

---

# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Ocumension Therapeutics**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

---



## Ocumension Therapeutics

歐康維視生物

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1477)**

**(1) REFRESHMENT OF THE SCHEME MANDATE LIMIT AND SET  
OF THE SERVICE PROVIDER SUBLIMIT;  
(2) GRANT TO EMPLOYEE PARTICIPANTS AND CONNECTED  
TRANSACTION INVOLVING THE PROPOSED CONNECTED GRANT;  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Advisor to the Independent Board Committee  
and the Independent Shareholders**



---

Unless the context otherwise requires, all capitalized terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 8 to 24 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders regarding the Proposed Connected Grant is set out on page 25 of this circular. A letter from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice regarding the Proposed Connected Grant is set out on pages 26 to 49 of this circular.

The notice convening the EGM of Ocumension Therapeutics to be held at 56th Floor, One Museum Place Office Building, No. 669 Xinzha Road, Shanghai, PRC at 3:00 p.m. on Friday, November 25, 2022 is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for the EGM is enclosed. Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and sign the enclosed form of proxy for use at the EGM in accordance with the instructions stated thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. 3:00 p.m. on Wednesday, November 23, 2022) or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish. In such event, the form of proxy shall be deemed to be revoked.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ocumension.com](http://www.ocumension.com)).

References to dates and time in this circular are to Hong Kong dates and time. Where the context so permits or requires in this circular, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.

November 4, 2022

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	8
Introduction .....	8
Refreshment of the Scheme Mandate Limit and Set of the Service Provider Sublimit .....	9
The Grant to Employee Participants and Connected Transaction Involving the Proposed Connected Grant .....	11
The 2022 Issue .....	22
EGM and Proxy Arrangement .....	22
Voting by Poll .....	23
Recommendation .....	23
Closure of Register of Members .....	24
Responsibility Statement .....	24
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	25
<b>LETTER FROM GRAM CAPITAL</b> .....	26
<b>APPENDIX I – GENERAL INFORMATION</b> .....	I-1
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	EGM-1

---

## DEFINITIONS

---

*In this circular, unless otherwise defined or the context otherwise requires, the following terms or expressions shall have the following meanings:*

“2020 RSU Scheme”	the restricted share unit scheme adopted by the Company on April 28, 2020, as amended from time to time
“2021 Award Scheme Specific Mandate”	the specific mandate sought from the Shareholders at the extraordinary general meeting held on August 31, 2021 to grant the authority to the Board for the issue and allotment of 18,936,000 Award Shares underlying the Awards granted or to be granted by the Company under the 2021 Share Award Scheme from time to time, which was valid until December 31, 2021
“2021 Share Award Scheme”	the share award scheme adopted by the Company on July 2, 2021 and amended from time to time
“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 August 31, 2021
“2022 Issue”	the issue and allotment of the 14,660,000 Award Shares for the purpose of satisfying the Awards representing 10,203,000 Award Shares granted under the Grant to Employee Participants and the Awards representing 4,457,000 Award Shares proposed to be granted to the Connected Grantees under the Proposed Connected Grant, being approximately 2.18% of the total Shares in issue as of the Grant Date rounded down to nearest whole board lot of 500 Shares
“Announcement”	the announcement of the Company dated September 9, 2022 in relation to (a) grant of options under the 2021 Share Option Scheme; (b) the Grant to Employee Participants; and (c) the Proposed Connected Grant
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Award(s)”	award(s) granted by the Board to a Selected Participant under the 2021 Share Award Scheme
“Award Share(s)”	the Share(s) granted to a Selected Participant in Award(s)
“Board”	the board of directors of the Company

---

## DEFINITIONS

---

“Business Day”	any day on which securities are traded on the Stock Exchange
“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 investigational new drug (IND) and NDA
“CEO”	the chief executive officer of the Company
“CMC”	chemistry, manufacturing and controls which cover the various procedures used to assess the physical and chemical characteristics of drug products, and to ensure their quality and consistency during manufacturing. CMC data is essential in the submissions to regulatory authorities
“Company”	Ocumension Therapeutics (歐康維視生物), an exempted company with limited liability incorporated in the Cayman Islands on February 27, 2018 with its Shares listed on the Main Board of the Stock Exchange
“Connected Grantee(s)”	the eligible person(s) who has/have been granted Award(s) in according with the terms of the 2021 Share Award Scheme and is/are connected person(s) of the Company and for the purpose of this circular, refers to Mr. Liu and Dr. Hu
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Connected Share(s)”	the 4,457,000 Award Shares proposed to be issued and allotted underlying the Awards granted by the Company to the Connected Grantees under the Proposed Connected Grant
“Core Product”	has the meaning ascribed to it under Chapter 18A of the Listing Rules; for the purpose of this circular, the Core Product refers to OT-401 (fluocinolone intravitreal implant, trade name: YUTIQ <sup>®</sup> ), 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 <sup>®</sup> (優施瑩 <sup>®</sup> )
“Director(s)”	director(s) of the Company

---

## DEFINITIONS

---

“Dr. Hu”	Dr. Zhaopeng HU, an executive Director and the chief development officer of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of, among other things, considering and, if thought fit, approving, the refreshment of the Scheme Mandate Limit, the Service Provider Sublimit and the Proposed Connected Grant
“Employee Participant(s)”	eligible employee(s) of the Group (excluding the Director(s)) approved for participation in the 2021 Share Award Scheme and who has been granted Awards in accordance with the Scheme Rules
“EyePoint”	EyePoint Pharmaceuticals, Inc., a company whose shares of common stock are listed on The Nasdaq Stock Market LLC (ticker symbol: EYPT) and a biopharmaceutical company committed to developing and commercializing innovative ophthalmic products for the treatment of eye diseases
“Grant Date”	September 9, 2022, being the date on which the grant of Awards is made to a Selected Participant
“Grant to Employee Participants”	subject to the approval of the refreshment of Scheme Mandate Limit by the Independent Shareholders at the EGM, the grant of Awards representing a total of 10,763,000 Award Shares to 298 Employee Participants on the Grant Date and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 the licensing partners of the Company. Hounland primarily engages in development, production and sales of ophthalmology products

---

## DEFINITIONS

---

“Independent Board Committee”	an independent board committee of the Board comprising Mr. Ting Yuk Anthony WU, Mr. Yiran HUANG, and Mr. Zhenyu ZHANG, the independent non-executive Directors who are not Connected Grantees, established for the purpose of advising the Independent Shareholders on the Proposed Connected Grant
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Connected Grant
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the EGM to approve the refreshment of the Scheme Mandate Limit, the Service Provider Sublimit and the Proposed Connected Grant
“Latest Practicable Date”	October 31, 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing”	the listing of Shares on the main board of the Stock Exchange on July 10, 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix 10 to the Listing Rules
“Mr. Liu”	Mr. Ye LIU, an executive Director and the CEO
“NDA”	new drug application, an application through which the drug sponsor formally proposes that the relevant regulatory authority approve a new drug for sales and marketing
“NMPA”	National Medical Products Administration, formerly the China Food and Drug Administration (國家食品藥品監督管理局), or CFDA

---

## DEFINITIONS

---

“PRC” or “China”	the People’s Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to “China” and the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Connected Grant”	the proposed grant of Awards representing 4,320,000 Award Shares to Mr. Liu and the proposed grant of Awards representing 137,000 Award Shares to Dr. Hu under the 2021 Share Award Scheme and the transactions contemplated thereunder
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Board
“Return Shares”	such Award Shares that are not vested and/or are forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares under the Scheme Rules
“RMB”	renminbi, the lawful currency of the PRC
“RSU(s)”	the restricted share unit(s)
“Scheme Mandate Limit”	being 53,424,000 Shares, which account for approximately 7.95% of the total Shares in issue as of the date of approval by the Shareholders rounded down to nearest whole board lot of 500 Shares (assuming there is no other change in the number of total Shares in issue since the Latest Practicable Date and up to the date of approval by the Independent Shareholders) and is applicable to all share schemes of the Company
“Scheme Rules”	the rules of the 2021 Share Award Scheme as amended from time to time
“Selected Participant”	any eligible person approved for participation in the 2021 Share Award Scheme and who has been granted Awards in accordance with the Scheme Rules

---

## DEFINITIONS

---

“Service Provider(s)”	person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long-term growth of the Group as determined by the Remuneration Committee, including advisers, consultants, distributors, contractors, suppliers, agents, business partners, joint venture partners, promoters, service providers of any member of the Group, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, or consultants providing professional services to the Group
“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit, being 5,342,000 Shares, which account for approximately 0.795% of the total Shares in issue as of the date of approval by the Shareholders rounded down to nearest whole board lot of 500 Shares (assuming there is no other change in the number of total Shares in issue since the Latest Practicable Date and up to the date of approval by the Independent Shareholders) and is applicable to all share schemes of the Company
“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 share(s) in the capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Trustee”	Computershare Hong Kong Trustees Limited, the trustee that the Company engages for holding the Award Shares under the 2021 Share Award Scheme, which is independent of and not connected with the Company and its connected persons
“US\$”	United States dollars, the lawful currency of the United States of America

---

## DEFINITIONS

---

“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 Stock Market LLC (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
%	per cent

---

LETTER FROM THE BOARD

---



**Ocumension Therapeutics**  
**歐康維視生物**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1477)**

***Executive Directors:***

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

***Non-Executive Directors:***

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

***Independent Non-Executive Directors:***

Mr. Ting Yuk Anthony WU  
Mr. Yiran HUANG  
Mr. Zhenyu ZHANG

***Registered Office:***

The offices of Vistra (Cayman) Limited  
P.O. Box 31119 Grand Pavilion  
Hibiscus Way 802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

***Principal Place of Business in the PRC:***

No. 1858 Yinzhongnan Road  
Guoxiang Subdistrict, Wuzhong District  
Suzhou, Jiangsu Province  
the PRC

***Principal Place of Business in Hong Kong:***

Room 1901, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

November 4, 2022

*To the Shareholders*

Dear Sir or Madam,

- (1) REFRESHMENT OF THE SCHEME MANDATE LIMIT AND SET  
OF THE SERVICE PROVIDER SUBLIMIT;**  
**(2) GRANT TO EMPLOYEE PARTICIPANTS AND CONNECTED TRANSACTION  
INVOLVING THE PROPOSED CONNECTED GRANT;**  
**AND**  
**(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

References are made to (i) the announcement and circular of the Company in respect of, among others, the adoption of the 2021 Share Award Scheme and the grant of 2021 Award Scheme Specific Mandate dated July 2, 2021 and August 11, 2021, respectively; and (ii) the Announcement in relation to, among others, the Grant to Employee Participants and the non-exempt connected transaction involving the Proposed Connected Grant under the 2021 Share Award Scheme.

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to (a) provide you with the notice of the EGM at which ordinary resolutions will be proposed for you to consider and if thought fit, to approve (i) the refreshment of the Scheme Mandate Limit and the set of the Service Provider Sublimit, and (ii) the Proposed Connected Grant; (b) provide you with further information in relation to the above proposals; (c) set out the recommendations of the Independent Board Committees in relation to the Proposed Connected Grant; and (d) set out the recommendations of the Independent Financial Adviser in relation to the Proposed Connected Grant.

### REFRESHMENT OF THE SCHEME MANDATE LIMIT AND SET OF THE SERVICE PROVIDER SUBLIMIT

#### Refreshment of the Scheme Mandate Limit

On the Grant Date, the Board resolved to (i) grant Awards representing a total of 10,763,000 Award Shares to the 298 Employee Participants, namely the Grant to Employee Participants, and (ii) propose to the Independent Shareholders for the grant of Awards representing 4,457,000 Connected Shares to the Connected Grantees, namely the Proposed Connected Grant. For the purpose of the Grant to Employee Participants and the Proposed Connected Grant, the Company proposed to the Shareholders to approve the refreshment of the Scheme Mandate Limit to 53,424,000 Shares, which represents approximately 7.95% of the total Shares in issue as of the date of approval by the Independent Shareholders rounded down to nearest whole board lot of 500 Shares, assuming there is no other change in the number of total Shares in issue since the Latest Practicable Date and up to the date of approval by the Independent Shareholders. The Scheme Mandate Limit applies to all share schemes of the Company.

The following table sets forth the details of the Scheme Mandate Limit immediately preceding and after the Grant to Employee Participants and Proposed Connected Grant.

	Scheme Mandate Limit to be refreshed upon approval of the Independent Shareholders <sup>(1)</sup>	Grant to Employee Participants	Proposed Connected Grant	Remaining Scheme Mandate Limit after the Grant to Employee Participants and Proposed Connected Grant
Number of new Shares issuable under all share schemes of the Company	51,031,000 <sup>(1)</sup>	10,203,000 <sup>(2)</sup>	4,457,000 <sup>(2)</sup>	36,371,000 <sup>(4)</sup>
Number of existing Shares issued and remained grantable under existing share schemes of the Company	2,393,000 <sup>(1)</sup>	560,000 <sup>(3)</sup>	–	1,833,000 <sup>(5)</sup>
<b>Total</b>	<b>53,424,000<sup>(1)</sup></b>	<b>10,763,000</b>	<b>4,457,000</b>	<b>38,204,000</b>

---

## LETTER FROM THE BOARD

---

*Notes:*

- (1) The Scheme Mandate Limit includes (i) 51,031,000 Shares that will be satisfied by the issue of new Shares under all relevant share schemes of the Company and (ii) 2,393,000 Shares representing 2,393,294 Shares issued and remained grantable under all existing share schemes of the Company as of the grant date rounded down to nearest whole board lot of 500 Shares, which consist of 897,723 Shares issued and remained grantable under the 2021 Share Award Scheme and 1,495,571 Shares issued and remained grantable under 2020 RSU Scheme.
- (2) The 2022 Issue consists of the issue of 10,203,000 Award Shares under the Grant to Employee Participants and the issue of 4,457,000 Award Shares under the Proposed Connected Grant, the dilutive effect of which are set out in the section headed “The Grant to Employee Participants and Connected Transaction Involving the Proposed Connected Grant – Effect on Shareholding” below. The 2022 Issue is subject to the approval of the refreshment of Scheme Mandate Limit and the Proposed Connected Grant by the Independent Shareholders at the EGM.
- (3) The 560,000 Award Shares to satisfy the Awards granted under the Grant to Employee Participants were existing Shares issued under the 2021 Award Scheme Specific Mandate. As of the date of adoption of the 2021 Share Award Scheme, the total number of Award Shares issuable under the 2021 Share Award Scheme amounted to 31,560,000, being 5% of the total Shares in issue as of the date of adoption rounded down to nearest whole board lot of 500 Shares. Upon approval of 2021 Award Share Specific Mandate by the Shareholders and the approval of listing and dealing in the Award Shares by the Stock Exchange, 18,936,000 Shares (being all Award Shares issuable under the 2021 Award Share Specific Mandate) were issued and allotted to the Trustee for the purpose of satisfying the Award Shares underlying the Awards granted or to be granted to the Selected Participants under the 2021 Share Award Scheme. During the financial year ended December 31, 2021, the Company granted Awards representing 18,545,812 Award Shares to the Selected Participants in aggregate. Immediately preceding the Grant Date, Awards representing 507,535 Award Shares were forfeited due to resignation of the relevant employees and such underlying Award Shares were returned to the pool of grantable Award Shares under the 2021 Award Scheme Specific Mandate in accordance with the Scheme Rules and nil Award or Award Share was canceled. Therefore, immediately preceding the Grant Date, 897,723 Award Shares under the 2021 Award Scheme Specific Mandate were held by the Trustee not on behalf of any Selected Participant, and thus remained grantable.
- (4) After the completion of the 2022 Issue, the number of Shares issuable in respect of all options, awards and other incentives to be granted under all share schemes of the Company will be 36,371,000.
- (5) The 1,833,000 Shares represent 1,833,294 Shares issued and remained grantable under all existing share schemes of the Company after the Grant to Employee Participants and the Proposed Connected Grant, rounded down to nearest whole board lot of 500 Shares, which consist of 1,495,571 Shares under the 2020 RSU Scheme and 337,723 Award Shares under the 2021 Share Award Scheme. For any further grants of Shares, the Company will first utilize the remaining 1,833,294 existing Shares in accordance with the applicable requirements under Chapter 17 of the Listing Rules as amended from time to time prior to issue any new Shares for grants, or cancel and/or otherwise dispose of such existing Shares in accordance with the articles of associations of the Company, the Listing Rules and applicable laws and regulations.

Relevant trustees holding the existing Shares issued and remained grantable and the unvested Shares granted under the 2021 Share Award Scheme and other relevant share scheme(s) of the Company, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.

### **Service Provider Sublimit**

Upon refreshment, the Scheme Mandate Limit shall be 53,424,000 Shares, being approximately 7.95% of the total Shares in issue on the date of approval of the refreshment of Scheme Mandate Limit by the Independent Shareholders rounded down to nearest whole board lot of 500 Shares (assuming there is no other change in the number of total Shares in issue since the Latest Practicable Date and up to the date of approval by the Independent Shareholders). The Company also proposed to set the Service Provider Sublimit, being 5,342,000 Shares, which account for approximately 0.795% of the total Shares in issue as of the date of approval of the Scheme Mandate Limit by the Shareholders rounded down to nearest whole board lot of 500

---

## LETTER FROM THE BOARD

---

Shares (assuming there is no other change in the number of total Shares in issue since the Latest Practicable Date and up to the date of approval by the Independent Shareholders). The Service Provider Sublimit is within the Scheme Mandate Limit and applicable to all share schemes of the Company. The Remuneration Committee and the Board both consider that the Service Provider Sublimit, which was determined having taken into account the proportion of the Group's development attributable to the contribution made by the Service Providers and the Group's future capital needs, is appropriate and reasonable. The Service Provider Sublimit is subject to separate approval by the Independent Shareholders at the EGM. As of the Latest Practicable Date, the Board has no present intention to grant incentives to any Service Providers.

### **THE GRANT TO EMPLOYEE PARTICIPANTS AND CONNECTED TRANSACTION INVOLVING THE PROPOSED CONNECTED GRANT**

#### **Background**

##### *Grant to Employee Participants*

On the Grant Date, the Board resolved to grant Awards representing a total of 10,763,000 Award Shares to the 298 Employee Participants, among which (i) 10,203,000 Award Shares will be satisfied by the Shares to be issued under the 2022 Issue; and (ii) 560,000 Award Shares will be satisfied by the Award Shares held by the Trustee under the 2021 Share Award Scheme.

The Grant to Employee Participants will take effect upon the satisfaction of certain conditions, including the approval of the refreshment of the Scheme Mandate Limit by the Independent Shareholders at the EGM and the Company receiving the approval from the Stock Exchange for the listing of and the permission to deal in the Award Shares to be issued under the 2022 Issue. None of the Employee Participants is a connected person or an associate of any connected person. The Awards representing 10,763,000 Award Shares under the Grant to Employee Participants represent approximately 1.6% of the total Shares in issue as of the Grant Date with an aggregate value of approximately HK\$113.2 million, calculated based on the closing price of HK\$10.52 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date. For further details of the Grant to Employee Participants, please refer to the Announcement.

##### *Proposed Connected Grant*

On the same date, the Board also resolved to propose to the Independent Shareholders for the grant of Awards representing 4,457,000 Connected Shares to Mr. Liu and Dr. Hu, namely the Connected Grantees, subject to acceptance by Mr. Liu and Dr. Hu and the Independent Shareholders' approval at the EGM. The Proposed Connected Grant shall be satisfied by the issue and allotment of 4,457,000 Connected Shares, which is subject to the approval of the refreshment of the Scheme Mandate Limit by the Independent Shareholders and the approval by the Stock Exchange for the listing of and the permission to deal in the Connected Shares.

---

## LETTER FROM THE BOARD

---

Subject to the aforesaid approvals, the maximum number of Award Shares that may be issued to Mr. Liu and Dr. Hu under the Proposed Connected Grant would be 4,320,000 Award Shares and 137,000 Award Shares, respectively, representing approximately 0.64% and 0.02% of the Company's total issued share capital as of the Latest Practicable Date, and approximately 0.64% and 0.02% of the Company's enlarged issued share capital after the said issue and allotment, respectively (assuming there is no other change in the total issued share capital of the Company since the Latest Practicable Date and up to the allotment date of the Award Shares).

### **Vesting Schedule and Performance Targets**

Awards granted under the Grant to Employee Participants shall vest as follows: (a) 10% of the Awards shall vest on the first anniversary of the Grant Date; (b) 20% of the Awards 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 Grant Date to the second anniversary of the Grant Date; (c) 30% of the Awards 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 Grant Date to the third anniversary of the Grant Date; (d) 40% of the Awards 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 Grant Date to the fourth anniversary of the Grant Date.

The Awards to be granted to Mr. Liu shall vest as follows:

- (a) 25% of the Awards shall vest immediately on the Grant Date;
- (b) 25% of the Awards shall vest on the first anniversary of the Grant Date, conditional upon the achievement of certain performance targets relating to the overall performance of the Company as set out in the grant letter entered into between Mr. Liu and the Company, including R&D and registration progress of drug candidates, marketing and sales of commercialized products, daily operation and management of the Group;
- (c) 25% of the Awards shall vest on the second anniversary of the Grant Date, conditional upon the performance targets to be achieved by the Company and/or Mr. Liu, which shall be determined by the Board in due course; and
- (d) 25% of the Awards shall vest on the third anniversary of the Grant Date, conditional upon the performance targets to be achieved by the Company and/or Mr. Liu, which shall be determined by the Board in due course.

The vesting of the Awards to be granted to Dr. Hu is conditional upon the achievement of the performance targets by Dr. Hu set out in his grant letter entered into between him and the Company, which include targets relating to R&D and registration progress of in-licensed and in-house developed drug candidates, CMC management and regulatory affairs management, and is subject to the following schedule:

- (a) 10% of the Awards shall vest on the first anniversary of the Grant Date;

---

## LETTER FROM THE BOARD

---

- (b) 20% of the Awards 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 Grant Date to the second anniversary of the Grant Date;
- (c) 30% of the Awards 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 Grant Date to the third anniversary of the Grant Date;
- (d) 40% of the Awards 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 Grant Date to the fourth anniversary of the Grant Date.

### **Clawback Mechanism**

The vesting of the Awards granted to the Connected Grantees shall be in accordance with the proportion of achievement of the performance targets as set out above. Partial achievement of the performance targets will result in proportionate vesting, and the unvested Award Shares shall lapse and become Return Shares.

In addition, in the event of any occurrence of misconduct or breach of employment contract, or any other conduct which as the Board or its delegates determines in good faith would justify the termination of the employment contract, any unvested outstanding Award Shares shall not be vested to such Selected Participant and shall be immediately forfeited as Returned Shares, and for Award Shares already transferred to relevant Selected Participant, the Company may require such Selected Participant to return the equivalent value of the Award Shares through Shares, cash or a combination thereof, or deduct an equivalent amount from the amount payable by the Group to that Selected Participant. For further details of the clawback mechanism of the 2021 Share Award Scheme, please refer to the Company's circular dated August 11, 2021.

### **Market Value**

The closing price of the Shares on the Grant Date as quoted on the Stock Exchange is HK\$10.52 per Share. The average closing price of the Shares for the five consecutive trading days immediately preceding the Grant Date as quoted on the Stock Exchange is HK\$11.41 per Share. Based on the closing price of HK\$10.52 per Share on the Grant Date, the market value of the Awards granted to the Connected Grantees amounts to approximately HK\$46.9 million.

The Connected Shares are granted to Mr. Liu and Dr. Hu at nil consideration. Upon the issue and allotment of the Connected Shares, the Trustee will hold the new Shares on trust for the Connected Grantees and such Connected Shares shall be transferred to the Connected Grantees upon vesting. As such, no fund will be raised by the Company as a result of the issue and allotment of the Connected Shares. Other than the relevant restrictions set out in the Listing Rules, there are no restrictions that will apply to the subsequent sale of the Award Shares.

---

## LETTER FROM THE BOARD

---

### **Conditions Precedent**

The issue and allotment of a total of 4,457,000 Connected Shares to Mr. Liu and Dr. Hu shall be subject to (i) the approval of the refreshment of Scheme Mandate Limit and the Proposed Connected Grant by the Independent Shareholders at the EGM; and (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in the Connected Shares to be issued under the 2022 Issue. An application will be made to the Stock Exchange for the listing of and permission to deal in the Connected Shares.

### **Listing Rules Implications**

Mr. Liu and Dr. Hu are Directors. Therefore, they are connected persons of the Company and the Proposed Connected Grant constitutes non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement, circular and the Independent Shareholders' approval requirements.

#### ***Mr. Liu***

Pursuant to Chapter 14A of the Listing Rules, Mr. Liu is required to abstain from voting on the resolutions at the EGM to approve the Proposed Connected Grant. To the best of the Directors' knowledge, information and belief: (a) none of Mr. Liu and his associates are interested in any Shares except for Mr. Liu's interests in (i) a total of 17,580,230 Shares, representing approximately 2.62% of total issued share capital of the Company as of the Latest Practicable Date, and (ii) 54,213,260 underlying Shares issuable upon vesting and/or exercise of the incentives granted to him, representing 8.01% of the enlarged total issued share capital of the Company (assuming all Connected Shares are vested and issued and there is no other change in the total issued share capital of the Company), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; and (b) there are no other Shareholders having any material interest in the Proposed Connected Grant to Mr. Liu. Accordingly, save for Mr. Liu, no Shareholders are required under the Listing Rules to abstain from voting at the EGM on the resolutions approving the Proposed Connected Grant.

Save for Mr. Liu, no other Director is considered to have a material interest in the Proposed Connected Grant to Mr. Liu and therefore none of them other than Mr. Liu abstained from voting on the relevant Board resolutions.

#### ***Dr. Hu***

Pursuant to Chapter 14A of the Listing Rules, Dr. Hu is required to abstain from voting on the resolutions at the EGM to approve the Proposed Connected Grant. To the best of the Directors' knowledge, information and belief: (a) none of Dr. Hu and his associates are interested in any Shares except for Dr. Hu's interests in (i) a total of 3,374,335 Shares, representing approximately 0.50% of total issued share capital of the Company as of the Latest Practicable Date, and (ii) 760,423 underlying Shares issuable upon vesting and/or exercise of the incentives granted to him, representing 0.11% of the enlarged total issued share capital of the

---

## LETTER FROM THE BOARD

---

Company (assuming all Connected Shares are vested and issued and there is no other change in the total issued share capital of the Company), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; and (b) there are no other Shareholders having any material interest in the Proposed Connected Grant to Dr. Hu. Accordingly, save for Dr. Hu, no Shareholders are required under the Listing Rules to abstain from voting at the EGM on the resolutions approving the Proposed Connected Grant.

Save for Dr. Hu, no other Director is considered to have a material interest in the Proposed Connected Grant to Dr. Hu and therefore none of them other than Dr. Hu abstained from voting on the relevant Board resolutions.

Details of the Proposed Connected Grant (if approved by the Independent Shareholders at the EGM) will be disclosed in the Company's annual report and accounts in accordance with Rule 14A.69 of the Listing Rules as well as the Company's annual report and interim reports in accordance with the requirements under Chapter 17 of the Listing Rules as amended from time to time.

### **Reasons and Rationale for the Proposed Connected Grant**

#### ***Reasons for the Proposed Connected Grant***

The 2021 Share Award Scheme and the Proposed Connected Grant are part of the Company's remuneration policy. The purpose of such grant is to closely align the interests and benefits of the Company, the Board and the management of the Group in order to maximize the motivation of the executive Directors and senior management.

The Proposed Connected Grant to Mr. Liu and Dr. Hu aims to provide sufficient incentive to retain and motivate Mr. Liu and Dr. Hu to participate in the formulation of strategy and long-term development of the Company and to recognize their contribution to the growth of the Company. Retaining Mr. Liu and Dr. Hu is highly beneficial for the Group's development and expansion and can avoid potential disruption to the operation of the Group resulting from the lack of continuity of leadership.

In this regard, the Directors (including independent non-executive Directors but excluding Mr. Liu and Dr. Hu) and the Remuneration Committee consider that the terms of the Proposed Connected Grant to Mr. Liu and Dr. Hu are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### *Rationale of the Proposed Connected Grant*

#### *Background and Contribution of Mr. Liu*

The Board proposed to remunerate Mr. Liu with the Proposed Connected Grant to Mr. Liu after considering Mr. Liu's integral role as an executive Director and the CEO, his extensive background and experience in the pharmaceutical industry, and dedication and unparalleled contributions to the rapid growth of the Group.

Mr. Liu is responsible for overall strategic planning, business direction and daily management of the Company. Mr. Liu has over 21 years of experience in the pharmaceutical industry. Prior to joining the Group, he served as the chairman and general manager in Santen Pharmaceutical (China) Co., Ltd. (參天製藥(中國)有限公司) from October 2014 to July 2018. From February 2009 to September 2014, Mr. Liu served as the head of pharmaceutical affair division and later became the general manager of Eisai (China) Inc. (衛材(中國)藥業有限公司), responsible for the management of pharmaceutical affairs and development, and the overall corporate operation, respectively. Mr. Liu has been serving as a director of EyePoint since January 2021.

In addition to Mr. Liu's intensive industry experience, he has also been indispensable to the growth of the Group. Mr. Liu is an indispensable member of the senior management team of the Group in light of the Group's progress since his arrival. With his rich experience in the ophthalmology industry, Mr. Liu led the growth of the Group by building a strategically designed ophthalmic drug portfolio that is comprehensive, innovative and validated. Under the leadership of Mr. Liu, the Company was successfully listed on Main Board of the Stock Exchange on July 10, 2020, being approximately two years upon the establishment of principal operating subsidiary of the Company in May 2018 and Mr. Liu's joining to the Group in August 2018. After the Listing, the Group continued to grow rapidly. As of June 30, 2022, the Group achieved significant milestones under Mr. Liu's leadership, which include, among others, (i) obtaining the marketing approval for the Core Product in the PRC, and (ii) obtaining the exclusive promotion right to promote and market Xalatan<sup>®</sup> (適利達<sup>®</sup>) (latanoprost eye drops), Xalacom<sup>®</sup> (適利加<sup>®</sup>) (latanoprost timolol eye drops) and AZEP<sup>®</sup> (愛塞平<sup>®</sup>) (azelastine hydrochloride eye drops) in hospitals nationwide in China (details of which are set out in the subsection below). As of the same date, the Group has 24 drugs and drug candidates covering all major front- and back of-the-eye diseases in its drug portfolio. Such a strong and comprehensive pipeline is key to the Company's successful listing on the Stock Exchange and continuing growth. In addition, the revenue of the Group continued growing rapidly, which showed the Company's strong execution capabilities under Mr. Liu's efficient management. Mr. Liu has made significant contributions to the Company in achieving the Group's R&D and commercialization milestones and has spearheaded the Group's mission to develop a China-based ophthalmic pharmaceutical platform company dedicated to identifying, developing and commercializing first- or best-in-class ophthalmic therapies. With the commercialization of the Core Product, the Group continues moving forward on the path to become a fully integrated leader in the ophthalmic drug industry in China. The Group's success in the past years serve as testament to Mr. Liu's contribution and leadership.

---

## LETTER FROM THE BOARD

---

### *Background and Contribution of Dr. Hu*

The Board proposed to remunerate Dr. Hu with the Proposed Connected Grant to Dr. Hu after considering Dr. Hu's contribution to the Group in terms of R&D, and his background and experience in pharmaceutical industry, as well as Dr. Hu's dedication and contributions to the R&D milestones of the Group.

Dr. Hu is an executive Director and the chief development officer of the Company. He is mainly responsible for CMC management and regulatory affairs and participates in the strategic planning of the Group. Dr. Hu has around 21 years of experience in pharmaceutical industry. From July 2006 to August 2018, he held positions including plant technique and registration group manager, registration and pharmaceutical department director, clinical development department director and internal audit department director in Santen Pharmaceutical (China) Co., Ltd., mainly responsible for clinical development compliance and other drug-related regulations and compliance.

As of the Latest Practicable Date, with Dr. Hu's contribution in R&D of the drug candidates, the Group had seven drug candidates that have entered phase III clinical trial stage. Under the leadership of Dr. Hu with respect to R&D activities, the Group also accelerated the development for its in-house product pipeline. The "in-licensing plus in-house R&D" of the Group model has formulated a comprehensive system, which will further bring momentum to the subsequent product pipeline of the Group. Such a significant progress in the R&D progress of the Group's drug candidates enables the Company to achieve and maintain a leading position in the field of innovative ophthalmic drugs in China.

### *Listing and future development*

Since the Listing, the Company has made significant progress with respect to its drug pipeline and business operations.

Since the Listing, despite the impact of the global COVID-19 pandemic, the R&D projects of its pipeline products had been carried out in a rapid and efficient manner. To date, the Company has seven drug candidates entered phase III clinical trials, namely OT-401, OT-1001, OT-702, OT-301, OT-101, OT-502 and OT-703.

Since the Listing, with the vision of benefiting domestic patients in China with innovative ophthalmic drugs as early as possible, the Company actively continued to explore innovative models of clinical R&D. As an innovative pharmaceutical enterprise, an innovation spirit means not only achieving a breakthrough of R&D of new drugs, but also a courage to take the lead in the innovation of R&D model. In the second half of 2020, the Company began the real-world study (RWS) on OT-401 (YUTIQ®), the Core Product of the Company. The Company has become one of the pilot companies the drugs of which have been included in RWS by the Hainan Medical Products Administration (海南省藥品監督管理局), which was the first time that drugs were included in RWS pilot programs in China, and represents a full-scale recognition of the Company product quality, R&D strengths and innovation spirit. In June

---

## LETTER FROM THE BOARD

---

2022, the NDA for OT-401 (trade name: Youshiying<sup>®</sup>(優施瑩<sup>®</sup>)) has been officially approved by the CDE for the treatment of chronic NIU-PS and commercialization in the PRC, being only a four-year period since the Company's establishment. The approval for commercialization signals Youshiying<sup>®</sup> will 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<sup>®</sup> was based on RWS data and corresponding overseas data, marked a milestone in the history of drug registration in China and also created a new path for NDA registrations for other drug candidates of the Company.

Through cooperation with the business partners of the Group included but not limited to Huonland, Novartis and Viartis, the Group has licensed in Ou Qin<sup>®</sup>, Emadine<sup>®</sup>, Betoptic<sup>®</sup>, Xalatan<sup>®</sup>, Xalacom<sup>®</sup> and AZEP<sup>®</sup>, among others, which further increased the number of the Company's pipeline products to 24. The Company has developed a number of products with an aim to provide solutions to certain indications to address their unmet demands for eye diagnosis and treatment, such as dry eye and wet age-related macular degeneration. The Company's innovative products are expected to become first-in-class or potentially best-in-class. As the marketing of ophthalmic drugs mainly relies on portfolio design of products, the Company has firmly taken its first-mover advantage.

In support of the solid business and commercial operations, the Group has drawn strong financial backing and raised approximately HK\$781.7 million through a new share placement in January 2021. In January 2021 and April 2021, the Company completed (i) the subscription of 16.6% enlarged equity interest of EyePoint, and (ii) the subscription of 16.6% enlarged equity interest of Alimera Sciences, Inc., a biopharmaceutical company organized and existing under the laws of the State of Delaware of the United States, whose shares of common stock are traded on The Nasdaq Stock Market LLC (ticker symbol: ALIM).

The Company's manufacture site in Suzhou was inaugurated in October 2021 and had commenced equipment testing, process validation and the trial production of Emadine<sup>®</sup>, Ou Qin<sup>®</sup> and other drugs of the Company. The construction of this modern ophthalmic production base, covering approximately 30,000 square meters, only took 496 days. The manufacture site has a total of four production workshops, and the maximum planned capacity is expected to reach 455 million doses per annum.

For the first half of 2022, the Group has entered a series of cooperation arrangements with Viartis China, pursuant to which the Group became the exclusive promoter to promote and market Xalatan<sup>®</sup> (latanoprost eye drops), Xalacom<sup>®</sup> (latanoprost timolol eye drops) and AZEP<sup>®</sup> (azelastine hydrochloride eye drops) in hospitals nationwide in China, which has strongly improved the competitiveness on drug products in the fields of glaucoma, high intraocular pressure and anti-allergy.

---

## LETTER FROM THE BOARD

---

With Kangwenjuan<sup>®</sup> (康文涓<sup>®</sup>) (OT-601, moxifloxacin hydrochloride eye drops) obtained the product registration certificate in June 2022, more than ten pipeline products of the Company have been commercialized, which has strengthened the ophthalmic drug pipeline of the Company 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.

As of the Latest Practicable Date, the Group had 24 drug assets in portfolio, having established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which seven drug candidates have entered phase III clinical trial stage and ten drug products have been commercialized, positioned the Company in the leading position in ophthalmology in China. The fast expansion of product portfolio indicates Mr. Liu's leadership and Dr. Hu's capabilities in leading R&D of ophthalmic drugs.

The Group plans to continue to meet and exceed its Shareholders' expectations by continuing to expand its research platform and improving its pipeline of drug assets and business operations.

### *Retention and recognition of Mr. Liu and Dr. Hu*

The Company considers that the Proposed Connected Grant is an appropriate incentive method and in the interest of the Company and its Shareholders as a whole. Unlike giving a cash bonus, the grant of the Shares will enable the Company to prevent cash outflow of the Group, while at the same time aligning the interests of the Connected Grantees with the Company and its Shareholders.

The Board considered the retention and motivation of Mr. Liu and Dr. Hu as an indispensable part of the Group's development and expansion strategy, which can also avoid potential disruption to the existing operation of the Group due to the lack of continuity of leadership. The Proposed Connected Grant aims to provide sufficient incentive to retain and motivate Mr. Liu and Dr. Hu to participate in the formulation of strategy and long-term development of the Group and to recognize their contribution to the rapid growth of the Group.

The Board proposed to remunerate Mr. Liu and Dr. Hu with the Proposed Connected Grant after considering the benefits of granting Award Shares. The Proposed Connected Grant will provide Mr. Liu and Dr. Hu with certainty of monetary benefits regardless of the share price performance. Such grant that can be realized and is readily available at the end of the vesting period is akin to payment of a deferred bonus and hence an effective incentive. In addition, the Proposed Connected Grant will further align the interests of Mr. Liu and Dr. Hu and the long-term interests of the Shareholders, ensuring a better linkage between the Company's long-term strategic and financial goals and executive compensation.

---

## LETTER FROM THE BOARD

---

The numbers of the Awards to be granted to Mr. Liu and Dr. Hu were determined by the Company and each of Mr. Liu and Dr. Hu upon arm's length negotiations with each of them taking into account all of the aforementioned factors and the average monetary values of the Award Shares granted to directors and/or senior management of other companies in the industry with comparable size.

### Effect on Shareholding

Assuming each of the Connected Grantees becomes fully entitled to all Award Shares underlying the Awards, the total underlying Award Shares under the Proposed Connected Grant would amount to 4,457,000 Shares, or approximately 0.66% of the total Shares in issue as of the Latest Practicable Date. Assuming such underlying Award Shares will be fully issued, such Shares will represent 0.66% of the total enlarged issued share capital of the Company upon completion of the said issue and allotment (assuming there is no other change in the total issued share capital of the Company from the Latest Practicable Date and up to the date of allotment of the new Shares).

The effects of the Proposed Connected Grant and Grant to Employee Participants on shareholding immediately after the full vesting, issue and allotment of the Award Shares (assuming no other change in the number of total Shares in issue of the Company) is as follows:

	<b>As of the Latest Practicable Date</b>		<b>Immediately after the issue, allotment and full vesting of the Award Shares<sup>(1)</sup></b>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
<b>Substantial</b>				
<b>Shareholders</b>	335,211,730	49.87%	335,211,730	48.80%
<b>Connected</b>				
<b>Grantees</b>				
Mr. Liu	17,580,230 <sup>(2)</sup>	2.62%	21,900,230 <sup>(4)</sup>	3.19%
Dr. Hu	3,374,335 <sup>(3)</sup>	0.50%	3,511,335 <sup>(5)</sup>	0.51%
<b>Other</b>				
<b>Shareholders</b>	316,021,950	47.01%	326,224,950 <sup>(6)</sup>	47.50% <sup>(6)</sup>
<b>Total</b>	<b>672,188,245</b>	<b>100%</b>	<b>686,848,245</b>	<b>100%</b>

*Notes:*

\* the sum of the data may not add up to the total due to rounding.

(1) Without taking into account Shares which may be repurchased or issued by the Company (except for the issue of Award Shares under the 2022 Issue).

(2) Representing the Shares held by him as of the Latest Practicable Date.

(3) Representing the Shares held by him as of the Latest Practicable Date.

---

## LETTER FROM THE BOARD

---

- (4) Assuming 4,320,000 Shares underlying the Award Shares granted to him under the Proposed Connected Grant pursuant to the 2021 Share Award Scheme are all vested.
- (5) Assuming 137,000 Shares underlying the Awards Shares granted to him under the Proposed Connected Grant pursuant to the 2021 Share Award Scheme are all vested.
- (6) Among such, assuming (i) 10,203,000 Award Shares under the Grant to Employee Participants, which are to be allotted and issued under the 2022 Issue, are all vested; and (ii) 560,000 Award Shares under the Grant to Employee Participants, which are held by the Trustee under the 2021 Award Scheme Specific Mandate, are all vested. The total 10,763,000 Award Shares under the Grant to Employee Participants represent approximately 1.60% of the Company's total issued share capital as of the Grant Date and approximately 1.57% of the Company's enlarged issued share capital after the said issue and allotment of 14,660,000 Shares in connection with the Proposed Connected Grant and the Grant to Employee Participants (assuming there is no other change in the total issued share capital of the Company).

For further details on the interests and short positions of the Connected Grantees in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, please refer to the Appendix I to this circular.

### **Directors' View**

Given that the Directors believe that the Proposed Connected Grant will retain, motivate and incentivize the Connected Grantees and will benefit the long-term development of the Group, the Directors consider that the terms of the Proposed Connected Grant are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Independent Board Committees and Independent Financial Adviser**

The Independent Board Committee comprising Mr. Ting Yuk Anthony WU, Mr. Yiran HUANG and Mr. Zhenyu ZHANG, being the independent non-executive Directors who are not Connected Grantees, has been formed to advise the Independent Shareholders on the Proposed Connected Grant.

The Independent Board Committee has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **Information about the Group**

The Group is an ophthalmic pharmaceutical company dedicated to identifying, developing and commercializing first- or best-in-class ophthalmic therapies. The vision of the Group is to provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China. As of the Latest Practicable Date, the Group has a portfolio of 24 drug assets, covering all major front- and back-of-the-eye diseases, among which seven key drug candidates are in phase III clinical trial stage.

---

## LETTER FROM THE BOARD

---

### THE 2022 ISSUE

Upon Independent Shareholders' approval of the Scheme Mandate Limit and the Proposed Connected Grant, the Company will issue 14,660,000 Shares for the purposed of the Grant to Employee Participants and the Proposed Connected Grant, which represents approximately 2.18% of the total Shares in issue as of the Grant Date rounded down to the nearest whole board lot of 500 Shares. The 14,660,000 Award Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue.

An application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the 14,660,000 Award Shares to be issued under the 2022 Issue. For any future grants under all share schemes of the Company that may exceed the refreshed Scheme Mandate Limit, the Company will seek further approval from the Shareholders to refresh the Scheme Mandate Limit in accordance with the requirements under Chapter 17 of the Listing Rules as amended from time to time.

### EGM AND PROXY ARRANGEMENT

Approval from the Independent Shareholders will be sought at the EGM for the approval of the refreshment of the Scheme Mandate Limit, the Service Provider Sublimit and the Proposed Connected Grant.

Pursuant to Rule 14A.36 of the Listing Rules, Mr. Liu and Dr. Hu will abstain from voting in favor of the resolutions to approve the refreshment of the Scheme Mandate Limit, the Service Provider Sublimit and the Proposed Connected Grant. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Mr. Liu and Dr. Hu, no other Shareholder is required to abstain from voting at the EGM for approving the refreshment of the Scheme Mandate Limit, the Service Provider Sublimit and the Proposed Connected Grant.

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in respect of the Proposed Connected Grant.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Connected Grant.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the endorsed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM (i.e. not later than 3:00 p.m. on Wednesday, November 23, 2022) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM should you so desire; in such event the form of proxy shall be deemed to be revoked.

---

## LETTER FROM THE BOARD

---

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution set out in the notice of the EGM will be taken by way of poll.

On a poll, every Shareholder presents in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorized representative, shall have one vote for every full paid share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

After the conclusion of the EGM, the poll results will be published on the respective websites of the Stock Exchange and the Company under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

Gram Capital considers that (i) the terms of the Proposed Connected Grant are on normal commercial terms and are fair and reasonable, and (ii) the Proposed Connected Grant are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, Gram Capital recommends the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the Proposed Connected Grant and Gram Capital recommends the Independent Shareholders to vote in favor of the resolution in this regard. Your attention is drawn to the letter of advice from Gram Capital containing its recommendation and the principal factors and reasons it has taken into account in arriving at its recommendation are set out in this circular.

The Independent Board Committee, having taken the advice of the Independent Financial Adviser into account, considers the terms of the Proposed Connected Grant fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the resolutions relating to the Proposed Connected Grant. The full text of the letter from the Independent Board Committee is set out in this circular.

The refreshment of the Scheme Mandate Limit, the Service Provider Sublimit and the Proposed Connected Grant have been approved by all independent non-executive Directors. The Directors are of the opinion that each of the refreshment of the Scheme Mandate Limit, the Service Provider Sublimit and the Proposed Connected Grant is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors recommend that all Shareholders should vote in favor of the relevant resolutions to be proposed at the EGM.

---

## LETTER FROM THE BOARD

---

### CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Tuesday, November 22, 2022 to Friday, November 25, 2022, both dates inclusive, for the purpose of determining shareholders' entitlements to attend and vote at the EGM. In order to qualify for the right to attend and vote at the meeting, all unregistered transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, November 21, 2022.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
By order of the Board  
**Ocumension Therapeutics**  
**Dr. Lian Yong CHEN**  
*Chairman and non-executive Director*



**Ocumention Therapeutics**

**歐康維視生物**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1477)**

November 4, 2022

**CONNECTED TRANSACTION INVOLVING THE  
PROPOSED CONNECTED GRANT**

*To the Independent Shareholders*

Dear Sir/Madam,

We have been appointed as an independent board committee of the Company to advise the Independent Shareholders in connection with the Proposed Connected Grant, details of which are set out in the circular of the Company to the Shareholders dated November 4, 2022 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the advice of Gram Capital Limited, the Independent Financial Adviser of the Company, in relation thereto as set out in the Circular, Mr. Liu and Dr. Hu’s contributions to the Group and the terms of the Proposed Connected Grant, we are of the view that the Proposed Connected Grant is (i) on normal commercial terms or better and is fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM concerning the Proposed Connected Grant.

Yours faithfully,

**Mr. Ting Yuk Anthony WU**

*Independent non-executive  
Director*

**Mr. Yiran HUANG**

*Independent non-executive  
Director*

**Mr. Zhenyu ZHANG**

*Independent non-executive  
Director*

---

## LETTER FROM GRAM CAPITAL

---

*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Connected Grant for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

4 November 2022

*To: The independent board committee and independent shareholders of  
Ocumension Therapeutics*

Dear Sir/Madam,

### **CONNECTED TRANSACTION INVOLVING THE PROPOSED CONNECTED GRANT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of Awards to Mr. Liu and Dr. Hu (i.e. Proposed Connected Grant) under the 2021 Share Award Scheme, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 4 November 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board announced that at the meeting of the Board held on 9 September 2022, it resolved to grant, among other things, Awards representing a total of 4,320,000 underlying Award Shares to Mr. Liu and 137,000 underlying Award Shares to Dr. Hu (i.e. the Proposed Connected Grant), subject to acceptance by Mr. Liu and Dr. Hu and the Independent Shareholders’ approval at the EGM.

With reference to the Board Letter, the Proposed Connected Grant constitutes connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Proposed Connected Grant shall be satisfied by the issue and allotment of 4,457,000 Connected Shares, which is subject to the approval of the refreshment of the Scheme Mandate Limit by the Independent Shareholders and the approval by the Stock Exchange for the listing of and the permission to deal in the Connected Shares. Please refer to section headed “Refreshment of the Scheme Mandate Limit” of the Board Letter for details of the refreshment of the Scheme Mandate Limit and section headed “Recommendation” of the Board Letter for the Directors’ recommendation of the refreshment of the Scheme Mandate Limit.

The Independent Board Committee comprising Mr. Ting Yuk Anthony WU, Mr. Yiran HUANG and Mr. Zhenyu ZHANG (being all of the independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Proposed Connected Grant are on normal commercial terms and are fair and reasonable; (ii) whether the Proposed Connected Grant is in the interests of the Company and the Shareholders as a whole

---

## LETTER FROM GRAM CAPITAL

---

and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Proposed Connected Grant at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser in relation to the grant of Award Shares to Mr. Liu and Dr. Hu (constituted a connected transaction), details of which were set out in the Company's circular dated 11 August 2021. Save for the aforesaid engagement, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagement, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement was only independent financial advisory engagement and will not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Proposed Connected Grant. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

## LETTER FROM GRAM CAPITAL

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Mr. Liu, Dr. Hu or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Connected Grant. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposed Connected Grant, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the Proposed Connected Grant

##### *Information on the Group*

With reference to the Board Letter, the Group is an ophthalmic pharmaceutical company dedicated to identifying, developing and commercializing first- or best-in-class ophthalmic therapies. The vision of the Group is to provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China.

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2021 and for the six months ended 30 June 2022, as extracted from the Company's annual report for the year ended 31 December 2021 (the "2021 Annual Report") and the Company's interim report for the six months ended 30 June 2022 (the "2022 Interim Report"):

	For the six months ended 30 June 2022 ("1H2022") RMB'000 (unaudited)	For the six months ended 30 June 2021 ("1H2021") RMB'000 (unaudited)	Year- on-year change %	For the year ended 31 December 2021 ("FY2021") RMB'000 (audited)	For the year ended 31 December 2020 ("FY2020") RMB'000 (audited)	Year- on-year change %
Revenue	54,535	20,803	162.15	56,146	13,096	328.73
– Sales of ophthalmic products	28,219	20,286	39.11	43,627	9,093	379.79
– Pharmaceutical products promotion services	8,608	517	1,564.99	1,324	4,003	(66.92)

---

## LETTER FROM GRAM CAPITAL

---

	For the six months ended 30 June 2022 RMB'000 (unaudited)	For the six months ended 30 June 2021 RMB'000 (unaudited)	Year- on-year change %	For the year ended 31 December 2021 RMB'000 (audited)	For the year ended 31 December 2020 RMB'000 (audited)	Year- on-year change %
– Sales-based royalty income	17,708	–	N/A	11,195	–	N/A
Loss for the year/period	(192,669)	(69,609)	176.79	(259,992)	(2,264,866)	(88.52)
Adjusted net loss for the year/period (Note)	(76,850)	(109,185)	(29.61)	(187,031)	(276,735)	(32.42)

*Note:* The adjusted net loss for the year/period is defined as loss for the year adjusted by (a) adding back (i) loss on changes in fair value of financial liabilities at fair value through profit or loss (note: nil for both 1H2022 and 1H2021); and (ii) share-based payments, and (b) deducting the one-time gain generated from the transactions with EyePoint Pharmaceuticals, Inc. (NASDAQ: EYPT) and Alimera Sciences, Inc. (NASDAQ: ALIM) (both are investment accounted for as equity instruments at fair value through other comprehensive income of the Group) respectively. Such amount is a non-IFRS (International Financial Reporting Standards) measure to present the Group's operating performance as a supplement to the Group's consolidated financial statements.

### *Financial performance for FY2021*

As depicted in the table above, the Group recorded significant increase in revenue for FY2021 of approximately 328.73% as compared to that for FY2020. With reference to the 2021 Annual Report, the increase was mainly attributed to (i) the significant increase in sales volume of ophthalmic products, namely Ou Qin®, brimonidine tartrate eye drop, OT-401 and Kangshu (康殊), resulting from the smooth progression in the Group's marketing and promotion of these products in hospitals; and (ii) the increase in sales-based royalty income in relation to Emadine® and Betoptic® S.

The Group also recorded substantial decrease in loss for FY2021 of approximately 88.52% as compared to that for FY2020. With reference to the 2021 Annual Report, the decrease was mainly due to (i) the absence of fair value loss of financial liabilities at FVTPL for FY2021, as opposed to the one-time fair value loss of approximately RMB1,694.5 million for FY2020 attributable to the conversion of all of the Group's preferred shares upon the Listing; and (ii) the decrease in share-based payments.

The Group's adjusted net loss decreased from approximately RMB276.7 million for FY2020 to approximately RMB187.0 million for FY2021, representing a decrease of approximately 32.42%. With reference to the 2021 Annual Report, the decrease was primarily attributable to the increase in revenue and gross profit, partially offset by the decrease in net foreign exchange losses.

### *Financial performance for 1H2022*

As depicted in the table above, the Group also recorded a significant increase in revenue for 1H2022 of approximately 162.15% as compared to that for 1H2021. With reference to the 2022 Interim Report, the increase was primarily attributed to (a) an increase of 39.11% in the sales of ophthalmic pharmaceutical products for 1H2022 as compared that for 1H2021, (b) a significant increase in the revenue generated from the provision of

---

## LETTER FROM GRAM CAPITAL

---

pharmaceutical products promotion services from approximately RMB0.5 million for 1H2021 to RMB8.6 million for 1H2022, mainly consists of the in-hospital marketing promotion income in relation to Xalatan® and Xalacom®, and (c) the revenue generated from the sales-based royalty income of approximately RMB17.7 million in relation to licensing ophthalmic pharmaceutical products to a third party for 1H2022 (1H2021: nil).

The Group recorded a significant increase in loss for 1H2022 of approximately 176.79% as compared to that for 1H2021. With reference to the 2022 Interim Report, the increase was mainly because no one-time gain was generated from transactions with third parties during 1H2022, as compared with a one-time gain of RMB100.6 million and RMB14.5 million generated from the respective transaction with EyePoint and Alimera for 1H2021.

The Group's adjusted net loss decreased from approximately RMB109.19 million for 1H2021 to approximately RMB76.85 million for 1H2022, representing a decrease of approximately 29.61%. With reference to the 2022 Interim Report, the decrease was primarily attributable to (i) an increase in gross profit, mainly due to the increase in revenue generated from sales of ophthalmic products, marketing promotion income and sales-based royalty income; and (ii) an increase in net foreign exchange gains, mainly due to effective implementation of the Group's foreign currency risk management measures during 1H2022.

### *Pipeline and progress of key drug candidates*

As at Latest Practicable Date, the Group had 24 drug assets in portfolio, having established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which seven drug candidates have entered phase III clinical trial stage and ten drug products have been commercialized, positioned the Company in the leading position in ophthalmology in China. Details of the progress of the Group's key drug candidates were set out in the 2021 Annual Report and 2022 Interim Report.

### *Information on the Connected Grantees*

Details of the Connected Grantees are set out as follows:

<b>Name</b>	<b>Relationship with the Group</b>
Mr. Ye LIU	Executive Director and Chief Executive Officer
Dr. Zhaopeng HU	Executive Director and Chief Development Officer

### *Mr. Liu*

Mr. Ye LIU, the executive Director and chief executive officer, joined the Group as chief executive officer on 1 August 2018 and has been the executive Director since 23 November 2018.

Mr. Liu is responsible for overall strategic planning, business direction and daily management of the Company. Mr. Liu has over 20 years of experience in leading pharmaceutical companies in China. Mr. Liu has over 20 years of experience in the pharmaceutical industry, in particular, the aspects of management, sales, R&D, registration and related field.

---

## LETTER FROM GRAM CAPITAL

---

Please refer to the section headed “Background and Contribution of Mr. Liu” of the Board Letter for more details of Mr. Liu.

### *Dr. Hu*

Dr. Zhaopeng HU, being an executive Director of the Company, joined the Group in 3 September 2018 as the vice president of regulatory affairs, and has been the executive Director since 24 April 2020, chief development officer since 1 June 2020. He is primarily responsible for participating in strategic planning and CMC management and regulatory affairs. Dr. Hu has around 20 years of experience in pharmaceutical industry. From July 2006 to August 2018, he held positions including plant technique and registration group manager, registration and pharmaceutical department director, clinical development department director and internal audit department director in Santen Pharmaceutical (China) Co., Ltd., mainly responsible for clinical development compliance and other drug-related regulations and compliance.

With Dr. Hu’s contribution in research and development of the drug candidates, the Group had seven drugs that has entered into phase III clinical trials. Under the leadership of Dr. Hu with respect to R&D activities, the Group also accelerated the development for its in-house product pipeline. The “in-licensing plus in-house R&D” of the Group model has formulated a comprehensive system, which will further bring momentum to the subsequent product pipeline of the Group. Such a significant progress in the R&D progress of the Group’s drug candidates enables the Company to achieve and maintain a leading position in the field of innovative ophthalmic drugs in China.

### *Reasons for the Proposed Connected Grant*

With reference to the Board Letter, the 2021 Share Award Scheme and the Proposed Connected Grant are part of the Company’s remuneration policy. The purpose of such grant is to closely align the interests and benefits of the Company, the Board and the management of the Group in order to maximize the motivation of the executive Directors and senior management. The Proposed Connected Grant aims to provide sufficient incentive to retain and motivate Mr. Liu and Dr. Hu to participate in the formulation of strategy and long-term development of the Company and to recognize their contribution to the growth of the Company. Retaining Mr. Liu and Dr. Hu is highly beneficial for the Group’s development and expansion and can avoid potential disruption to the operation of the Group resulting from the lack of continuity of leadership.

We also noted from the website of the Stock Exchange and considered that it is common practise among biotech companies listed on the Stock Exchange under Chapter 18A of the Listing Rules to grant restricted shares to their personnel and employees, as all of which have similar arrangement in respect of the grant of restricted shares to their personnel and employees (in particular, their executive directors and chief executive officer).

Having considered that (i) the Connected Grantees are executive Directors and chief executive officer of the Group who has contributed to the growth and development of the Group; (ii) it is a common practice for biotech companies listed on the Stock Exchange under Chapter 18A of the Listing Rules to grant restricted shares to their personnel and employees; and (iii) there will not be any actual cash paid by the Group to the Connected Grantees under the Proposed Connected Grant, we concur with the Directors that the Proposed Connected Grant are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM GRAM CAPITAL

---

### 2. Principal terms of the Proposed Connected Grant

Set out below are the summarised terms of the Proposed Connected Grant, details of which are set out under the section headed “The Grant to Employee Participants and Connected Transaction Involving the Proposed Connected Grant” of the Board Letter.

#### *Number of Award Shares*

Details of the number of Award Shares to be granted to the Connected Grantees are as follows:

Name	Relationship with the Group	Number of Award Shares (% to the total share capital of the Company as at the Grant Date)
Mr. Liu	Executive Director and Chief Executive Officer	4,320,000 (0.6429%)
Dr. Hu	Executive Director and Chief Development Officer	137,000 (0.0204%)

To assess the fairness and reasonableness of the number of Award Shares to be granted to Mr. Liu and Dr. Hu, we conducted the following analyses:

#### *Comparison with other share awards granted to connected persons*

For the purpose of comparing the Proposed Connected Grant with other connected transactions undertaken by companies listed on the Stock Exchange involving share awards/restricted share units granted to connected persons by issuance of new shares (excluding issuance of A shares or H shares), we searched for connected transactions involving share awards/restricted share units granted to connected persons (with available information on (i) number of share awards/restricted share units to be granted to such persons; and (ii) vesting period) which were announced by companies listed on the Main Board of the Stock Exchange (the “**Comparable Transactions**”) during the period from 1 March 2022 up to the Grant Date (being an approximate six-month period up to and including the Grant Date). We consider the six-month period reflect the recent market practice for share incentives and the number of Comparable Transactions is sufficient for us to form our view. To the best of our knowledge and as far as we are aware of, we found 13 Comparable Transactions which met the said criteria and they are exhaustive, fair and representative. Although the business nature and market capitalisation of the Comparable Transactions may be different from that of the Company, the analysis below, in our view, demonstrates the recent market practice in relation to grants of restricted share units and/or awarded shares to connected person(s) and therefore an appropriate basis in assessing the fairness and reasonableness of the terms of the Proposed Connected Grant.

## LETTER FROM GRAM CAPITAL

Date of announcement	Company name (Stock code)	Vesting period	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price
24 March 2022	Fosun International Limited (656)	Subject to the satisfaction of the vesting criteria and conditions of the share award scheme: (i) 33% of the award shares will be vested by 24 March 2023; (ii) 33% of the award shares will be vested by 24 March 2024; and (iii) 34% of the award shares will be vested by 24 March 2025, or 100% of the award shares will be vested by 24 March 2023.	Range from 0.0003% to 0.0374%	Information not available	Nil
25 March 2022	Angelalign Technology Inc. (6699)	30% of the restricted share units shall vest on the date of 30 September of the same year of the date of grant; 30% of the restricted share units shall vest on the date of 30 September of the second year of the date of grant; 20% of the restricted share units shall vest on the date of 30 September of the third year of the date of grant; and 20% of the restricted share units shall vest on the date of 30 September of the fourth year of the date of grant	0.0152%	0.0030%	Nil
1 April 2022	Everest Medicines Limited (1952)	Subject to the achievement of certain stock price targets and certain business milestone and time-based vesting over 3 years.	Ranged from 0.3320% to 0.83%	Ranged from 0.1107% to 0.2767%	Nil
8 April 2022	Suoxinda Holdings Limited (3680)	25% of the restricted shares shall vest on the first trading day after 31 March 2023; 25% of the restricted shares shall vest on the first trading day after 31 March 2024; 25% of the restricted shares shall vest on the first trading day after 31 March 2025; and 25% of the restricted shares shall vest on the first trading day after 31 March 2026.	0.0049%	0.0012%	Nil
10 April 2022	Semiconductor Manufacturing International Corporation (981)	(i) Restricted share units will be vested in four batches annually commencing from 1 March 2022 at the rate of 25% each; or (ii) 100% of the restricted share units will vest on 1 January 2023	Ranged from 0.0005% to 0.0067%	Ranged from 0.0001% to 0.0017%	Nil

## LETTER FROM GRAM CAPITAL

Date of announcement	Company name (Stock code)	Vesting period	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price
19 April 2022	BeiGene, Ltd. (6160)	<p>(i) 25% of the ordinary shares shall vest on each anniversary of the grant date, subject to continued service (except for the restricted share units granted to the chief executive officer of the company, which had the service of the chief executive officer of the company been terminated without cause or for good reasons, the restricted share units shall become vested as if he had remained employed for an additional 20 months, provided that the restricted share units shall become fully vested for underlying shares upon a change in control of the company); or</p> <p>(ii) 100% of the ordinary shares shall vest upon the earlier of the first anniversary of the grant date or the date of the next annual general meeting of shareholders.</p>	Ranged from 0.0011% to 0.0214% (Note 1)	Ranged from 0.0011% to 0.0053% (Note 2)	Nil
24 April 2022	Greentown Management Holdings Company Limited (9979)	<p>30% of the Award Shares shall be vested on the first anniversary of the grant date; and</p> <p>30% of the Award Shares shall be vested on the second anniversary of the grant date; and</p> <p>40% of the Award Shares shall be vested on the third anniversary of the grant date</p>	Ranged from 0.1021% to 0.1788%	Ranged from 0.0306% to 0.0536%	Nil
1 June 2022	Innovent Biologics, Inc. (1801)	33.33% shall vest on 1 June 2023; 33.33% shall vest on 1 June 2024; and 33.33% shall vest on 1 June 2025	0.0010%	0.0003%	Nil
9 June 2022	Zall Smart Commerce Group Ltd. (2098)	Upon fulfilment of the vesting conditions	Ranged from 0.0008% to 0.0121% (Note 3)	Ranged from 0.0008% to 0.0121% (Note 3)	Nil
1 August 2022	Productive Technologies Company Limited (650)	In five equal tranches on 8 August 2023, 8 August 2024, 8 August 2025, 8 August 2026, and 8 August 2027, respectively	0.8119%	0.1624%	Nil
31 August 2022	Fosun International Limited (656)	<p>Subject to the satisfaction of the vesting criteria and conditions of the share award scheme:</p> <p>(i) 33% of the award shares will be vested by 31 August 2023;</p> <p>(ii) 33% of the award shares will be vested by 31 August 2024; and</p> <p>(iii) 34% of the award shares will be vested by 31 August 2025,</p> <p>or 100% of the award shares will be vested by 31 August 2023.</p>	Ranged from 0.0007% to 0.0075%	Information not available	Nil

# LETTER FROM GRAM CAPITAL

Date of announcement	Company name (Stock code)	Vesting period	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price
2 September 2022	Cherish Sunshine International Limited (1094)	(i) 25% shall be vested immediately following the first anniversary of the date of grant; (ii) 25% shall be vested immediately following the second anniversary of the date of grant; (iii) 25% shall be vested immediately following the third anniversary of the date of grant; and (iv) the remaining 25% shall be vested immediately following the fourth anniversary of the date of grant	Ranged from 0.0597% to 0.9270%	Ranged from 0.0149% to 0.2318%	HK\$0.46 per award share
5 September 2022	Semiconductor Manufacturing International Corporation (981)	Restricted share units to be granted will be vested over a period of three years at the rate of 33%, 33% and 34% for each 12-month period commencing on 11 August 2022	0.0035%	0.0012%	Nil
9 September 2022	Mr. Liu Dr. Hu	<b>Minimum Maximum</b> <b>Detailed in the section headed "Vesting period" below</b> <b>Detailed in the section headed "Vesting period" below</b>	0.0003% 0.9270%	0.0001% 0.2767%	Nil
			0.6429%	0.1607%	Nil
			0.0204%	0.0020%	Nil

Source: the Stock Exchange's website

Notes:

- The percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company was calculated based on the value of ordinary shares to be granted to each individual connected persons, the value of the ordinary shares and the number of ordinary shares of the list company as at the date of announcement.
- The minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company was calculated based on the value of ordinary shares to be granted to each individual connected persons, the value of the ordinary shares and the number of ordinary shares of the list company as at the date of announcement.

---

## LETTER FROM GRAM CAPITAL

---

As depicted in the above table, the percentage of award shares/restricted share units granted to each individual grantee to total issued shares ranged from approximately 0.0003% to 0.9270% (or approximately 0.0001% to 0.2767% (the “**Comparable Percentage Range**”) after taking into account of the vesting period). The number of Award Shares to be granted to Mr. Liu of approximately 0.6429% (or approximately 0.1607% after taking into account of the vesting period) and Dr. Hu of approximately 0.0204% (or approximately 0.0020% after taking into account of the vesting period) of the total issued Shares as at the Grant Date respectively, fall within the Comparable Percentage Range.

*Comparison of total remuneration of chief executive officer and other chief officers of other biotech companies*

As mentioned above, the number of Award Shares to be granted to Mr. Liu represented approximately 0.6429% to the total issued Share Capital of the Company, representing a value of approximately HK\$45.45 million as at the Grant Date or approximately HK\$11.36 million during each of the vesting period.

To further assess the value of the Award Shares to be granted to Mr. Liu, we conducted following analyses:

A. Background information of Mr. Liu

Mr. Liu, the executive Director and chief executive officer, joined the Group as chief executive officer on 1 August 2018 and has been the executive Director since 23 November 2018.

Mr. Liu is responsible for overall strategic planning, business direction and daily management of the Company. Mr. Liu has over 20 years of experience in leading pharmaceutical companies in China. Mr. Liu has over 20 years of experience in the pharmaceutical industry, in particular, the aspects of management, sales, R&D, registration and related field.

Please refer to the section headed “Background and Contribution of Mr. Liu” of the Board Letter for more details of Mr. Liu.

B. Key milestones of the Group

With reference to the 2021 Annual Report and 2022 Interim Report, during FY2021 and 1H2022, the Group had, among other things:

- (i) completed the acquisition of a license right from Alimera in relation to the licensed products in certain territories.

---

## LETTER FROM GRAM CAPITAL

---

- (ii) entered into the asset purchase agreement with Novartis AG a world-renowned pharmaceutical group, pursuant to which the Company acquired from Novartis, among others, all approvals, licenses, registrations, or authorizations necessary to market the pharmaceutical products commercialized under the brand names Emadine® (emedastine difumarate ophthalmic solution) and Betoptic® S (betaxolol hydrochloride eye drop) in the PRC, along with a technical transfer plan to transfer the manufacture of the two products to the Company.
- (iii) the Group has established a research institute in Suzhou, the PRC, primarily focusing on preclinical research and chemistry, manufacturing and controls (CMC) work, which enables the Group to make breakthroughs in its in-house developed product pipelines.
- (iv) entered into a series of cooperation arrangements with Viatris China, pursuant to which the Group became the exclusive promoter to promote and market in hospitals nationwide in the PRC (excluding Hong Kong, Macau Special Administrative Region and Taiwan exclusively for the purpose of this cooperation) two ophthalmic drugs of Viatris, namely Xalatan (適利達) and Xalacom (適利加) and will charge Viatris China promotion service fees.
- (v) obtained approval from CDE on the Company's core product OT-401 for the treatment of chronic NIU-PS and commercialization in the PRC. OT-401 is the first new drug in the Group's pipeline approved for marketing in the PRC.

The approval for commercialization signals Youshiying® will become a therapeutic drug leading in all aspects in the field of non-infectious uveitis treatment and thus fill the market gaps. The marketing approval for Youshiying® was issued 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 the Group's other drug candidates.

- (vi) as mentioned above, the Group had 24 drug assets in portfolio as at the Latest Practicable Date, as compared to 16 drug assets in portfolio (as at date of listing), 17 drug assets in portfolio (as at 31 December 2020) and 20 drug assets in portfolio (as at 31 December 2021).

According to the above, it indicated that Mr. Liu is important to the Group.

## LETTER FROM GRAM CAPITAL

### C. Compare with remuneration package of other biotech companies' chief executive officers and other chief officers

We searched over the website of the Stock Exchange and to the best of our knowledge and as far as we are aware of, we found a list of biotech companies primarily listed on the Stock Exchange under Chapter 18A of the Listing Rules prior to the commencement of financial year 2022 (the “**18A Comparable(s)**”). The remuneration of chief executive officers (the “**Comparable CEO(s)**”) and other chief officers of the 18A Comparables for FY2021 as disclosed in the respective latest annual report of the 18A Comparables are set out below, which is exhaustive to the best of our knowledge and fair and representative:

Company name (Stock code)	Total remuneration of the Comparable CEOs (A) = (B) + (C) RMB'000	Fee, salary, bonuses, allowance, benefit in kind and retirement benefit scheme contribution of the Comparable CEOs (B) RMB'000	Share-based payment of the Comparable CEOs (C) RMB'000	Comparable CEOs' interest (including all unexercised options and restricted share units) in shares of the relevant 18A Comparables as disclosed in the most recent annual report %	% of CEOs' share-based payment to total remuneration %	Total remuneration of the Comparable CXOs (as defined below) RMB'000	% of Comparable CXOs' share-based payment to total remuneration %
JACOBIO PHARMACEUTICALS GROUP CO., LTD. - B (1167)	4,480	2,618	1,862	35.14	41.56	N/A	N/A
CANbridge Pharmaceuticals Inc - B (1228)	10,298	4,549	5,749	12.09	55.83	N/A	N/A
Asclepis Pharma Inc. - B (1672)	19,941	19,941	-	54.78	Nil	N/A	N/A
Innovent Biologics, Inc. (1801) (Note 1)	127,959	26,221	101,738	8.21	79.51	20,367	73.50
TOT BIOPHARM International Company Limited - B (1875)	3,442	2,276	1,166	0.63	33.88	N/A	N/A
Shanghai Junshi Biosciences Co., Ltd. (1877) (Note 1)	38,369	26,036	12,333	0.17	32.14	10,722	60.46
Everest Medicines Limited - B (1952)	66,163	18,037	48,126	1.59	72.74	18,258	41.21
						19,845	47.64
JW (Cayman) Therapeutics Co. Ltd - B (2126)	40,904	4,287	36,617	6.83	89.52	N/A	N/A
Brii Biosciences Limited - B (2137)	65,359	38,720	26,639	6.74	40.76	N/A	N/A
HBM Holdings Limited - B (2142) (Note 2)	85,592	85,592	-	8.01	Nil	3,471	Nil
Keymed Biosciences Inc. - B (2162)	3,619	3,619	-	34.28	Nil	N/A	N/A
Suzhou Basecare Medical Corporation Limited - B (2170)	3,690	3,690	-	33.39	Nil	641	Nil
						715	Nil
CARsgen Therapeutics Holdings Limited - B (2171) (Note 3)	1,562	1,562	-	37.91	Nil	2,153	Nil
Mabpharm Limited - B (2181)	5,169	1,082	4,087	0.60	79.07	1,470	37.62
Shanghai Bio-heart Biological Technology Co., Ltd - B (2185)	192,080	747	191,333	43.75	99.61	27,410	95.11
Zylox-Tonbridge Medical Technology Co., Ltd. - B (2190)	16,193	4,434	11,759	29.39	72.62	N/A	N/A
Clover Biopharmaceuticals, Ltd. - B (2197)	14,654	7,708	6,946	26.33	47.40	N/A	N/A

## LETTER FROM GRAM CAPITAL

Company name (Stock code)	Total remuneration of the Comparable CEOs (A) = (B) + (C) RMB'000	Fee, salary, bonuses, allowance, benefit in kind and retirement benefit scheme contribution of the Comparable CEOs (B) RMB'000	Share-based payment of the Comparable CEOs (C) RMB'000	Comparable CEOs' interest (including all unexercised options and restricted share units) in shares of the relevant 18A Comparables as disclosed in the most recent annual report %	% of Comparable CEOs' share-based payment to total remuneration %	Total remuneration of the Comparable CXOs (as defined below) RMB'000	% of Comparable CXOs' share-based payment to total remuneration %
Broncus Holding Corporation – B (2216) (Note 2)	1,064	1,064	–	0.91	Nil	1,355	16.67
MicroTech Medical (Hangzhou) Co., Ltd – B (2235)	1,059	1,059	–	28.90	Nil	N/A	N/A
Beijing Airdoc Technology Co., Ltd – B (2251)	461	461	–	24.50	Nil	N/A	N/A
Shanghai MicroPort MedBot (Group) Co., Ltd. – B (2252)	32,398	1,753	30,645	64.88	94.59	N/A	N/A
Abbisko Cayman Limited – B (2256)	23,071	5,477	17,594	23.43	76.26	14,023	62.23
Sirnaomics Ltd. – B (2257) (Note 2)	27,283	3,452	23,832	14.36	87.35	5,568	55.62
						6,039	44.02
Hua Medicine – B (2552)	23,856	10,209	13,647	6.08	57.21	7,086	29.11
CStone Pharmaceuticals – B (2616)	119,522	6,255	113,267	7.82	94.77	N/A	N/A
Shanghai Henlius Biotech, Inc. (2696) (Note 1)	28,042	7,080	20,962	Nil	74.75	N/A	N/A
SinoMab BioScience Limited – B (3681)	4,352	4,352	–	12.89	Nil	N/A	N/A
BeiGene, Ltd. (6160) (Note 1)	111,701	11,361	100,340	5.50	89.83	N/A	N/A
CanSino Biologics Inc. (6185) (Note 1)	4,444	4,444	–	27.96	Nil	4,444	Nil
						4,533	Nil
						4,651	31.07
New Horizon Health Limited – B (6606)	14,261	3,951	10,310	6.55	72.30	10,024	78.57
Shanghai HeartCare Medical Technology Corporation Limited – B (6609)	21,050	1,238	19,812	29.20	94.12	N/A	N/A
Zhaoke Ophthalmology Limited – B (6622)	38,973	9,758	29,215	3.02	74.96	N/A	N/A
Transcenta Holding Limited – B (6628)	5,174	4,088	1,086	12.94	20.99	4,609	Nil
Acotec Scientific Holdings Limited – B (6669)	4,725	4,725	–	17.64	Nil	1,654	Nil
Ascentage Pharma Group International – B (6855)	4,750	4,750	–	25.56	Nil	N/A	N/A
Immunotech Biopharm Ltd – B (6978)	37,589	3,442	34,147	4.56	90.84	1,883	Nil
Antengene Corporation Limited – B (6996)	16,772	10,696	6,076	27.04	36.23	2,037	3.34
						2,052	9.99
Genor Biopharma Holdings Limited – B (6998)	41,196	7,538	33,658	2.54	81.70	N/A	N/A
Akeso, Inc. – B (9926)	7,090	7,090	–	30.12	Nil	4,210	Nil
Alphamab Oncology – B (9966)	6,714	6,714	Relevant information was not disclosed	34.00	N/A	N/A	N/A

## LETTER FROM GRAM CAPITAL

Company name (Stock code)	Total remuneration of the Comparable CEOs (A) = (B) + (C) RMB'000	Fee, salary, bonuses, allowance, benefit in kind and retirement benefit scheme contribution of the Comparable CEOs (B) RMB'000	Share-based payment of the Comparable CEOs (C) RMB'000	Comparable CEOs' interest (including all unexercised options and restricted share units) in shares of the relevant 18A Comparables as disclosed in the most recent annual report %	% of CEOs' share-based payment to total remuneration %	Total remuneration of the Comparable CXOs (as defined below) RMB'000	% of Comparable CXOs' share-based payment to total remuneration %	
InnoCare Pharma Limited – B (9969)	29,413	4,856	24,557	7.01	83.49	N/A	N/A	
RemeGen Co., Ltd. – B (9995)	7,700	7,700	-	46.22	Nil	10,487	59.80	
	<b>Minimum</b>	461	461	Nil	Nil	641	Nil	
	<b>Maximum</b>	192,080	85,592	191,333	64.88	27,410	95.11	
	<b>Average</b>	16,483	4,637	6,946	13.65	4,571	22.89	
	<b>Median</b>	31,241	9,158	22,622	19.13	7,296	28.69	
The Company (1477)								
Mr. Liu	Executive director and chief executive officer	55,895 (Note 4)	4,897 (Note 5)	50,998 (Note 4)	10.44	91.24	N/A	N/A
Dr. Hu	Executive director and chief development officer	N/A	N/A	N/A	N/A	2,687 (Note 6)	22.75	

Source: Annual report of the respective 18A Comparables

Notes:

- Companies that were listed on the Stock Exchange under Chapter 18A with the stock marker B subsequently removed.
- Calculated based on average exchange rate of US\$:RMB of 1:6.4515 for illustrative purpose only.
- The Comparable CEO was appointed as a director, chief executive officer and chief scientific officer of the company in February 2018 and was re-designated as an executive director of the company in February 2021.
- Mr. Liu's remuneration was a hypothetical figure. The value of approximately RMB55.9 million was calculated by summation of (A) the market value of Award Shares and fair value of Options of approximately RMB12.9 million in aggregate (calculated based on the Share's closing price of HK\$10.52 per Share as at the Grant Date and fair value of Options as at the Grant Date), taking into account the Awards Shares and Options (to be granted to Mr. Liu) will be vested in four instalments equally during the Vesting Period; and (B) the market value of award shares granted to Mr. Liu on 2 July 2021 and the fair value of share options granted to Mr. Liu on 2 July 2021 of approximately RMB38.1 million in aggregate (calculated based on Share's closing price of HK\$10.52 per Share as at the Grant Date and fair value of share options (as at Grant Date) granted to Mr. Liu on 2 July 2021), taking into account the award shares and share options (granted to Mr. Liu in 2021) will be vested in four instalments equally during the vesting period. For the avoidance of doubt, the aforesaid value may be different from the share-based payment expenses to be reported in the Company's subsequent annual reports.
- Based on the disclosure of the 2021 Annual Report.

---

## LETTER FROM GRAM CAPITAL

---

6. Dr. Hu's remuneration was a hypothetical figure. The value of approximately RMB2.7 million was calculated by summation of (A) the market value of Award Shares and fair value of Options of approximately RMB0.2 million (calculated based on the Share closing price of HK\$10.52 per Share as at the Grant Date and fair value of Options as at the Grant Date), taking into account the number of Award Shares and Options (to be granted to Dr. Hu) to be vested in the first instalment during the Vesting Period; and (B) the value of award shares granted to Dr. Hu on 2 July 2021 and the fair value of share options granted to Dr. Hu on 30 September 2021 of approximately RMB0.4 million in aggregate (calculated based on Share closing price of HK\$10.52 per Share as at the Grant Date and fair value of share options (as at the Grant Date) granted to Dr. Hu on 30 September 2021), taking into account the number of the aforesaid award shares and share options to be vested in the second instalment during the vesting period. For the avoidance of doubt, the aforesaid value may be different from the share-based payment expenses to be reported in the Company's subsequent annual reports.

As depicted from the above table, total remuneration of the Comparable CEOs ranged from RMB461,000 to RMB192,080,000 for FY2021 with average and median of approximately RMB31,241,000 and RMB16,483,000 respectively.

In addition, we also searched the remuneration of executive directors who also serve as chief officer of certain managerial aspect (such as chief financial officer, chief medical officer, chief scientific officer etc.) of the 18A Comparables (other than Comparable CEOs, the "**Comparable CXO(s)**"), being an exhaustive list of samples based on our selection criteria as abovementioned. As Dr. Hu is the executive Director and Chief Development Officer (i.e. a chief officer), we consider the comparison of Dr. Hu's remuneration with Comparable CXOs' remunerations to be fair and representative. We noted that the total remuneration of the Comparable CXOs ranged from RMB641,000 to RMB27,410,000 for FY2021 with average and median of approximately RMB7,296,000 and RMB4,571,000 respectively.

As advised by the Directors, assuming the vesting condition in respect of Awards and the Options to be granted to Mr. Liu are satisfied and the Award Shares and Options are vested in accordance to the vesting period, the value of the Award Shares and Options for Mr. Liu for each instalment during the vesting period is expected to be approximately RMB12.9 million. Mr. Liu's hypothetical total remuneration is expected to be approximately RMB55.9 million, assuming Mr. Liu's salary and bonus will remain at same level to those for FY2021. Mr. Liu's hypothetical total remuneration falls within the range of the total remuneration of the Comparable CEOs and is higher than the average and median of remunerations of the Comparable CEOs for FY2021.

As further advised by the Directors, assuming the vesting condition in respect of Awards and Options to be granted to Dr. Hu are satisfied and the Award Shares and Options are vested in accordance to the vesting period, the value of Award Shares and Options for Dr. Hu is expected to be approximately RMB0.2 million to RMB0.4 million for an individual instalment during the Vesting Period. Dr. Hu's hypothetical total remuneration is expected to be approximately RMB2.7 million, assuming Dr. Hu's salary and bonus will remain at same level to those for FY2021. Dr. Hu's hypothetical total remuneration falls within the range of the total remuneration of the Comparable CXOs and is less than the average and median of remunerations of the Comparable CXOs for FY2021.

---

## LETTER FROM GRAM CAPITAL

---

Furthermore, based on the hypothetical remuneration of Mr. Liu and Dr. Hu, the percentage of Mr. Liu's share-based payment accounted for approximately 91.24% of his hypothetical total remuneration, which falls within the range of the percentage of Comparable CEOs' share-based payment to total remuneration and is higher than the average and median of percentage of Comparable CEOs' share-based payment to total remuneration; and the percentage of Dr. Hu's share-based payment accounted for approximately 22.75% of his hypothetical total remuneration, which also falls within the range of the percentage of Comparable CXOs' share-based payment to total remuneration and is lower than the average and median of percentage of Comparable CXOs' share-based payment to total remuneration.

Despite that Mr. Liu's hypothetical total remuneration is higher than the average and median remuneration of the Comparable CEOs for FY2021, having considered the following factors, including:

- (i) the number of Award Shares to be granted to Mr. Liu to the total issued Shares as at the Grant Date falls within the Comparable Percentage Range;
- (ii) Mr. Liu's hypothetical total remuneration of approximately RMB55.9 million falls within the range of the total remuneration of the Comparable CEOs;
- (iii) Mr. Liu's remuneration (excluding share-based payment) of approximately RMB4.9 million falls below the average of the Comparable CEOs' remuneration (excluding share-based payment) of approximately RMB9.2 million; and
- (iv) Mr. Liu, who has extensive experience and networks in ophthalmology industry, is responsible for overall strategic planning, business direction and daily management of the Company.

Mr. Liu's previous working experience as provided by the Company are listed below for Shareholders' ease of reference.

## LETTER FROM GRAM CAPITAL

<b>Duration</b>	<b>Company name</b>	<b>Position</b>	<b>Principal duty</b>	<b>Major achievement</b>
2003-2006	Eisai (China) Inc.	Head of Business Development	Company strategy making, pre-marketing/sales strategy for new products, new product in-licensing, new project development and market research	Successfully in-licensed Erii and Cidine for Eisai China and built the portfolio.
2006-2009	Sandoz China/Novartis Group	Head of Sales, Senior Business Development Manager	Promotion and sales as well as business development management of the PRC Market	Built the sales team and in-licensed JinSiPing.
2009-2014	Eisai (China) Inc.	General Manager, Head of Pharmaceutical Affair Division	Management of corporate operation and Research & Development Affairs	<ol style="list-style-type: none"> <li>1. Mr. Liu led Eisai China became the one of leading Japanese pharmaceutical companies in China in terms of revenue.</li> <li>2. Mr. Liu led the R&amp;D and registration of Glakay, a first-in-class drug in Orthopaedics, which was later approved and marketed in China successfully.</li> <li>3. Mr. Liu not only achieved remarkable growth in terms of key financial measures, he successfully installed a corporate infrastructure with rules-based, technology-enabled systems and built a comprehensive drug pipeline, both promising long-lasting benefits to the organization.</li> </ol>
2014-2018	Santen Pharmaceutical (China) Co., Ltd.	Chairman and General Manager	Management of corporate operation	<ol style="list-style-type: none"> <li>1. Mr. Liu led Santen China grow up to the largest overseas market for Santen globally and became the one of the leading ophthalmology companies in China in terms of revenue.</li> <li>2. Mr. Liu led the R&amp;D and registration of TAPROS and DIQUAS, the only two eye drop products and two of the only seven new ophthalmic drugs approved in China since 2015.</li> <li>3. Mr. Liu also led the construction of the joint venture's manufacturing plant in Chongqing and the EU GMP certification of Santen China's Suzhou plant, which remains the only plant with such certification in the Chinese ophthalmic pharmaceutical industry.</li> </ol>

---

## LETTER FROM GRAM CAPITAL

---

Under the leadership of Mr. Liu, the Group achieved various milestones recently, in particular:

- a. **Financial performance:** For 1H2022, the sales of ophthalmic products were affected due to the lockdown of certain areas in China caused by the COVID-19 pandemic. However, with the acceleration of the Group's expansion to hospitals in regions not subject to the lockdown during 1H2022 and the continuous increase in sales volume, the Company still achieved a significant increase of approximately 162.2% in revenue as compared to that for 1H2021. The Group's gross profit covered the marketing and promotion expenses for 1H2022 and recorded a substantial decrease of approximately 29.61% in adjusted net loss for 1H2022 as compared to 1H2021.
- b. **Pipeline:** As at Latest Practicable Date, the Group had 24 drug assets in portfolio, having established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which seven drug candidates have entered phase III clinical trial stage and ten drug products have been commercialized, positioned the Company in the leading position in ophthalmology in China.

Among the Group's 24 drug assets:

- the Company's core product, OT-401 (Fluocinolone Intravitreal Implant, or YUTIQ, 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, being only a four-year period since the Company's establishment. The approval for commercialization signals Youshiying® (優施瑩) will 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® (優施瑩) was based on real-world study data and corresponding overseas data, marked a milestone in the history of drug registration in China and also created a new path for NDA registrations for our other drugs and drug candidates.

- In addition to the approval of the NDA for the Group's core product, OT-401, Kangwenjuan® (康文涓®) (OT-601, moxifloxacin hydrochloride eye drops) obtained the product registration certificate in June 2022.
- For 1H2022, the Group has entered a series of cooperation arrangements with Viartis China, pursuant to which the Group became the exclusive promoter to promote and market in hospitals nationwide in China three ophthalmic drugs of Viartis, namely Xalatan® (latanoprost eye drops), Xalacom® (latanoprost timolol eye drops) and AZEP® (azelastine hydrochloride eye drops), which has strongly improved the Group's competitiveness on drug products in the fields of glaucoma, high intraocular pressure and anti-allergy.

---

## LETTER FROM GRAM CAPITAL

---

- During 1H2022, the Group also accelerated the development for in-house product pipelines. The Group’s “in-licensing plus in-house R&D” model has formulated a comprehensive system, which is expected to bring momentum to subsequent product pipelines. 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 1H2022, and the process of patient enrollment is expected to accelerate steadily during the second half of the year. The OT-202 (tyrosine kinase inhibitor), a class I new drug self-developed by the Group for the treatment of dry eye, has completed the patient enrollment and drug administration for the phase I clinical trial, in which subjects were in good health condition.

As advised by the Directors, nearly all the drug assets were built under the leadership of Mr. Liu. The fast portfolio building (as demonstrated by the table below) indicated Mr. Liu’s and the team’s (which was built and led by Mr. Liu) deep domain expertise in ophthalmic industry and their abundant capabilities in research and development; and business development.

	As at the date of Listing	As at 31 December 2020	As at 31 December 2021	As at 30 June 2022
Number of drug assets in portfolio	16	17	20	24
Number of drug assets in phase III clinical trial stage	1	4	6	7

**Commercialization performance:** There were more than ten pipeline products of the Company having been commercialized. As advised by the Directors, all the pipeline products were commercialized under the leadership of Mr. Liu. The fast portfolio commercialisation (as demonstrated by the table below) indicated Mr. Liu’s and team’s (which was built and led by Mr. Liu) products commercialization capability.

In addition, the approval of the NDA for OT-401 and its proposed commercialization in the PRC by the CDE symbolized that, starting from ground zero, the Company has completed the last step of transformation from a bio-tech company to a biopharmaceutical company.

	As at the date of Listing	As at 31 December 2020	As at 31 December 2021	As at 30 June 2022
Number of drug assets having been commercialised	2	2	5	10
Number of sales and marketing team members	46	69	101	140

---

## LETTER FROM GRAM CAPITAL

---

- c. the Company's manufacture site was inaugurated in October 2021 and had commenced the trial production. The construction of this modern ophthalmic production base, covering approximately 30,000 square meters, only took 496 days. The manufacture site has a total of four production workshops, and the maximum planned capacity is expected to reach 455 million doses per year.
- (v) As Mr. Liu is important to the Group, retaining Mr. Liu is highly beneficial for the Group's development and expansion and can avoid any potential disruption to the existing operation of the Group resulting from the lack of continuity in leadership. In addition, the Proposed Connected Grant is able to further closely align the interests and benefits of the Company and Mr. Liu in order to maximize his motivation.

The grant of Awards to Mr. Liu allows the Group to closely tie his remuneration to the performance of the Group, which is beneficial to the Company and the Shareholders as a whole. We also noted that the percentage of Mr. Liu's share-based payment to his hypothetical total remuneration is higher than the average and median of the percentage of Comparable CEOs' share-based payment to total remuneration,

we consider that (i) Mr. Liu's hypothetical total remuneration being higher than the average and median remuneration of the Comparable CEOs for FY2021 is justifiable; and (ii) the number of Award Shares to be granted to Mr. Liu is fair and reasonable.

Having considered that (i) the number of Award Shares to be granted to Dr. Hu of the total issued Shares as at the Grant Date falls within the Comparable Percentage Range; (ii) Dr. Hu's hypothetical total remuneration of approximately RMB2.7 million (a) falls within the range of the total remuneration of the Comparable CXOs and is less than the average remuneration and median of the Comparable CXOs for FY2021; and (b) is less than Dr. Hu's actual remuneration of approximately RMB6.7 million (including share-based payment of approximately RMB4.6 million) for FY2021; and (iii) the percentage of Dr. Hu's share-based payment to hypothetical total remuneration falls within the range of the percentage of Comparable CXOs' share-based payment to total remuneration, we consider the number of Award Shares to be granted to Dr. Hu to be fair and reasonable.

### *Consideration*

With reference to the Board Letter, each of the Award Shares is granted for nil consideration. The closing price of the Shares on the Grant Date as quoted on the Stock Exchange is HK\$10.52 per Share and the average closing price of the Shares for the five consecutive trading days immediately preceding the Grant Date as quoted on the Stock Exchange is approximately HK\$11.41 per Share.

We also noted from the Comparable Transactions that it is common for listed companies in Hong Kong to grant award shares/restricted share units at nil consideration. Accordingly, the Proposed Connected Grant at nil consideration is in line with market practice.

---

## LETTER FROM GRAM CAPITAL

---

Having considered (i) our findings in respect of the granting of restricted share units/incentive shares at nil consideration as aforementioned; and (ii) the purpose of the Proposed Connected Grant as explained in the section headed “Reasons for the Proposed Connected Grant” above, we consider the Proposed Grant of Award Shares at nil consideration to be fair and reasonable.

### *Vesting period*

The Awards to be granted to Mr. Liu shall vest as follows:

- 25% of the Awards shall vest immediately on the Grant Date;
- 25% of the Awards shall vest on the first anniversary of the Grant Date, conditional upon the achievement of certain performance targets relating to the overall performance of the Company as set out in the grant letter entered into between Mr. Liu and the Company, including R&D and registration progress of drug candidates, marketing and sales of commercialized products, daily operation and management of the Group. Partial achievement of the performance targets will result in proportionate vesting at the Board’s discretion;
- 25% of the Awards shall vest on the second anniversary of the Grant Date, conditional upon the performance targets to be achieved by the Company and/or Mr. Liu, which shall be determined by the Board in due course; and
- 25% of the Awards shall vest on the third anniversary of the Grant Date, conditional upon the performance targets to be achieved by the Company and/or Mr. Liu, which shall be determined by the Board in due course.

The Award Shares to be granted to Dr. Hu shall vest as follows:

- 10% of the Awards shall vest on the first anniversary of the Grant Date;
- 20% of the Awards shall vest in four equal instalments (with each instalment vesting at the end of each quarter) during the period from the first anniversary of the Grant Date to the second anniversary of the Grant Date;
- 30% of the Awards shall vest in four equal instalments (with each instalment vesting at the end of each quarter) during the period from the second anniversary of the Grant Date to the third anniversary of the Grant Date; and
- 40% of the Awards shall vest in four equal instalments (with each instalment vesting at the end of each quarter) during the period from the third anniversary of the Grant Date to the fourth anniversary of the Grant Date.

The vesting of the Awards to be granted to Dr. Hu is conditional upon the achievement of the performance targets by Dr. Hu set out in his grant letter entered into between him and the Company, partial achievement of which will result in proportionate vesting.

---

## LETTER FROM GRAM CAPITAL

---

We noted from the Comparable Transactions that majority of the Comparable Transactions set three to four instalments with 25% to 40% in each instalment of the restricted share units and/or awarded shares for relevant grantees for vesting such restricted share units and/or award shares, we consider the arrangement of vesting period regarding the Proposed Connected Grant is generally in line with the Comparable Transactions and is reasonable.

In addition, as certain conditions must be fulfilled before the Award Shares being vested, we are of the view that the vesting conditions will strengthen the incentive for Mr. Liu and Dr. Hu to use their efforts to achieve the performance targets, which will contribute to the growth and development of the Group.

Having considered the above factors, we are of the view that the terms of the Proposed Connected Grant are fair and reasonable.

### *Clawback Mechanism*

The vesting of the Awards granted to the Connected Grantees shall be in accordance with the proportion of achievement of the performance targets as set out above. Partial achievement of the performance targets will result in proportionate vesting, and the unvested Award Shares shall lapse.

In addition, in the event of any occurrence of misconduct or breach of employment contract, or any other conduct which as the Board or its delegates determines in good faith would justify the termination of the employment contract, any unvested outstanding Award Shares shall not be vested to such Selected Participant and shall be immediately forfeited as Returned Shares, and for Award Shares already transferred to relevant Selected Participant, the Company may require such Selected Participant to return the equivalent value of the Award Shares through Shares, cash or a combination thereof, or deduct an equivalent amount from the amount payable by the Group to that Selected Participant.

Having considered the above factors, we are of the view that the terms of the Proposed Connected Grant are fair and reasonable.

### **3. Potential dilution of the shareholding interests of the existing public Shareholders**

Upon vesting of the Award Shares, the number of Award Shares to be issued under the Proposed Connected Grant would be 4,457,000, representing approximately 0.66% of the issued Shares of the Company as at the Grant Date. Accordingly, the Shareholders other than those who hold 10% or more equity interests in the Company or are Directors will be diluted by approximately 0.31 percentage points assuming the Award Shares under the Proposed Connected Grant are vested in full. Taking into account (i) the reasons for and benefits of the Proposed Connected Grant as mentioned above, in particular Mr. Liu's importance to the Group and that the purpose of the Proposed Connected Grant is closely align the interest and benefits of the Group and Mr. Liu; and (ii) that the principal terms of the Proposed Connected Grant being fair and reasonable, we are of the view that the aforementioned level of dilution is acceptable.

---

## LETTER FROM GRAM CAPITAL

---

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Proposed Connected Grant are on normal commercial terms and are fair and reasonable; and (ii) the Proposed Connected Grant is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Connected Grant and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Notes:*

1. Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.
2. For the purposes of this letter, unless the context otherwise requires or expressly specified, exchange rates of HK\$1.00 to RMB0.88031 have been used for currency conversion, where applicable. Such exchange rates are for illustration purposes only and does not constitute any representation that any amount in RMB or HK\$, could have been or may be converted at such rates.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN EQUITY SECURITIES

As of the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as 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	Type of interest	Number of Shares/ underlying Shares	Approximate percentage in shareholding
Mr. Liu	Beneficial owner	17,580,230(L) <sup>(1)</sup>	2.62%
		54,213,260(L) <sup>(2)</sup>	8.07% <sup>(5)</sup>
Dr. Hu	Beneficial owner	3,374,335(L) <sup>(3)</sup>	0.50%
		760,423(L) <sup>(4)</sup>	0.11% <sup>(6)</sup>

*Notes:*

- (1) Representing a total of 17,580,230 Shares directly held by him.
- (2) Representing (i) 21,643,710 Shares underlying the options granted to him under the 2018 employee stock option plan of the Company; (ii) RSUs representing 11,990,050 Shares upon vesting granted to him under the 2020 RSU Scheme; (iii) 10,828,000 Shares underlying the options granted to him under the 2021 Share Option Scheme; and (iv) 9,751,500 Shares underlying the Award Shares granted to him under the 2021 Share Award Scheme.
- (3) Representing a total of 3,374,335 Shares directly held by him.
- (4) Representing (i) RSUs representing 338,423 Shares upon vesting granted to him under the 2020 RSU Scheme; (ii) 287,000 Shares underlying the options granted to him under the 2021 Share Option Scheme; and (iii) 135,000 Shares underlying the Awards Shares granted to him under the 2021 Share Award Scheme.
- (5) Assuming all the options granted to Mr. Liu are exercised and all the RSUs and Award Shares granted to Mr. Liu are vested in him, and without taking into account other Shares that may be repurchased or issued by the Company.
- (6) Assuming all the options granted to Dr. Hu are exercised and all the RSUs and Award Shares granted to Dr. Hu are vested in him, and without taking into account other Shares that may be repurchased or issued by the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 and Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### **3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP**

None of the Directors has, or has had, any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2021, the date to which the latest published audited financial statements of the Group were made up, and none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting as of the date of this document which was significant in relation to the business of the Group taken as a whole.

### **4. SERVICE CONTRACTS**

As of the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

### **5. COMPETING INTERESTS**

As of the Latest Practicable Date, none of the Directors or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### **6. CONSENT OF EXPERT**

The following is the qualification of the professional adviser who has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear. The letter from Gram Capital dated November 4, 2022 on pages 26 to 49 was provided for incorporation herein.

As of the Latest Practicable Date, Gram Capital did not have: (a) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (b) any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2021, the date to which the latest published audited financial statements of the Group were made up.

#### **7. MATERIAL ADVERSE CHANGE**

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Company since December 31, 2021, being the date to which the latest published audited financial statement of the Company have been made up.

#### **8. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and the website of the Company at **www.ocumension.com** during a period of 14 days from the date of this circular and will be made available for inspection on the date of the EGM:

- (a) the letter from the Independent Board Committee set out on page 25 of this circular;
- (b) the letter from Gram Capital set out on pages 26 to 49 of this circular; and
- (c) the letter from Gram Capital consenting to the issue of this circular with the inclusion of its letter and/or references to its name in the form and context in which it appears.

#### **9. LANGUAGE**

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---



### Ocumension Therapeutics

### 歐康維視生物

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1477)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “EGM”) of Ocumension Therapeutics (the “**Company**”) will be held at 56th Floor, One Museum Place Office Building, No. 669 Xinzha Road, Shanghai, PRC at 3:00 p.m. on Friday, November 25, 2022 for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions as ordinary resolutions of the Company. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated November 4, 2022.

### ORDINARY RESOLUTIONS

“**THAT,**

1. the refreshment of the Scheme Mandate Limit to 53,424,000 Shares, being approximately 7.95% of the total Shares in issue as of the date of approval by the Shareholders rounded down to nearest whole board lot of 500 Shares (assuming there is no other change in the number of total Shares in issue since the Latest Practicable Date and up to the date of approval by the Independent Shareholders) be and is hereby approved and confirmed, and the Board be and is hereby granted an advanced mandate to allot and issue up to 51,031,000 Award Shares within the Scheme Mandate Limit for the purpose of satisfying all options, awards and other incentives to be granted under all share schemes of the Company in accordance with the articles of association of the Company, provided that the allotment and issue of 51,031,000 Award Shares shall be in addition to, and shall not prejudice or revoke any existing or such other general or special mandates which may from time to time be granted to the Directors prior to the passing of this resolution;
2. the set of the Service Provider Sublimit as 5,342,000 Shares, approximately 0.795% of the total Shares in issue as of the date of approval by the Shareholders rounded down to nearest whole board lot of 500 Shares (assuming there is no other change in the number of total Shares in issue since the Latest Practicable Date and up to the date of approval by the Independent Shareholders) be and is hereby approved and confirmed;

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

3. subject to and conditional upon the passing of resolution 1 above, the conditional grant of Awards representing 4,320,000 Award Shares to Mr. Liu and Awards representing 137,000 Award Shares to Dr. Hu in accordance with the terms of the 2021 Share Award Scheme and the transactions contemplated thereunder, subject to all applicable laws, rules, regulations and the applicable grant letter be and is hereby approved and confirmed; and
4. subject to and conditional upon the passing of resolution 1 above, any one or more of the Director (except for any Director who has an interest in the transactions contemplated) be authorized to exercise the powers of the Company to allot and issue the ordinary Shares within the Scheme Mandate Limit, such that the Shares shall rank *pari passu* in all respects among themselves and with the existing ordinary Shares in issue at the date of the allotment and issue of the Shares, and that he/she/they, be and is/are hereby authorized to take such actions, do such things, which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or to implement the transactions contemplated in resolutions 1, 2 and 3 above.”

Yours faithfully,

By order of the Board

**Ocumension Therapeutics**

**Dr. Lian Yong CHEN**

*Chairman and non-executive Director*

Hong Kong, November 4, 2022

<i>Registered office:</i>	<i>Principal Place of Business in the PRC</i>	<i>Principal place of business in Hong Kong:</i>
The offices of Vistra (Cayman) Limited P.O. Box 31119 Grand Pavilion Hibiscus Way 802 West Bay Road Grand Cayman KY1- 1205 Cayman Islands	No. 1858 Yinzhongnan Road Guoxiang Subdistrict Wuzhong District Suzhou Jiangsu Province the PRC	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

*Notes:*

1. The transfer books and register of members of the Company will be closed from Tuesday, November 22, 2022 to Friday, November 25, 2022, both dates inclusive, for the purpose of determining shareholders' entitlements to attend and vote at the EGM. In order to qualify for the right to attend and vote at the meeting, all unregistered transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, November 21, 2022.
2. Any shareholder entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the EGM. A proxy need not be a shareholder of the Company. In addition, a proxy or proxies representing either a shareholder who is an individual or a shareholder which is a corporation shall be entitled to exercise the same powers on behalf of the shareholder which he/she or they represent as such shareholder could exercise.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

3. To be valid, a form of proxy must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 3:00 p.m. on Wednesday, November 23, 2022) or any adjournment thereof.
4. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Votes on the ordinary resolutions set out herein which are to be passed at the EGM will be taken by way of poll.
7. If Typhoon Signal No.8 or above, or a "black" rainstorm warning, is in effect any time after 3:00 p.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the website of the Company at [www.ocumension.com](http://www.ocumension.com) and on website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify the shareholders of the date, time and place of the rescheduled meeting.
8. A circular containing further details concerning the resolutions set out in this notice will be sent to all shareholders of the Company together with this notice.
9. References to dates and time in this notice are to Hong Kong dates and time.