pursuant to the Option Agreements, the Company issued share options to purchase 7,000,000 Series A Preferred Shares to Suzhou Frontline II and 3,000,000 Series A Preferred Shares to Suzhou 6 Dimensions. As part of the corporate restructuring, Suzhou Frontline II and Suzhou 6 Dimensions further exercised their share options under the Option Agreements and purchased the relevant Series A Preferred Shares on September 18, 2019. Please refer to “—Restructuring” below for more details.

Pursuant to a series A share purchase agreement entered into between the Company, Ocumension Hong Kong, Ocumension Shanghai and Mr. Ye LIU on February 21, 2019, 293,303 Series A Preferred Shares were issued to Mr. Ye LIU on February 21, 2019 at a purchase price of US\$1.00 per share for a total consideration of US\$293,303. Details of which are set forth as follows:

Name of Investor	Number of Series A Preferred Shares Issued	Consideration (US\$)
6 Dimensions Capital	9,500,000 Series A Preferred Shares	9,500,000
6 Dimensions Affiliates	500,000 Series A Preferred Shares	500,000
Suzhou Frontline II	7,000,000 Series A Preferred Shares	7,000,000
Suzhou 6 Dimensions	3,000,000 Series A Preferred Shares	3,000,000
Mr. Ye LIU	293,303 Series A Preferred Shares	293,303

Total	20,293,303 Series A Preferred Shares	20,293,303
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(iii) Offshore Series B Financing

The Company further entered into a series B share purchase agreement with series B investors (the “**Series B Investors**”) on May 29, 2019. In connection with the Series B financing, a total of 17,598,204 Series B Preferred Shares were issued to the following investors on June 18, 2019 at a purchase price of approximately US\$10.23 per share for a total consideration of US\$180,000,000.

Name of Investor	Number of Series B Preferred Shares Issued	Consideration (US\$)
Summer Iris Limited	7,821,423 Series B Preferred Shares	80,000,000
TLS Beta Pte. Ltd.	4,888,390 Series B Preferred Shares	50,000,000
General Atlantic Singapore OT Pte. Ltd.	2,053,124 Series B Preferred Shares	21,000,000
Southern Creation Limited	684,375 Series B Preferred Shares	7,000,000
3W Partners Fund II, L.P.	684,375 Series B Preferred Shares	7,000,000
ERVC Healthcare IV, L.P.	488,839 Series B Preferred Shares	5,000,000
Cormorant Private Healthcare Fund II, LP	381,099 Series B Preferred Shares	3,898,001
Cormorant Global Healthcare Master Fund, LP	97,719 Series B Preferred Shares	999,501
CRMA SPV, L.P.	10,021 Series B Preferred Shares	102,498
Avict Global Holdings Limited	488,839 Series B Preferred Shares	5,000,000
Total	17,598,204 Series B Preferred Shares	180,000,000

For further details of the share subscriptions above, please see the paragraph headed “—Pre-[REDACTED] Investments” in this section.

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(iv) Share Issue to Coral Incentivization

On April 30, 2020, the Company issued 2,400,000 ordinary shares to Coral Incentivization at par value of US\$0.0001 on trust for the benefits of selected employees of the Company pursuant to the terms of the RSU Scheme. For details of the RSU Scheme, please refer to “Statutory and General Information—D. Share Incentive Schemes—2. RSU Scheme” in Appendix IV to this document.

Ocumention Hong Kong

On March 7, 2018, Ocumention (Hong Kong) Limited (歐康維視生物醫藥(香港)有限公司) (“**Ocumention Hong Kong**”), was incorporated as a direct wholly owned subsidiary of our Company in Hong Kong. After that, we further commenced the formation of our PRC subsidiaries and operations.

Ocumention Shanghai

On May 25, 2018, our principal operating subsidiary, Ocumention Shanghai, was established in the China (Shanghai) Pilot Free Trade Zone as a wholly foreign owned enterprise by Ocumention Hong Kong. The principal business of Ocumention Shanghai is identifying, developing and commercializing therapies for ophthalmic patients in China.

For the purpose of an onshore series A financing, on July 12, 2018, Suzhou Frontline II, Suzhou 6 Dimensions and Ocumention Shanghai entered into a capital increase agreement, pursuant to which Suzhou Frontline II subscribed US\$2,857,003 registered capital of Ocumention Shanghai in a total subscription price of US\$7,002,135, and Suzhou 6 Dimensions subscribed US\$1,224,430 registered capital of Ocumention Shanghai in a total subscription price of US\$3,000,915, therefore increasing the registered capital of Ocumention Shanghai from US\$5,000,000 to US\$9,081,433. Upon completion of such capital increase and subscription, Ocumention Shanghai was converted from a wholly foreign owned enterprise to a sino-foreign equity joint venture, and Suzhou Frontline II, Suzhou 6 Dimensions and Ocumention Hong Kong were interested in 31.46%, 13.48% and 55.06% equity interest of Ocumention Shanghai, respectively. The consideration was determined with reference to the future prospects of Ocumention Shanghai and based on arm’s length negotiation, and was fully settled in equivalent Renminbi by the respective parties on July 19, 2018 and December 7, 2018.

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Shareholding Restructuring

On June 17, 2019, Suzhou Frontline II, Suzhou 6 Dimensions and Ocumension Hong Kong entered into an equity transfer agreement, pursuant to which Suzhou Frontline II and Suzhou 6 Dimensions transferred their respective 31.46% and 13.48% equity interests in Ocumension Shanghai to Ocumension Hong Kong. Ocumension Hong Kong has paid Suzhou Frontline II and Suzhou 6 Dimensions the consideration of the transfer of equity interests in Ocumension Shanghai using the total consideration of US\$7,002,135 and US\$3,000,915 which were the initial investment amount of Suzhou Frontline II and Suzhou 6 Dimensions to Ocumension Shanghai, and such consideration were fully settled by the respective parties on September 12, 2019. Upon completion of such equity transfer, Ocumension Shanghai was converted from a sino-foreign equity joint venture to a wholly foreign owned enterprise.

As further steps of the corporate restructuring, on September 18, 2019, Suzhou Frontline II and Suzhou 6 Dimensions further exercised their share options under the Option Agreements and purchased relevant ordinary shares (please refer to “—Our Company—(i) Subdivision of the Share Capital and Share Subscription by the Pre-Series A Shareholders” above for more details) and Series A Preferred Shares (please refer to. “—Our Company—(ii) Offshore Series A Financing” above for more details).

Our PRC Legal Advisor has confirmed that all approvals and filings in relation to the equity transfers in the PRC as described above have been obtained and the procedures involved have been carried out in accordance with the PRC laws and regulations. Our PRC Legal Advisor has further confirmed that the equity transfers in the PRC as described above have been properly and legally completed in accordance with the PRC laws and regulations.

Ocumension Suzhou

On February 11, 2020, Ocumension Suzhou was established as a wholly foreign owned enterprise by Ocumension Hong Kong in Suzhou, China. We plan to establish our research laboratory in Suzhou, which will become the center of our research activities and further strengthen our research and development ability.

Ocumension Zhejiang

On May 11, 2020, Ocumension Zhejiang was established as a wholly foreign owned enterprise by Ocumension Hong Kong in Hangzhou, China. Ocumension Zhejiang will be a sales platform of our Group dedicated to meet the Good Supply Practice for Pharmaceutical Products.

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PRE-[REDACTED] INVESTMENTS

Overview

Our Company underwent several rounds of Pre-[REDACTED] Investments, including Series A and Series B financing as described above.

Capitalization of the Company

The below table is a summary of the capitalization of the Company:

Shareholders as at the Latest Practicable Date	Ordinary shares as at the Latest Practicable Date	Series A Preferred Shares as at the Latest Practicable Date	Series B Preferred Shares as at the Latest Practicable Date	Aggregate number of ordinary shares and Preferred Shares as at the Latest Practicable Date	Aggregate ownership percentage as at the Latest Practicable Date ¹	Ownership percentage as of the [REDACTED]
6 Dimensions Entities	6,100,000	20,000,000	–	26,100,000	55.61%	[REDACTED]
<i>6 Dimensions Capital</i>	2,897,500	9,500,000	–	12,397,500	26.42%	[REDACTED]
<i>6 Dimensions Affiliates</i>	152,500	500,000	–	652,500	1.39%	[REDACTED]
<i>Suzhou Frontline II</i>	2,135,000	7,000,000	–	9,135,000	19.46%	[REDACTED]
<i>Suzhou 6 Dimensions</i>	915,000	3,000,000	–	3,915,000	8.34%	[REDACTED]
Mr. Ye LIU	290,370	293,303	–	583,673	1.24%	[REDACTED]
Dr. Changdong LIU	145,185	–	–	145,185	0.31%	[REDACTED]
Dr. Steven Brian LANDAU	90,000	–	–	90,000	0.19%	[REDACTED]
Dr. Riccardo Nazzareno PANICUCCI	15,000	–	–	15,000	0.03%	[REDACTED]
Summer Iris Limited	–	–	7,821,423	7,821,423	16.67%	[REDACTED]
TLS Beta Pte. Ltd.	–	–	4,888,390	4,888,390	10.42%	[REDACTED]
General Atlantic Singapore OT Pte. Ltd.	–	–	2,053,124	2,053,124	4.37%	[REDACTED]
Southern Creation Limited	–	–	684,375	684,375	1.46%	[REDACTED]
3W Partners Fund II, L.P.	–	–	684,375	684,375	1.46%	[REDACTED]
ERVC Healthcare IV, L.P.	–	–	488,839	488,839	1.04%	[REDACTED]

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Shareholders as at the Latest Practicable Date	Ordinary shares as at the Latest Practicable Date	Series A Preferred Shares as at the Latest Practicable Date	Series B Preferred Shares as at the Latest Practicable Date	Aggregate number of ordinary shares and Preferred Shares as at the Latest Practicable Date	Aggregate ownership percentage as at the Latest Practicable Date ¹	Ownership percentage as of the [REDACTED]
Cormorant Private Healthcare Fund II, LP	–	–	381,099	381,099	0.81%	[REDACTED]
Cormorant Global Healthcare Master Fund, LP	–	–	97,719	97,719	0.21%	[REDACTED]
CRMA SPV, L.P.	–	–	10,021	10,021	0.02%	[REDACTED]
Avict Global Holdings Limited	–	–	488,839	488,839	1.04%	[REDACTED]
Total	<u>6,640,555</u>	<u>20,293,303</u>	<u>17,598,204</u>	<u>44,532,062</u>	<u>94.89%</u> ²	<u>[REDACTED]</u>

Note:

1. The percentage figures included in this table have been subject to rounding adjustments. Therefore, figure shown as total may not be an arithmetic aggregation of the figures above.
2. The total percentage does not take into account the equity interests held by Coral Incentivization.

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Principal terms of the Pre-[REDACTED] Investments and Pre-[REDACTED] Investors’ rights

The below table summarizes the principal terms of the Pre-[REDACTED] Investments:

	Series A	Series B
Cost per Preferred Share paid	US\$1.00	Approximately US\$10.23
Date of the agreement	May 23, 2018, July 12, 2018 and February 21, 2019	May 29, 2019
Funds raised by the Group (approximation)	US\$20,293,303	US\$180,000,000
Corresponding valuation of the Company (approximation)	US\$29,330,338	US\$480,000,000 ⁽¹⁾
Date on which investment was fully settled	February 21, 2019	June 18, 2019
	[REDACTED]	
Lock-up Period	The ordinary shares held by the employees and advisors of the Company and their transferee are subject to a lock-up prior to a qualified public offering ⁽²⁾ , unless with the prior written consents of the holders of more than 75% of the Series A Preferred Shares.	The ordinary shares held by the employees and advisors of the Company and their transferee are subject to a lock-up prior to a qualified public offering ⁽²⁾ , unless with the prior written consents of the holders of at least two-thirds of then outstanding Series A Preferred Shares and the holders of at least two-thirds of then outstanding Series B Preferred Shares.

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	Series A	Series B
Use of Proceeds from the Pre-[REDACTED] Investments		The proceeds received from the sale and issuance of the Series A Preferred Shares and Series B Preferred Shares shall be used for the purpose of research and development, and general working capital of the Company. As of the Latest Practicable Date, approximately 25.9% of the net proceeds from the Pre-[REDACTED] Investments had been utilized by our Group.
Strategic benefits the Pre-[REDACTED] Investors brought to our Company		At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company could benefit from the additional capital that would be provided by the Pre-[REDACTED] Investors’ investments in our Company and the Pre-[REDACTED] Investors’ knowledge and experience.

Note:

1. The valuation of the Company increased significantly during the period between our series A financing and series B financing (the “**Period**”), primarily because (i) we entered into an exclusive license agreement relating to OT-401 (YUTIQ) with EyePoint in November 2018; (ii) we entered into an exclusive license agreement relating to OT-301 (NCX 470) and OT-1001 (ZERVIAE) with Nicox in December 2018 and March 2019, respectively; (iii) we entered into an exclusive license agreement relating to OT-701 with Senju and GTS in January 2019; (iv) we have made progress for our products including OT-101, YUTIQ, OT-302 and OT-601 during the Period; and (v) we have demonstrated strong execution capabilities in our operations as compared to our peers.
2. A qualified public offering (the “**Qualified Public Offering**”) means a firm underwritten public offering of the Shares of the Company on a recognized international or national securities exchange, with an [REDACTED] and gross proceeds as agreed by the Pre-[REDACTED] Investors in the shareholders agreement.

Special Rights of the Pre-[REDACTED] Investors

Our Company, Ocumension Hong Kong, Ocumension Shanghai, the Pre-Series A Shareholders and the Pre-[REDACTED] Investors entered into a second amended and restated shareholders agreement on June 18, 2019 (the “**Shareholders Agreement**”), pursuant to which certain shareholder rights were agreed among the parties.

Pursuant to the Shareholders Agreement, the Pre-[REDACTED] Investors were granted certain special rights, including but not limited to (i) the right to have access to financial information and inspect the facilities, personnel, records and books of the Group; (ii) the right to appoint and remove Directors; (iii) the registration rights including demand and piggyback registration rights; (iv) the preemptive right to purchase newly issued Shares on a *pro rata* basis; (v) the right of first refusal; (vi) the co-sale right; (vii) the drag-along rights and (viii) protective provisions according to which certain acts of the Company require the prior written approval

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of at least two thirds of each of the Series A Shareholders and the Series B Shareholders. In addition, certain Shares held by some management members are prohibited from being transferred without consent of the Pre-[REDACTED] Investors prior to a Qualified Public Offering.

Pursuant to an amendment to the Shareholders Agreement executed by the Shareholders, the drag-along rights were terminated on April 24, 2020. All the other shareholder rights granted under the Shareholders Agreement will be qualified by the Company’s compliance with all applicable rules and regulations and terminated upon the completion of a Qualified Public Offering either automatically as provided under the Shareholders Agreement or pursuant to the amendment to the Shareholders Agreement.

Information about the Pre-[REDACTED] Investors

The background information of our Pre-[REDACTED] Investors is set out below.

1. The Controlling Shareholders, 6 Dimensions Capital, 6 Dimensions Affiliates, Suzhou Frontline II and Suzhou 6 Dimensions (the “**6 Dimensions Entities**”) were formed from the collaboration and co-branding of WuXi Healthcare Ventures and Frontline BioVentures, with an in-depth focus on healthcare and extensive coverage across China and/or the United States. WuXi Healthcare Ventures is a leading global healthcare venture capital fund that focuses on life science and healthcare. Dr. Wei Li, our executive Director, is a minority shareholder of WuXi Healthcare Management, LLC, which is the sole general partner of WuXi Healthcare Ventures. Frontline BioVentures is a venture capital firm with expertise and broad network in the life sciences industry in China, of which our executive Director, Dr. Lian Yong Chen, is a managing partner. The assets under management of WuXi Healthcare Ventures and Frontline BioVentures were approximately US\$289 million and US\$394 million, respectively, before their merge to form 6 Dimensions Capital. The respective investment committee of each of the 6 Dimensions Entities comprises of the same members and hence the investment decisions of the 6 Dimensions Entities are ultimately under the control of such members. Therefore, 6 Dimensions Entities are together entitled to exercise more than 30% of the voting power at general meetings of the Company. The portfolio companies of the 6 Dimensions Entities include, among others, CStone Pharmaceuticals, Hua Medicine, Unity Biotechnology, Inc., 111, Inc., Grail, Inc. and Viela Bio, Inc., all of which are biotech or pharmaceutical companies.
2. Summer Iris Limited is a Sophisticated Investor. It is an exempted company with limited liability incorporated under the laws of the Cayman Islands. It is wholly owned by Boyu Capital Fund IV, L.P. Boyu Capital Group Management Ltd. (“**Boyu**”) is the management company of Boyu Capital Fund IV, L.P. Boyu is a leading China-focused private investment firm providing growth and transformational capital for industry-leading businesses in Greater China. Boyu’s investments in the healthcare sector include, among others, WuXi Apptec, CStone Pharmaceuticals, Viela Bio, Inc. and Hansoh Pharmaceutical Group Co., Ltd.

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3. TLS Beta Pte. Ltd. is a Sophisticated Investor. It is a company incorporated in Singapore in 2005, being an indirectly wholly owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Incorporated in 1974, Temasek is an investment company headquartered in Singapore. Temasek’s investments in the China life sciences sector include WuXi AppTec, Aier Eye Hospital Group Co., Ltd., Hangzhou Tigermed Consulting Co., Ltd., Innovent Biologics, Inc. and BeiGene, Ltd.
4. General Atlantic Singapore OT Pte. Ltd. is a Sophisticated Investor. It is a private company limited by shares, incorporated under laws of Singapore in 2018. It is wholly-owned by General Atlantic Singapore Fund Pte. Ltd. (“**GASF**”). GASF, which is incorporated in Singapore, is a private equity fund based in Singapore that makes and holds investments in growth companies in Asia, including the PRC, Hong Kong, India, Singapore, Indonesia and other regions of Asia. It is part of the General Atlantic private equity group, a leading global growth equity firm providing capital and strategic support for growth companies. The manager of GASF is General Atlantic Singapore Fund Management Pte. Ltd. (“**GASFM**”). GASFM is wholly-owned by General Atlantic Service Company, L.P., an investment advisor registered with the United States Securities and Exchange Commission. The portfolio companies held by General Atlantic private equity group include companies in the pharmaceutical, biotech, medical devices and healthcare services sectors.
5. Southern Creation Limited is a Sophisticated Investor. It is a special purpose vehicle incorporated in British Virgin Islands in 2015 and an affiliate of Lake Bleu Capital, specializing in the investment in healthcare companies in the Greater China area. The portfolio companies held by Southern Creation includes pharmaceutical, biotech and medical devices companies.
6. 3W Partners Fund II, L.P. is a Sophisticated Investor. It is an exempted limited partnership registered under the laws of the Cayman Islands managed by 3W Partners GP II Limited as its general partner. 3W Partners GP II Limited was incorporated in the Cayman Islands by 3W Partners Capital, an independent fund manager which currently manages approximately US\$400 million of assets with focus primarily on privately-owned companies with growth potential. The limited partners of 3W Partners Fund II, L.P. are institutional investors, family offices and high net worth individuals. 3W Partners Fund II, L.P. seeks long-term capital appreciation primarily through privately-negotiated equity and equity-related investments. The portfolio companies of 3W Partners Fund II, L.P. in the healthcare sector include Hua Medicine and CStone Pharmaceuticals.
7. ERVC Healthcare IV, L.P. is an exempted limited partnership registered under the laws of Bermuda. It is part of Eight Roads, a global proprietary investment firm backed by Fidelity, which mainly focuses on private investments in the healthcare (therapeutics, healthcare IT, healthcare services, med tech) and technology (enterprise tech, fintech, consumer/consumer tech) sectors in China and globally.

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Eight Roads has invested in a number of biotech and healthcare companies, including, among others, Wuxi AppTec, Shanghai Hile Bio-Technology, Innovent Biologics, Inc., Denali Therapeutics and Semma Therapeutics.

8. Cormorant Private Healthcare Fund II, LP is a limited partnership incorporated under the laws of Delaware. Cormorant Global Healthcare Master Fund, LP and CRMA SPV, L.P are each exempted limited partnerships incorporated under the laws of Cayman Islands. The limited partners of each of the aforementioned entities are institutional investors, family offices and high net worth individuals. All three entities are managed by Cormorant Asset Management, LP, an investment adviser registered with the United States Securities and Exchange Commission, focusing on investments in publicly traded, crossover round, and early stage companies in the biotech, healthcare, and life science research industries. The portfolio companies of Cormorant Asset Management, LP include privately held and publicly traded companies focusing on therapeutic drug discovery and development.
9. Avict Global Holdings Limited is a company incorporated in BVI, which is primarily engaged in equity investment. Avict Global Holdings Limited has invested in a number of biotech and healthcare companies, including, among others, Shanghai Henlius Biotech, Inc, Hua Medicine, Adagene (Suzhou) Limited and JW Therapeutics.

Public Float

Upon completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised), each of 6 Dimensions Entities and Boyu will hold approximately [REDACTED] and [REDACTED] of the total issued Shares, respectively. Therefore, they will be Substantial Shareholders of the Company and their Shares will not count towards the public float. In addition, Mr. Ye LIU, our CEO and executive Director, who will directly hold approximately [REDACTED] of the total issued Shares upon completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised) and such Shares will not count towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED]. As RSUs representing an aggregate of 1,334,374 shares (before the Share Subdivision) upon vesting were granted to connected persons of the Company, the shares held by Coral Incentivization, representing [REDACTED] of the total issued Shares upon completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised), will not count towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED].

HISTORY, RESTRUCTURING AND CORPORATE STRUCTURE

Save as disclosed above, to the best of the Directors’ knowledge, all other Shareholders of the Company are not core connected persons of our Company. As a result, an aggregate of approximately [REDACTED] of the Shares (upon completion of the Share Subdivision and the [REDACTED], assuming the [REDACTED] is not exercised) with a market capitalization of approximately HK\$[REDACTED] (based on the [REDACTED] of HK\$[REDACTED], being the mid-point of the indicative [REDACTED] range) held by our Shareholders will count towards the public float; hence, over [REDACTED] of the Company’s total issued Shares with a market capitalisation of at least HK\$[REDACTED] will be held by the public upon completion of the Share Subdivision and the [REDACTED] as required under Rule 8.08(1)(a) and Rule 18A.07 of the Listing Rules.

Other than the options granted under the Employee Stock Option Plan, there are no options or warrants outstanding. No additional options will be granted under the Employee Stock Option Plan after [REDACTED] and there are no options or warrants outstanding upon [REDACTED]. The principal terms of the Employee Stock Option Plan are set out in the section headed “Statutory and General Information—D. Share Incentive Schemes—1. Employee Stock Option Plan” in Appendix IV to this document.

Compliance with Interim Guidance and Guidance Letters

The Joint Sponsors confirm that the investments by the Pre-[REDACTED] Investors are in compliance with the Guidance Letter HKEX-GL29-12 issued on January 2012 and updated in March 2017 by the Stock Exchange and Guidance Letter HKEX-GL43-12 issued in October 2012 and updated in July 2013 and in March 2017 by the Stock Exchange.

ADOPTION OF 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, details and principal terms of which were set out in “Statutory and General Information—D. Share Incentive Schemes” in Appendix IV to this document.

The maximum number of Shares in respect of which options may be granted under the Employee Stock Option Plan shall not exceed 60,328,890 Shares (as adjusted after the Share Subdivision) in the aggregate. As of the Latest Practicable Date, options to subscribe for an aggregate of 60,328,890 Shares (as adjusted after the Share Subdivision), representing an aggregate of [REDACTED] of the total issued share capital of our Company immediately following the [REDACTED] (assuming no exercise of the [REDACTED]), had been granted to 41 grantees under the Employee Stock Option Plan. No further options may be granted under the Employee Stock Option Plan after the [REDACTED]. None of the grantees had exercised the options under the Employee Stock Option Plan as of the Latest Practicable Date.

HISTORY, RESTRUCTURING AND CORPORATE STRUCTURE

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.

SHARE SUBDIVISION AND SHARE CONVERSION

On [●], we [conducted] a share subdivision pursuant to which each share in our issued and unissued share capital was subdivided into 10 shares of the corresponding class with par value US\$0.00001 each, following which our issued share capital consisted of (i) [90,405,550] Shares with par value of US\$0.00001 each, (ii) 202,933,030 Series A Preferred Shares with par value of US\$0.00001 each and (iii) 175,982,040 Series B Preferred Shares with par value of US\$0.00001 each.

The Preferred Shares will be converted into Shares on a 1:1 basis by way of re-designation upon the [REDACTED] becoming unconditional.

ACQUISITIONS, DISPOSALS AND MERGERS

On October 18, 2019, Ocumension Hong Kong entered into a cooperation agreement with Suzhou Wuzhong Economic and Technological Development Zone Management Committee (蘇州吳中經濟技術開發區管理委員會), pursuant to which Ocumension Suzhou is obligated to acquire 100% interest in Suzhou Xiaxiang Biomedicine Co., Ltd. (蘇州夏翔生物醫藥有限公司) under certain conditions. See “Waivers from Compliance with the Listing Rules and Exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Waiver and Exemption in respect of Accounting and Disclosure Requirements for Acquisitions of Subsidiaries and Businesses Conducted after the Track Record Period” in this document for further details. The net amount to be paid in relation to the acquisition after deduction of government grants is expected to be no more than RMB400 million. The Company proposes to use part of the [REDACTED] from the [REDACTED] to pay for part of the consideration. See “Future Plans and Use of [REDACTED]” in this document.

Save as disclosed above, during the Track Record Period and until the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers.

HISTORY, RESTRUCTURING AND CORPORATE STRUCTURE

PRC REGULATORY REQUIREMENTS

M&A Rules

According to the M&A Rules, a foreign investor is required to obtain necessary approvals from MOFCOM or the department of commerce at the provincial level when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies. Our PRC Legal Advisor is of the opinion that prior CSRC approval for the [REDACTED] is not required because none of the incorporation or acquisition of the PRC subsidiaries of the Group involves the merger with or acquisition of the equity or asset of a PRC domestic enterprise, as described under the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and we cannot assure you that relevant PRC governmental authorities, including the CSRC, would reach the same conclusion as our PRC Legal Advisor.

SAFE Circular 37

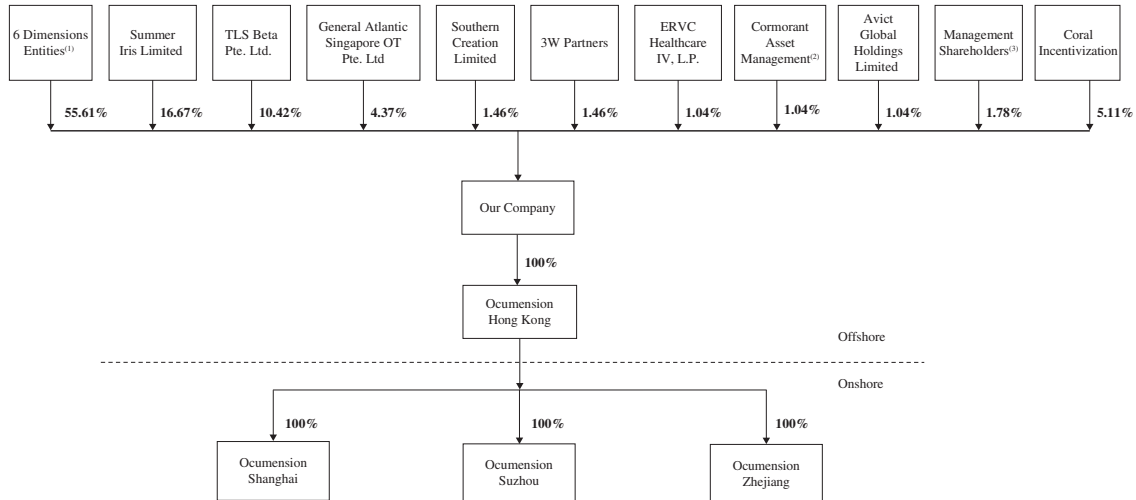
According to the SAFE Circular 37, PRC residents shall register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, or a special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. The SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of or any significant changes with respect to the special purpose vehicle. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions.

As of the Latest Practicable Date, none of the direct shareholder of the Company was PRC citizen or was subject to the SAFE Circular 37.

HISTORY, RESTRUCTURING AND CORPORATE STRUCTURE

OUR CORPORATE AND SHAREHOLDING STRUCTURE

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the [REDACTED]:



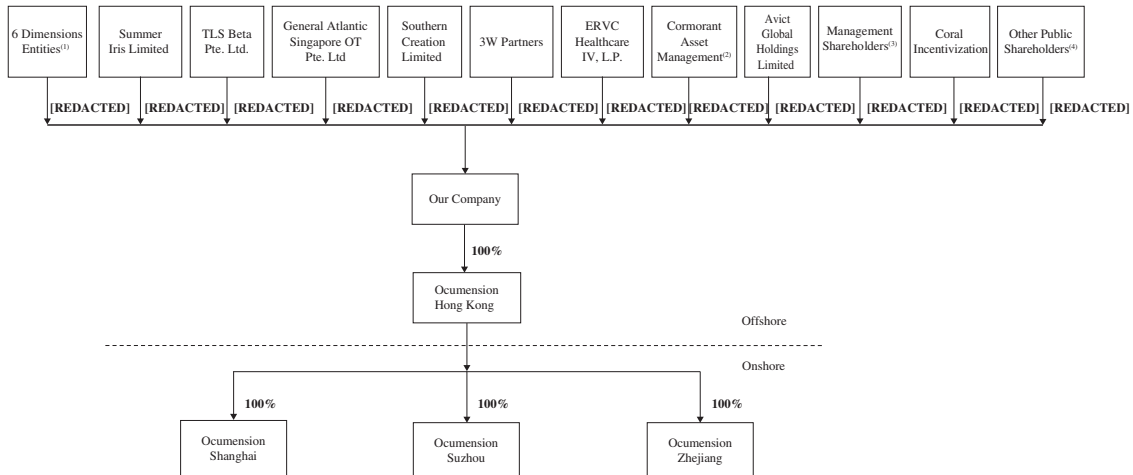
Notes:

As of the Latest Practicable Date:

1. The 6 Dimensions Entities included 6 Dimensions Capital, 6 Dimensions Affiliates, Suzhou Frontline II and Suzhou 6 Dimensions, which held 26.42%, 1.39%, 19.46% and 8.34% equity interests in the Company, respectively.
2. Cormorant Asset Management included Cormorant Private Healthcare Fund II, LP, Cormorant Global Healthcare Master Fund, LP and CRMA SPV, L.P. which held 0.81%, 0.21% and 0.02% equity interests in the Company, respectively.
3. Management Shareholders included (i) Mr. Ye LIU (who is also CEO and an executive Director of our Company, and held 1.24% equity interests in the Company) and (ii) employee and advisors (Dr. Changdong LIU, Dr. Steven Brian LANDAU and Dr. Riccardo Nazzareno PANICUCCI) who are Independent Third Parties, and held 0.31%, 0.19% and 0.03% equity interests in the Company directly by themselves, respectively.

HISTORY, RESTRUCTURING AND CORPORATE STRUCTURE

The following diagram illustrates the corporate and shareholding structure of our Group immediately upon completion of the [REDACTED] (assuming no exercise of the [REDACTED]):



Notes:

1. The 6 Dimensions Entities include 6 Dimensions Capital, 6 Dimensions Affiliates, Suzhou Frontline II and Suzhou 6 Dimensions, which holds [REDACTED], [REDACTED], [REDACTED] and [REDACTED] equity interests in the Company, respectively.
2. Cormorant Asset Management include Cormorant Private Healthcare Fund II, LP, Cormorant Global Healthcare Master Fund, LP and CRMA SPV, L.P. which holds [REDACTED], [REDACTED] and [REDACTED] equity interests in the Company, respectively.
3. Management Shareholders include (i) Mr. Ye LIU (who is also CEO and an executive Director of our Company, and holds [REDACTED] equity interests in the Company) and (ii) employee and advisors (Dr. Changdong LIU, Dr. Steven Brian LANDAU and Dr. Riccardo Nazzareno PANICUCCI) who are Independent Third Parties, and hold [REDACTED], [REDACTED] and [REDACTED] equity interests in the Company directly by themselves, respectively.
4. Immediately after the completion of the [REDACTED], the Shares held by TLS Beta Pte. Ltd., General Atlantic Singapore OT Pte. Ltd., Southern Creation Limited, 3W Partners, ERVC Healthcare IV, L.P., Cormorant Asset Management, Avict Global Holdings Limited, Dr. Changdong LIU, Dr. Steven Brian LANDAU, Dr. Riccardo Nazzareno PANICUCCI and other [REDACTED] will be counted towards public float for the purpose of Rule 8.08 of the Listing Rules. Accordingly, over 25% of the Company’s total issued Shares with a market capitalisation of at least HK\$[REDACTED] will be held by the public upon completion of the [REDACTED] as required under Rule 8.08(1)(a) and Rule 18A.07 of the Listing Rules.