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Ocumention Therapeutics
歐康維視生物

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1477)

**COMPLETION OF PLACING OF EXISTING SHARES
AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL
MANDATE**

Sole Placing Agent

Morgan Stanley

Reference is made to the announcement of Ocumention Therapeutics (the "**Company**") dated January 13, 2021 (the "**Announcement**") in relation to the top-up placing of the Company whereby the Placing Agent shall procure certain places to acquire 28,000,000 existing and issued shares of the Company held by 6 Dimensions Capital, L.P. (the "**Vendor**") and the Vendor shall subscribe for 28,000,000 new shares of the Company. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that completion of the Placing and the Subscription took place on January 15, 2021 and January 22, 2021, respectively, in accordance with the terms and conditions of the Agreement.

On January 15, 2021, an aggregate of 28,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six placees at the Placing Price of HK\$28.35 per Share in accordance with the Agreement. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the placees and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Further, following (i) the granting of the listing of, and permission to deal in, the Subscription Shares by the Listing Committee of the Stock Exchange; and (ii) the granting of a waiver by the Executive to the Vendor from the obligation to make a general offer under Rule 26 of the Takeovers Code with respect to its acquisition of the Subscription Shares, all the Conditions have been fulfilled in accordance with the Agreement. Accordingly, completion of the Subscription took place on January 22, 2021 and a total of 28,000,000 Subscription Shares (equal to the number of the Placing Shares successfully placed under the Placing) were subscribed by the Vendor at the Subscription Price of HK\$28.35 per Subscription Share. The Subscription Shares represent approximately 4.52% of the issued share capital of the Company as enlarged by the Subscription.

The gross proceeds from the Subscription amount to approximately HK\$793.8 million. The net proceeds arising from the Subscription amount approximately HK\$781.7 million (the "**Subscription Proceeds**"). The net price per Share for the Subscription after deducting related fees and expenses is approximately HK\$27.92 per Share.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the date of the Agreement; (ii) immediately after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and the Subscription:

Shareholder	Existing shareholding structure of the Company as at the date of the Agreement		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and the Subscription (taking into account the dilution effect of the Shares issued by the Company pursuant to the Subscription)	
	Number of Shares held	Approximate % of total issued Shares	Number of Shares held	Approximate % of total issued Shares	Number of Shares held	Approximate % of total issued Shares
Vendor ^(Note 1)	123,975,000	20.97	95,975,000	16.24	123,975,000	20.02
6 Dimensions Affiliates ^(Note 1)	6,525,000	1.10	6,525,000	1.10	6,525,000	1.05
Suzhou Frontline II ^(Note 1)	91,350,000	15.45	91,350,000	15.45	91,350,000	14.75
Suzhou 6 Dimensions ^(Note 1)	39,150,000	6.62	39,150,000	6.62	39,150,000	6.32
Vendor and parties acting in concert with Vendor	261,000,000	44.15	233,000,000	39.42	261,000,000	42.16
Mr. Ye LIU	5,836,730	0.99	5,836,730	0.99	5,836,730	0.94
Vendor, parties acting in concert with Vendor and directors of the Company	266,836,730	45.14	238,836,730	40.40	266,836,730	43.10
Public						
Placees	0	0	28,000,000	4.74	28,000,000	4.52
Other Shareholders	324,303,390	54.86	324,303,390	54.86	324,303,390	52.38
Total	591,140,120	100.00	591,140,120	100.00	619,140,120	100.00

Notes:

- Each of the investment committees of the Vendor, 6 Dimensions Affiliates, Suzhou Frontline II and Suzhou 6 Dimensions consist of the same members and the investment decisions of the 6 Dimensions Entities are under the ultimate control of these members.
- Percentages presented may not add up precisely to the total percentages provided due to rounding.

UPDATE ON THE USE OF PROCEEDS FROM THE GLOBAL OFFERING AND THE SUBSCRIPTION PROCEEDS

As disclosed in the Announcement, the Placing and Subscription are being undertaken to strengthen the Group's financial position and for the long term funding of its expansion and growth plan. The Subscription Proceeds will be used for (i) expansion of the Company's commercial team in view of the proposed launch of its drug candidates, including OT-401 (YUTIQ) (the Core Product) and OT-601 (Moxifloxacin); (ii) funding of international multi-centre clinical trials of the Company's therapies, including but not limited to OT-1001 (Zerviate), OT-301 (NCX-470), OT-702 (Eylea biosimilar), OT-101 (low-concentration atropine) and OT-202 (TKI); (iii) building and development of new manufacturing facilities and equipment of Suzhou Xiaxiang and active pharmaceutical ingredients (API) manufacturing facilities; and (iv) other general corporate purposes.

The Company has achieved significant corporate development milestones since the completion of the Company's Global Offering on July 10, 2020. In particular:

- (1) On January 4, 2021, the Company announced that it has completed the subscription of 3,010,722 shares of EyePoint Pharmaceuticals Inc. ("**EyePoint**"), representing approximately 16.6% of the enlarged total outstanding issued share capital of EyePoint, for a total consideration of approximately US\$15.7 million (equivalent to approximately HK\$121.7 million). EyePoint is a Nasdaq-listed company focusing on developing and commercializing innovative ophthalmic products for treatment of serious eye diseases, and is one of the Company's licensing partners which has granted the Group exclusive rights to import, develop and commercialize OT-401 (YUTIQ) (the Core Product) and OT-502 (DEXYCU). The investment in EyePoint is in line with the Company's strategy to be the "go to" China partner for global ophthalmic pharmaceutical companies, as disclosed in the Prospectus.
- (2) On December 28, 2020, the Company announced that OT-401 (YUTIQ) (the Core Product) has been approved to carry out the real world study in Boao Lecheng International Medical Tourism Pilot Zone (博鰲樂城醫療旅遊先行區) ("**Boao**"), which may potentially accelerate the new drug application submission of OT-401 in China. The Company's OT-401 real-world research data are expected to facilitate the commercialization process of OT-401 in China, resulting in a shortened commercialization timeframe of OT-401 and a rigorous need to accelerate the expansion of the Company's highly focused and specialized commercial team.
- (3) On October 30, 2020, the Company announced that it has entered into a collaboration and exclusive promotion agreement, pursuant to which Ocumension (Zhejiang) Therapeutics Co., Ltd. (歐康維視(浙江)醫藥有限公司) ("**Ocumension Zhejiang**"), a wholly-owned subsidiary of the Company, and Shandong Boan Biotechnology Co. Ltd. ("**Boan Biotech**"), a subsidiary of Luye Pharma Group Limited (stock code: 2186), agreed to jointly develop OT-702 (LY09004), a biosimilar to EYLEA® (Aflibercept), in its phase III clinical trial, and Ocumension Zhejiang has been granted the exclusive right to promote and commercialize OT-702 in China (excluding Hong Kong, Macau Special Administrative Region and Taiwan). Ocumension Zhejiang paid an upfront payment to Boan Biotech upon the signing of the agreement and shall bear all expenses related to phase III clinical trial of OT-702 in China, as well as other milestone payments. The joint collaboration with Boan Biotech in the phase III clinical trial of OT-702 is in line with the Company's strategy to introduce more mid- to commercial-stage products into its portfolio.

- (4) On September 11, 2020, the Company announced that Ocumension Suzhou Biotech Co., Ltd. (蘇州歐康維視生物科技有限公司) (“**Ocumension Suzhou**”), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Suzhou Wuzhong Asset Management Co., Ltd. (蘇州市吳中資產經營管理有限公司), whereby Ocumension Suzhou agreed to acquire 100% equity interest in Suzhou Xiixiang Biomedicine Co., Ltd. (蘇州夏翔生物醫藥有限公司) (“**Suzhou Xiixiang**”) for a total consideration of approximately RMB36 million. The acquisition of Suzhou Xiixiang was accelerated after Suzhou Xiixiang obtained the land use right and the construction permit for constructing the manufacturing facilities, and earlier completion would allow the Company to accelerate its plans to construct its manufacturing facilities in Suzhou and to continue to build commercialization capabilities in anticipation of product launches, another stated strategy of the Company in the Prospectus.

The Company’s vision is to provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China, the Company is constantly evaluating and pursuing in-licensing opportunities to replenish its ophthalmic drug portfolio and investing in its commercialization infrastructure, the corporate development milestones set out above represent some of the opportunities the Company identified and pursued since its Global Offering when the Company allocated its net proceeds from the Global Offering. To accomplish its vision and given the corporate development milestones the Company have achieved since the Global Offering, as disclosed in the Announcement, the Directors consider that it is in the interests of the Company to broaden the shareholder base and the capital base of the Company by undertaking the Placing and Subscription, so as to ensure that the Company can continue to pursue its expansion and growth plan and to capture future opportunities that may arise.

As disclosed in the section headed “Fund Raising Activities during the past 12 months before the date of this Announcement” in the Announcement, the total net proceeds raised from the issue of new Shares by the Company in the Global offering and the full exercise of over-allotment option amounted to approximately HK\$1,646.41 million. Set out below is the planned allocation of the net proceeds from the Global Offering and the actual utilized amount:

Use of proceeds from the Global Offering	Planned allocation of net proceeds		Utilised amount (as at January 12, 2021)	
	Percentage	(HK\$ million)	Percentage	(HK\$ million)
OT-401 (the Core Product)	30%	493.92	3.47%	57.15
Research and development activities of OT-401, including the costs and expenses of our research and development staff and activities, and the costs and expenses for completing the ongoing clinical trial and preparation of registration filings	12%	197.57	1.41%	23.25
Milestone payment of OT-401	3%	49.39	2.06%	33.90
Commercialization of OT-401, including conducting more than 300 marketing events (online and offline) and hiring additional 60 commercialization staff for OT-401	15%	246.97	0%	0
Other drug candidates of the Company	50%	823.21	9.06%	149.10
Research and development activities of OT-101, OT-301 and OT-1001	16.69%	277.79	3.01%	49.55
Research and development activities of OT-502, OT-202, OT-503, OT-701 and other drug candidates	17.48%	290.94	2.52%	41.44
Milestone payments of other in-licensed drugs	5.84%	96.15	3.53%	58.11
Further expansion of the Company’s sales and marketing team	10%	164.64	0%	0
Acquisition of 100% equity interest in Suzhou Xiaxiang and the payment for construction of the manufacturing facilities and equipment and pre-operating costs of Suzhou Xiaxiang	10%	164.64	5.96%	98.00
Working capital and other general corporate purposes	10%	164.64	4.50%	74.03
Total	100%	1,646.41	22.98%	378.28

Notes:

1. The sum of the data may not add up due to rounding.

Set out below is the planned allocation of the Subscription Proceeds and the proposed utilization plan:

Use of proceeds	Planned allocation of the Subscription Proceeds		Details of the proposed utilization plan
	Percentage	(HK\$ million)	
Expansion of the Company's commercial team in view of the proposed launch of its new therapies	30%	234.51	In light of the accelerated commercialization timeframe of OT-401 (YUTIQ) (the Core Product) following the approval of its real-world study in Boao, and other new therapies of the Company such as OT-601 (Moxifloxacin), the Company intends to utilize 30% of the Subscription Proceeds mainly to expand and strengthen its commercialization capability and expertise.
Funding of international multi-centre clinical trials of the Company's therapies	35%	273.60	Given (i) the expansion of the Company's product portfolio since the Global Offering, in particular the entering into the joint development with Boan Biotech in relation to the phase III trial of OT-702 (Eylea biosimilar); and (ii) the clinical development of OT-301, OT-101 and OT-1001 having reached or is expected to reach Phase III clinical trials in the course of 2021, the Company intends to utilize 35% of the Subscription Proceeds to conduct international multi-centre clinical trials on such drug candidates.
OT-702 (Eylea biosimilar)	12.75%	99.66	
OT-301 (NCX-470)	6.40%	50.03	
OT-101 (low-concentration atropine)	5.60%	43.78	
OT-1001 (Zerviate)	3.85%	30.10	
OT-202 (TKI)	6.40%	50.03	
Building and development of new manufacturing facilities and equipment of Suzhou Xiaxiang and active pharmaceutical ingredients (API) manufacturing facilities	25%	195.43	The Company intends to utilize 25% of the Subscription Proceeds to fund the building and development of (i) active pharmaceutical ingredients (API) manufacturing facilities, which is an area of the commercialization infrastructure the Company has decided to pursue since the Global Offering; and (ii) new manufacturing facilities and equipment of Suzhou Xiaxiang, and the associated ongoing costs, following the accelerated acquisition of 100% equity interest in Suzhou Xiaxiang.
Other general corporate purposes	10%	78.17	The Company intends to utilize 10% of the Subscription Proceeds for general corporate purposes.
Total	100%	781.7	

Notes:

1. The sum of the data may not add up due to rounding.

Cautionary Statement required by Rule 18A.05 of the Listing Rules: The Company cannot guarantee that it will be able to develop, or ultimately market, any of the products in its pipeline successfully. Shareholders and potential investors should exercise due care when dealing in the securities of the Company.

By order of the Board
Ocumension Therapeutics
Dr. Lian Yong CHEN
Chairman and Executive Director

Hong Kong, January 22, 2021

As of the date of this announcement, the Board comprises of Dr. Lian Yong CHEN, Mr. Ye LIU, Dr. Zhaopeng HU and Dr. Wei LI as executive Directors, Mr. Yanling CAO and Mr. Lefei SUN as non-executive Directors, and Mr. Ting Yuk Anthony WU, Mr. Lianming HE, and Mr. Yiran HUANG as independent non-executive Directors.

The Board jointly and severally accepts full responsibility for the accuracy of the information contained in this announcement, and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.