



Ocumension Therapeutics 歐康維視生物

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock code 股份代號：1477

Virtus et Lumen

勇氣和光明

2022 INTERIM REPORT
中期報告

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ye LIU (*Chief Executive Officer*)
Dr. Zhaopeng HU

Non-executive Directors

Dr. Lian Yong CHEN (*Chairman of the Board*)
Dr. Wei LI
Mr. Yanling CAO
Ms. Yumeng WANG

Independent Non-executive Directors

Mr. Ting Yuk Anthony WU
Mr. Yiran HUANG
Mr. Lianming HE (*passed away on March 30, 2022*)
Mr. Zhenyu ZHANG (*appointed on April 8, 2022*)

AUTHORIZED REPRESENTATIVES

Mr. Ye LIU
Ms. Pui Chun Hannah SUEN (*resigned on June 15, 2022*)
Ms. Hing Ling CHAU (*appointed on June 15, 2022*)

AUDIT COMMITTEE

Mr. Ting Yuk Anthony WU (*Chairman*)
Mr. Yiran HUANG
Mr. Lianming HE (*passed away on March 30, 2022*)
Mr. Zhenyu ZHANG (*appointed on April 8, 2022*)

REMUNERATION COMMITTEE

Mr. Lianming HE (*Chairman*)
(*passed away on March 30, 2022*)
Mr. Zhenyu ZHANG (*Chairman*) (*appointed on April 8, 2022*)
Mr. Ting Yuk Anthony WU
Mr. Yiran HUANG

NOMINATION COMMITTEE

Dr. Lian Yong CHEN (*Chairman*)
Mr. Yiran HUANG
Mr. Lianming HE (*passed away on March 30, 2022*)
Mr. Zhenyu ZHANG (*appointed on April 8, 2022*)

JOINT COMPANY SECRETARIES

Ms. Yun JI
Ms. Pui Chun Hannah SUEN (*resigned on June 15, 2022*)
Ms. Hing Ling CHAU (*HKFCG, FCG*) (*appointed on June 15, 2022*)

HONG KONG LEGAL ADVISER

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AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
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COMPLIANCE ADVISER

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REGISTERED OFFICE

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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HONG KONG SHARE REGISTRAR

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STOCK CODE

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COMPANY WEBSITE

www.ocumension.com

Financial Summary

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	54,535	20,803
Gross profit	34,304	15,687
Loss for the period	(192,669)	(69,609)
Non-IFRS adjusted net loss for the period ⁽¹⁾	(76,850)	(109,185)
Adjusted R&D spending for the period ⁽¹⁾	198,900	244,541

Note:

(1) Non-IFRS Measure

Adjusted net loss for the period is defined as loss for the period adjusted by (a) adding back share-based payments; and (b) deducting one-time gain generated from the respective transaction with EyePoint and Alimera. 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,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Loss for the period	(192,669)	(69,609)
<i>Add:</i>		
Gains related to transaction with EyePoint	–	(100,621)
Gains related to transaction with Alimera	–	(14,534)
Share-based payment expenses	115,819	75,579
Non-IFRS adjusted net loss for the period	(76,850)	(109,185)

Adjusted R&D spending for the six months ended June 30, 2022 was RMB198.9 million, which was calculated by adding back the capitalized spending to the R&D expenses under IFRS measures. The following table reconciles our non-IFRS adjusted R&D spending for the period, which is the most directly comparable financial measure to reflect our actual spending on R&D for the Reporting Period:

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Total R&D expenses for the period	98,439	92,244
<i>Add:</i>		
Capitalized R&D spending	100,461	152,297
Adjusted R&D spending for the period	198,900	244,541

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 with clear first mover advantage positions us well to achieve leadership in ophthalmology in China.

As of June 30, 2022, we had 24 drug assets in our portfolio, and have established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which our Core Product was approved by the CDE for commercialization in the PRC in June 2022 and seven drug candidates have entered phase III clinical trial stage. The following table summarizes our product portfolio and the status of each asset as of June 30, 2022:

PIPELINE

Program	Mechanism of Action	Indication	Commercial Rights	BD Partners	Pre-IND	Phase I / II	Phase III	NDA / BLA
OT-401 (YUTIO [®] and Youshiyang [®])	Fluocinolone intravitreal implant	Chronic NIU-PS ¹	Greater China, Korea and 11 countries in Southeast Asia	EYEPOINT			China Approved	US approved (EyePoint)
OT-1004 (Emadine [®])	Emedastine difumarate	Allergic conjunctivitis	China	NOVARTIS				Commercialized
OT-305 (Betoptic [®] S)	Betaxolol hydrochloride	Glaucoma and ocular hypertension	China	NOVARTIS				Commercialized
OT-306 (Xalatan [®])	Latanoprost	Glaucoma and ocular hypertension	China	VIATRIS				Commercialized
OT-307 (Xalacom [®])	Latanoprost and timolol maleate	Glaucoma and ocular hypertension	China	VIATRIS				Commercialized
OT-1005 (AZEP [®])	Azelastine hydrochloride	Allergic conjunctivitis	China	VIATRIS				Commercialized
OT-204 (Ou Qin [®]) ²	Sodium hyaluronate	Dry eye	China	汇恩兰德 HUONLAND				Commercialized
OT-303 ³	Brimonidine tartrate	Glaucoma and ocular hypertension	China	汇恩兰德 HUONLAND				Commercialized
OT-402 (Visudyne [®])	Verteporfin	Choroidal neovascularization	China	CHEPLAPHARM				Commercial Rights
OT-601 (Kangwenjuan [®])	Moxifloxacin	Bacterial conjunctivitis	Global				China Approved	
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		Global		
OT-1001 (ZERVIAE [®])	Cetirizine hydrochloride	Allergic conjunctivitis	Greater China and 11 countries in Southeast Asia	nicox		China		US Approved (Nicox)
OT-702	Anti-VEGF	wAMD	China	Pharma		China		
OT-703 (ILUVIEN [®])	Fluocinolone intravitreal implant	DME	Greater China, Korea and 11 countries in Southeast Asia	ALIMERA SCIENTIS		China		US Approved (Alimera)
OT-502 (DEXYCU [®])	Dexamethasone	Postoperative inflammation	Greater China, Korea and 11 countries in Southeast Asia	EYEPOINT		China		US Approved (EyePoint)
OT-202	Tyrosine kinase inhibitor	Dry eye	Global			China		
OT-503 (NCX 4251)	Fluticasone propionate nanocrystals	Blepharitis	Greater China	nicox		China		Phase II USA completed (Nicox)
OT-701	Anti-VEGF	wAMD	Greater China	SENJU		China		Phase III Japan completed (Senju and GTS)
OT-601-C	Moxifloxacin-dexamethasone sodium phosphate	Postoperative inflammation	Global			China		4
OT-302	Acetazolamide	Acute glaucoma	Global			China		4
OT-1301	Cyclosporine implant	Cornea graft rejection	Global			China		4
OT-1601	Stem cells	Retinitis pigmentosa and dry AMD	Greater China	SanBio		China		4
OT-1602	Stem cells	Optic neuritis	Greater China	SanBio		China		4

1. Non-infectious uveitis affecting the posterior segment of the eye
 2. We acquired Ou Qin[®] from Huonland and are entitled to all drug registration certificates and data related to Ou Qin[®]. We have become the MAH of Ou Qin[®].
 3. We are the exclusive sales agent of Brimonidine Tartrate Eye Drops in China. Huonland is the drug registrant and registered manufacturer of Brimonidine Tartrate Eye Drops.
 4. May not require phase I and phase II clinical trials prior to the beginning of phase III clinical trials.
 5. May not require phase I clinical trials prior to the beginning of phase II clinical trials.

■ In-licensed/acquired ■ Internally developed

Management Discussion and Analysis

BUSINESS REVIEW

Overall Financial Performance

During the Reporting Period, we achieved a revenue of RMB54.5 million, representing an increase of 162.1% as compared with the revenue generated for the corresponding period in 2021. For the six months ended June 30, 2022, our adjusted R&D spending (non-IFRS adjustment) was RMB198.9 million, decreased by 18.7% as compared with such for the six months ended June 30, 2021, and our R&D expenses (IFRS) amounted to RMB98.4 million, increased by 6.7% as compared with such for the six months ended June 30, 2021. As of June 30, 2022, our cash and cash equivalents amounted to RMB1,574.9 million.

Research and Development Performance

During the Reporting Period, the NDA for our Core Product, OT-401 (fluocinolone intravitreal implant, trade name: Youshiying® (優施瑩®)), has been officially approved by the CDE for the treatment of chronic NIU-PS and commercialization in the PRC in June 2022. OT-401 is the first new drug in our pipeline approved for marketing in the PRC. The marketing approval signals the potential of Youshiying® to become a therapeutic drug leading in all aspects in the field of non-infectious uveitis treatment and thus fill the market gaps. The approval for marketing of Youshiying® was based on real-world study data and corresponding overseas data, which marked a milestone achievement in the history of drug registration in China and also created a new path for NDA registrations for our other drug candidates.

During the Reporting Period, we also accelerated the development for our in-house product pipeline. Our “in-licensing plus in-house R&D” model has formulated a comprehensive system, which is expected to bring momentum to our subsequent product pipeline. The global phase III multi-center clinical trial of the OT-101 (low-concentration atropine), an in-house developed key product for the treatment of progression myopia, has started enrolling patients for its phase III clinical trial in China during the Reporting Period, and the process of patient enrollment is expected to accelerate during the second half of 2022. The OT-202 (tyrosine kinase inhibitor), a class I new drug self-developed by us for the treatment of dry eye, has completed the patient enrollment and drug administration for the phase I clinical trial, in which all subjects were in good health condition.

Progress of Our Key Drug Candidates

Youshiying® (OT-401, fluocinolone intravitreal implant)

In June 2022, the NDA for OT-401 was officially approved by the CDE for the treatment of chronic NIU-PS and commercialization in the PRC. We have established an excellent commercialization team with a nationwide coverage in the PRC. We expect that the commercialization of Youshiying® will be officially launched in the second half of 2022.

OT-101 (0.01% atropine sulfate eye drop)

During the Reporting Period, we continued to advance the patient enrollment for the phase III international MRCT of OT-101. We expect the enrollment of all patients will be completed in early 2023.

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

In March 2022, the phase III clinical trial of OT-1001, a potent and highly selective histamine-1 receptor antagonist with anti-allergic properties, has achieved its primary clinical endpoint and received positive results. The phase III clinical trial of OT-1001 was designed as a randomized, observer-masked, positive control, multi-center parallel clinical trial to evaluate the safety and efficacy of the cetirizine hydrochloride ophthalmic solution of 0.24% concentration in comparison with emedastine difumarate ophthalmic solution of 0.05% concentration for Chinese patients with allergic conjunctivitis. A total of 296 patients were randomized across multiple clinical sites in China. OT-1001 was found to be non-inferior to emedastine difumarate in the primary efficacy endpoint of change from baseline in the itching score in the 24 hours prior to the Day 14 visit. OT-1001 is safe and well tolerated with no difference in the proportion of patients with adverse events compared to emedastine difumarate.

We expect to continue data collation and preparation of NDA documents, which is expected to be completed in the second half of 2022.

OT-502 (dexamethasone implant)

During the Reporting Period, we continued carrying on the real-world study and phase III clinical trial for OT-502. We completed the enrollment of 38 patients for the real-world study for the efficacy and safety analysis of 9% dexamethasone implant on the treatment of postoperative inflammation of cataract. During the Reporting Period, a number of research centers for the phase III clinical trials have been put into operation. We expect to complete the enrollment of the first patient for the phase III clinical trial of OT-502 in China in the third quarter of 2022.

OT-202 (tyrosine kinase inhibitor)

In January 2022, the first patient for the phase I clinical trial of OT-202, a new drug for the treatment of dry eye, was enrolled at the Affiliated Eye Hospital of Wenzhou Medical University (溫州醫科大學附屬眼視光醫院). In June 2022, OT-202 has completed the patient enrollment and drug administration for the phase I clinical trial, in which all subjects were in good health condition. We expect to obtain the clinical study report (CSR) for the phase I clinical trial of OT-202 in the fourth quarter of 2022, and will subsequently proceed with the phase II clinical trial.

OT-702 (aflibercept biosimilar)

During the Reporting Period, OT-702, a recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection, has completed the enrollment of 262 patients for its phase III clinical trial. We expect to complete the patient enrollment for the phase III clinical trial of OT-702 in China by the end of 2022.

OT-703 (ILUVIEN®, fluocinolone intravitreal implant)

In June 2022, the IND application for OT-703, an injectable, non-biodegradable fluocinolone acetate intravitreal implant for the treatment of DME, was approved by the CDE to conduct a randomized, double-blind, parallel-controlled, multi-center phase III clinical trial on the treatment of DME in China. It was the seventh new drug in our product pipeline that has been approved for phase III clinical trial, which demonstrated our significant layout in the field of drugs for the treatment of DME.

DME is one of the common complications of diabetes and the main cause of blindness in diabetic patients, which seriously affects the visual function and quality of life of patients and brings a heavy financial burden to the whole society in relation to the healthcare sector. Therefore, it is of great social significance to seek effective intervention methods for the prevention and control of curable blindness. Despite the continuing development of R&D of anti-vascular endothelial growth factor (VEGF) drugs and the furtherance in the progression of clinical diagnosis and treatment technology have significantly improved the visual prognosis of patients in recent years, there are still a considerable number of patients who are unresponsive to anti-VEGF drugs, resulting in current unsatisfied demands in the domestic market in such sector. In consideration of the above, we have actively communicated with Hainan Medical Products Administration to advance the registration and application of the real-world study for OT-703.

We expect to continue to conduct the phase III clinical trial and real-world study for OT-703 in the second half of 2022.

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

Commercialization Performance

During the Reporting Period, our sales of ophthalmic products were affected by the lockdown of certain areas in China due to the COVID-19 pandemic. However, with the acceleration of expansion to hospitals in regions not subject to the lockdown during the Reporting Period and the continuous increase in sales volume, we still achieved a revenue of RMB54.5 million for the six months ended June 30, 2022, representing an increase of 162.1% as compared with the revenue generated for the corresponding period in 2021. According to our management account, our gross profit has covered the marketing and promotion expenses for the six months ended June 30, 2022.

During the Reporting Period, our Group has entered into a series of cooperation arrangements with Viatriis China, pursuant to which our Group became the exclusive promoter to promote and market in hospitals nationwide in China three ophthalmic drugs of Viatriis, namely Xalatan® (適利達®) (latanoprost eye drops), Xalacom® (適利加®) (latanoprost timolol eye drops) and AZEP® (愛塞平®) (azelastine hydrochloride eye drops). With our pipeline product, Kangwenjuan® (康文涓®) (OT-601, moxifloxacin hydrochloride eye drops), obtained the product registration certificate in June 2022, more than ten pipeline products of our Company have been commercialized, which has strengthened our ophthalmic drug pipeline in the key field of ocular surface, and also achieved a product matrix with full coverage of first- and second-line drugs in the key fields such as anti-allergy and glaucoma, laying a solid foundation for further market development and expansion in these key fields.

We have planned thorough pre-marketing academic promotion activities for the commercialization of our Core Product, Youshiying®. Through academic idea exchange and case sharing as a part of the activities, we have developed the concept of local long-term inflammation management. We also engaged in all-around cooperation with commercial insurance companies to provide options to uveitis patients in order to alleviate their payment pressure and financial burden, thus to ensure the efficacy of the drug product by continuous dosing.

Manufacturing Performance

During the Reporting Period, we continued to conduct equipment testing, process validation and trial production of Emadine® (埃美丁®), Ou Qin® (歐沁®) and our other drugs at our Suzhou Xiixiang manufacture site.

Impact of COVID-19

We do not expect that the outbreak of COVID-19 since December 2019 will have long-term material and adverse impact on our clinical trials or overall clinical development plans, operations and financial condition. During the Reporting Period, with effective quarantine measures taken by the Chinese government to reduce confirmed COVID-19 cases in China, as well as the various precautionary measures implemented by us to adjust our employees' work arrangements in accordance with the relevant regulations and policies, we were able to maintain a sufficient number of personnel to continue working on-site or off-site to ensure minimum disruption to our business operation and R&D activities. While the sporadic outbreak of COVID-19 in China and the lockdown in Shanghai from March 2022 to May 2022 has affected and restricted the general level of our economic activities, such economic activities have resumed since June 2022.

Going forward, the pandemic of COVID-19 may have potential impacts on our business, including but not limited to the sales of our products, hiring of staff, involvement of our staff and patients in clinical trials, production of our drugs, obtaining approvals from regulatory authorities and procurement of raw materials. We will continue to closely monitor the trend of the spread of COVID-19 and make all necessary preparations in advance.

FUTURE DEVELOPMENT AND OUTLOOK

The approval of the NDA for our Core Product, OT-401 (fluocinolone intravitreal implant, trade name: Youshiying®), and its commercialization in the PRC by the CDE symbolized that, starting from ground zero, Ocumension has completed the last step of transformation from a bio-tech company to a biopharmaceutical company. Our future focus and direction of development will also shift from expansion of functionality to improvement of quality. Ocumension has proven that it was the leader in the R&D of ophthalmic drugs in China, with the commercialization of the Core Product, it will continue moving forward on the path to become a fully integrated leader in the ophthalmic drug industry in China. To achieve such goals, in the second half of 2022, we will endeavor to:

- 1) facilitate the successful marketing and promotion of our Core Product, Youshiying®;
- 2) continue to speed up the pace in advancing the R&D of our pipeline products, especially with respect to the progress of clinical trials for our drug candidates entered phase III clinical trial stage;
- 3) ensure OT-202, our self-developed class I new drug, to enter phase II clinical trial stage smoothly;
- 4) expand the market coverage and sales scale of our products which have been commercialized to further increase our influence in the ophthalmic drug market in China;
- 5) streamline the operation of business to further optimize the financial position of the Group; and
- 6) commence full production at Suzhou Xiaxiang manufacture site, our modern ophthalmic production base.

FINANCIAL REVIEW

Revenue

For the six months ended June 30, 2022, we generated revenue of RMB54.5 million from (i) sales of ophthalmic products, including Ou Qin[®], brimonidine tartrate eye drop, Youshiying[®] and Kangshu[®] (康殊[®]); (ii) pharmaceutical products promotion services in relation to Xalatan[®] and Xalacom[®], among others; and (iii) sales-based royalty income in relation to Emadine[®] and Betoptic[®] S. The following table sets forth the components of the revenue for the periods indicated:

	Six months ended June 30,	
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Sales of ophthalmic products	28,219	20,286
Pharmaceutical products promotion services	8,608	517
Sales-based royalty income	17,708	–
Total Revenue	54,535	20,803

The increase in our revenue was primarily attributable to (i) an increase of 39.1% in the sales of ophthalmic pharmaceutical products from RMB20.3 million for the six months ended June 30, 2021 to RMB28.2 million for the six months ended June 30, 2022; (ii) a significant increase in the revenue generated from the provision of pharmaceutical products promotion services from RMB0.5 million for the six months ended June 30, 2021 to RMB8.6 million for the six months ended June 30, 2022, mainly consists of the in-hospital marketing promotion income in relation to Xalatan[®] and Xalacom[®]; and (iii) the revenue generated from the sales-based royalty income of RMB17.7 million in relation to licensing ophthalmic pharmaceutical products to a third party for the six months ended June 30, 2022 (June 30, 2021: nil).

For sales of ophthalmic pharmaceutical and other related products to customers, revenue is recognized at a point in time when control of the pharmaceutical and other related products is passed to customers, i.e. when these 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. The sales-based royalty income is based on the profit margin of each sale and is recognized at a point in time when the customer completes its sales.

Cost of Sales

Our cost of sales consists of purchase price of goods and amortization of licence rights. For the six months ended June 30, 2022, we recorded cost of sales of RMB20.2 million attributable to the sales of Ou Qin[®], brimonidine tartrate eye drop, Youshiying[®] and Kangshu[®] and amortization of license rights, representing an increase of RMB15.1 million from RMB5.1 million for the six months ended June 30, 2021. The increase was mainly attributed to the increased sales volume of Ou Qin[®] and the amortization of license rights.

Gross Profit

The gross profit of our Group increased by 118.7% from RMB15.7 million for the six months ended June 30, 2021 to RMB34.3 million for the six months ended June 30, 2022. The increase in the gross profit was mainly in line with the growth in revenue.

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, 2022, our other income was RMB15.2 million, representing an increase of RMB2.6 million from RMB12.6 million for the six months ended June 30, 2021. The increase was primarily attributable to the increase in (i) our bank interest income; and (ii) the government grant, including unconditional subsidies specifically for innovation and development support from the PRC government.

Other Gains and Losses

For the six months ended June 30, 2022, our other gains and losses mainly consist of (i) net foreign exchange gains of RMB11.7 million, as compared with net foreign exchange losses of RMB10.6 million for the six months ended June 30, 2021, which is primarily due to the effective implementation of our foreign currency risk management measures during the Reporting Period; and (ii) the gain of RMB0.3 million from changes in fair value of other financial assets as compared with gain of RMB6.6 million from changes in fair value of other financial assets for the six months ended June 30, 2021, which was primarily due to the adjustment of the allocation of our cash to term deposits other than other financial assets.

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, 2022, our selling and marketing expenses were RMB78.7 million, representing an increase of RMB33.6 million from RMB45.1 million for the six months ended June 30, 2021, which was primarily due to (i) the expansion of our commercialization team; and (ii) the amortization of the share-based payments in relation to the grant of options under the 2021 Share Option Scheme and the grant of awards under the 2021 Share Award Scheme to our staff in commercialization team.

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

	Six months ended June 30,	
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Salary and benefits	34,665	27,272
Share-based payments	33,402	5,904
Marketing and promotion	5,833	7,238
Others	4,796	4,697
Total selling and marketing expenses	78,696	45,111

R&D Expenses and Adjusted R&D Spending

Our adjusted R&D spending for the six months ended June 30, 2022 was RMB198.9 million, representing a decrease of 18.7% from RMB244.5 million for the six months ended June 30, 2021. The decrease was primarily due to the decrease in capitalized R&D spending, because no significant upfront payment in relation to in-license product has been capitalized during the Reporting Period, as compared with the six months ended June 30, 2021, when we have paid an upfront payment of US\$10 million to Alimera pursuant to an exclusive license agreement dated April 13, 2021, which was further capitalized as the licensed product has met capitalization criteria. We capitalized certain R&D spending during the Reporting Period as the relevant drug candidates have met capitalization criteria in accordance with accounting standards, further details of which are set out in the subsection headed “Non-IFRS Measures” in this sub-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,	
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Third-party contracting costs	21,195	41,565
Staff costs	73,608	47,605
Depreciation and amortization	890	890
Others	2,746	2,184
Total R&D expenses	98,439	92,244
<i>Add:</i>		
Capitalized R&D spending	100,461	152,297
Adjusted R&D spending for the period	198,900	244,541

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) operational costs incurred for the trial production at our Suzhou Xiexiang manufacture site.

For the six months ended June 30, 2022, our administrative expenses were RMB75.4 million, representing an increase of RMB17.3 million from RMB58.1 million for the six months ended June 30, 2021, which was primarily due to an increase in staff costs incurred by the amortization of the share-based payments in relation to the grant of options under the 2021 Share Option Scheme and the grant of awards under the 2021 Share Award Scheme to our administrative staff.

Income Tax Expenses

Our income tax expense for the six months ended June 30, 2022 was RMB0.4 million (June 30, 2021: nil), which mainly represented the withholding tax relating to the sublicense income generated from Taiwan market.

Loss for the Period

As a result of the above factors, for the six months ended June 30, 2022, our loss was RMB192.7 million, representing an increase of RMB123.1 million from RMB69.6 million for the six months ended June 30, 2021, mainly because no one-time gain was generated from transaction with third parties during the Reporting Period, as compared with a one-time gain of RMB100.6 million and RMB14.5 million generated from the respective transactions with EyePoint and Alimera for the six months ended June 30, 2021.

Non-IFRS Measures

To supplement our condensed consolidated financial statements which are presented in accordance with IFRS, we also use 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 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 (a) adding back share-based payments; and (b) deducting one-time gain generated from the respective transaction with EyePoint and Alimera. 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,	
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Loss for the period	(192,669)	(69,609)
<i>Add:</i>		
Gains related to transaction with EyePoint	–	(100,621)
Gains related to transaction with Alimera	–	(14,534)
Share-based payments	115,819	75,579
Non-IFRS adjusted net loss for the period	(76,850)	(109,185)

Adjusted R&D spending for the period, 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, 2022 was RMB198.9 million, which was calculated by adding back the capitalized spending to the R&D expenses under IFRS measures. During the Reporting Period, we recorded an R&D expenses of RMB98.4 million, representing an increase of 6.7% from RMB92.2 million for the six months ended June 30, 2021, which was primarily due to the increase in staff costs attributable to (i) the expansion of our R&D team; and (ii) the amortization of the share-based payments in relation to the grant of options under the 2021 Share Option Scheme and the grant of awards under the 2021 Share Award Scheme to our R&D staff. For the same period, we recorded capitalized R&D spending of RMB100.5 million as a result of the relevant drug candidates having met the capitalization criteria in accordance with relevant accounting standards for the period, representing a decrease of 34.0% from RMB152.3 million for the six months ended June 30, 2021. Our capitalized R&D spending decreased as compared with the six months ended June 30, 2021 was because no significant upfront payment in relation to in-licensed product was capitalized during the Reporting Period, while during the six months ended June 30, 2021, we paid an upfront payment of US\$10 million to Alimera pursuant to an exclusive license agreement dated April 13, 2021, which was further capitalized as the licensed product has met capitalization criteria. The following table reconciles our non-IFRS adjusted R&D spending for the period, which is the most directly comparable financial measure to reflect our actual spending on R&D for the Reporting Period:

	Six months ended June 30,	
	2022 <i>RMB' 000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Total R&D expenses for the period	98,439	92,244
<i>Add:</i>		
Capitalized R&D spending	100,461	152,297
Adjusted R&D spending for the period	198,900	244,541

Selected Data from Condensed Consolidated Statement of Financial Position

Selected data from Condensed Consolidated Statement of Financial Position	As of June 30, 2022 RMB'000 (Unaudited)	As of December 31, 2021 RMB'000 (Audited)
Total current assets	1,697,455	1,834,567
Total non-current assets	1,570,027	1,496,486
Total assets	3,267,482	3,331,053
Total current liabilities	259,385	215,854
Total non-current liabilities	55,259	7,026
Total liabilities	314,644	222,880
Net assets	2,952,838	3,108,173

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.

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 drug candidates; (ii) final payments in relation to the construction project and production equipment at our Suzhou Xiaxiang manufacture site, as well as operational costs and fees incurred for the on-site trial production; and (iii) expenses and costs for our daily operation and commercial promotion activities. We primarily funded our working capital needs through equity financing and cash generated from (i) the sales of Ou Qin[®], brimonidine tartrate eye drop, Youshiying[®] and Kangshu[®] and (ii) the sales-based royalty income in relation to Emadine[®] and 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, 2022, our cash and cash equivalents amounted to RMB1,572.3 million (as of December 31, 2021: RMB1,125.2 million). 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, 2022, we did not have any borrowings (as of December 31, 2021: nil).

Capital Commitment

As of June 30, 2022, we have capital commitment of RMB25.6 million for the contracts in relation to acquisition of property, plant and equipment (as of December 31, 2021: RMB27.9 million).

Contingent Liabilities

As of June 30, 2022, we did not have any material contingent liabilities, guarantees or any litigation against us (as of December 31, 2021: nil).

Pledge of Assets

As of June 30, 2022, we pledged RMB2.6 million deposits to a bank to secure the letter of credit granted to the Group (as of December 31, 2021: RMB20.0 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, 2022, we were in a net cash position and thus, gearing ratio is not applicable.

Material Investments, Acquisitions and Disposals

On December 31, 2020, the Company and EyePoint entered into a share purchase agreement, pursuant to which the Company 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 on January 1, 2021, the Company 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, 2022, the carrying amount of EyePoint as equity instruments at FVTOCI of the Group was approximately RMB159.0 million (as of December 31, 2021: RMB235.0 million). Accordingly, the fair value of such investment compared to the Group's total assets as of June 30, 2022 was approximately 4.9%. For the details as to the losses during the Reporting Period in relation to our investment in EyePoint, please refer to Note 12 in "Notes to the Condensed Consolidated Financial Statements for the six months ended June 30, 2022" in this report. For the six months ended June 30, 2022, no dividend related to such investment was received.

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, 2022. The Company did not have any future plans for material investments or capital assets as of June 30, 2022.

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 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 to hedge against significant foreign currency exposure and thus to prevent significant net foreign exchange losses in the future.

Employees and Remuneration

As of June 30, 2022, we had a total of 309 employees. For the six months ended June 30, 2022, the total remuneration cost incurred, including the share-based payments, was 193.7 million (June 30, 2021: RMB131.1 million). The following table sets forth a breakdown of our employees by function as of June 30, 2022:

Function	Number	% of total
Commercial	140	45.3%
R&D	50	16.2%
Manufacturing	96	31.1%
Management and administrative	23	7.4%
Total	309	100%

We provide formal and comprehensive company-level and department-level training to our new employees, followed by on-the-job training. We also provide training and development programs to our employees from time to time to ensure their awareness and compliance with our various policies and procedures. Some of the training is conducted jointly by departments serving different functions but working with or supporting each other in our day-to-day operations.

The remuneration of the employees of our Group comprises salaries, bonuses, employees' provident fund, share-based payments, social security contributions and other welfare payments which is determined by their responsibilities, qualifications, positions and seniority. The Group regularly reviews and determines the remuneration and compensation package of the employees by reference to, among other things, their performance, qualifications, respective responsibilities and market levels of salaries paid by comparable companies. In accordance with applicable laws and regulations, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for the Group's employees.

We have also adopted the ESOP, the RSU Scheme, the 2021 Share Option Scheme and the 2021 Share Award Scheme to provide incentives for our employees. Further details in respect of the ESOP, RSU Scheme, the 2021 Share Option Scheme and the 2021 Share Award Scheme are set out in the section headed "Other Information" in this report.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2022, the interests and short positions of the Directors or chief executive of our Company in any of the Shares, underlying Shares and debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the Shares or underlying Shares of the Company

Name of Director	Nature of interest	Number of Shares/ underlying Shares	Approximate percentage in shareholding ⁽³⁾
Mr. Ye LIU	Beneficial owner	69,633,490 ⁽¹⁾	10.43%
Dr. Zhaopeng HU	Beneficial owner	4,059,338 ⁽²⁾	0.61%

Notes:

- (1) Including (i) a total of 14,329,730 Shares directly held by him; (ii) 21,643,710 options that have been granted yet unexercised under the ESOP; (iii) RSUs representing 11,990,050 Shares upon vesting that have been granted yet unsettled under the RSU Scheme; (iv) 8,668,000 options that have been granted yet unexercised under the 2021 Share Option Scheme; and (v) 13,002,000 awards that have been granted yet unvested under the 2021 Share Award Scheme.
- (2) Including (i) a total of 2,765,243 Shares directly held by him and as a result of the exercise of share options pursuant to the ESOP and the settlement of RSUs vested in him pursuant to the RSU Scheme; (ii) 317,250 options that have been granted yet unexercised under the ESOP; (iii) RSUs representing 676,845 Shares upon vesting that have been granted yet unsettled under the RSU Scheme; (iv) 150,000 options that have been granted yet unexercised under the 2021 Share Option Scheme; and (v) 150,000 awards that have been granted yet unvested under the 2021 Share Award Scheme.
- (3) The calculation is based on the total number of 667,792,020 Shares in issue as of June 30, 2022.

Save as disclosed above, as of June 30, 2022, to the best knowledge of the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (with the meaning of Part XV of the SFO) as recorded in the register required to be kept, pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of June 30, 2022, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares or underlying Shares of the Company

Name of shareholder	Nature of interest	Total number of Shares/ underlying shares	Approximate percentage in shareholding ⁽⁷⁾
6 Dimensions Capital (Note 1)	Beneficial interest	119,890,000	17.95%
6 Dimensions Affiliates (Note 1)	Beneficial interest	6,310,000	0.94%
6 Dimensions Capital GP, LLC (Note 1)	Interest in controlled corporation	126,200,000	18.90%
Suzhou Frontline II (Note 2)	Beneficial interest	88,340,000	13.23%
Suzhou Fuyan Venture Capital Management Partnership (Limited Partnership) (蘇州富沿創業投資管理合夥企業 (有限合夥)) (Note 2)	Interest in controlled corporation	88,340,000	13.23%
Suzhou 6 Dimensions (Note 2)	Beneficial interest	37,860,000	5.67%
Suzhou Tongyu Investment Management Partnership (Limited Partnership) (蘇州通毓投資管理合夥企業 (有限合夥)) (Note 2)	Interest in controlled corporation	37,860,000	5.67%
Suzhou Yunchang Investment Consulting Co., Ltd. (蘇州蘊長投資諮詢有限公司) (Note 2)	Interest in controlled corporation	126,200,000	18.90%
Ziqing CHEN (陳梓卿) (Note 2)	Interest in controlled corporation	126,200,000	18.90%
Summer Iris Limited (Note 3)	Beneficial interest	78,214,230	11.71%
Boyu Capital Fund IV, L.P. (Note 3)	Interest in controlled corporation	78,214,230	11.71%
Boyu Capital General Partner IV, Ltd. (Note 3)	Interest in controlled corporation	78,214,230	11.71%
Boyu Capital Group Holdings Ltd. (Note 3) (Note 4)	Interest in controlled corporation	82,811,730	12.40%
TLS Beta Pte. Ltd. (Note 5)	Beneficial interest	54,169,400	8.11%
Temasek Life Sciences Private Limited (Note 5)	Interest in controlled corporation	54,169,400	8.11%
Fullerton Management Pte Ltd (Note 5)	Interest in controlled corporation	54,169,400	8.11%
Temasek Holdings (Private) Limited (Note 5) (Note 6)	Interest in controlled corporation	59,446,400	8.90%
Capital Research and Management Company (Note 7)	Beneficial interest	47,080,966	7.05%
The Capital Group Companies, Inc. (Note 7)	Interest in controlled corporation	47,080,966	7.05%

Other Information

Notes:

- (1) For the purpose of the SFO, 6 Dimensions Capital GP, LLC, as the general partner of each of 6 Dimensions Capital and 6 Dimensions Affiliates, is deemed to have an interest in the Shares held by each of 6 Dimensions Capital and 6 Dimensions Affiliates.
- (2) Suzhou Fuyan Venture Capital Management Partnership (Limited Partnership) (蘇州富沿創業投資管理合夥企業(有限合夥)) is the general partner of Suzhou Frontline II. Suzhou Tongyu Investment Management Partnership (Limited Partnership) (蘇州通毓投資管理合夥企業(有限合夥)) is the general partner of Suzhou 6 Dimensions. Suzhou Yunchang Investment Consulting Co., Ltd. (蘇州蘊長投資諮詢有限公司) is the general partner of each of Suzhou Fuyan Venture Capital Management Partnership (Limited Partnership) (蘇州富沿創業投資管理合夥企業(有限合夥)) and Suzhou Tongyu Investment Management Partnership (Limited Partnership) (蘇州通毓投資管理合夥企業(有限合夥)), and is wholly held by Ziqing CHEN (陳梓卿). Ziqing CHEN (陳梓卿) is the father-in-law of Dr. Lian Yong CHEN, the Chairman and non-executive Director of our Company.

For the purpose of the SFO, (i) Suzhou Fuyan Venture Capital Management Partnership (Limited Partnership) (蘇州富沿創業投資管理合夥企業(有限合夥)) is deemed to have an interest in the Shares held by Suzhou Frontline II; (ii) Suzhou Tongyu Investment Management Partnership (Limited Partnership) (蘇州通毓投資管理合夥企業(有限合夥)) is deemed to have an interest in the Shares held by Suzhou 6 Dimensions; and (iii) Ziqing CHEN (陳梓卿) and Suzhou Yunchang Investment Consulting Co., Ltd. (蘇州蘊長投資諮詢有限公司) are deemed to have an interest in the Shares held by each of Suzhou Frontline II and Suzhou 6 Dimensions.

- (3) For the purpose of the SFO, each of Boyu Capital Fund IV, L.P. (as the sole shareholder of Summer Iris Limited), Boyu Capital General Partner IV, Ltd. (as the general partner of Boyu Capital Fund IV, L.P.) and Boyu Capital Group Holdings Ltd. (as the sole shareholder of Boyu Capital General Partner IV, Ltd.) is deemed to have an interest in the 78,214,230 Shares held by Summer Iris Limited.
- (4) For the purpose of the SFO, Boyu Capital Group Holdings Ltd. is deemed to have an interest in the 4,597,500 Shares held by Boyu Capital Opportunities Master Fund, as Boyu Capital Opportunities Master Fund is managed by Boyu Capital Investment Management Limited, which in turn is ultimately controlled by Boyu Capital Group Holdings Ltd.
- (5) TLS Beta Pte. Ltd. is a wholly-owned subsidiary of Temasek Life Sciences Private Limited, which is in turn a wholly-owned subsidiary of Fullerton Management Pte Ltd, which is in turn a wholly-owned subsidiary of Temasek Holdings (Private) Limited. Under the SFO, Temasek Life Sciences Private Limited, Fullerton Management Pte Ltd and Temasek Holdings (Private) Limited are deemed to be interested in the 54,169,400 Shares held by TLS Beta Pte. Ltd.
- (6) For the purpose of the SFO, Temasek Holdings (Private) Limited is deemed to have an interest in the 5,277,000 Shares held by Aranda Investments Pte. Ltd., which in turn is ultimately controlled by Temasek Holdings (Private) Limited.
- (7) Capital Research and Management Company is a wholly-owned subsidiary of The Capital Group Companies, Inc. For the purpose of the SFO, The Capital Group Companies, Inc. is deemed to have an interest in the 47,080,966 Shares held by Capital Research and Management Company.
- (8) The calculation is based on the total number of 667,792,020 Shares in issue as of June 30, 2022.

Save as disclosed above, as of June 30, 2022, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company, other than the Directors and chief executive of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

EMPLOYEE STOCK OPTION PLAN

The ESOP was adopted by the Company dated May 23, 2018 and amended from time to time. The purpose of the ESOP is to recognize the contributions of the Directors and employees and to incentivize them to further promote the development of the Group by providing a means through which the Company may grant options to attract, motivate, retain and reward certain eligible employees. Subject to the terms of the ESOP, the Board may at its discretion specify any conditions which must be satisfied before the option(s) under the ESOP may be exercised. Further details of the ESOP are set out in the Prospectus.

The maximum number of Shares in respect of which options may be granted under this plan shall not, subject to reorganization of capital structuring and other corporate events provisions under the plan, exceed 60,328,890 Shares in the aggregate.

The ESOP became valid and effective for a period of 10 years commencing on the adoption date after which period no further options will be granted.

Details of the options granted under the ESOP as of June 30, 2022 are as follows:

Category and name of grantee	Date of grant	Option period	Exercise price (US\$ per Share)	Number of Shares underlying outstanding options as of January 1, 2022	Number of Shares exercised during the Reporting Period	Number of options cancelled/ forfeited/ lapsed during the Reporting Period	Number of Shares underlying outstanding options as of June 30, 2022
Directors							
Mr. Ye LIU	Between August 28, 2018 to January 22, 2020	10 years commencing on the adoption date	Between 0.001 to 0.188	21,643,710	0	0	21,643,710
Dr. Zhaopeng HU	Between January 22, 2019 to January 22, 2020	10 years commencing on the adoption date	Between 0.01 to 0.188	317,250	0	0	317,250
Other grantees in aggregate		10 years commencing on the adoption date	Between 0.001 to 0.201	9,181,227	1,048,845	101,130	8,031,252
Total				31,142,187	1,048,845 ⁽¹⁾	101,130 ⁽¹⁾	29,992,212

Note:

- (1) During the Reporting Period, 1,048,845 options under the ESOP were exercised and 101,130 were forfeited. Since the Listing and as of June 30, 2022, a total of 620,778 options under the ESOP were forfeited due to the resignation of relevant employees from the Group.

Save as disclosed above, no option was granted or agreed to be granted, exercised, canceled or lapsed under the ESOP throughout the six months ended June 30, 2022.

RSU SCHEME

The RSU Scheme was approved by the Shareholders on April 28, 2020. The purpose of the RSU Scheme is to recognize the contributions of the Directors and employees of the Group and to incentivize them to further promote the development of the Group. Further details of the RSU Scheme are set out in the Prospectus.

Pursuant to the RSU Scheme, an aggregate of 24,000,000 underlying Shares were issued by Coral Incentivization, representing an aggregate of 3.59% of the total issued share capital of the Company as of the date of this report.

Details of the RSUs granted under the RSU Scheme as of June 30, 2022 are as follows:

Category and name of grantee	Date of grant	Valid period of the RSU Scheme	Exercise price (US\$ per Share)	Number of Shares underlying RSUs granted remain valid as of January 1, 2022	Number of Shares underlying RSUs settled during the Reporting Period	Number of RSUs cancelled/ forfeited during the Reporting Period	Number of Shares underlying RSUs granted remaining valid as of June 30, 2022
Directors							
Mr. Ye LIU	April 30, 2020	10 years from the date of adoption of RSU Scheme	0.188	11,990,050	0	0	11,990,050
Dr. Zhaopeng HU	April 30, 2020	10 years from the date of adoption of RSU Scheme	0.188	676,845	0	0	676,845
Other grantees in aggregate	April 30, 2020 and June 15, 2020	10 years from the date of adoption of RSU Scheme	Between 0.188 to 0.201	5,855,429 ⁽¹⁾	0	232,415 ⁽²⁾	5,623,014
Total				18,522,324 ⁽¹⁾	0	232,415 ⁽²⁾	18,289,909

Notes:

- (1) The Company granted RSUs representing 22,866,920 Shares upon vesting under the RSU Scheme, among which RSUs representing 566,379 Shares upon vesting have been forfeited due to resignation of the relevant employees as of June 30, 2022.
- (2) During the Reporting Period, 232,415 RSUs under the RSU Scheme were forfeited due to resignation of the relevant employees and nil RSU was canceled.

Save as disclosed in this report, no Share was granted under the RSU Scheme throughout the six months ended June 30, 2022.

2021 SHARE OPTION SCHEME

The 2021 Share Option Scheme was adopted by the Company on August 31, 2021 and amended from time to time. The purpose of the 2021 Share Option Scheme is to provide incentive or reward to the Directors and employees for their contribution to, and continuing efforts to promote the interests of, the Group, and to incentivize them to remain with the Group, as well as for such other purposes as the Board may approve from time to time. Subject to the terms of the 2021 Share Option Scheme, the Board may at its discretion specify any conditions which must be satisfied before the option(s) under the 2021 Share Option Scheme may be exercised. Further details of the 2021 Share Option Scheme are set out in the circular of the Company dated August 11, 2021.

The aggregate number of Shares which may be issued upon exercise of all options under the 2021 Share Option Scheme shall not, in aggregate, exceed 63,120,538 Shares. The aggregate number of Shares which may be issued upon exercise of all options under the 2021 Share Option Scheme and any new share option scheme of the Company which may be adopted hereinafter, shall not, in aggregate, exceed 10% of the total number of Shares in issue as of the date of adoption of the 2021 Share Option Scheme or any new share option scheme (as the case may be). The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2021 Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

The 2021 Share Option Scheme became valid and effective for a period of 10 years commencing on the adoption date after which period no further options will be granted.

Details of the options granted under the 2021 Share Option Scheme as of June 30, 2022 are as follows:

Name of grantee	Date of grant	Option period	Vesting schedule and exercise period	Closing price	Exercise price (HK\$ per Share)	Number of Shares underlying outstanding options as of January 1, 2022	Number of Shares underlying options granted during the Reporting Period	Number of options exercised during the Reporting Period	Number of options canceled/forfeited/lapsed during the Reporting Period	Number of Shares underlying outstanding options as of June 30, 2022
				of the Share immediately before the date of grant (HK\$ per Share)						
Directors										
Mr. Ye LIU	July 2, 2021	10 years commencing on the adoption date	Note 2	HK\$27.3	HK\$27.43	8,668,000	0	0	0	8,668,000
Dr. Zhaopeng HU	September 30, 2021	10 years commencing on the adoption date	Note 3	HK\$18.16	HK\$19.07	150,000	0	0	0	150,000
Other grantees in aggregate⁽¹⁾	September 30, 2021	10 years commencing on the adoption date	Note 4	HK\$18.16	HK\$19.07	5,232,561	0	0	230,284 ⁽⁵⁾	5,002,277
Total						14,050,561	0	0	230,284 ⁽⁵⁾	13,820,277

Notes:

- (1) Other grantees are all employees of the Company (other than the Directors) who entered into valid employment contracts with the Company.
- (2) The options under the 2021 Share Option Scheme granted to Mr. Ye LIU shall vest in him as follows: (a) 25% of the options shall vest on the first anniversary of the date of grant; (b) 25% of the options shall vest in four equal installments (with each installment vesting at the end of each quarter) during the period from the first anniversary of the date of grant to the second anniversary of the date of grant; (c) 25% of the options shall vest in four equal installments (with each installment vesting at the end of each quarter) during the period from the second anniversary of the date of grant to the third anniversary of the the date of grant; and (d) 25% of the options shall vest in four equal installments (with each installment vesting at the end of each quarter) during the period from the third anniversary of the date of grant to the fourth anniversary of the date of grant. Subject to the above, an option may be exercised by Mr. Ye LIU (or his personal representatives) at any time during the option period.
- (3) The options under the 2021 Share Option Scheme granted to Dr. Zhaopeng HU shall vest in him as follows: (a) 10% of the options shall vest on the first anniversary of the date of grant; (b) 20% of the options shall vest in four equal installments (with each installment vesting at the end of each quarter) during the period from the first anniversary of the date of grant to the second anniversary of the date of grant; (c) 30% of the options shall vest in four equal installments (with each installment vesting at the end of each quarter) during the period from the second anniversary of the date of grant to the third anniversary of the the date of grant; and (d) 40% of the options shall vest in four equal installments (with each installment vesting at the end of each quarter) during the period from the third anniversary of the date of grant to the fourth anniversary of the date of grant. Subject to the above, an option may be exercised by Dr. Zhaopeng HU (or his personal representatives) at any time during the option period.
- (4) The vesting period and exercise period for other grantees under the 2021 Share Option Scheme is the same as those of Dr. Zhaopeng HU's as set out in note (3) above.
- (5) During the Reporting Period, 230,284 options under the 2021 Share Option Scheme were forfeited due to resignation of the relevant employees and nil option was canceled. Since the adoption of the 2021 Share Option Scheme and as of June 30, 2022, a total of 391,535 options under the 2021 Share Option Scheme were forfeited due to the resignation of relevant employees from the Group.

Save as disclosed in this report, no option was granted or agreed to be granted, canceled or lapsed under the 2021 Share Option Scheme throughout the six months ended June 30, 2022.

2021 SHARE AWARD SCHEME

The 2021 Share Award Scheme was approved by the Company on July 2, 2021. The purpose of the 2021 Share Award Scheme is to align the interests of Directors and employees with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares and to encourage and retain Directors and employees to make contributions to the long-term growth and profits of the Group. Further details of the 2021 Share Award Scheme are set out in the circular of the Company dated August 11, 2021.

The 2021 Share Award Scheme became valid and effective for a period of 10 years commencing on July 2, 2021, after which period no further awards will be granted. The maximum number of award Shares to be issued, reserved and available for distribution under the 2021 Share Award Scheme will be 5% of the total number of Shares in issue from time to time during the award period of the 2021 Share Award Scheme.

Details of the awards granted under the 2021 Share Award Scheme as of June 30, 2022 are as follows:

Name of grantee	Date of grant	Valid period of the 2021 Share Award Scheme	Grant price (HK\$ per Share)	Number of Shares underlying awards remain valid as of January 1, 2022	Number of Shares underlying awards granted during the Reporting Period	Number of Shares Underlying awards settled during the Reporting Period	Number of awards canceled/ forfeited/ lapsed during the Reporting Period	Number of Shares underlying awards granted remaining valid as of June 30, 2022
Directors								
Mr. Ye LIU	July 2, 2021 ⁽²⁾	10 years commencing on the adoption date	0	13,002,000	0	0	0	13,002,000
Dr. Zhaopeng HU	July 2, 2021 ⁽³⁾	10 years commencing on the adoption date	0	150,000	0	0	0	150,000
Other grantees in aggregate⁽¹⁾	September 30, 2021 ⁽⁴⁾	10 years commencing on the adoption date	0	5,232,561	0	0	230,284 ⁽⁵⁾	5,002,277
Total			0	18,384,561	0	0	230,284 ⁽⁵⁾	18,154,277

Notes:

- (1) Other grantees are all employees of the Company (other than the Directors) who entered into valid employment contracts.
- (2) The award Shares granted to Mr. Ye LIU shall vest in him as follows: (a) 25% of the awards shall vest on the first anniversary of the date of grant; (b) 25% of the awards shall vest in four equal installments during the period from the first anniversary of the date of grant to the second anniversary of the date of grant; (c) 25% of the awards shall vest in four equal installments during the period from the second anniversary of the date of grant to the third anniversary of the date of grant; and (d) 25% of the awards shall vest in four equal installments during the period from the third anniversary of the date of grant to the fourth anniversary of the date of grant.
- (3) The award Shares granted to Dr. Zhaopeng HU shall vest in him as follows: (a) 10% of the awards shall vest on the first anniversary of the date of grant; (b) 20% of the awards shall vest in four equal installments during the period from the first anniversary of the date of grant to the second anniversary of the date of grant; (c) 30% of the awards shall vest in four equal installments during the period from the second anniversary of the date of grant to the third anniversary of the date of grant; and (d) 40% of the awards shall vest in four equal installments during the period from the third anniversary of the date of grant to the fourth anniversary of the date of grant.
- (4) The vesting schedule for other grantees under the 2021 Share Award Scheme is the same as those of Dr. Zhaopeng HU's as set out in note (3) above.
- (5) During the Reporting Period, 230,284 awards under the 2021 Share Awards Scheme were forfeited due to resignation of the relevant employees and nil award was canceled. Since the adoption of the 2021 Share Award Scheme and as of June 30, 2022, a total of 391,535 awards under the 2021 Share Award Scheme were forfeited due to the resignation of relevant employees from the Group.

Save as disclosed in this report, no award was granted or agreed to be granted, vested, canceled or lapsed under the 2021 Share Award Scheme throughout the six months ended June 30, 2022.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed herein, there was no event which has occurred after June 30, 2022 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, 2022 (June 30, 2021: 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 its own code of corporate governance. The CG Code has been applicable to the Company with effect from the date of Listing.

Mr. Lianming HE, an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee, passed away on March 30, 2022. Following the passing away of Mr. Lianming HE, there is a vacancy in each of the position of chairman of the Remuneration Committee and member of the Audit Committee and the Nomination Committee, and the Company has only two independent non-executive Directors, thus the number of the independent non-executive Directors does not satisfy (i) the minimum number as required under Rule 3.10(1) of the Listing Rules; (ii) the requirement that independent non-executive directors must represent at least one-third of the board as required under Rule 3.10A of the Listing Rules; (iii) the requirement that the audit committee must comprise a minimum of three members as required under Rule 3.21 of the Listing Rules; (iv) the requirement that the remuneration committee must be chaired by an independent non-executive director as required under Rule 3.25 of the Listing Rules; and (v) the requirement under Rule 3.27A of the Listing Rules which stipulates that the nomination committee must comprise a majority of independent non-executive directors.

On April 8, 2022, Mr. Zhenyu ZHANG has been appointed as an independent non-executive Director. Following the appointment of Mr. Zhenyu ZHANG with effect from April 8, 2022, the Company has fully complied with the requirements as set out in Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

For further details, please refer to the announcements of the Company dated March 31, 2022 and April 8, 2022.

The Board is of the view that, save as disclosed above, where the Company did not satisfy relevant requirements under the Listing Rules and associated code provisions of the CG Code in connection with such rules under the Listing Rules from March 30, 2022 to April 8, 2022, the Company has complied with all applicable code provisions of the CG Code during the six months ended June 30, 2022. The above temporary non-compliance did not constitute material non-compliance under the CG Code. 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 BY DIRECTORS OF LISTED ISSUERS

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, 2022. 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 the Prospectus and the announcement of the Company dated September 11, 2020, respectively. As of June 30, 2022, 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 (%)	Unutilized net proceeds as of December 31, 2021 (HK\$ million)	Utilized net proceeds as of June 30, 2022 (HK\$ million)	Unutilized net proceeds as of June 30, 2022 (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%	141.78	73.48	124.09	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 2022
3. For the commercialization of OT-401	246.96	15.00%	200.69	68.47	178.49	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%	288.70	387.55	174.87	second half 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 2023
3. For the further expansion of our sales and marketing team	164.64	10.00%	118.37	68.47	96.17	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%	26.17	164.64	-	-
Total	1,646.41	100.00%	813.67	1,034.83	611.58	

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

As of June 30, 2022, 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

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 price per Share for the subscription after deducting related fees and expenses is approximately HK\$27.92 per Share. The subscription of Shares have a market value of approximately HK\$834.4 million based on the closing price of HK\$29.80 per Share as of January 12, 2021 and an aggregate nominal value of US\$280.

The net proceeds arising from the placing and subscription amounted to approximately HK\$781.7 million, of which the intended use was set out in the announcement of the Company dated January 22, 2021. The placing and subscription was undertaken to strengthen the Group's financial position and for the long term funding of its business, expansion and growth plan. As of June 30, 2022, 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 (%)	Unutilized net proceeds as of December 31, 2021 (HK\$ million)	Utilized net proceeds as of June 30, 2022 (HK\$ million)	Unutilized net proceeds as of June 30, 2022 (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	-	234.51	by the end of 2025
Funding of international multi-centre clinical trials of the Company's therapies	273.60	35%	227.84	68.55	205.05	by the end of 2023
OT-702 (Eylea biosimilar)	99.66	12.75%	53.90	68.55	31.11	by the end of 2023
OT-301 (NCX 470)	50.03	6.40%	50.03	-	50.03	by the end of 2023
OT-101 (low-concentration atropine)	43.78	5.60%	43.78	-	43.78	by the end of 2024
OT-1001 (ZERVIATE®)	30.10	3.85%	30.10	-	30.10	by the end of 2022
OT-202 (TKI)	50.03	6.40%	50.03	-	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%	2.17	195.43	-	-
Other general corporate purposes	78.17	10%	78.17	4.11	74.06	by the end of 2023
Total	781.70	100%	542.69	268.09	513.62	

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

As of June 30, 2022, 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, 2022.

CHANGES IN THE INFORMATION OF DIRECTORS OR CHIEF EXECUTIVE OF THE COMPANY

The changes in the information of Directors or chief executive of the Company since the date of the Company's 2021 annual report are set out below:

1. Mr. Lianming HE, an independent non-executive Director, passed away on March 30, 2022;
2. Mr. Zhenyu ZHANG was appointed as an independent non-executive Director with effect from April 8, 2022;
3. Dr. Wei LI, a non-executive Director, was appointed as the chairman of the board of CStone Pharmaceuticals (基石藥業), a company whose shares are listed on the Stock Exchange (stock code: 2616), with effect from May 31, 2022; and
4. Mr. Ting Yuk Anthony WU, an independent non-executive Director, retired from being an independent non-executive director of Guangdong Investment Limited (粵海投資有限公司), a company whose shares are listed on the Stock Exchange (stock code: 0270), with effect from June 23, 2022.

Save as disclosed above, as of the date of this report, there is no change in information of the Directors or chief executive of the Company which shall be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, none of the Directors or any of their respective associates were granted by the Company or its subsidiaries any right to acquire shares in, or debentures of, the Company or its subsidiary, or had exercised any such right during the six months ended June 30, 2022.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations pursuant to Rules 13.20, 13.21 and 13.22 of the Listing Rules.

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, 2022 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, 2022) of the Group. The Audit Committee considered the unaudited interim results of the Group for the six months ended June 30, 2022 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

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.

By order of the Board

Ocumension Therapeutics

Dr. Lian Yong CHEN

Chairman and non-executive Director

Shanghai, the PRC, August 26, 2022

Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF OCUMENSION THERAPEUTICS
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Ocumension Therapeutics (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 32 to 59, which comprise the condensed consolidated statement of financial position as of June 30, 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
August 26, 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months Ended June 30, 2022

	NOTES	Six months ended June 30,	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Revenue	3	54,535	20,803
Cost of sales		(20,231)	(5,116)
Gross profit		34,304	15,687
Other income	4	15,182	12,626
Other gains and losses	4	12,004	111,177
Impairment losses under expected credit loss ("ECL") model, net of reversal		(283)	–
Selling and marketing expenses		(78,696)	(45,111)
Research and development ("R&D") expenses		(98,439)	(92,244)
Administrative expenses		(75,398)	(58,058)
Share of results of an associate		–	(13,331)
Finance costs		(981)	(355)
Loss before tax		(192,307)	(69,609)
Income tax expense	5	(362)	–
Loss for the period	6	(192,669)	(69,609)
Other comprehensive expense:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		(71,346)	(29,569)
		(71,346)	(29,569)
Total comprehensive expense for the period		(264,015)	(99,178)
Loss per share			
– Basic and diluted (RMB)	8	(0.31)	(0.12)

Condensed Consolidated Statement of Financial Position

At June 30, 2022

	NOTES	At June 30, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	9	391,134	346,411
Right-of-use assets	9	44,805	19,451
Intangible assets	10	802,513	709,973
Equity instruments at FVTOCI	12	201,055	272,401
Deposits and prepayments	13	106,151	148,250
Other asset – non-current	11	24,369	–
		1,570,027	1,496,486
Current assets			
Inventories		23,822	4,993
Trade and other receivables	13	87,032	44,353
Contract assets	14	7,775	–
Other asset – current	11	3,933	–
Bank balances and cash	15	1,574,893	1,785,221
		1,697,455	1,834,567
Current liabilities			
Trade and other payables	16	244,040	211,668
Lease liabilities		15,345	4,186
		259,385	215,854
Net current assets		1,438,070	1,618,713
Total assets less current liabilities		3,008,097	3,115,199
Non-current liabilities			
Contract liabilities	17	30,090	–
Lease liabilities		25,169	7,026
		55,259	7,026
Net assets		2,952,838	3,108,173
Capital and reserves			
Share capital	18	46	46
Reserves		2,952,792	3,108,127
Total equity		2,952,838	3,108,173

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended June 30, 2022

	Attributable to owners of the Company							Total RMB'000
	Share capital RMB'000 (note 18)	Share premium RMB'000	Other reserves RMB'000 (note)	FVTOCI revaluation reserve RMB'000	Treasury share held in the trust RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	
At January 1, 2021 (audited)	41	6,545,534	(586,571)	-	(2)	327,886	(3,784,560)	2,502,328
Loss for the period	-	-	-	-	-	-	(69,609)	(69,609)
Other comprehensive expense for the period	-	-	-	(29,569)	-	-	-	(29,569)
Total comprehensive expense for the period	-	-	-	(29,569)	-	-	(69,609)	(99,178)
Issuance of ordinary shares (note 18)	2	663,296	-	-	-	-	-	663,298
Transaction costs attributable to issuance of new shares	-	(10,109)	-	-	-	-	-	(10,109)
Exercise of share options granted (note 20)	1	64,070	-	-	-	(55,718)	-	8,353
Exercise of restricted share units ("RSUs") (note 20)	-	31,598	-	-	-*	(26,702)	-	4,896
Vesting of restricted ordinary shares	-	922	-	-	-	(922)	-	-
Recognition of equity-settled share-based payments (note 20)	-	-	-	-	-	75,579	-	75,579
Grant of warrants (note 19)	-	-	4,792	-	-	-	-	4,792
At June 30, 2021 (unaudited)	44	7,295,311	(581,779)	(29,569)	(2)	320,123	(3,854,169)	3,149,959
At January 1, 2022 (audited)	46	7,355,472	(581,779)	(305)	(3)	379,291	(4,044,549)	3,108,173
Loss for the period	-	-	-	-	-	-	(192,669)	(192,669)
Other comprehensive expense for the period	-	-	-	(71,346)	-	-	-	(71,346)
Total comprehensive expense for the period	-	-	-	(71,346)	-	-	(192,669)	(264,015)
Exercise of share options granted (note 20)	-*	6,000	-	-	-	(4,987)	-	1,013
Purchase of shares via a trust (note 18)	-	(8,152)	-	-*	-	-	-	(8,152)
Recognition of equity-settled share-based payments (note 20)	-	-	-	-	-	115,819	-	115,819
Forfeited equity-settled share-based payments	-	-	-	-	-	(478)	478	-
At June 30, 2022 (unaudited)	46	7,353,320	(581,779)	(71,651)	(3)	489,645	(4,236,740)	2,952,838

* The relevant amount is less than RMB1,000.

Note: Other reserves included 1) effect of put option granted to Suzhou Frontline BioVentures Venture Capital Fund II L.P. and Suzhou 6 Dimensions Venture Capital Partnership L.P. (collectively referred to as the "Onshore Investors") to convert their equity interests in a subsidiary to Ocumension Therapeutics (the "Company") preferred shares ("Share Purchase Option"); 2) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of issuance of subsidiary's equity and the relevant proceeds received; 3) deemed capital contribution upon granting of restricted shares or options to employees of subsidiary attributable to non-controlling interests; 4) effect of exercise of put option granted to non-controlling shareholders; 5) effect of deemed distribution of offshore investors arose from the difference between the fair value of the Series A Preferred Shares at the date of issuance and the consideration received by the Company; and 6) warrants granted to Alimera Sciences Inc. ("Alimera") to subscribe the ordinary shares of the Company.

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended June 30, 2022

	Six months ended June 30,	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
OPERATING ACTIVITIES		
Loss before tax	(192,307)	(69,609)
Adjustments for:		
Finance costs	981	355
Bank interest income	(14,075)	(12,303)
Share of results of an associate	–	13,331
Depreciation of property, plant and equipment	2,412	1,229
Depreciation of right-of-use assets	6,828	1,686
Amortisation of intangible assets	8,921	896
Impairment losses under ECL model, net of reversal	283	–
Share-based payments	115,819	75,579
Gain from changes in fair value of other financial assets	(256)	(6,642)
Other gains related to EyePoint Pharmaceutical, Inc. (“EyePoint”)	–	(100,621)
Gain on acquisition of an equity instrument at FVTOCI	–	(14,534)
Net unrealized foreign exchange (gains) losses	(13,984)	10,620
Operating cash flows before movements in working capital	(85,378)	(100,013)
(Increase) decrease in inventories	(18,829)	718
Increase in trade and other receivables	(6,058)	(14,702)
Increase in contract assets	(7,784)	–
Increase (decrease) in trade and other payables	67,055	(3,005)
Increase in contract liabilities	30,090	–
Increase in other asset	(28,302)	–
Cash used in operations	(49,206)	(117,002)
Income tax paid	(362)	–
NET CASH USED IN OPERATING ACTIVITIES	(49,568)	(117,002)
INVESTING ACTIVITIES		
Interest received from banks	15,000	9,468
Placement of pledged bank deposit	(2,600)	(24,284)
Release of pledged bank deposit	–	17,500
Release of term deposits	660,000	–
Payment for rental deposits	(490)	(1,295)
Payment for property, plant and equipment	(60,312)	(129,816)
Payment of intangible assets	(116,047)	(120,643)
Redemption of other financial assets	80,246	1,361,642
Placement of other financial assets	(79,990)	(1,355,000)
Payment for investment in an equity instrument at FVTOCI	–	(65,297)
Payment for investment in an associate	–	(848)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	495,807	(308,573)

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended June 30, 2022

	Six months ended June 30,	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	–	663,298
Proceeds from exercise of share options granted	1,013	8,353
Proceeds from exercise of RSUs	–	890
Payment of transaction costs attributable to the issuance of new shares	–	(10,109)
Payment on purchase of shares via a trust	(10,725)	–
Payments of lease liabilities	(2,458)	(1,111)
Interest paid	(981)	(355)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(13,151)	660,966
NET INCREASE IN CASH AND CASH EQUIVALENTS	433,088	235,391
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,125,221	2,034,319
Effects of exchange rate changes	13,984	(10,620)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,572,293	2,259,090

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2022

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.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2022 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2021.

Application of amendments to International Financial Reporting Standards (“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 January 1, 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

The application of the 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.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2022

3. REVENUE AND SEGMENT INFORMATION

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

	Six months ended June 30,	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Types of goods or service		
<i>At a point in time</i>		
Sales of ophthalmic products	28,219	20,286
Pharmaceutical products promotion services	8,608	517
Sales-based royalty income	17,708	–
	54,535	20,803

Sales of ophthalmic products

For the sale of ophthalmic products, revenue is recognised 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 recognised 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.

3. REVENUE AND SEGMENT INFORMATION (continued)

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 recognised 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 recognised 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 recognised 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.

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 excluding the financial instruments of the Group are located in the People's Republic of China (the "PRC").

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2022

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Other income		
Bank interest income	14,075	12,303
Government grant income (note a)	851	2
Others	256	321
	15,182	12,626
Other gains and losses		
Net foreign exchange gains (losses)	11,748	(10,620)
Gain from changes in fair value of other financial assets	256	6,642
Other gains related to EyePoint (note b)	–	100,621
Gain on acquisition of an equity instrument at FVTOCI (note c)	–	14,534
	12,004	111,177

Notes:

- (a) Government grants include unconditional subsidies from the PRC government which are specifically for innovation and development support during the interim period.

4. OTHER INCOME AND OTHER GAINS AND LOSSES (continued)

Notes: (continued)

(b) The other gains related to EyePoint are summarized as follows:

	Six months ended June 30,	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Gain on acquisition of an associate (note i)	–	25,941
Gain on dilution on shares of an associate (note ii)	–	29,440
Gain on deemed disposal of an associate (note iii)	–	45,240
	–	100,621

- i) The gain on acquisition of an associate represented the gain resulting from the acquisition on the shares of EyePoint, which was the differences between the acquisition date market quoted prices and the agreed subscription prices of shares.
- ii) The gain on dilution on shares of an associate represented the gain as a result of the share allotment and issue of new shares by EyePoint, which decreased the proportionate ownership interests held by the Group.
- iii) The gain on deemed disposal of an associate represented the gain as a result of the loss of significant influence over EyePoint as disclosed in note 12, which was the difference between the carrying amount of the associate and the fair value of the retained interest in EyePoint.

(c) The gain on acquisition of an equity instrument at FVTOCI represented the gain resulting from the acquisition on the shares of Alimera, which was the differences between the acquisition date market quoted prices and the agreed subscription prices of shares.

5. INCOME TAX EXPENSE

The income tax expense for the current period represents the withholding tax relating to the sublicense income generated from Taiwan market included in contract liabilities. No income tax expense has been incurred by the Group during the six months ended June 30, 2022 and 2021 as there was no assessable profits derived from or earned for any of the periods presented.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2022

6. LOSS FOR THE PERIOD

	Six months ended June 30,	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Loss for the period has been arrived at after charging:		
Directors' emoluments	87,824	40,125
Other staff costs excluding directors' emoluments	105,871	90,977
Total staff costs	193,695	131,102
Depreciation of property, plant and equipment	2,412	1,229
Depreciation of right-of-use assets	6,828	1,686
Amortisation of intangible asset	8,921	896
Auditors' remuneration	880	880
Lease payments in respect of short-term and low values assets	788	664

7. DIVIDENDS

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

8. 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,	
	2022 (unaudited)	2021 (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)	(192,669)	(69,609)
Number of shares		
Weighted average number of ordinary shares of basic and diluted loss per share calculation	627,169,155	595,869,053

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 ("Coral Incentivization") for unexercised restricted shares units ("RSUs") and the shares held by Computershare Hong Kong Trustees Limited for unvested share awards.

8. LOSS PER SHARE (continued)

The computation of diluted loss per share for the six months ended June 30, 2022 and 2021 did not assume the exercise of share options and RSUs, the vesting of restricted ordinary shares and share awards and the exercise of warrants since their assumed exercise or vesting would result in a decrease in loss per share.

9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group incurred RMB13,161,000 (six months ended June 30, 2021: RMB76,777,000) on construction costs for the production facility located in Suzhou, and RMB33,974,000 (six months ended June 30, 2021: RMB1,871,000) on acquisition of equipment and leasehold improvement of office. There was no disposal or written off of property, plant and equipment.

During the current interim period, the Group entered into several new lease agreements with lease terms of 1 to 3.5 years. On lease commencement, the Group recognised right-of-use assets of RMB32,182,000 (six months ended June 30, 2021: RMB6,412,000) and lease liabilities of RMB31,760,000 (six months ended June 30, 2021: RMB6,412,000).

As at the end of the current interim period, the Group was committed to acquire property, plant and equipment for its operation of RMB25,612,000 (December 31, 2021: RMB27,895,000).

10. INTANGIBLE ASSETS

During the current interim period, the Group had addition of intangible assets of RMB101,461,000 (six months ended June 30, 2021: RMB153,856,000), which consists of capitalized development costs of RMB100,461,000 and acquisition of computer software of RMB1,000,000.

11. OTHER ASSET

On June 1, 2022, the Company obtained an exclusive promotion right for hospital network in the PRC for certain product of a customer at the consideration of RMB28,302,000 excluding value added tax (RMB30,000,000 including value added tax). Details refer to the Company's announcement on June 1, 2022. As of June 30, 2022, amount of RMB3,933,000 classified as current assets is expected to release to the profit or loss within one year.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2022

12. EQUITY INSTRUMENTS AT FVTOCI

	At June 30, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
Listed equity securities in the United States of America ("US")	201,055	272,401

The above listed equity investments represent ordinary shares of listed equities in the US, EyePoint (NASDAQ: EYPT) and Alimera (NASDAQ: ALIM). These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Included in listed equity investment above is the Group's investment in EyePoint with a carrying amount of RMB159,023,000 as at June 30, 2022 (December 31, 2021: RMB234,953,000). On December 31, 2020 (US Time) (which was January 1, 2021 China time), the Company completed the subscription of 3,010,722 EyePoint shares for a total consideration of approximately US\$15,704,829 (equivalent to approximately RMB102,472,000). Upon completion of the subscription of the shares on January 1, 2021, the Group held approximately 16.6% of the enlarged total outstanding shares of EyePoint and the Chief Executive Officer (the "CEO") of the Company, was appointed as a board director of EyePoint and a member of the board on science committee. The board of directors in EyePoint authorised the science committee to exercise the powers over the decision-making of key strategic and tactical issues relating to EyePoint's R&D activities. Considering the power to participate in the financial and operating policy decisions, the directors of the Company considered that the Group had significant influence over EyePoint and the investment was therefore classified as an associate of the Group.

Subsequent to the subscription of shares, 1) as a result of share allotment and issue of new ordinary shares by EyePoint, the Group's shareholding in EyePoint was diluted from 16.6% to 10.5%, which resulted in a gain on dilution of shares of RMB29,440,000; and 2) the CEO of the Company resigned as a member of science committee of EyePoint on April 23, 2021. The directors of the Company considered the Group has lost its significant influence on EyePoint due to the loss of the power to participate in the financial and operating policy decisions of EyePoint. The loss of significant influence over EyePoint is regarded as deemed disposal of the Group's associate and EyePoint became an equity instrument at FVTOCI of the Group. The Group had accounted for its investment in EyePoint using the equity method of accounting before the deemed disposal, and accounted for it as equity instrument at FVTOCI using quoted price of the investment. Difference between the carrying amount of investment in an associate and fair value of shares of EyePoint resulted in the Group recognising a gain of RMB45,240,000 in profit or loss during the six months ended June 30, 2021. For details of investment in EyePoint, please refer to the Company's announcement on January 4, 2021.

For the six months ended June 30, 2022, the fair value loss on investment in equity instruments at FVTOCI were recognised in other comprehensive expense amounted to approximately RMB71,346,000 (six months ended June 30, 2021: RMB29,569,000), which consisted of the fair value loss on EyePoint of approximately RMB75,930,000 (six months ended June 30, 2021: loss of RMB14,782,000) and fair value gain on Alimera of approximately RMB4,584,000 (six months ended June 30, 2021: loss of RMB14,787,000).

Details of fair value measurement are set out in Note 21.

13. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	At June 30, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
Trade receivables	54,770	18,509
Prepayments for		
– R&D expenses for projects (note a)	95,953	93,848
– acquisition of property, plant and equipment	13,740	18,182
– selling and marketing activities	3,028	5,063
Value added tax recoverable	8,039	41,071
Utility and rental deposits	7,160	7,092
Interest receivable	3,178	4,103
Others	7,589	4,735
	193,457	192,603
Less: Allowance for credit loss	(274)	–
	193,183	192,603
Analysis as:		
Current	87,032	44,353
Non-current (note b)	106,151	148,250
	193,183	192,603

Notes:

- a) The Company made prepayments for its R&D expenses for projects carried out by collaborators or contracted research organizations. Certain of the payments will be recognised as intangible assets in the future periods as the relevant pipelines have met the capitalisation criteria in accordance with IAS 38 *Intangible Assets* as at the reporting period ended and classified as non-current assets.
- b) The non-current portion mainly includes the prepayments for capitalised development costs, acquisition of property, plant and equipment and certain amount of value added tax recoverable expected to realise beyond twelve months at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2022

13. TRADE AND OTHER RECEIVABLES (continued)

The Group allows an average credit period of 30 to 90 days to its trade customers. The following is an analysis of trade receivables by age, presented based on the invoice date.

	At June 30, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
0 – 90 days	54,286	18,231
91 – 180 days	484	278
	54,770	18,509

14. CONTRACT ASSETS

	At June 30, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
Pharmaceutical products – promotion services – current	7,784	–
Less: Allowance for credit loss	(9)	–
	7,775	–

The contract assets primarily relate to the Group's right to consideration for pharmaceutical products promotion services rendered because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

15. BANK BALANCES AND CASH

	At June 30, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
Cash at bank	633,685	815,221
Term deposits	941,208	970,000
	1,574,893	1,785,221
Analysed as:		
Cash and cash equivalents	1,572,293	1,125,221
Term deposit with original maturity date between three months to one year (note a)	–	640,000
Pledged bank deposits (note b)	2,600	20,000
	1,574,893	1,785,221

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.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2022

16. TRADE AND OTHER PAYABLES

	At June 30, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
Trade payables	8,318	4,407
Payables and accruals for		
– R&D expenses for projects (note a)	91,991	75,617
– construction payables (note b)	96,601	114,221
– promotion right (Note 11)	30,000	–
– selling and marketing expenses	2,293	3,218
– legal and professional fee	1,447	1,772
– others	2,311	1,597
Payroll payables	10,246	8,437
Other tax payables	833	2,399
	244,040	211,668

Notes:

- a) Amount included service fees paid to outsourced service providers including contract research organisations and clinical trial sites.
- b) The construction payables mainly relate to the construction for manufacture site in Suzhou, the PRC.

The average credit period on purchases of goods and 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, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
0 – 30 days	7,587	4,407
Over 30 days	731	–
	8,318	4,407

17. CONTRACT LIABILITIES

	At June 30, 2022 RMB'000 (unaudited)	At December 31, 2021 RMB'000 (audited)
Advance for granting distribution right (note a)	28,302	–
Sublicense income (note b)	1,788	–
	30,090	–
Non-current	30,090	–

Notes:

- a) During the current period, the Group granted an exclusion distribution right to a customer for certain product of the Group in the PRC for a period of five years at cash consideration of RMB28,302,000 excluding value added tax (RMB30,000,000 including value added tax). The Group agrees to supply the products after the product being approved for commercialisation. The Group recognised the amount as non-current contract liabilities as the product is still under research and development as of June 30, 2022 and it takes more than one year to obtain the commercialisation approval in the PRC.
- b) During the current period, the Group received upfront payment relating to sublicense of exclusive distribution right in Taiwan market for a product of the Group. The Group agrees to supply the products after the product being approved for commercialisation. The Group recognised the amount as non-current contract liabilities as the product is still under research and development in Taiwan as of June 30, 2022 and it will take more than one year to obtain the commercialisation approval.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended June 30, 2022

18. SHARE CAPITAL

	Number of shares	Share capital <i>USD'000</i>	
Ordinary shares			
Ordinary shares of US\$0.00001 each			
Authorised			
At December 31, 2021 and January 1, 2022 (audited) and June 30, 2022 (unaudited)	5,000,000,000	50	
	Number of shares	Amount <i>USD'000</i>	Equivalent amount of ordinary shares <i>RMB'000</i>
Issued and fully paid			
At January 1, 2021 (audited)	591,140,120	5	41
Issuance of ordinary shares (note i)	28,000,000	–*	2
Exercise of share options granted	12,065,260	–*	1
At June 30, 2021 and July 1, 2021 (unaudited)	631,205,380	5	44
Exercise of share option granted	16,601,795	1	1
Issuance of treasury shares hold in a trust (note ii)	18,936,000	1	1
Purchase of shares via a trust (note iii)	–	–	–
At December 31, 2021 and January 1, 2022 (audited)	666,743,175	7	46
Exercise of share options granted	1,048,845	–*	–*
Purchase of shares via a trust (note iii)	–	–	–
At June 30, 2022 (unaudited)	667,792,020	7	46

* The relevant amount is less than US\$1,000 or RMB1,000.

18. SHARE CAPITAL (continued)*Notes:*

- (i) On January 22, 2021, the Company completed the placing of existing shares. The gross proceeds from the subscription amount to approximately HK\$793,800,000 (equivalent to approximately RMB663,298,000). An aggregate of 28,000,000 shares have been successfully placed by Morgan Stanley & Co. International plc to six places at the placing price of HK\$28.35 per share in accordance with the placing and subscription agreement. For details, please refer to the Company's announcements dated January 13, 2021 and January 22, 2021, respectively.
- (ii) On December 21, 2021, the Company issued 18,936,000 shares on trust for benefits of selected employees of the Company pursuant to the terms of the 2021 Share Award Scheme as detailed set out in Note 20.
- (iii) The Company instructed Computershare to acquire its own shares through the Hong Kong Stock Exchange as follows. Those shares are held by Computershare for the purpose of satisfying part of the grant of share awards under the 2021 Share Award Scheme as details set out in Note 20.

	No. of ordinary shares	Price per share		Aggregate consideration paid <i>RMB'000</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
December 2021	101,000	17.12	16.52	1,388
January 2022	549,882	17.80	13.68	6,789
February 2022	150,000	11.22	11.24	1,363

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the current period.

19. WARRANTS

On April 14, 2021, the Company entered into an agreement with Alimera for the issuance of 1,000,000 non-transferable warrants which would entitle Alimera to subscribe for up to 1,000,000 fully paid ordinary shares of the Company at the exercise price of HK\$23.88 per share. The warrants were issued in conjunction with the acquisition of a license right from Alimera. The warrants were granted on April 14, 2021, and the issuance was subsequently completed on August 13, 2021 with the expiry date on August 12, 2025. Such warrant reserve is included in other reserves until they are being exercised. For further details of the warrants issue, please refer to the Company's announcements dated April 14, 2021 and August 13, 2021, respectively. There was no exercise of warrants during the six months ended June 30, 2022 and 2021.

20. SHARE-BASED PAYMENT TRANSACTIONS**(a) Restricted share award**

To provide incentive and maintain the key management of the Group, on August 28, 2018, the Company issued 2,903,700 restricted ordinary shares to the CEO of the Company and 1,451,850 restricted ordinary shares to an employee (collectively referred to as "Restricted Person") at the total consideration of approximately RMB3,000 (at US\$0.0001 per share).

The Company shall have the right to repurchase the unvested shares from the Restricted Person at the initial issuance price upon termination of the Restricted Person's employment or upon his voluntary termination of his employment with the Company (the "Repurchase Right").

None of the restricted ordinary shares may be sold, transferred, pledged, hypothecated, or otherwise disposed of, directly or indirectly, by the Restricted Person prior to the termination of the Repurchase Right. The aforesaid arrangement has been accounted for as share-based payment transactions. Accordingly, the Group measured the fair value of the unvested restricted ordinary shares as of the grant date and is recognising the amount as compensation expense over the vesting period for each separately vesting portion of the unvested restricted ordinary shares. The restricted ordinary shares shall be vested over four years on a quarterly basis from August 28, 2018 and accelerated the vesting schedule upon completion of IPO.

The restricted ordinary shares were valued by the directors of the Company with reference to the valuation carried out by Valuelink Management Consultants Limited, on the grant date of the restricted ordinary shares. The weighted average grant date fair value of the restricted ordinary shares as determined to be RMB0.847 per share as of August 28, 2018.

The following table summarised the Group's restricted ordinary shares movement during the period:

	Number of unvested restricted shares	Weighted average grant date fair value RMB'000
Restricted ordinary shares		
At January 1, 2021 (audited)	1,361,120	0.847
Vested during the period	(1,088,880)	(0.847)
At June 30, 2021 and July 1, 2021 (unaudited)	272,240	0.847
Vested during the period	(272,240)	(0.847)
At December 31, 2021 (audited) and June 30, 2022 (unaudited)	-	-

The total expenses recognised in the condensed consolidated profit or loss and other comprehensive expenses for the restricted ordinary shares granted are approximately RMB nil for the six months ended June 30, 2022 (six months ended June 30, 2021: RMB204,000).

20. SHARE-BASED PAYMENT TRANSACTIONS (continued)**(b) Pre-IPO share option scheme of the Company**

The Company's Pre-IPO share option scheme (the "Pre-IPO Option Scheme") was adopted pursuant to a resolution passed on May 23, 2018 for the primary purpose of providing incentives to directors and eligible employees who render services to the Group. Under the Option Scheme, the Company may grant options to eligible employees, including the directors of the Company, to subscribe for shares in the Company.

The directors of the Company approved up to 23,964,800 of the Company on May 23, 2018, in which options may be granted under the Pre-IPO Option Scheme.

On January 22, 2020, a resolution was passed by the board of directors of the Company to increase the capacity of the Pre-IPO Option Scheme to at a maximum of 60,328,890 shares. The options granted to one director and certain employees of the Group in 2020 under the Pre-IPO Option Scheme generally vest over 60-months with a cliff vesting of 20% on the first trading date after the expiry of one year after the commencement date of the director and staff employment and a vesting of 5 percent (5%) of each quarter for the following sixteen quarters and the vesting schedule shall be accelerated upon completion of IPO.

The following table discloses movements of the outstanding options granted under the Pre-IPO Option Scheme during the period:

	Number of share options			
	Directors of the Company		Employees	
	Six months ended		Six months ended	
	2022	2021	2022	2021
At the beginning of the period	21,960,960	32,664,960	9,181,227	27,562,800
Exercised during the period	–	(320,000)	(1,048,845)	(11,745,260)
Forfeited during the period	–	–	(101,130)	–
At the end of the period	21,960,960	32,344,960	8,031,252	15,817,540

As at June 30, 2022, total of 29,992,212 share options were outstanding (December 31, 2021: 31,142,187), with the weighted average exercise price of US\$0.18 (December 31, 2021: US\$0.18). Among them total of 28,113,936 share options were exercisable (December 31, 2021: 26,467,661), with the weighted average exercise price of US\$0.18 (December 31, 2021: US\$0.18).

During the six months ended June 30, 2022, the weighted average exercise price of share options exercised and forfeited is US\$0.14 and US\$0.19, respectively (six months ended June 30, 2021: US\$0.10 for the share option exercised) for the employees of the Company. No share options were exercised for the directors of the Company (six months ended June 30, 2021: US\$0.19 for the weighted average price of share options exercised by the directors of the Company).

In respect of share options exercised during current period, the weighted average share price at the date of exercise was HK\$11.46 (six months ended June 30, 2021: HK\$22.98).

The Group recognised the total expense of RMB1,609,000 for the six months ended June 30, 2022 in relation to share options granted by the Company (six months ended June 30, 2021: RMB54,316,000).

20. SHARE-BASED PAYMENT TRANSACTIONS (continued)**(c) Restricted share unit scheme (“RSU Scheme”) of the Company**

On April 28, 2020, the Company adopted RSU Scheme, under which, at the maximum of 24,000,000 can be issued by the Company under the RSU Scheme. Up to June 30, 2022, the Company granted 22,866,920 RSUs to certain directors of the Company and employees under the RSU Scheme. For all granted RSUs, 20% of the shares are to be vested on the first anniversary the vesting commencement date, and the remaining shares are to be vested with equal quarterly installments over the following sixteen quarters.

The following table discloses movements of the Company’s RSUs held by grantees during the period:

	Number of RSUs held by			
	Directors of the Company		Employees	
	Six months ended		Six months ended	
	2022	2021	2022	2021
At the beginning of the period	12,666,895	13,343,740	5,855,429	9,464,910
Exercised during the period	–	(676,845)	–	(3,333,787)
Forfeited during the period	–	–	(232,415)	(26,500)
Total at the end of the period	12,666,895	12,666,895	5,623,014	6,104,623

As at June 30, 2022, total of 14,389,420 (December 31, 2021: 9,470,408) RSUs are vested but unexercised.

During the current period, no RSUs were exercised and the weighted average exercise price for the RSUs forfeited is US\$0.19 (six months ended June 30, 2021: US\$0.19 for the weighted average exercise price exercised).

The Group recognised the total expense of RMB8,330,000 in relation to the RSUs granted by the Company for the six months ended June 30, 2022 (six months ended June 30, 2021: RMB21,059,000).

20. SHARE-BASED PAYMENT TRANSACTIONS (continued)**(d) 2021 share option scheme (“2021 Share Option Scheme”) of the Company**

On July 2, 2021, the board proposed the adoption of the 2021 Share Option Scheme for the purpose of providing incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Group, and incentivizing them to remain with the Group. The maximum number of shares may be issued by the Company shall not exceed 10% of the total number of shares in issue at the date of adoption. The exercise period of the share options is ten years after the date of grant. The adoption of 2021 Share Option Scheme was approved by the shareholders on August 31, 2021.

For the share options granted to a director of the Company, 25% of the options shall vest on the first anniversary of the grant date, and 75% of the options shall vest in twelve equal instalments in the following three years. For the share options granted to another director of the Company and employees, the share options shall vest as follows.

- (a) 10% shall vest on the first anniversary of the grant date;
- (b) 20% shall vest in four equal installments during the period from the first anniversary of the grant date to the second anniversary of the grant date;
- (c) 30% shall vest in four equal installments during the period from the second anniversary of the grant date to the third anniversary of the grant date; and
- (d) 40% shall vest in four equal installments during the period from the third anniversary of the grant date to the fourth anniversary of the grant date.

The following table discloses movements of the outstanding options granted under the 2021 Share Option Scheme during the period:

	Number of share options			
	Directors of the Company six months ended		Employees six months ended	
	2022	2021	2022	2021
At the beginning of the period	8,818,000	–	5,232,561	–
Forfeited during the period	–	–	(230,284)	–
Total at the end at the period	8,818,000	–	5,002,277	–

As at June 30, 2022, the weighted average exercise price for the share options outstanding of HK\$24.31 (December 31, 2021: HK\$24.23), and no share options are exercisable (December 31, 2021: nil).

The Group recognised the total expense of RMB29,394,000 for the current period in relation to share options granted by the Company (six months ended June 30, 2021: nil).

20. SHARE-BASED PAYMENT TRANSACTIONS (continued)**(e) 2021 share award scheme (“2021 Share Award Scheme”) of the Company**

On July 2, 2021, the board resolved the adoption of the 2021 Share Awards Scheme to recognise the contributions of the eligible persons in order to incentivize them to remain with the Group, and to motivate them to strive for the future development and expansion of the Group. The 2021 Share Award Scheme is valid and effective for a period of ten (10) years. The maximum number of shares may be issued by the Company under the 2021 Share Award Scheme shall be 5% of the number of shares in issue from time to time during such period. Computershare was appointed by the Company as trustee for the administration of the 2021 Share Award Scheme. The trustee shall purchase the Company’s shares from the market out of cash contributed by the Company and shall hold such shares in trust until they are vested to the participants in accordance to the rules of the 2021 Share Award Scheme.

For the share awards granted to certain director of the Company, 25% of the share awards shall vest on the first anniversary of the grant date, and 75% of the share awards shall vest in twelve equal instalments in the following three years. For the share awards granted to another director of the Company and employees, the share awards shall vest as follows.

- (a) 10% shall vest on the first anniversary of the grant date;
- (b) 20% shall vest in four equal installments during the period from the first anniversary of the grant date to the second anniversary of the grant date;
- (c) 30% shall vest in four equal installments during the period from the second anniversary of the grant date to the third anniversary of the grant date; and
- (d) 40% shall vest in four equal installments during the period from the third anniversary of the grant date to the fourth anniversary of the grant date.

The following table discloses movements of the outstanding awards granted under the 2021 Share Award Scheme during the period:

	Number of share awards			
	Directors of the Company		Employees	
	six months ended		six months ended	
	2022	2021	2022	2021
At the beginning of the period	13,152,000	–	5,232,561	–
Forfeited during the period	–	–	(230,284)	–
Total at the end at the period	13,152,000	–	5,002,277	–

No share awards are vested as of June 30, 2022 (December 31, 2021: nil).

The total expenses recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the awards shares granted are approximately RMB76,486,000 for the current period.

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The finance department of the Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets			Fair value hierarchy	Valuation technique and key input
	June 30, 2022 RMB'000 (unaudited)	December 31, 2021 RMB'000 (audited)		
Other financial assets	–	–	Level 3	Discounted cash flow which was estimated based on expected return, discounted at a rate that reflects the risk of underlying investments.
Listed equity securities at FVTOCI	201,055	272,401	Level 1	Quoted bid prices in an active market

There were no transfers between level 1 and level 2 during the period.

The fair values of listed equity securities are determined with reference to quoted market bid prices from relevant stock exchange.

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)**Reconciliation of Level 3 fair value measurements**

The following table presents the reconciliation of Level 3 measurements of other financial assets during the period:

	Other financial assets RMB'000
At January 1, 2021 (audited)	–
Purchase of other financial assets	1,355,000
Redemption of other financial assets	(1,361,642)
Net gain on other financial assets	6,642
At June 30, 2021 and July 1, 2021 (unaudited)	–
Purchase of other financial assets	590,000
Redemption of other financial assets	(593,980)
Net gain on other financial assets	3,980
At December 31, 2021 and January 1, 2022 (audited)	–
Purchase of other financial assets	79,990
Redemption of other financial assets	(80,246)
Net gain on other financial assets	256
At June 30, 2022 (unaudited)	–

The fair value gains or losses on financial assets are included in “other gains and losses”.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amount of the Group’s financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

22. RELATED PARTY TRANSACTIONS**Compensation of key management personnel**

The remuneration of the directors of the Company and other members of key management of the Group during the periods were as follows:

	Six months ended June 30,	
	2022 <i>RMB'000</i> (unaudited)	2021 <i>RMB'000</i> (unaudited)
Short term benefits	4,323	4,694
Post-employment benefits	51	52
Discretionary bonus	2,145	2,255
Share-based payments	88,359	50,868
	94,878	57,869

The remuneration of key management personnel is determined by the directors of the Company having regard to the performance of individuals and market trends.

Definitions and Acronyms

"2021 Share Award Scheme"	the share award scheme adopted by the Company in accordance with the scheme rules thereof on July 2, 2021, the details of which are set out in the circular of the Company dated August 11, 2021
"2021 Share Option Scheme"	the share option scheme adopted by the Board in accordance with the rules thereof on July 2, 2021 and approved by the Shareholders on the extraordinary general meeting of the Company held on August 31, 2021, the details of which are set out in the circular of the Company dated August 11, 2021
"6 Dimensions Affiliates"	6 Dimensions Affiliates Fund, L.P., a limited partnership established under the laws of Cayman Islands on October 25, 2017 and one of our controlling shareholders
"6 Dimensions Capital"	6 Dimensions Capital, L.P., a limited partnership established under the laws of Cayman Islands on August 16, 2017 and one of our controlling shareholders
"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 report and for geographical reference only and except where the context requires, references in this report 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
“Coral Incentivization”	Coral Incentivization Limited, a business company incorporated in the British Virgin Islands with limited liability on March 31, 2020
“Core Product”	has the meaning ascribed to it under Chapter 18A of the Listing Rules; for the purpose of this report, our Core Product refers to OT-401 (fluocinolone intravitreal implant, trade name: YUTIQ®), the NDA for which has been approved by the CDE in June 2022. OT-401 is commercialized in the PRC under the trade name of Youshiying® (優施瑩®)
“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
“DME”	diabetic macular edema
“ESOP”	the employee stock option plan adopted by our Company on May 23, 2018, as amended from time to time, the details of which are set out in the Prospectus
“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

Definitions and Acronyms

“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
“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

“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, 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
“Nomination Committee”	the nomination committee of the Board
“pre-IND”	the stage before IND application
“Prospectus”	the prospectus issued by the Company dated June 29, 2020
“RMB”	Renminbi Yuan, the lawful currency of China
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the period of the six months ended June 30, 2022
“RSU(s)”	the restricted share unit(s)
“RSU Scheme”	the restricted share unit scheme adopted by the Company on April 28, 2020, the details of which are set out in the Prospectus
“R&D”	research and development
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the share capital of our Company of US\$0.00001 each
“Shareholder(s)”	holder(s) of Shares

Definitions and Acronyms

“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Suzhou 6 Dimensions”	Suzhou 6 Dimensions Venture Capital Partnership L.P. (蘇州通和毓承投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 4, 2017 and one of our controlling shareholders
“Suzhou Frontline II”	Suzhou Frontline BioVentures Venture Capital Fund II L.P. (蘇州通和二期創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on March 8, 2016 and one of our controlling shareholders
“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\$”	United States dollars, the lawful currency of the United States
“Viatriis”	Viatriis 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, Viatriis China, collectively, and where the context requires, either of Viatriis Inc. or its affiliate(s)
“Viatriis China”	Viatriis Pharmaceuticals Co., Ltd. (暉致醫藥有限公司), an affiliate of Viatriis and a company established under the laws of the PRC and located in Shanghai, the PRC, which is primarily engaged in the wholesale, import and licensing of drugs
“wAMD”	wet age-related macular degeneration
“Written Guidelines”	the Guidelines for Securities Transactions by Directors adopted by the Company
“%”	Per cent

In this report, 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.



OcuMension

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