Ocumension Therapeutics
歐康維視生物
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1477)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2021

The Board of Directors is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2021, together with the comparative figures for the corresponding period in 2020 as follows. These interim results have been reviewed by the Audit Committee and the Company's auditors, Deloitte Touche Tohmatsu.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

BUSINESS HIGHLIGHTS

As of the date of this announcement, the our product portfolio has been expanded to include 18 drug assets, resulting in a comprehensive coverage of front- and back-of-the-eye diseases. We are conducting six phase III clinical trials for five drug candidates, among which two drug candidates are in international phase III MRCT, achieving leading position in terms of the number of drug candidates filed with CDE that entered phase III clinical trial. We expect that by the end of this year, we will have seven drug candidates in the clinical trial stage, among which six drug candidates will be in phase III clinical trial. The number of drug candidates that entered into phase III clinical trial will ensure the steady growth and development of our business.

During the Reporting Period, the NDA of our Core Product OT-401 (fluocinolone intravitreal implant), an innovative therapy for the treatment of chronic non-infectious uveitis, has been officially accepted by the CDE, making it the first innovative drug in the history of Chinese drug registration that uses only real world study data for NDA application. We believe that the commercialization of OT-401 will bring a brand-new treatment method for uveitis patients in the PRC and significantly reduce the recurring of the disease, thus to meet the unmet medical needs.

As of the date of this announcement, OT-101 (0.01% atropine sulfate eye drop), an in-house developed drug candidate that can defer myopia progression in children, has been approved to commence its international MRCT in the United States, China and the United Kingdom, and has also been approved by the FDA for commencing the initial Pediatric Study Plan (iPSP), which represents the FDA's authoritative recognition for the safety profile of OT-101.

During the Reporting Period, we achieved the revenue of gross hospital terminal sales of RMB27.74 million (unaudited), representing a year-on-year increase of 2,644.7%, we continued to accelerate the penetration of our drugs in hospitals in the PRC ophthalmology market, covering over 20 provinces in China. As of the date of this announcement, our products had been admitted to nearly 800 hospitals. We have established a strong and solid marketing network in key provinces and municipalities such as Jiangsu, Shanghai, Shandong, Liaoning and Chongqing. Our commercialization team is expected to expand to have more than 150 personnel by the end of 2021.

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2021, we recorded loss for the period of RMB69.6 million, representing a decrease of RMB1,672.2 million, or a year-on-year decrease of 96.0%, from RMB1,741.8 million for the corresponding period in 2020, primarily attributable to (i) the fair value loss of financial liabilities at FVTPL of nil during the Reporting Period, as compared with the one-time fair value loss of RMB1,511.7 million for the corresponding period in 2020, due to conversion of all of our preferred Shares upon Listing; and (ii) a one-time gain of RMB115.2 million from the transactions with EyePoint and Alimera.

For the six months ended June 30, 2021, we recorded adjusted loss and total comprehensive expenses of RMB109.2 million, representing an increase of RMB48.0 million from RMB61.2 million for the corresponding period in 2020, which is primarily attributable to (i) the increased R&D expenses incurred for R&D activities for our pipeline products; and (ii) the increased selling and marketing expenses due to the continuous growth and expansion of our commercialization team, partially offset by our increased revenue resulting from the establishment of our strong marketing network in key provinces and municipalities.

For the six months ended June 30, 2021, we generated revenue of RMB20.8 million, representing an increase of 965.7% as compared with revenue generated for the corresponding period in 2020, primarily due to the revenue generated from the commercialization and marketing of Ou Qin®, brimonidine tartrate eye drop, OT-401 and Kangshu (康姝).

Our adjusted R&D spending for the six months ended June 30, 2021 was RMB244.5 million, representing an increase of 186.8% from RMB85.3 million for the corresponding period in 2020, primarily due to (i) the increase in the number of our pipeline products; and (ii) the increased R&D expenses incurred for clinical trials conducted for our drug candidates.

As of June 30, 2021, our bank balances and cash amounted to RMB2,283.4 million, representing an increase of RMB231.6 million from RMB2,051.8 million for the corresponding period in 2020, primarily attributable to the net proceeds of HK$781.7 million arising from our top-up placing of Shares in January 2021.

CORPORATE PROFILE

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 first-mover advantage over future competitors.

Leveraging our platforms, we have built a strategically designed ophthalmic drug portfolio that is comprehensive, innovative and validated. As of the date of this announcement, we had 18 drug assets in our portfolio, covering all major front- and back-of-the-eye diseases. We have five key drug candidates in phase III clinical trial development stage 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 product portfolio includes three of the ten ophthalmic drugs approved by the FDA since 2015 that are not yet available in China in any formulation. Additionally, our product portfolio includes three drugs that are in or near the commercial stage. The following table summarizes our product portfolio and the status of each asset as of the date of this announcement.

	Program	Mode of Action	Indication	Commercial Rights	Partners	Pre-Clinical / Pre-IND / Phase I / II / Phase III / NDA / BLA
Key Drug Candidates	OT-401 (YUTIQ)	Fluocinolone acetonide intravitreal implant	Chronic NIUPS[5]	Greater China, Korea and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	China; US Approved (EyePoint)
	OT-101	Low-concentration atropine	Myopia	Global		Global
	OT-301 (NCX 470)	NO-donating prostaglandin analog	Glaucoma and ocular hypertension	Greater China, Korea and 12 countries in Southeast Asia	nicox visible science	Global
	OT-1001 (ZERVIATE)	Cetirizine hydrochloride	Allergic conjunctivitis	Greater China and 11 countries in Southeast Asia	nicox visible science	China; US Approved (Nicox)
	OT-702	Anti-VEGF	wAMD	Mainland China	Luye Pharma	China
Other Drug Candidates	OT-502 (DEXYCU)	Dexamethasone	Postoperative inflammation	Greater China, Korea and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	China[1]; US Approved (EyePoint)
	OT-202	Tyrosine kinase inhibitor	Dry eye	Global		China
	OT-503 (NCX 4251)	Fluticasone propionate nanocrystals	Blepharitis	Greater China	nicox visible science	China[2]; Phase II US Completed (Nicox)
	OT-701	Anti-VEGF	wAMD	Greater China	SENJU	China[1]; Phase III Japan Completed (Senju)
	OT-703 (ILUVIEN)	Fluocinolone intravitreal implant	DME	Greater China, Korea and 11 countries in Southeast Asia	ALIMERA SCIENCES	China[1]; US Approved (Alimera)
Commercialization and Near to Commercialization Stage	OT-204 (Ou Qin)[3]	Sodium hyaluronate	Dry eye	Mainland China	汇恩兰德 HUONLAND	China Approved in 2019
	OT-303[4]	Brimonidine tartrate	Glaucoma and ocular hypertension	Mainland China	汇恩兰德 HUONLAND	China Approved in 2016
	OT-601	Moxifloxacin	Bacterial conjunctivitis	Global		China
Pre-Clinical Stage	OT-601-C	Moxifloxacin-dexamethasone sodium phosphate	Postoperative inflammation	Global		China[1]
	OT-302	Acetazolamide	Acute glaucoma	Global		China[1]
	OT-1301	Cyclosporine implant	Cornea graft rejection	Global		China[1]
	OT-1601	Stem cells	Retinitis pigmentosa and dry AMD	Greater China	SanBio	China[1]
	OT-1602	Stem cells	Optic neuritis	Greater China	SanBio	China

In-licensed/acquired Internally developed

1. May not require phase I and phase II clinical trials prior to beginning phase III clinical trials.
2. May not require phase I clinical trials prior to beginning phase II clinical trials.
3. 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.
4. We are the exclusive sales agent of brimonidine tartrate eye drops in Mainland China. Huonland is the drug registrant and registered manufacturer of brimonidine tartrate eye drops.
5. Non-infectious uveitis affecting the posterior segment of the eye.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Since the end of 2020, we have been continuously making significant progress with respect to our pipeline products and business operations, which is reflected in the following milestones and achievements:

Research and Development Performance

During the Reporting Period, we have further expanded our portfolio and optimize the gradient of our clinical stage pipelines, resulting in a more complete coverage of both anterior and posterior segment of the eye. On April 14, 2021, the Company obtained the exclusive rights from Alimera to commercialize ILUVIEN® in Greater China, South Korea and 11 countries in Southeast Asia. ILUVIEN® is a blockbuster product used for the treatment of diabetic macular edema (DME), the launch of which has been approved by the FDA. Among the drugs and drug candidates in the ophthalmic pipeline of Ocumension, two drugs have been commercialized nationwide, and two innovative drugs have been approved for pilot sales and real world study in Boao Lecheng Pilot Zone in accordance with the "pioneer piloting" policy. The number of ophthalmic drugs that entered phase III clinical trial remains far ahead in China. The increasing importance of the status of innovative ophthalmic drugs of our Company is emerging in the territory of innovative ophthalmic drugs nationwide, giving prominence to the value of our platform.

Progress of Our Key Drug Candidates

- OT-401 (YUTIQ) (fluocinolone intravitreal implant)

  On April 7, 2021, the NDA of OT-401 was officially accepted by the CDE. OT-401 has also become the first innovative drug in the history of Chinese drug registration that uses only real world data for NDA application, which is a full-scale recognition of our product quality, R&D strengths and innovation spirit. Ocumension is also the pioneer in the real world study for clinical development of innovative drugs in China.

  On April 12, 2021, OT-401 was awarded the "Best Star Product of International Innovative Medical Device (國際創新藥械最佳明星產品獎)" at the International Innovative Medical Equipment Work Summary Conference 2020 (2020年度國際創新藥械工作總結大會) in Boao Lecheng Pilot Zone, becoming the benchmark innovative medical device product of Boao Lecheng Pilot Zone, and was recognized by authoritative experts.

  We expect to obtain the NDA approval of OT-401 in 2021.

- OT-101 (0.01% atropine sulfate eye drop)

  On April 7, 2021, we completed the first patient enrollment for the randomized, double-blind, placebo-controlled, parallel group, phase III MRCT for OT-101 on the safety and effectiveness of the treatment of pediatric myopia progression in the United States.

On April 22, 2021, OT-101 was approved by the FDA for commencing the initial Pediatric Study Plan (iPSP), which represents the FDA's authoritative recognition for its safety profile. It was also one of the few pediatric drugs in China which conducted international phase III MRCTs.

In May 2021, the applications for phase III clinical trial of OT-101 as IND were successively submitted in China, the United Kingdom and the European Union and were subsequently accepted.

On July 13, 2021, OT-101 was approved by the CDE to conduct a phase III clinical trial in China. The phase III clinical trial of OT-101 has become the world's first international phase III MRCT for low-concentration atropine and its analogs that includes the Chinese population. Such approval also lays a solid foundation for OT-101 to be registered in numerous countries in the world in the future and makes the Company well-prepared for the future clinical trials for other drug candidates.

On August 2, 2021, OT-101 was approved to conduct a phase III clinical trial in the United Kingdom.

Other R&D Milestones Expected to be Achieved in 2021

- OT-1001 (0.24% hydrochloride cetirizine eye drop)

  On September 21, 2020, OT-1001 received the approval of phase III clinical trial as IND in China. The patient enrollment is smoothly conducted, and we expect to complete the last patient enrollment in the fourth quarter of 2021.

- OT-502 (dexamethasone implant)

  OT-502, approved to launch in the United States by the FDA on February 9, 2018, is the first and only FDA-approved, sustained-release intraocular drug for the treatment of postoperative inflammation indication. Utilizing the new drug delivery platform Verisome®, OT-502 can deliver dexamethasone into anterior chamber, directly inhibiting the synthesis and release of inflammatory mediators in anterior chamber. It works well in inhibiting responses to postoperative anterior chamber inflammation and avoids frequent use of topical hormonal eye drops, which effectively resolves the problem of poor compliance with medication after cataract surgery for patients, so as to provide a better treatment option for the management of postoperative inflammation.

  On July 8, 2021, the application for initiating a phase III clinical trial of OT-502 in China was accepted by the CDE. Meanwhile, OT-502 was also approved by the Hainan Medical Products Administration, allowing it to be imported and used as foreign drugs not yet approved in China for urgent medical needs in Boao Super Hospital and qualifying it for the pilot sales. OT-502 has also become Ocumension's second drug imported for urgent medical needs and used under the concessionary policy of "pioneer piloting" in Boao, Hainan Province, China.

  On July 16, 2021, professor Zhao Yune (趙雲娥), a deputy dean of the Affiliated Eye Hospital of Wenzhou Medical University (溫州醫科大學附屬眼視光醫院), injected OT-502 into a cataract patient at Boao Super Hospital, which is the first injection of OT-502 in China.

On August 17, 2021, OT-502 was approved for carrying out real world study in Boao Lecheng Pilot Zone.

We expected to commence a phase III clinical trial of OT-502 in China in the fourth quarter of 2021.

- OT-202 (tyrosine kinase inhibitor)

  OT-202 is a class I new drug self-developed by our Company for the treatment of dry eye.

  The core mechanism of dry eye is mainly due to a variety of factors and diseases caused by the decrease in tear production or high evaporation, which leads to hypertonicity of tears. This hypertonic state activates by a series of inflammations on the ocular surface and releases inflammatory mediators into the tears fluid, and thus the cycle continues. The key treatment for dry eye is to break the vicious circle of inflammation.

  Spleen tyrosine kinase (Syk) is a cytoplasmic protein kinase. Syk plays a key role in a variety of biological functions, including classical immunoreceptor such as activating Fc receptors (FcR) and the intracellular signal cascade of B cells receptors (BCRs) are particularly significant for the initiation of inflammation. Therefore, Syk inhibitors can be used for the treatment of various allergic diseases, autoimmune diseases and inflammatory diseases.

  Syk is the target of OT-202, which achieves anti-inflammatory effects by inhibiting the activity of Syk kinase. It has shown significant therapeutic effects and anti-inflammatory effects in the guinea pigs' immune-type dry eye model and the mice's scopolamine dry eye model. The toxicology studies have also shown that it is well-tolerated in the body of animals.

  OT-202 was accepted by the CDE to conduct a phase I clinical trial in China. We expected to commence the phase I clinical trial of OT-202 in China in the fourth quarter of 2021.

WARNING UNDER RULE 18A.08(3) OF THE LISTING RULE: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR CORE PRODUCT AND DRUG CANDIDATES SUCCESSFULLY.

Commercialized Products

During the Reporting Period, we achieved the revenue of gross hospital terminal sales of RMB27.74 million (unaudited), representing a year-on-year increase of 2,644.7%. We continued to accelerate the penetration of our drugs in hospitals in the PRC ophthalmology market, covering over 20 provinces in China. As of the date of this announcement, our products had been admitted to nearly 800 hospitals, representing an increase of over 500 hospitals as compared to the numbers as of 2020 year-end. We have established a strong and solid marketing network in key provinces and municipalities such as Jiangsu, Shanghai, Shandong, Liaoning and Chongqing. Our commercialization team is expected to expand to have more than 150 personnel by the end of 2021. Our commercialization team members are with outstanding professional capabilities and rich marketing experience, and are capable of quickly promoting the gross hospital terminal sales of our products and actively preparing for the commercialization of our first innovative drug OT-401.

Impact of COVID-19

Despite the weakened impact of COVID-19 on our operations in China in the first half of 2021, there are still uncertainties regarding its future impact in China and worldwide. The pandemic of COVID-19 may have potential impacts on our business, including but not limited to the sales of our products, the hiring of our staff, the involvement of our staff and patients for clinical trials, obtaining approvals from regulatory authorities and the procurement of raw materials. We will continue to closely monitor the trend of the spread of the COVID-19 and make all necessary preparations in advance.

Manufacturing Performance

As of the date of this announcement, the construction and decoration of our Suzhou Xiaxiang manufacture site was close to completion, and the trial production is expected to commence in October 2021 following the inauguration ceremony. The Suzhou Xiaxiang manufacture site is expected to become one of the largest production plants for ophthalmic preparations in terms of capacity in China.

Capital Market Performance

Since the Listing of our Company, we have always been aiming to achieve a better performance to bring investment return for the Shareholders and thus to have them to grow with us.

On March 15, 2021, the Company was officially included in Hong Kong Stock Connect list under the Shenzhen-Hong Kong Stock Connect, and our investor base in China was thereby expanded. Furthermore, our Company is gaining more attention from mainland China investors, and the shareholding ratio held by our investors through Hong Kong Stock Connect increases continuously.

On April 14, 2021, following our strategic investment in EyePoint, we acquired approximately 16.6% of the enlarged total outstanding shares of common stock of Alimera for a total consideration of approximately US$10 million. We also issued Alimera 1,000,000 unlisted and non-transferable warrants conferring Alimera the rights to subscribe for an aggregate of 1,000,000 Shares at the subscription price of HK$23.88 per Share upon the exercise of such warrants. The issue of warrants was completed on August 13, 2021.

On May 28, 2021, the Company was officially selected as a constituent stock of the MSCI China Small Cap Index (MSCI中國小型股指數), which is a recognition towards our performance and value from the capital market.

Future Development and Outlook

Ocumension upholds its philosophy of *Virtus et Lumen* and keeps moving forward to provide comprehensive solutions for the numerous ophthalmology patients in China. We aim at guarding the health of eyes of our patients and improve their quality of life. We expect to develop continuously and rapidly in the second half of 2021:

1) OT-401, the Company's Core Product and first key product, is expected to be approved to launch, in order to meet the needs of patients as soon as possible;

2) OT-202, a class I new drug developed in-house by our Company, is planned to commence a phase I clinical trial;

3) OT-502 is planned to commence a phase III clinical trial, which will increase the number of drugs of the Company in the phase III clinical trial stage to six, enabling the Company to be continuously ahead of its peers;

4) the Suzhou Xiaxiang manufacture site is expected to complete construction and commence operation and production; and

5) the Company's revenue is expected to increase substantially compared to the same period of prior year because of rapid and continuous expansion of its business network.

Facing the swift evolution of the pharmaceutical market, Ocumension, as a young company, will persevere and take the lead in relieving the pain of patients and creating value for Shareholders and investors, and endeavor to quickly developing into a leader in ophthalmology.

Financial Review

Revenue

For the six months ended June 30, 2021, we generated revenue of RMB20.8 million from (i) the sales of ophthalmic products, namely Ou Qin®, brimonidine tartrate eye drop, OT-401 and Kangshu (康姝); and (ii) the pharmaceutical products promotion services.

For sales of ophthalmic pharmaceutical products to customers, revenue is recognized at a point in time when control of the pharmaceutical products is passed to customers, i.e. when the products are delivered and titles have passed to customers upon receipt by customers. For promotion services, revenue is recognized at a point in time when we satisfy our obligation to arrange for sales and delivery of the pharmaceutical products.

Cost of Sales

Our cost of sales consists of the purchase price of goods. For the six months ended June 30, 2021, we recorded cost of sales of RMB5.1 million attributable to the sales of Ou Qin®, brimonidine tartrate eye drop, OT-401 and Kangshu (康姝), representing an increase of RMB5.08 million from the cost of sales of RMB0.02 million for the six months ended June 30, 2020.

Other Income

Our other income consists of bank interest income arising from our bank deposit. For the six months ended June 30, 2021, our other income was RMB12.6 million, representing an increase of RMB4.5 million from the other income of RMB8.1 million for the six months ended June 30, 2020. The increase was primarily due to the increase in the amount of our bank deposit derived from funds raised from our top-up placing of Shares in January 2021. For further details, please also refer to the section headed "Other Information – Use of Proceeds from Listing and Placing" in this announcement.

Other Gains and Losses

For the six months ended June 30, 2021, our other gains and losses mainly consist of (i) net foreign exchange losses of RMB10.6 million, as compared with net foreign exchange gains of RMB17.4 million for the six months ended June 30, 2020, which is primarily due to the depreciation of the USD against RMB during the Reporting Period; (ii) the fair value loss of financial liabilities at FVTPL of nil, as compared with the one-time fair value loss of RMB1,511.7 million for the six months ended June 30, 2020, due to conversion of all of our preferred Shares upon Listing; (iii) a one-time gain of RMB100.6 million in relation to the transaction with EyePoint; and (iv) a one-time gain of RMB14.5 million in relation to the transactions with Alimera.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of salary and benefits expenses for our commercialization team. For the six months ended June 30, 2021, our selling and marketing expenses were RMB45.1 million.

The following table sets forth the components of our selling and marketing expenses for the periods indicated:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salary and benefits	**27,272**	6,696
Share-based compensation	**5,904**	6,272
Marketing and promotion	**7,238**	1,429
Others	**4,697**	2,029
Total selling and marketing expenses	**45,111**	16,426

R&D Expenses and Adjusted R&D Spending

Our adjusted R&D spending for the six months ended June 30, 2021 was RMB244.5 million, representing an increase of 186.8% from RMB85.3 million for the six months ended June 30, 2020, primarily due to (i) the increase in the number of our pipeline products; and (ii) the increased R&D expenses incurred for clinical trials conducted for our drug candidates. We capitalized certain R&D spending as the relevant drug candidates have met the capitalization criteria in accordance with relevant accounting standards for the Reporting Period, further details of which are set out in the subsection headed "Non-IFRS Measures" in this section.

The following table sets forth the components of our R&D expenses and adjusted R&D spending for the periods indicated:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Third-party contracting costs and upfront and milestone payments	**41,565**	12,514
Staff costs	**47,605**	37,875
Depreciation and amortization	**890**	252
Others	**2,184**	1,468
Total R&D expenses	**92,244**	52,109
Add:		
Capitalized R&D spending	**152,297**	33,152
Adjusted R&D spending for the period	**244,541**	85,261

Administrative Expenses

Our administrative expenses consist of salaries and other expenses such as benefits, travel and share-based compensation expenses.

For the six months ended June 30, 2021, our administrative expenses were RMB58.1 million, representing a decrease of RMB92.6 million from RMB150.7 million for the six months ended June 30, 2020, which is primarily attributable to the decrease in staff costs including share-based compensation expenses.

Income Tax Expenses

Our income tax expense for the six months ended June 30, 2021 was nil (six months ended June 30, 2020: nil).

Loss for the Period

As a result of the above factors, for the six months ended June 30, 2021, our loss was RMB69.6 million, representing a decrease of RMB1,672.2 million from RMB1,741.8 million for the six months ended June 30, 2020.

Non-IFRS Measures

To supplement our condensed consolidated financial statements which are presented in accordance with IFRS, we also use a non-IFRS measures to present our operating performance, which include (i) adjusted net loss; and (ii) adjusted R&D spending for the period.

Adjusted net loss for the period, as an additional financial measure, is not 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 Listing) that our management considers to be not indicative of our operating performance, and provides useful information to Shareholders and investors in evaluating our operating results in the same manner of our management. However, our presentation of the adjusted net loss for the period may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRS. We define adjusted net loss for the period as loss for the period adjusted by (a) adding back (i) fair value loss of financial liabilities at FVTPL; and (ii) share-based payment expenses, and (b) deducting the one-time gain generated from the transactions with EyePoint and Alimera, respectively. The following table reconciles our non-IFRS adjusted net loss for the period with our loss for the period, which is the most directly comparable financial measure calculated with IFRS financial results:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(69,609)**	(1,741,770)
Add:		
Fair value loss of financial liabilities at FVTPL	**–**	1,511,681
Share-based payment expenses	**75,579**	168,904
Gains related to transaction with EyePoint	**(100,621)**	–
Gains related to transaction with Alimera	**(14,534)**	–
Adjusted net loss for the period	**(109,185)**	(61,185)

Adjusted R&D spending, as an additional financial measure, is not required by, or presented in accordance with, IFRS. Our adjusted R&D spending for the six months ended June 30, 2021 was RMB244.5 million, which consists of (i) R&D expenses of RMB92.2 million incurred as an expense on the condensed consolidated financial statement, representing an increase of 77.0% from RMB52.1 million for the six months ended June 30, 2020; and (ii) our capitalized R&D spending of RMB152.3 million as a result of the relevant drug candidates having met the capitalization criteria in accordance with relevant accounting standards for the period. The following table reconciles our non-IFRS adjusted R&D spending for the period, which is the most directly comparable financial measure regarding our actual spending on R&D for the Reporting Period:

	Six months ended June 30,	
	2021	2020
	RMB' 000	*RMB'000*
	(Unaudited)	(Unaudited)
Total R&D expenses for the period	**92,244**	52,109
Add:		
Capitalized R&D spending	**152,297**	33,152
Adjusted R&D spending for the period	**244,541**	85,261

Selected Data from Condensed Consolidated Statement of Financial Position

Selected data from Condensed Consolidated Statement of Financial Position	**As at June 30, 2021** ***RMB'000*** **(Unaudited)**	As at December 31, 2020 *RMB'000* (Audited)
Total current assets	**2,357,493**	2,103,404
Total non-current assets	**922,681**	496,158
Total assets	**3,280,174**	2,599,562
Total current liabilities	**121,785**	91,925
Total non-current liabilities	**8,430**	5,309
Total liabilities	**130,215**	97,234
Net assets	**3,149,959**	2,502,328

Trade Receivables

We allow an average credit period of 30 to 60 days to its trade customers. A majority of the trade receivables aged less than 90 days.

Trade Payable

A majority of the trade payables aged less than one year.

Bank Balances and Cash

Our bank balances and cash represent short-term deposits in banks which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Our bank balances and cash primarily consist of (i) cash at bank; and (ii) term deposits with maturity date less than three months. We had RMB2,283.4 million bank balances and cash as of June 30, 2021, representing an increase of RMB231.6 million from RMB2,051.8 million as of December 31, 2020, primarily due to the funds raised from our top-up placing of Shares in January 2021.

Working Capital and Source of Capital

Our primary uses of cash related to the development of our drug candidates and the payment for purchase of equipment. We primarily funded our working capital needs through equity financing and also cash generated from the sales of Ou Qin®, brimonidine tartrate eye drop, OT-401 and Kangshu (康姝). 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. As of June 30, 2021, our cash and cash equivalents amounted to RMB2,259.1 million (December 31, 2020: RMB2,034.3 million). We follow a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved.

Borrowings

As of June 30, 2021, we did not have any borrowings (December 31, 2020: nil).

Capital Commitment

As of June 30, 2021, we have capital commitment of RMB232.8 million for the contracts in relation to the acquisition of property and equipment (December 31, 2020: RMB197.5 million).

Contingent Liabilities

As of June 30, 2021, we did not have any material contingent liabilities, guarantees or any litigation against us (December 31, 2020: nil).

Pledge of Assets

As of June 30, 2021, we pledged RMB24.3 million deposits to a bank to secure the letter of credit granted to the Group (December 31, 2020: RMB17.5 million).

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents and term deposits with initial term of over three months, divided by total equity and multiplied by 100%. As of June 30, 2021, we were in a net cash position and thus, gearing ratio is not applicable.

Material Investments, Acquisitions and Disposals

On January 1, 2021, the Company completed the subscription of 3,010,722 shares of common stock of EyePoint, for a total consideration of approximately US$15.7 million (equivalent to approximately RMB102.5 million). Upon completion of the subscription, the Company held approximately 16.6% equity interest in EyePoint. For further details, please refer to the Company's announcement dated January 4, 2021.

On April 14, 2021, the Company and Alimera entered into an exclusive license agreement, a share purchase agreement and a warrant subscription agreement. Upon completion of the transactions under the share purchase agreement on April 23, 2021, the Company held approximately 16.6% equity interest in Alimera. For further details, please refer to the Company's announcements dated April 14, 2021 and April 23, 2021, respectively.

Saved as disclosed herein, the Company did not have any other material investments, acquisitions or disposals during the six months ended June 30, 2021.

Foreign Exchange

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Certain of our term deposits, bank balances and cash, other financial assets, trade and other receivables, trade and other payables, preferred shares and gross obligation from share purchase option written are denominated in foreign currencies, and are exposed to foreign currency risk. Our Group currently implements foreign currency hedging measures under our funding and treasury policies. In addition, we will continue to manage the foreign exchange risk by closely monitoring our foreign exchange exposure and will consider implementing more detailed measures to hedge significant foreign currency exposure thus to prevent significant net foreign exchanges losses in the future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE EXPENSE

FOR THE SIX MONTHS ENDED JUNE 30, 2021

		Six months ended June 30,	
		2021	2020
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**20,803**	1,952
Cost of sales		**(5,116)**	(22)
Gross profits		**15,687**	1,930
Other income	*4*	**12,626**	8,072
Other gains and losses	*4*	**111,177**	(1,492,253)
Selling and marketing expenses		**(45,111)**	(16,426)
Research and development ("**R&D**") expenses		**(92,244)**	(52,109)
Administrative expenses		**(58,058)**	(150,667)
Listing and other expenses		**–**	(40,294)
Share of results of an associate		**(13,331)**	–
Finance costs		**(355)**	(23)
Loss for the period		**(69,609)**	(1,741,770)
Other comprehensive expense:			
Item that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(29,569)**	–
		(29,569)	–
Total comprehensive expense for the period		**(99,178)**	(1,741,770)
Loss per share			
– Basic and diluted (RMB)	*7*	**(0.12)**	(27)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2021

	NOTES	At June 30, 2021 RMB'000 (unaudited)	At December 31, 2020 RMB'000 (audited)
Non-current assets			
Property, plant and equipment		**143,504**	66,085
Right-of-use assets		**20,666**	15,940
Intangible assets		**354,612**	201,652
Equity instruments at FVTOCI		**243,137**	–
Deposits and prepayments		**160,762**	212,481
		922,681	496,158
Current assets			
Inventories		**2,309**	3,027
Trade and other receivables	*8*	**71,810**	48,558
Bank balances and cash	*9*	**2,283,374**	2,051,819
		2,357,493	2,103,404
Current liabilities			
Trade and other payables	*10*	**117,678**	89,998
Lease liabilities		**4,107**	1,927
		121,785	91,925
Net current assets		**2,235,708**	2,011,479
Total assets less current liabilities		**3,158,389**	2,507,637
Non-current liability			
Lease liabilities		**8,430**	5,309
		8,430	5,309
Net assets		**3,149,959**	2,502,328
Capital and reserves			
Share capital		**44**	41
Reserves		**3,149,915**	2,502,287
Total equity		**3,149,959**	2,502,328

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**") and application of certain accounting policies which became relevant to the Group as stated below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2021 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2020.

2.1 Accounting policies which became relevant to the Group

Investments in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these condensed consolidated financial statements using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9 "Financial instruments", the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the condensed consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Financial instruments

Financial assets

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive expense and accumulated in the FVTOCI revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Financial liabilities and equity

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Warrants

Warrants issued as consideration for assets with parties other than employees are equity settled share-based payments transaction measured in accordance with IFRS 2 "Share-based Payment". The fair value of warrants granted are measured at the fair value of the assets received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of equity instruments granted, measured at the date the entity obtains the assets, with a corresponding increase in equity (other reserve).

When the warrants are exercised, the amount previously recognised in other reserve will be transferred to share premium. When the warrants are not exercised at the expiry date, the amount previously recognised in other reserve will be transferred to accumulated losses.

2.2 Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after January 1, 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The following is an analysis of the Group's revenue:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Timing of revenue recognition		
At a point in time		
Sales of ophthalmic pharmaceutical products	**20,286**	434
Pharmaceutical products promotion services	**517**	1,518
Total revenue	**20,803**	1,952

For sales of ophthalmic pharmaceutical products to customers, revenue is recognised at a point in time when control of the pharmaceutical products is passed to customers, i.e. when the products are delivered and titles have passed to customers upon receipt by customers. For promotion services, revenue is recognised at a point in time when the Group satisfies its obligation to arrange for sales and delivery of pharmaceutical products.

Segment information

The Group's chief operating decision maker ("**CODM**"), being the executive directors of the Company, regularly reviews revenue by products; however, no other discrete information was provided. In addition, the CODM reviewed the consolidated results when making decisions about allocating resources and assessing performance as a whole. Hence, no further segment information other than entity wide information was presented.

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the chief operating decision maker for review.

All revenue from external customers is attributed to the Group and all non-current assets of the Group are located in the People's Republic of China ("**PRC**").

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total sales of the Group are as follows:

	Six months ended June 30	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Customer A	**13,143**	1,518
Customer B	**3,040**	–
Customer C	**N/A***	434

* The relevant amount is less than 10% of the total sales of the Group.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other income		
Bank interest income	**12,303**	8,053
Government grant income	**2**	19
Others	**321**	–
	12,626	8,072
Other gains and losses		
Net foreign exchange (losses) gains	**(10,620)**	17,401
Gain from changes in fair value of other financial assets	**6,642**	2,027
Fair value loss of financial liabilities at FVTPL	**–**	(1,511,681)
Other gains related to Eyepoint	**100,621**	–
Gain on acquisition of an equity instrument at FVTOCI	**14,534**	–
	111,177	(1,492,253)

5. INCOME TAX EXPENSE

No income tax expense has been incurred by the Group during the six months ended June 30, 2021 and 2020 as there was no assessable profits derived from or earned for any of the periods presented.

6. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2021	2020
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purposes of basic and diluted earnings per share (RMB'000)	**69,609**	1,741,770
Number of shares		
Weighted average number of ordinary shares of the purpose of basic and diluted earnings per share calculation	**595,869,053**	63,651,910

8. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 60 days to its trade customers.

The following is an analysis of trade receivables by age (net of loss allowance), presented based on the invoice date at the end of the reporting period.

	At June 30, 2021	At December 31, 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 3 months	**8,819**	7,810

9. BANK BALANCES AND CASH

	At June 30, 2021	At December 31, 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Cash at bank	**1,408,951**	1,149,256
Term deposits with original maturity date less than three months	**874,423**	902,563
	2,283,374	2,051,819
Analysed as:		
Cash and cash equivalents	**2,259,090**	2,034,319
Pledged bank deposits	**24,284**	17,500
	2,283,374	2,051,819

10. TRADE PAYABLES

The average credit period on purchases of goods/services of the Group is 30 to 60 days. The following is an analysis of trade payables by age, presented based on the invoice date as at the end of the reporting period:

	At June 30, 2021	At December 31, 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 30 days	**1,497**	9,281
31 – 60 days	**–**	62
	1,497	9,343

OTHER INFORMATION

Events after the Reporting Period

On July 20, 2021, Dr. Lian Yong CHEN and Dr. Wei LI were re-designated from executive Directors to non-executive Directors with effect from the same date. For details, please refer to the Company's announcement dated July 20, 2021.

On July 2, 2021, the Board (i) approved the adoption of the 2021 share option scheme of the Company (the "**2021 Share Option Scheme**"), and (ii) further approved the grant of 8,668,000 options to Mr. Ye LIU ("**Mr. Liu**") in accordance with the terms of the 2021 Share Option Scheme. Both of which are subject to the approval from the Shareholders at the extraordinary general meeting to be held on August 31, 2021 (the "**EGM**"). On the same date, (i) the Company adopted the 2021 share award scheme of the Company (the "**2021 Share Award Scheme**"); and (ii) the Board approved the grant of a total of 13,152,000 award Shares to Mr. Liu and Dr. Zhaopeng HU in accordance with the terms of the 2021 Share Award Scheme, subject to their acceptance and the independent Shareholders' approval at the EGM. For details, please refer to the Company's announcement dated July 2, 2021 and the circular dated August 11, 2021.

On August 13, 2021, in accordance with the terms and conditions of the warrant subscription agreement dated April 14, 2021, the Company issued 1,000,000 warrants at a nominal consideration of HK$1.00 to Alimera, conferring it rights to subscribe for an aggregate of 1,000,000 warrant Shares at the subscription price of HK$23.88 per Share during the period of 48 months commencing from the date of issue of the warrants. For details, please refer to the Company's announcements dated April 14, 2021 and August 13, 2021, respectively.

Save as disclosed herein, there was no event which has occurred after June 30, 2021 that would cause material impact on the Group.

Interim Dividend

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2021 (six months ended June 30, 2020: nil).

Compliance with the Corporate Governance Code

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions of the CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The CG Code has been applicable to the Company with effect from July 10, 2020, the date of Listing.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the six months ended June 30, 2021. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Written Guidelines on no less exacting terms than the Model Code as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines during the six months ended June 30, 2021. No incident of non-compliance of the Written Guidelines by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

Use of Proceeds from Listing and Placing

Use of Proceeds from the Listing

The Company was listed on the Main Board of the Stock Exchange on July 10, 2020. The total net proceeds raised from the issue of new Shares by the Company in its Listing and the full exercise of over-allotment option (after deducting the underwriting fees and related Listing expenses) amounted to approximately HK$1,646.41 million. The intended use of the net proceeds and the change in the intended use of the net proceeds were set out in the prospectus of the Company dated June 29, 2020 and the announcement of the Company dated September 11, 2020, respectively. As of June 30, 2020, such net proceeds from Listing were utilized as follows in accordance with the intended use:

Use of proceeds from Listing	**Amount of net proceeds for planned applications** *(HK$ million)*	**Percentage of total net proceeds** *(%)*	**Utilized net proceeds as of June 30, 2021** *(HK$ million)*	**Unutilized net proceeds as of June 30, 2021** *(HK$ million)*	**Expected time frame for unutilized amount**
For the Core Product					
1. Fund the costs and expenses in connection with R&D personnel as well as the continuing R&D activities of OT-401	197.57	12.00%	38.28	159.29	by the end of 2025
2. For milestone payments of OT-401	49.39	3.00%	33.90	15.49	by the end of 2022
3. For the commercialization of OT-401	246.96	15.00%	22.73	224.23	by the end of 2023
For the other drug candidates, including OT-101, OT-301, OT-1001, OT-502, OT-202, OT-503 and OT-701					
1. The continuing R&D activities of other drug candidates, including OT-101, OT-301, OT-1001, OT-502, OT-202, OT-503 and OT-701	562.42	34.16%	185.26	377.16	second half of 2023
2. For milestone payments of our other in-licensed drug candidates	96.15	5.84%	58.11	38.04	by the end of 2023
3. For the further expansion of our sales and marketing team	164.64	10.00%	22.73	141.91	by the end of 2023
For the acquisition of 100% equity interest in Suzhou Xiaxiang as disclosed in the Company's announcement dated September 11, 2020	**164.64**	**10.00%**	**164.64**	**–**	**by the end of 2021**
For our working capital and other general corporate purposes	**164.64**	**10.00%**	**91.63**	**73.01**	**by the end of 2022**
Total	**1,646.41**	**100.00%**	**617.28**	**1,029.13**	**by the end of 2023**

Note: The sum of the data may not add up to the total due to rounding.

As of June 30, 2021, all the unused net proceeds from Listing are held by the Company in short-term deposits with licensed banks or authorized financial institutions.

Use of Proceeds from the Placing

On January 15, 2021, an aggregate of 28,000,000 placing Shares have been successfully placed by Morgan Stanley & Co. International plc to no less than six placees at the placing price of HK$28.35 per Share in accordance with the placing and subscription agreement, and the placing and subscription of Shares have been completed on January 15, 2021 and January 22, 2021, respectively. The net proceeds arising from the placing and subscription amount to approximately HK$781.7 million, of which the intended use was set out in the announcement of the Company dated January 22, 2021. As of June 30, 2021, the net proceeds from placing and subscription were utilized as follows in accordance with the intended use:

Use of proceeds from placing and subscription	**Amount of net proceeds for planned applications** *(HK$ million)*	**Percentage of total net proceeds** *(%)*	**Utilized net proceeds as of June 30, 2021** *(HK$ million)*	**Unutilized net proceeds as of June 30, 2021** *(HK$ million)*	**Expected time frame for unutilized amount**
Expansion of the Company's commercial team in view of the proposed launch of its new therapies	**234.51**	**30%**	**–**	**234.51**	**by the end of 2025**
Funding of international multi-centre clinical trials of the Company's therapies	**273.60**	**35%**	**26.47**	**247.13**	**by the end of 2023**
OT-702 (Eylea biosimilar)	99.66	12.75%	26.47	73.19	second half of 2023
OT-301 (NCX-470)	50.03	6.40%	–	50.03	second half of 2023
OT-101 (low-concentration atropine)	43.78	5.60%	–	43.78	by the end of 2024
OT-1001 (Zerviate)	30.10	3.85%	–	30.10	by the end of 2022
OT-202 (TKI)	50.03	6.40%	–	50.03	by the end of 2023
Building and development of new manufacturing facilities and equipment of Suzhou Xiaxiang and active pharmaceutical ingredients manufacturing facilities	**195.43**	**25%**	**87.98**	**107.45**	**by the end of 2022**
Other general corporate purposes	**78.17**	**10%**	**–**	**78.17**	**by the end of 2023**
Total	**781.70**	**100%**	**114.45**	**667.25**	**by the end of 2023**

Note: The sum of the data may not add up to the total due to rounding.

As of June 30, 2021, all the unused net proceeds from placing and subscription have been deposited into the bank account(s) maintained by our Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as disclosed in "Use of Proceeds from Listing and Placing" in this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2021.

REVIEW OF THE UNAUDITED INTERIM RESULTS

The unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2021 have been reviewed by the Group's independent auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ting Yuk Anthony WU, Mr. Lianming HE and Mr. Yiran HUANG. The chairman of the Audit Committee is Mr. Ting Yuk Anthony WU. The Audit Committee has jointly reviewed with the management and the independent auditor of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended June 30, 2021) of the Group. The Audit Committee considered that the unaudited interim results for the six months ended June 30, 2021 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF THE 2021 CONDENSED CONSOLIDATED INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.ocumension.com). The interim report of the Company for the six months ended June 30, 2021 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

We wish to express our sincere gratitude to our Shareholders and business partners for their continued support, and to our employees for their dedication and hard work.

"Alimera"	Alimera Sciences, Inc. a biopharmaceutical company organized and existing under the laws of the State of Delaware of the United States, whose shares of common stock are traded on The Nasdaq Stock Market LLC (ticker symbol: ALIM)
"Audit Committee"	the audit committee of the Board
"Boao Lecheng Pilot Zone"	Boao Lecheng International Medical Tourism Pilot Zone (博鰲樂城國際醫療旅遊先行區) in Hainan Province, China
"Boao Super Hospital"	Boao Super Hospital (博鼇超級醫院) in Boao Lecheng Pilot Zone, Hainan Province, China
"Board" or "Board of Directors"	the board of directors of the Company
"CDE"	the Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for review and approval of IND and NDA
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this announcement and for geographical reference only and except where the context requires otherwise, Hong Kong, Macau Special Administrative Region and Taiwan
"Company" or "Ocumension"	Ocumension Therapeutics (歐康維視生物), a company incorporated under the laws of the Cayman Islands with limited liability on February 27, 2018, the Shares of which were listed on the Main Board of the Stock Exchange on July 10, 2020
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this announcement, our Core Product refers to OT-401 (YUTIQ)
"COVID-19"	an infectious disease caused by the most recently discovered coronavirus (severe acute respiratory syndrome coronavirus 2), first reported in December 2019
"Director(s)"	the director(s) of our Company, including all executive directors, non-executive directors and independent non-executive directors
"EMA"	European Medicines Agency

"EyePoint"	EyePoint Pharmaceuticals, Inc., formerly known as pSivida Corp., a biotech company incorporated under the laws of the State of Delaware of the United States on March 19, 2008, one of the Company's licensing partners whose shares of common stock are traded on The Nasdaq Stock Market LLC (ticker symbol: EYPT)
"FDA"	the United States Food and Drug Administration
"FVTPL"	fair value through profit or loss
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug, the application for which is the first step in the drug review process by regulatory authorities to decide whether to permit clinical trials. Also known as clinical trial application, or CTA, in China
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"MRCT"	multi-regional clinical trial, a clinical trial that is conducted in different regions under a common trial design for simultaneous global new drug development
"NDA"	new drug application, an application through which the drug sponsor formally proposes that the relevant regulatory authority approve a new drug for sales and marketing
"NMPA"	National Medical Products Administration of the PRC, the institution that performs the functions of CFDA instead according to the Institutional Reform Plan of the State Council of the PRC
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the period of the six months ended June 30, 2021

"Share(s)"	ordinary shares in the share capital of our Company of US$0.00001 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Suzhou Xiaxiang"	Suzhou Xiaxiang Biomedicine Co., Ltd. (蘇州夏翔生物醫藥有限公司), a limited liability company established in the PRC on October 18, 2019
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	United States dollars, the lawful currency of the United States
"Written Guidelines"	the Guidelines for Securities Transactions by Directors adopted by the Company

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

Hong Kong, August 20, 2021

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