This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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, 2023

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2023, together with the comparative figures for the corresponding period in 2022 as follows. These interim results have been reviewed by the Audit Committee and the Company's auditor, 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, we have a portfolio of 25 front- and back-of-the-eye drug assets and have established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which five drug candidates are in phase III clinical trials. This accomplishment underscores our position as one of the innovative pharmaceutical companies with the largest number of ophthalmic drugs in phase III clinical trials in China.

During the Reporting Period and as of the date of this announcement, we managed to achieve a number of key milestones for our R&D projects in clinical trials. The NDA of OT-1001 (0.24% cetirizine eye drop), an innovative drug of the Company, have been accepted by the CDE and included in the priority review and approval process of the NMPA. In addition, we have completed the enrollment of patients for the global phase III clinical trial of OT-101 (0.01% atropine sulfate eye drop), a new drug to treat the progression of myopia in children; and the application of clinical trial authorization for initiating phase III clinical trial of OT-101-S (0.01% and 0.05% atropine sulfate eye drops), a self-developed product of the Group, has been accepted by CDE, which improves the level of convenience for the storage and usage of atropine sulfate.

During the Reporting Period, we continued to accelerate the penetration of our drugs in hospitals in the PRC ophthalmology market, achieving a coverage of 9,361 hospitals nationwide, 1,426 of which are Grade III hospitals. With a commercialization team of 210 employees, we have continued to expand our business network coverage nationwide.

During the Reporting Period, we mainly focus on pilot scale production and validation batch production of our products at our Suzhou manufacture site, such as Emadine® (埃美丁®). Additionally, we maintained the ongoing production of products transferred from other manufacture sites, such as Ou Qin® (歐沁®).

FINANCIAL HIGHLIGHTS

The revenue of our Group increased from RMB54.5 million for the six months ended June 30, 2022 to RMB103.7 million for the six months ended June 30, 2023. The increase was mainly attributable to (i) a significant increase in the revenue generated from the sales of our ophthalmic products; and (ii) an increase in the revenue generated from the pharmaceutical products promotion services, in particular, the promotion services provided by the Group to Viatris in relation to Xalatan® (適利達®) and Xalacom® (適利加®); partially offset by the decrease in the sales-based royalty income in relation to Emadine® and Betoptic® S (貝特舒®).

We recorded adjusted net loss of RMB125.9 million (non-IFRS adjustment) for the six months ended June 30, 2023, representing an increase of RMB49.0 million from RMB76.9 million for the six months ended June 30, 2022, primarily due to the increase in loss for the period, which is mainly attributed to the increased costs and expenses incurred by (i) the pilot scale production and validation batch production of product candidates at our Suzhou manufacture site; and (ii) the increasing marketing and promotion activities for our products as compared to the same period in 2022.

During the Reporting Period, we recorded R&D expenses of RMB73.1 million, representing a decrease of 25.8% from RMB98.4 million for the six months ended June 30, 2022, which was primarily due to the decrease in staff costs, partially offset by (i) the increase in third-party contracting costs; and (ii) the increase in depreciation and amortization.

As of June 30, 2023, we had approximately RMB1,039.8 million in bank balances and cash.

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 ophthalmic pharmaceutical platform, which enjoys a clear first-mover advantage, will enable us to maintain our leadership position in the field of ophthalmology in China.

To date, we have a portfolio of 25 front- and back-of-the-eye drug assets and have established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which five drug candidates are in phase III clinical trials. The following table summarizes our product portfolio and the status of each drug asset as of the date of this announcement:

PIPELINE

Program	Mechanism of Action	Indication	Commercial Rights	BD Partners	Pre-IND / Phase I / II / Phase III / NDA / BLA
OT-401 (YUTIQ®)	Fluocinolone intravitreal implant	Chronic NIU-PS	Greater China, Korea and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	Commercialized; US approved (EyePoint)
OT-1004 (Emadine®)	Emedastine difumarate	Allergic conjunctivitis	Mainland China	Novartis	Commercialized
OT-305 (Betoptic® S)	Betaxolol hydrochloride	Glaucoma and ocular hypertension	Mainland China	Novartis	Commercialized
OT-306 (Xalatan®)	Latanoprost	Glaucoma and ocular hypertension	Mainland China	Viatris	Commercialized
OT-307 (Xalacom®)	Llatanoprost and timolol maleate	Glaucoma and ocular hypertension	Mainland China	Viatris	Commercialized
OT-1005 (Azep®)	Azelastine hydrochloride	Allergic conjunctivitis	Mainland China	Viatris	Commercialized
OT-204 (歐沁®)[1]	Sodium hyaluronate	Dry eye	Mainland China	汇恩兰德 Huonland	Commercialized
OT-303[2]	Brimonidine tartrate	Glaucoma and ocular hypertension	Mainland China	汇恩兰德 Huonland	Commercialized
OT-402 (Visudyne®)	Verteporfin	Choroidal neovascularization	Mainland China	Cheplapharm	Commercial Rights
OT-601 (康文涓®)	Moxifloxacin	Bacterial conjunctivitis	Global		Commercialized
OT-1001 (ZERVIATE®)	Cetirizine hydrochloride	Allergic conjunctivitis	Greater China and 11 countries in Southeast Asia	nicox	CN NDA Accepted; US Approved (Nicox)
OT-101	Low-concentration atropine	Myopia	Global		Global
OT-101-S	Dual-chamber Low-concentration atropine	Myopia	Global		China IND Accepted
OT-301 (NCX 470®)	NO-donating prostaglandin analog	Glaucoma and ocular hypertension	Greater China, Korea and 12 countries in Southeast Asia	nicox	Global
OT-702	Anti-VEGF	wAMD	China's mainland	Boan Biotech 博安生物	China
OT-703	Fluocinolone intravitreal implant	DME	Greater China, Korea and 11 countries in Southeast Asia	Alimera	China; US Approved (Alimera)
OT-502 (DEXYCU®)	Dexamethasone	Postoperative inflammation	Greater China, Korea and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	China; US Approved (EyePoint)
OT-202	Tyrosine kinase inhibitor	Dry eye	Global		China
OT-601-C	Moxifloxacin-dexamethasone sodium phosphate	Postoperative inflammation	Global		China
OT-701[3]	Anti-VEGF	wAMD	Greater China	Senju 参天	China; Japan Approved (Senju and GTS)
OT-503[4] (NCX 4251®)	Fluticasone propionate nanocrystals	Blepharitis	Greater China	nicox	China; Phase II USA completed (Nicox)
OT-302	Acetazolamide	Acute glaucoma	Global		China
OT-1301[3]	Cyclosporine implant	Cornea graft rejection	Global		China
OT-1601[3]	Stem cells	Retinitis pigmentosa and dry AMD	Greater China	SanBio	China
OT-1602[3]	Stem cells	Optic neuritis	Greater China	SanBio	China

In-licensed/acquired Internally developed

1. We acquired Ou Qin® from Huonland and are entitled to all drug registration certificates and data related to Ou Qin. We have registered ourselves as the MAH of Ou Qin®.
2. 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.
3. May not require Phase I and Phase II clinical trials prior to beginning Phase III clinical trials.
4. May not require Phase I clinical trials prior to beginning Phase II clinical trials.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overall Financial Performance

For the Reporting Period, we achieved an operating revenue of RMB103.7 million, representing an increase of 90.1% as compared to the six months ended June 30, 2022, with a consolidated gross profit margin of approximately 60.5%. Our revenue was mainly contributed by the sales of more than ten products, including but not limited to Youshiying® (優施瑩®), Ou Qin® (歐沁®), Emadine® (埃美丁®), Xalatan® (適利達®), Kangwenjuan® (康文涓®). Our R&D expenses amounted to RMB73.1 million, representing a decrease of 25.8% as compared to the six months ended June 30, 2022. Our adjusted net loss amounted to RMB125.9 million, which increased by 63.8% as compared to the six months ended June 30, 2022. In the first half of 2023, the market of ophthalmic drugs has significantly recovered from COVID-19. We have seized such opportunity and made great progress in market exploring and customer development.

Research and Development Performance

During the Reporting Period, we seized the opportunity in the recovery of ophthalmic diagnosis and treatment and accelerated the R&D of new clinical drugs. The NDA of OT-1001 (0.24% cetirizine eye drop), an innovative drug of our Company, has been accepted by the CDE and has been included in the priority review and approval process of the NMPA. We have completed the enrollment of patients for the global phase III clinical trial for OT-101 (0.01% atropine sulfate eye drop), a new drug to treat the progression of myopia in children. The application of clinical trial authorization for initiating phase III clinical trial of OT-101-S (0.01% and 0.05% atropine sulfate eye drops), a self-developed product of the Group, has been accepted by CDE, which improves the level of convenience for the storage and usage of atropine sulfate. With five drug candidates in phase III clinical trials, we continue to be one of the innovative pharmaceutical companies with the largest number of ophthalmic drugs in phase III clinical trials in China. We will seek to put more efforts to strengthen our R&D capabilities and overcome new technical barriers for ophthalmic preparations, and continuously improve the competitiveness of our products.

Progress of Our Key Drug Candidates

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

  OT-101, a low-concentration (0.01%) atropine eye drop for retarding or slowing down the progression of myopia in children and adolescents, completed the enrollment of 170 patients in China in February 2023 for its global phase III randomized, double-blind, placebo-controlled, parallel and multi-center clinical trial.

  In June 2023, OT-101 completed the enrollment of 678 patients for the global phase III randomized, double-blind, placebo-controlled, parallel-group and multi-center clinical trial.

  We expect to continue to advance the phase III clinical trials this year.

- OT-101-S (0.01% and 0.05% atropine sulfate eye drops)

  In July 2023, the application of clinical trial authorization for initiating phase III clinical trial of OT-101-S, a low-concentration (0.01% and 0.05%) atropine sulfate eye drop developed to slow down the progression of myopia in children, in China was accepted by CDE. As compared to OT-101, which is designed to contain two chambers of atropine sulfate lyophilized powder and solvent for each dosage unit, OT-101-S is designed to contain two chambers of atropine sulfate concentrated solution and diluted solution for each dosage unit (both preservative-free), and before use, two chambers are mixed to make low-concentration atropine sulfate eye drops, thus leading to a higher level of convenience for the storage and usage of atropine sulfate. The neutral solution environment also significantly improves the compliance and effectiveness of the product.

  We expect that the progress achieved in the clinical trial of OT-101-S will shorten the registration and marketing period of our low-concentration atropine products.

- OT-1001 (ZERVIATE®, 0.24% cetirizine eye drop)

  In April 2023, the NDA of OT-1001 was accepted by the NMPA and was included in the priority review and approval process. OT-1001 is the first and only eye drop formulation of the antihistamine cetirizine, the active ingredient in ZYRTEC® which is used for ocular itching associated with allergic conjunctivitis. The inclusion of OT-1001 in the priority review and approval process of NMPA will speed up the review and approval process of its NDA, which is an important step towards commercialization of OT-1001.

- OT-702 (aflibercept biosimilar)

  OT-702, a recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection, completed the enrollment of all patients for the phase III clinical trial in March 2023.

  We expect to further advance the phase III clinical trials this year.

- OT-502 (DEXYCU®, dexamethasone implant)

  During the Reporting Period, we continued to advance the real-world study and phase III clinical trials for OT-502.

  We expect to organize data and prepare NDA documents in the second half of 2023.

- OT-202 (tyrosine kinase inhibitor)

  In February 2023, the Company initiated the phase II clinical trial of OT-202, a class I innovative drug for the treatment of dry eye. In its phase I clinical trial successfully completed in February 2023, OT-202 demonstrated good safety and tolerability profile in healthy adult subjects.

  We expect to complete the enrollment of patients for phase II clinical trials in the second half of 2023.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND/OR MARKET OUR CORE PRODUCT AND/OR DRUG CANDIDATES SUCCESSFULLY.

Commercialization Performance

For the Reporting Period, we achieved an operating revenue of RMB103.7 million from commercialized products, representing an increase of 90.1% as compared to the six months ended June 30, 2022. We continued accelerating the penetration of our drugs in hospitals in the PRC ophthalmology market, achieving a coverage of 9,361 hospitals nationwide, 1,426 of which are Grade III hospitals. With a commercialization team of 210 employees, we have continued expanding our business network coverage nationwide.

During the Reporting Period, we officially launched the commercialization of Youshiying® (fluocinolone intravitreal implant), a new drug for the treatment of chronic non-infectious uveitis. Uveitis is a complex eye disease, including but not limited to iritis and iridocyclitis, choroiditis, peripheral inflammation and degeneration of retina and vascular, retinal pigment epithelium, vitreous body and optic nerve. Disease can cause significant effects on patients, and specifically, each episode of inflammation of uveitis would cause irreversible damage to the intraocular tissues of patients, among which an average number of 46% of patients will eventually develop into irreversible visual impairment, even blindness. Uveitis is the second most common eye disease in China causing blindness.

Youshiying® can release fluocinolone and has precise effects on the lesion at an initial rate of 0.25 mcg per day through proprietary technology of patent, releasing fluocinolone to the eye for up to 36 months, so as to keep efficacy stable during the whole treatment. It helps patients to stabilize uveitis in the long run and reduce the recurrences of uveitis, avoiding damage to intraocular tissues and decreased visual acuity caused by recurrences of uveitis. At the same time, this drug only has effect on eyes instead of body, which can greatly reduce the adverse side effect brought by oral corticosteroids.

The signing ceremony for strategic cooperation on Youshiying® between the Company and Shanghai Pharmaceutical Co., Ltd. (上藥控股有限公司) ("**Shaphar**"), a wholly-owned subsidiary of Shanghai Pharmaceuticals Holding Co., Ltd., whose shares are listed on the Stock Exchange (stock code: 2607) and Shanghai Stock Exchange (stock code: 601607), was held on February 21, 2023. Upon reaching the agreement on strategic cooperation, the parties will further integrate resources and strengthen the overall cooperation on Youshiying® in China to benefit all patients. Focusing on pre-marketing service, import and distribution, with the support from its controlled network nationwide and other aspects, Shaphar will also deepen its cooperation and further consolidate strategic partnership with us.

We have progressively expanded our market through organizing and holding academic conferences discussing advanced diagnosis and treatment of uveitis. At the first national training conference for vitreous chamber standardized implantation, renowned scholars and professionals in the field of uveitis introduced a more practical and standardized guideline for the injection of Youshiying® to the clinicians and physicians in attendance.

Manufacturing Performance

During the Reporting Period, we mainly focus on pilot scale production and validation batch production of our products at our Suzhou manufacture site, such as Emadine®. Additionally, we maintained the ongoing production of products transferred from other manufacture sites, such as Ou Qin®.

Future Development and Outlook

Over the past three years, we have made remarkable achievements. In particular, we successfully developed and marketed our Core Product Youshiying®, broadened our product pipeline, built a high-quality production base and promoted our products. In the second half of 2023, we will keep focusing on the following aspects:

1) We will keep speeding up the progress of new product development and plan to facilitate at least two new drug candidates to enter registration stage, keeping our pace of continuous launch of new products.

2) We expect our Suzhou manufacture site to achieve commercialized mass production to ensure stability of supply and quality of products.

3) We will spare no efforts in the promotion of our Core Product, Youshiying®, to ensure its successful marketing with the aim of benefiting a larger number of patients.

4) We will enhance our efforts in marketing and promotion of our other drugs, including Xalatan®, Xalacom® (適利加®), Betoptic® S (貝特舒®), Emadine® and AZEP® (愛塞平®), thus to strengthen our leading position in the fields of the treatment of uveitis, anti-allergy and glaucoma and maintain the exponential growth of our sales revenue.

5) We are committed to strengthen the development of our corporate culture, establishing a distinctive identity that will serve as a foundation for our sustainable growth and advancement in the upcoming phase.

Going forward, we will upholding the philosophy of "Virtus et Lumen", be committed to providing comprehensive solution with patients to protect their eyes and further to improve their quality of life. We will continue to make efforts to create better results and value for our Shareholders and investors, making our Company a leader in the industry of ophthalmology.

Financial Review

Revenue

The revenue of our Group increased from RMB54.5 million for the six months ended June 30, 2022 to RMB103.7 million for the six months ended June 30, 2023. The increase was mainly attributable to (i) a significant increase in the revenue generated from the sales of our ophthalmic products; and (ii) an increase in the revenue generated from the pharmaceutical products promotion services, in particular, the promotion services provided by the Group to Viatris in relation to Xalatan® and Xalacom®; partially offset by the decrease in the sales-based royalty income in relation to licensing ophthalmic pharmaceutical products to a third party. The following table sets forth the components of our revenue for the periods indicated:

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of ophthalmic products	**84,216**	28,219
Pharmaceutical products promotion services	**18,185**	8,608
Sales-based royalty income	**1,035**	17,708
Contract development and manufacturing services	**260**	–
Total Revenue	**103,696**	54,535

The increase in our revenue was primarily attributable to (i) an increase of 198.4% in the sales of ophthalmic pharmaceutical products from RMB28.2 million for the six months ended June 30, 2022 to RMB84.2 million for the six months ended June 30, 2023; and (ii) an increase in the revenue generated from the provision of pharmaceutical products promotion services from RMB8.6 million for the six months ended June 30, 2022 to RMB18.2 million for the six months ended June 30, 2023; partially offset by the decrease in the revenue generated from the sales-based royalty income from RMB17.7 million for the six months ended June 30, 2022 to RMB1.0 million for the six months ended June 30, 2023 as the relevant revenue was recorded as revenue from sales of ophthalmic products instead of revenue from sales-based royalty income. The change in revenue recognition was due to the change of business model of Emadine® during the Reporting Period.

For the sale of ophthalmic products, revenue is recognized when the control of goods is transferred, being the time when the goods are delivered to the location specified by customers, i.e. when the products are delivered and titles are passed to customers upon receipt by customer. For pharmaceutical products promotion services, revenue is recognized when we satisfy the obligation to arrange for sales and/or delivery of pharmaceutical products pursuant to the service contracts. The sales-based royalty income is based on the profit margin of each sale and is recognized at a point of time upon the customer completes its sales.

Cost of Sales

Our cost of sales consists of purchase price of goods and amortization of license rights. The cost of sales of our Group increased from RMB20.2 million for the six months ended June 30, 2022 to RMB41.0 million for the six months ended June 30, 2023. The increase was mainly due to the increased cost in relation to our sales of ophthalmic products and amortization of license rights, which was generally in line with our revenue growth.

Gross Profit

The gross profit of our Group increased by 82.8% from RMB34.3 million for the six months ended June 30, 2022 to RMB62.7 million for the six months ended June 30, 2023. The increase in our gross profit was mainly in line with our revenue growth.

Other Income

Our other income mainly consists of bank interest income arising from our bank deposit and government grant income. For the six months ended June 30, 2023, our other income was RMB14.4 million, representing a decrease of RMB0.8 million from RMB15.2 million for the six months ended June 30, 2022, primarily due to the decrease in bank interest income.

Other Gains and Losses

For the six months ended June 30, 2023, our other gains and losses primarily consist of (i) net foreign exchange gains of RMB2.6 million, as compared to the net foreign exchange gains of RMB11.7 million for the six months ended June 30, 2022, which is primarily because the appreciation of the USD against RMB narrowed during the Reporting Period as compared to the corresponding period last year; and (ii) the gain of RMB1.2 million from changes in fair value of other financial assets as compared to the gain of RMB0.3 million from changes in fair value of other financial assets for the six months ended June 30, 2022, which was primarily attributable to our effective short-term cash management.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (i) salary and benefits expenses for our commercialization team; (ii) share-based payments for our commercialization team; and (iii) marketing and promotion expenses. For the six months ended June 30, 2023, our selling and marketing expenses were RMB114.7 million, representing an increase of RMB36.0 million from RMB78.7 million for the six months ended June 30, 2022, which was primarily due to (i) the expansion of our commercialization team; and (ii) the increasing marketing and promotion activities for our products post COVID-19.

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

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salary and benefits	**43,615**	34,665
Share-based payments	**30,957**	33,402
Marketing and promotion	**26,750**	5,833
Others	**13,338**	4,796
Total selling and marketing expenses	**114,660**	78,696

R&D Expenses

During the Reporting Period, we recorded R&D expenses of RMB73.1 million, representing a decrease of 25.8% from RMB98.4 million for the six months ended June 30, 2022, which was primarily due to the decrease in staff costs, partially offset by (i) the increase in third-party contracting costs; and (ii) the increase in depreciation and amortization.

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

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Third-party contracting costs	**28,781**	21,195
Staff costs	**35,423**	73,608
Depreciation and amortization	**4,448**	890
Others	**4,439**	2,746
Total R&D expenses	**73,091**	98,439

Administrative Expenses

Our administrative expenses consist of (i) salaries and other expenses such as benefits, travel and share-based payments; (ii) professional service fee; and (iii) depreciation and amortization of the property for the purpose of administrative use and right-of-use assets.

For the six months ended June 30, 2023, our administrative expenses were RMB99.6 million, representing an increase of RMB24.2 million from RMB75.4 million for the six months ended June 30, 2022, which was primarily due to (i) an increase in operational costs incurred for the trial production at our Suzhou manufacture site; and (ii) an increase in the depreciation of property for the purpose of administrative use at our Suzhou manufacture site and the depreciation of right-of-use assets during the Reporting Period.

Income Tax Expenses

Our income tax expense for the six months ended June 30, 2023 was RMB0.1 million, representing a decrease of RMB0.3 million from RMB0.4 million for the six months ended June 30, 2022, which was primarily because no taxable sublicense income was generated during the Reporting Period as compared to the same period in 2022.

Loss for the Period

As a result of the above factors, for the six months ended June 30, 2023, our loss was RMB208.4 million, representing an increase of RMB15.7 million from RMB192.7 million for the six months ended June 30, 2022, which is mainly attributed to the increased costs and expenses incurred by (i) the pilot scale production and validation batch production of our product candidates at our Suzhou manufacture site; and (ii) the increasing marketing and promotion activities for our products as compared to the same period in 2022.

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net loss for the period, a non-IFRS measure to present our operating performance.

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 non-cash items that our management considers to be not indicative of our operating performance, and provides useful information to Shareholders and investors to evaluate our operating results in the same manner as our management does. 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 adding back share-based payments. 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,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(208,402)**	(192,669)
Add:		
Share-based payments	**82,509**	115,819
Non-IFRS adjusted net loss for the period	**(125,893)**	(76,850)

Selected Data from Condensed Consolidated Statement of Financial Position

	As of June 30, 2023 ***RMB'000*** **(Unaudited)**	As of December 31, 2022 *RMB'000* (Audited)
Total current assets	**1,171,209**	1,455,160
Total non-current assets	**1,829,750**	1,588,514
Total assets	**3,000,959**	3,043,674
Total current liabilities	**213,776**	247,653
Total non-current liabilities	**41,420**	47,382
Total liabilities	**255,196**	295,035
Net assets	**2,745,763**	2,748,639

Trade Receivables

We allow an average credit period of 30 to 90 days to our trade customers, and the credit terms of certain trade customers are based on the timing of their actual sales.

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

The increase in our trade receivables as of June 30, 2023 is generally in line with our revenue growth.

Trade Payables

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

Working Capital and Source of Capital

Our primary uses of cash related to (i) R&D expenses in relation to the clinical trials for our drugs and/or drug candidates; (ii) expenses and costs for our daily operation and commercial promotion activities; and (iii) final payments in relation to the construction project and production equipment at our Suzhou manufacture site, as well as operational costs and fees incurred for the on-site trial production. We primarily funded our working capital needs through equity financing and cash generated from (i) the sales of YUTIQ®, Ou Qin®, brimonidine tartrate eye drop, Emadine® and Kangwenjuan®; (ii) the pharmaceutical products promotion services in relation to Xalatan® and Xalacom®; and (iii) the sales-based royalty income in relation to Betoptic® S. 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, 2023, our cash and cash equivalents amounted to RMB537.0 million (as of December 31, 2022: RMB1,170.0 million). The decrease in our cash and cash equivalents is primarily due to our primary uses of cash in the aspects stated above and placement of term deposits. Currently, we follow a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved.

Borrowings

As of June 30, 2023, we did not have any borrowings (as of December 31, 2022: nil).

Capital Commitment

As of June 30, 2023, we have capital commitment of RMB35.9 million for the contracts in relation to acquisition of property, plant and equipment (as of December 31, 2022: RMB49.0 million).

Contingent Liabilities

As of June 30, 2023, we did not have any material contingent liabilities, guarantees or any litigation against us (as of December 31, 2022: nil).

Pledge of Assets

As of June 30, 2023, we pledged RMB23.9 million deposits to a bank to secure the letter of credit granted to the Group (as of December 31, 2022: RMB26.0 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, 2023, we were in a net cash position and thus, gearing ratio is not applicable.

Material Investments, Acquisitions and Disposals

We entered into a share purchase agreement with EyePoint in December 2020, pursuant to which we agreed to acquire 3,010,722 shares of EyePoint for a total consideration of approximately US$15.7 million (equivalent to approximately HK$121.8 million). Upon completion of such investment in January 2021, we held approximately 16.6% of the enlarged total outstanding shares of EyePoint. Subsequent to such investment, as a result of share allotment and issue of new ordinary shares by EyePoint, the Group's shareholding in EyePoint was further diluted.

As of June 30, 2023, the carrying amount of our investment in EyePoint as equity instruments at FVTOCI was approximately RMB189.3 million (as of December 31, 2022: RMB73.4 million). Accordingly, the fair value of such investment compared to our total assets as of June 30, 2023 was approximately 6.3%. For the six months ended June 30, 2023, we have not received any dividend from such investment.

Save as disclosed above, the Company did not have any other material investments, acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended June 30, 2023.

Future Plans for Material Investments or Capital Assets

As of the date of this announcement, we plan to continue to invest in the construction of our Suzhou manufacture site to enhance the manufacturing capacity to satisfy our long-term development strategies.

Saved as disclosed above, we do not have any concrete future plans for material capital expenditure, investments or capital assets as of the date of this announcement. We will make further announcements in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

Foreign Exchange

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Certain of our bank balances and cash, trade and other receivables and trade and other payables 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 as needed to hedge significant foreign currency exposure thus to prevent significant net foreign exchange losses in the future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Six months ended June 30, 2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue	3	**103,696**	54,535
Cost of sales		**(40,986)**	(20,231)
Gross profit		**62,710**	34,304
Other income	4	**14,402**	15,182
Other gains and losses	4	**3,708**	12,004
Impairment losses under expected credit loss ("ECL") model, net of reversal		**(268)**	(283)
Selling and marketing expenses		**(114,660)**	(78,696)
R&D expenses		**(73,091)**	(98,439)
Administrative expenses		**(99,561)**	(75,398)
Other expenses		**(864)**	–
Finance costs		**(639)**	(981)
Loss before tax		**(208,263)**	(192,307)
Income tax expense	5	**(139)**	(362)
Loss for the period		**(208,402)**	(192,669)
Other comprehensive income (expense):			
Item that will not be reclassified to profit or loss:			
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income		**118,425**	(71,346)
		118,425	(71,346)
Total comprehensive expense for the period		**(89,977)**	(264,015)
Loss per share			
– Basic and diluted (RMB)	6	**(0.32)**	(0.31)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2023

	NOTES	**At June 30, 2023** ***RMB'000*** **(unaudited)**	At December 31, 2022 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**416,626**	414,478
Right-of-use assets		**29,027**	33,591
Intangible assets		**1,027,491**	919,050
Equity instruments at FVTOCI		**213,425**	95,000
Deposits and prepayments		**127,598**	108,472
Other asset – non-current		**15,583**	17,923
		1,829,750	1,588,514
Current assets			
Inventories		**28,912**	24,104
Trade and other receivables	*7*	**87,554**	106,238
Contract assets		**11,149**	6,473
Other asset – current		**3,747**	3,898
Bank balances and cash	*8*	**1,039,847**	1,314,447
		1,171,209	1,455,160
Current liabilities			
Trade and other payables	*9*	**200,480**	235,368
Lease liabilities – current		**13,125**	12,285
Tax liabilities		**171**	–
		213,776	247,653
Net current assets		**957,433**	1,207,507
Total assets less current liabilities		**2,787,183**	2,796,021
Non-current liabilities			
Contract liabilities		**30,090**	30,090
Lease liabilities – non-current		**11,330**	17,292
		41,420	47,382
Net assets		**2,745,763**	2,748,639
Capital and reserves			
Share capital		**48**	48
Reserves		**2,745,715**	2,748,591
Total equity		**2,745,763**	2,748,639

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 the change in accounting policies resulting from the application of the amendments to International Financial Reporting Standards (IFRSs), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2023 are the same as those presented in the annual consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2022.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2023 for the preparation of the Group's condensed consolidated financial statements:

IFRS 17 (including the June and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules

Except as described below, the application of the new and amendments to IFRSs in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on disclosures set out in these condensed consolidated financial statements.

Impacts and changes in accounting policies on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Accounting policies

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Transition and summary of effects

As disclosed in the Group's annual financial statements for the year ended December 31, 2022, the Group previously applied the IAS 12 requirements to assets and liabilities arising from a single transaction as a whole and temporary differences relating to the relevant assets and liabilities were assessed on a net basis. Upon the application of the amendments, the Group assessed the relevant assets and liabilities separately. In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after January 1, 2022;

(ii) the Group also, as at January 1, 2022, recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group recognized the related deferred tax assets of RMB6,114,000 and deferred tax liabilities of RMB6,114,000 on a gross basis but offsetting upon presentation. It has no impact on the retained earnings at the earliest period presented.

3. REVENUE AND SEGMENT INFORMATION

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

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods or service		
At a point in time		
Sales of ophthalmic products	**84,216**	28,219
Pharmaceutical products promotion services	**18,185**	8,608
Sales-based royalty income	**1,035**	17,708
Contract development and manufacturing ("CDMO") services	**260**	–
	103,696	54,535

Sales of ophthalmic products

For the sale of ophthalmic products, revenue is recognized when control of the goods has transferred, being when the goods have been delivered to the customer's specific location, i.e. when the products are delivered and titles have passed to customers upon receipt by customer. Following delivery, the customer has the primary responsibility when selling the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognized by the Group when the goods are delivered to customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The normal credit term is 30 to 90 days upon delivery. Under the Group's standard contract terms, customers can only return or request refund if the goods delivered do not meet required quality standards. Therefore, the probability of significant reversal in revenue in relation to sales return in the future is remote.

Pharmaceutical products promotion services

For pharmaceutical products promotion services, the Group is an agent under the pharmaceutical products promotion services contracts as its performance obligation is mainly to arrange for sales and delivery of pharmaceutical products supplied by another parties. In this regard, the Group does not control the products provided by another parties before those goods sold and delivered to customers. Accordingly, revenue is recognized at a point in time when the Group satisfies its obligation to arrange for sales and/or delivery of pharmaceutical products pursuant to the service contracts. The normal credit term is 30 to 45 days. Payment for services is not due from the customers until the Group's customer has received settlements for its sales or accepted the compliance report for promotion activities, as appropriate, and therefore a contract asset is recognized at the point of time in which the services are performed. No further obligation is borne by the Group after the promotion services have been completed.

Sales-based royalty income

The Group grants its license right to a customer for product sales in exchange for sales-based royalty income. The income is based on the profit margin of each sale and is recognized at a point of time upon the customer completes its sales. Such income is settled by month with the normal credit period of 60 days.

CDMO services

The Group starts to earn revenues by providing CDMO services to its customer through fee-for-service ("FFS") contracts. Under FFS method, the contracts usually have multiple deliverable units, which are generally in the form of samples and/or products, each with individual selling price specified within the contract. The Group identifies each deliverable unit as a separate performance obligation and recognizes FFS revenue of contractual elements at the point in time upon the units delivered.

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 CODM 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 (the "PRC").

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other income		
Bank interest income	**12,722**	14,075
Government grant income *(note)*	**1,098**	851
Others	**582**	256
	14,402	15,182
Other gains and losses		
Net foreign exchange gains	**2,553**	11,748
Gain from changes in fair value of other financial assets	**1,155**	256
	3,708	12,004

Note:

Government grants include unconditional subsidies from the PRC government which are specifically for research and development activities, employment support and training, innovation and development support during the interim period.

5. INCOME TAX EXPENSE

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Withholding tax *(note i)*	**–**	362
Current tax – Hong Kong *(note ii)*	**171**	–
Over provision in prior years – the PRC	**(32)**	–
	139	362

Hong Kong profit Tax is calculated at 16.5% of the estimated profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Notes:

(i) Amount represented withholding tax related to the sublicense income generated from Taiwan market;

(ii) Amount represented current tax related to the sale-based royalty income generated in Hong Kong.

6. 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,	
	2023	2022
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purposes of basic and diluted loss per share (RMB'000)	**(208,402)**	(192,669)
Number of shares		
Weighted average number of ordinary shares of basic and diluted loss per share calculation	**646,269,582**	627,169,155

The computation of basic and diluted loss per share for the reporting period excluded the unvested restricted ordinary shares of the Company, the shares held by Coral Incentivization Limited for unexercised RSUs and the shares held by Computershare Hong Kong Trustees Limited for unvested share awards.

The computation of diluted loss per share for the six months ended June 30, 2023 and 2022 did not assume the exercise of share options and RSUs, the vesting of share awards and the exercise of warrants since their assumed exercise or vesting would result in a decrease in loss per share.

7. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 to 90 days to its trade customers, and the credit terms of certain trade customers are based on the timing of their actual sales. The following is an analysis of trade receivables by age, presented based on the invoice date.

	At June 30, 2023	At December 31, 2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 90 days	**34,700**	59,847
91 – 180 days	**290**	4
181 – 365 days	**20,940**	–
	55,930	59,851

8. BANK BALANCES AND CASH

	At June 30, 2023 *RMB'000* (unaudited)	At December 31, 2022 *RMB'000* (audited)
Cash at bank	**467,008**	904,261
Term deposits	**572,839**	410,186
	1,039,847	1,314,447
Analysed as:		
Cash and cash equivalents	**537,044**	1,170,049
Term deposit with original maturity date between three months to one year *(note a)*	**478,903**	118,398
Pledged bank deposits *(note b)*	**23,900**	26,000
	1,039,847	1,314,447

Notes:

(a) The term deposits are under the Group's rights of early redemption at its principal before the maturity date. In the event of early withdrawal prior to maturity, a prevailing current account interest rate would be offered instead of the term deposits interest rate without any penalty.

(b) Pledged bank deposits represented deposits pledged to a bank to secure the letter of credit granted to the Group and are classified as current assets.

9. TRADE AND OTHER PAYABLES

The average credit period on purchases of goods or services of the Group is within 30 days. Aging analysis of the Group's trade payables based on the invoice dates as at the end of the reporting period is as follows:

	At June 30, 2023 *RMB'000* (unaudited)	At December 31, 2022 *RMB'000* (audited)
0 – 30 days	**7,967**	18,581
31 – 60 days	**4,442**	2,200
61 – 90 days	**1,936**	922
91 – 180 days	**302**	–
181 – 365 days	**166**	–
	14,813	21,703

10. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended June 30, 2023 and 2022 respectively. The directors of the Company have determined that no dividend will be paid in respect of the six months ended June 30, 2023.

OTHER INFORMATION

Events after the Reporting Period

Save as disclosed herein, there was no event which has occurred after June 30, 2023 and immediately before the date of this announcement 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, 2023 (June 30, 2022: nil).

Compliance with the Corporate Governance Code

The Group 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 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, 2023. 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 enquiries 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, 2023. No incident of non-compliance of the Written Guidelines by the employees who are likely to be in possession of inside information of the Group 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 our prospectus dated June 29, 2020 and announcement dated September 11, 2020, respectively. As of June 30, 2023, such net proceeds from Listing were utilized as follows in accordance with the intended uses:

Use of proceeds from Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Unutilized net proceeds as of December 31, 2022 *(HK$ million)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Utilized net proceeds as of June 30, 2023 *(HK$ million)*	Unutilized net proceeds as of June 30, 2023 *(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%	112.35	1.15	86.37	111.20	by the end of 2025
2. For milestone payments of OT-401	49.39	3.00%	15.49	–	33.90	15.49	by the end of 2024
3. For the commercialization of OT-401	246.96	15.00%	144.18	37.09	139.87	107.09	by the end of 2024
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%	71.98	71.98	562.42	–	by the end of 2023
2. For milestone payments of our other in-licensed drug candidates	96.15	5.84%	22.47	–	73.68	22.47	by the end of 2024
3. For the further expansion of our sales and marketing team	164.64	10.00%	61.86	37.09	139.87	24.77	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**	**–**	**–**
For our working capital and other general corporate purposes	**164.64**	**10.00%**	**–**	**–**	**164.64**	**–**	**–**
Total	**1,646.41**	**100.00%**	**428.33**	**147.31**	**1,365.39**	**281.02**	

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

As of June 30, 2023, all the unused net proceeds from Listing were held by the Company in short-term deposits with licensed banks or authorized financial institutions.

Use of Proceeds from the Placing

In January 2021, an aggregate of 28,000,000 Shares have been successfully placed to no less than six placees, who were professional investors and Independent Third Parties, at a placing price of HK$28.35 per Share. The subscription of Shares has been completed on January 22, 2021 with a net price of HK$27.92 per Share and a total market value of approximately HK$834.4 million.

The net proceeds arising from the placing and subscription amounted to approximately HK$781.7 million, of which the intended uses were set out in the announcement of the Company dated January 22, 2021. As of June 30, 2023, the net proceeds from placing and subscription were utilized as follows in accordance with the intended uses:

Use of proceeds from placing and subscription	**Amount of net proceeds for planned applications** *(HK$ million)*	**Percentage of total net proceeds** *(%)*	**Unutilized net proceeds as of December 31, 2022** *(HK$ million)*	**Utilized net proceeds during the Reporting Period** *(HK$ million)*	**Utilized net proceeds as of June 30, 2023** *(HK$ million)*	**Unutilized net proceeds as of June 30, 2023** *(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**	**30.00%**	**234.51**	**–**	**–**	**234.51**	**by the end of 2025**
Funding of international multi-centre clinical trials of the Company's therapies	**273.60**	**35.00%**	**140.43**	**75.05**	**208.22**	**65.38**	**by the end of 2024**
OT-702 (Eylea biosimilar)	99.66	12.75%	19.56	14.97	95.07	4.59	by the end of 2023
OT-301 (NCX470)	50.03	6.40%	39.97	26.48	36.54	13.49	by the end of 2023
OT-101 (low-concentration atropine)	43.78	5.60%	19.23	19.23	43.78	–	by the end of 2024
0T-1001 (ZERVIATE®)	30.10	3.85%	27.88	1.56	3.78	26.32	by the end of 2024
OT-202 (TKI)	50.03	6.40%	33.79	12.80	29.05	20.98	by the end of 2024
Building and development of new manufacturing facilities and equipment of Suzhou Xiaxiang and active pharmaceutical ingredients manufacturing facilities	**195.43**	**25.00%**	**–**	**–**	**195.43**	**–**	**–**
Other general corporate purposes	**78.17**	**10.00%**	**44.83**	**44.83**	**78.17**	**–**	**by the end of 2023**
Total	**781.70**	**100.00%**	**419.77**	**119.88**	**481.82**	**299.89**	

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

As of June 30, 2023, all the unused net proceeds from placing and subscription were deposited into the bank accounts maintained by our Group.

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

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, 2023.

REVIEW OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The unaudited condensed consolidated interim financial statements of the Group for the six months ended June 30, 2023 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. Yiran HUANG and Mr. Zhenyu ZHANG. The chairman of the Audit Committee is Mr. Ting Yuk Anthony WU. The Audit Committee has jointly reviewed the interim report 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 and interim report of the Group for the six months ended June 30, 2023) of the Group. The Audit Committee considered the unaudited interim results of the Group for the six months ended June 30, 2023 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF THE 2023 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, 2023 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 (ticker symbol: ALIM)
"AMD"	age-related macular degeneration, a disease that causes damage to the macula and leads to progressive loss of central vision
"Audit Committee"	the audit committee of the Board
"Board"	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, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"chronic NIU-PS"	chronic non-infectious uveitis affecting the posterior segment of the eye
"Company"	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)
"Director(s)"	the director(s) of our Company, including all executive directors, non-executive directors and independent non-executive directors
"DME"	diabetic macular edema

"EyePoint"	EyePoint Pharmaceuticals, Inc., a company whose shares of common stock are listed on the NASDAQ (ticker symbol: EYPT) and a biopharmaceutical company committed to developing and commercializing innovative ophthalmic products for the treatment of eye diseases
"FVTOCI"	fair value through other comprehensive income
"Greater China"	the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Group" or "Ocumension"	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
"Huonland"	Beijing Huonland Pharmaceutical Co., Ltd. (北京匯恩蘭德製藥有限公司), a limited liability company established under the laws of the PRC on August 3, 2012 and one of our licensing partners. Huonland primarily engages in development, production and sales of ophthalmology products
"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 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
"MAH"	marketing authorization holder, who is allowed to market a drug product within a certain region or country
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"NASDAQ"	The Nasdaq Stock Market LLC
"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

"Nicox"	Nicox S.A., a corporation incorporated under the laws of France on February 15, 1996, one of our licensing partners whose shares are listed on the Euronext exchange (ticker symbol: COX)
"NMPA"	National Medical Products Administration (國家藥品監督管理局), formerly the China Food and Drug Administration (國家食品藥品監督管理局), or CFDA
"NO"	nitric oxide, colorless gas and is one of the principal oxides of nitrogen
"pre-IND"	the stage before IND application
"RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the period of the six months ended June 30, 2023
"RSU(s)"	the restricted share unit(s)
"R&D"	research and development
"Share(s)"	ordinary shares in the share capital of our Company of US$0.00001 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Suzhou Xiaxiang"	Suzhou Xiaxiang Biomedicine Co., Ltd. (蘇州夏翔生物醫藥有限公司), a limited liability company established in the PRC on October 18, 2019
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	United States dollars, the lawful currency of the United States
"Viatris"	Viatris Inc., a corporation incorporated and existing under the laws of the Delaware, the United States, whose shares of common stock are traded on the NASDAQ (ticker symbol: VTRS), with the business address at 1000 Mylan Boulevard, Canonsburg, PA 15317, and its affiliates, including, among others, Viatris China, collectively, and where the context requires, either of Viatris Inc. or its affiliate(s)
"wAMD"	wet age-related macular degeneration

"Written Guidelines"	the Guidelines for Securities Transactions by Directors adopted by the Company
"%"	Per cent

In this announcement, the terms "associate", "connected person", "controlling shareholder" and "subsidiary" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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

Hong Kong, August 24, 2023

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. Yiran HUANG and Mr. Zhenyu ZHANG as independent non-executive Directors.