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

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

The Board of Directors of the Company is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2020, together with the comparative figures for year ended December 31, 2019 as follows. These consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee and audited by the Company's auditors, Deloitte Touche Tohmatsu.

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

BUSINESS HIGHLIGHTS

During the Reporting Period, we have increased our drug assets to 17 in our product portfolio with full coverage of front-of-the-eye and back-of-the-eye diseases. Comparing to having only one phase III clinical trial at the time of our Listing, to date, we have further initiated five phase III clinical trails for our relevant drug candidates, and have six ongoing phase III clinical trials in aggregate. Our drug candidates target various ophthalmology fields which require urgent medical treatment, including uveitis, myopia in children, conjunctivitis, glaucoma and wet age-related macular degeneration. Our significant progress in phase III clinical trials also make us a leading company in terms of ophthalmic innovative drugs in China in terms of the number of innovative opthalmic drugs currently in phase III clinical trials registered with CDE.

During the Reporting Period, Hainan Provincial Drug Administration listed OT-401 (fluocinolone intravitreal implant), our Core Product and one of our key drug candidates, in the list of drug real-world study pilot programs (藥品真實世界研究試點名單). It is one of the first batch of pharmaceuticals that have been included drugs in RWS pilot programs. As a result, the commercialization progress of OT-401 is expected to be accelerated.

As of the date of this announcement, we have commenced a phase III clinical trial for OT-101, our self-developed low-concentration atropine, in the United States. We are planning to apply for a multi-regional phase III clinical trial in China and Europe for OT-101, which is expected to be the first international multi-regional phase III clinical trial for low-concentration atropine or its similar pharmaceuticals that includes Chinese population.

During the Reporting Period, we actively promoted OT-401, brimonidine tartrate eye drop, Ou Qin and Kangshu (康姝) and achieved a total sales revenue amounted to RMB13.1 million, representing a year-on-year growth of 6,792.6%, while our gross profit margin was 86.8% for the same year. In January 2021, the amount of monthly sales have reached approximately RMB5.0 million (unaudited). Our quarter-on-quarter compound growth rate is approximately 215.5% since the commercialization of our first drug.

As of December 31, 2020, we had 69 employees in our sales and marketing team with coverage of 267 hospitals nationwide, among which, 53 are Grade III hospitals. Our Company has primarily established a professional promotion team with extensive experience covering nationwide ophthalmology market, which further assists our Company's commercialized products to penetrate into the hospital market in a swift manner.

As of the date of this announcement, the construction of our Suzhou manufacture site is close to completion. With a designed annual production capacity of 455 million doses, our Suzhou manufacture site is expected to commence pilot production in September 2021 with an aim to further lower product cost and increase sales profit margin.

FINANCIAL HIGHLIGHTS

We recorded adjusted loss and total comprehensive expenses of RMB276.7 million for the year ended December 31, 2020, representing an increase of RMB194.3 million from RMB82.4 million for the year ended December 31, 2019, primarily attributable to the listing expenses of RMB41.1 million as well as an increase in selling and marketing expenses establishing our commercialization infrastructure.

This adjusted loss is arrived at by deducting the IFRS loss and total comprehensive expenses of RMB2,264.9 million (2019: RMB1,325.5 million) from (i) an one-time, non-cash, IFRS fair value adjustments loss of RMB1,694.5 million for our pre-IPO preferred shares, which was subsequently converted to Shares upon Listing, and (ii) the share-based payment expenses of RMB293.6 million.

Our total revenue was RMB13.1 million for the year ended December 31, 2020, representing a significant increase from RMB0.2 million for year ended December 31, 2019, primarily attributable to the revenue generated from the commercialization and marketing of Ou Qin and brimonidine tartrate eye drop in addition to the revenue generated from the sales of OT-401 under the Boao Pilot Program. For the year ended December 31, 2020, our total revenue average quarterly growth rate was 215.5%, despite the impact of COVID-19.

Our gross profit margin, which was 86.8% for the year ended December 31, 2020, slightly decreased as compared with 94.7% for the year ended December 31, 2019. This was primarily due to the diversification of our product mix and was partly offset by lowered cost of existing product.

Our research and development expenses and capitalized development cost amount to RMB355.4 million for the year ended December 31, 2020 representing an increase of 257% from RMB99.5 million for the year ended December 31, 2019. The spending was mainly incurred from the real world study for OT 401 and multiple pivotal phase III clinical trial of our drug candidates, including OT-401, OT-101, OT-702, OT-1001, and OT-301, as well as the increased research needs of our other drug candidates.

As of December 31, 2020, we had approximately RMB2,051.8 million in bank balances and cash, which does not include the gross proceeds of HK$793.8 million from the top-up subscription of new Shares conducted by our Company in January 2021.

CORPORATE PROFILE

Overview

We are a China-based ophthalmic pharmaceutical platform company dedicated to identifying, developing and commercializing first- or best-in-class ophthalmic therapies. Our vision is to provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China. We believe our platform positions us well to achieve leadership in China ophthalmology, with a first-mover advantage over future competitors.

Leveraging our platforms, we have built a strategically designed ophthalmic drug portfolio that is comprehensive, innovative and validated. To date, we had 17 drug assets in our portfolio, covering all major front- and back-of-the-eye diseases. We have five key drug candidates in phase III clinical development stage, which we believe will potentially be first- or best-in-class if approved and have significant near-term revenue potential from as early as 2022. Our product portfolio includes three of the ten ophthalmic drugs approved by the FDA since 2015 that are not yet available in China in any formulation. Additionally, our product portfolio includes three drugs that are in or near the commercial stage.

Our Portfolio

		Program	MOA	Indication	Commercial Rights	Partner	Pre-Clinical	IND Preparation	Phase I/II	Phase III	NDA/BLA
Key Drug Candidates	■	OT-401 (YUTIQ)	fluocinolone intravitreal implant	Chronic NIU-PS [1]	Greater China, Korea, and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	China				US Approved (EyePoint)
	■	OT-101	Low-concentration Atropine	Myopia	Global		China and Europe [1]			US	
	■	OT-301 (NCX 470)	NO-donating prostaglandin analog	Glaucoma and ocular hypertension	Greater China, Korea and 12 countries in Southeast Asia	nicox visible science	Global & China			Phase III US (Nicox)	
	■	OT-1001 (ZERVIATE)	Cetirizine	Allergic conjunctivitis	Greater China and 11 countries of the Southeast Asia	nicox visible science	China			US Approved (Nicox)	
	■	OT-702	Anti-VEGF	wet AMD [1]	China (apart from Hong Kong, Macau and Taiwan)	Luye Pharma 绿叶制药	China				
Other Drug Candidates	■	OT-502 (DEXYCU)	Dexamethasone	Postoperative inflammation	Greater China, Korea, and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	China [1]			US Approved (EyePoint)	
	■	OT-202	Tyrosine kinase inhibitor	Dry eye	Global		China				
	■	OT-503 (NCX 4251)	Fluticasone propionate nanocrystals	Blepharitis	Greater China	nicox visible science	China [2]		Phase II US completed (Nicox)		
	■	OT-701	Anti-VEGF	wet AMD [1]	Greater China	Senju	China		Phase III trial in Japan substantially completed and to submit NDA in Japan (Senju and GTS)		
Commercial -Stage and Near Commercial -Stage	■	Ou Qin (hyaluronic acid sodium hyaluronic eye drop) [3]	Artificial eye drop	Dry eye	Mainland China	汇恩兰德 HUONLAND					China Approved in July 2019
	■	Brimonidine tartrate eye drop [4]	Brimonidine tartrate	Glaucoma and ocular hypertension	Mainland China	汇恩兰德 HUONLAND					China Approved in July 2016
	■	0.5% moxifloxacin eye drop	Moxifloxacin	Bacterial conjunctivitis	Global		China				
Pre Clinical Stage	■	OT-601-C	Moxifloxacin-dexamethasone sodium phosphate	Postoperative inflammation	Global		China [1]				
	■	OT-302	Acetazolamide	Acute glaucoma	Global		China [1]				
	■	OT-1301	Cyclosporine implant	Cornea graft rejection	Global		China [1]				
	■	OT-1601	Stem cells	Retinitis pigmentosa and dry AMD [1]	Greater China	SanBio	China [1]				
	■	OT-1602	Stem cells	Optic neuritis	Greater China	SanBio	China [1]				

■ In-licensed/acquired ■ Internally developed ▭ Our Core Product. The Phase III clinical trial in China was approved by the NMPA. The clinical trial registration number is JXHL1900130

Notes:
1. May not require Phases I and II clinical trials prior to beginning Phase III clinical trials
2. May not require Phase I clinical trials prior to beginning Phase II clinical trials
3. We acquired Ou Qin from Huonland and are entitled to all drug registration certificates and data related to Ou Qin. We plan to register ourselves as the MAH of Ou Qin
4. We are the exclusive sales agent of brimonidine tartrate eye drop in Mainland China. Huonland is the drug registrant and registered manufacturer of brimonidine tartrate eye drop

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Since the Listing Date, we have been making significant progress with respect to our pipeline products and business operations, including the following milestones and achievements:

Research and Development Performance

During the Reporting Period, despite the impact of global COVID-19 pandemic, the research and development projects of our pipeline products had been carried out in a rapid and efficient manner. To date, we have five drug candidates entered phase III clinical trials, namely OT-401, OT-1001, OT-702, OT-301 and OT-101.

During the Reporting Period, with the vision of benefiting domestic patients in China with innovative ophthalmic drugs as early as possible, we actively explored innovative model of clinical research and development. As an innovative pharmaceutical enterprise, an innovation spirit means not only achieving a breakthrough of research and development of new drugs, but also a courage to take the lead in the innovation of research and development model. In the second half of 2020, we began the RWS on our Core Product of OT-401 (YUTIQ). We consolidated the RWS interim report with the clinical data of injection of OT-401 to uveitis patients at Hainan Boao Lecheng Super Hospital (海南博鼇樂城超級醫院). We have become one of the pilot companies the drugs of which have been included in RWS by Hainan Provincial Drug Administration, which was the first time that drugs were included in RWS pilot programs in China, and represents a full-scale recognition of our product quality, research and development strengths and innovation spirit.

In October 2020, we licensed in a Aflibercept biosimilar, OT-702, which further increased the number of our pipeline products to 17. We have 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. Our 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, we have firmly taken our first-mover advantage.

Research and Development Milestones

OT-401 (Fluocinolone Intravitreal Implant)

On November 30, 2020, OT-401, an innovative therapy for the treatment of chronic non-infectious uveitis, officially launched its RWS in Boao, Hainan. RWS is a comprehensive analysis of medical parameters such as clinical use value and safety of drugs by collecting information related to patient dosages in a real medical environment.

On December 28, 2020, OT-401 was officially included in the list of drug real-world study pilot programs of Hainan Provincial Drug Administration, which is the first time for Hainan Provincial Drug Administration to include drugs in the RWS pilot programs. Our research and development and innovation capabilities are thereby recognized.

At the end of January 2021, the real-world database of OT-401 was locked and an interim report was compiled. 28 subjects completed a three-month follow-up activity of OT-401 implantation. Compared with the situation three-month prior to the implantation, the recurrence rate of uveitis after three months of the OT-401 implantation decreased significantly, which is statistically meaningful. OT-401 is able to significantly reduce the recurrence rate of uveitis after three months of uveitis surgery on NIU-PS patients whose visions after implantation have been gradually increasing, with a significantly decrease in dosage of systemic hormone medication, local eye hormone injection and local hormone eye drop. Compared with traditional treatments, a low recurrence rate of uveitis, a significant increase in vision and a significant decrease in hormone dosage were shown on the patients dosed with OT-401.

We expect to submit NDA in China in the second quarter of 2021.

OT-101 (0.01% Atropine Sulfate Eye Drop)

On December 15, 2020, we made an application for phase III clinical trial of OT-101, a self-developed drug that can defer myopia progression in children, to the FDA in the United States.

On February 22, 2021, OT-101 was approved by the FDA to commence phase III clinical trial. Subsequently, we also plan to initiate such international multi-regional phase III clinical trial in Europe and China, which is, for low-concentration atropine or its analogues, the first international multi-regional phase III clinical trial involving Chinese population in the world, targeting an enormous market for the treatment of myopia progression worldwide. OT-101 adopted an exclusive and innovative close-ended separation device, which improves the reliability, sealing integrity and sterile conditions of the device, so that it is close to the current dosage condition of current in-patient preparation of low-concentration atropine, thereby solving the stability problem of low-concentration atropine, providing a suitable pH value to improve the comfort and compliance of patient.

We expect to make an application of phase III clinical trial in Europe and China in the second quarter of 2021.

OT-1001 (0.24% Hydrochloride Cetirizine Eye Drop)

On September 21, 2020, OT-1001, a new drug for the treatment of allergic conjunctivitis, was approved by the NMPA for phase III clinical trial in China. OT-1001 is a new eye drop with hydrochloride cetirizine, which is the second generation of antihistamines that combines to histamine receptor to reduce swelling, itching and vasodilation. According to data of the clinical trial completed overseas, the 0.24% hydrochloride cetirizine eye drop is good for efficacy and comfort, and more importantly, it has also demonstrated safety and tolerability in infants between the ages of 2 and 3.

On December 29, 2020, the first patient was dosed in a random, observer blind, positive control, parallel phase III multi-center clinical trial of OT-1001 for the safety and efficacy on allergic conjunctivitis patients in China at the Second Affiliated Hospital of School of Medicine of Zhejiang University (浙江大學醫學院附屬第二醫院).

We expect to complete patient enrollment for this phase III clinical trial by the end of 2021.

OT-301 (NO-Donating Propaglandin Analog)

On October 23, 2020, Mont Blanc trial, the first phase III clinical trial of OT-301, a new drug for the reduction of IOP in open-angle glaucoma or ocular hypertension, was approved by the NMPA. It is the first international multi-regional phase III clinical trial of our Company in China. We will also continue to work with Nicox, our partner, to advance this international multi-regional clinical trial. The dual-channel eye pressure reduction mechanism of OT-301 is expected to become a potential best-in-class drug. Propaglandin promotes uveoscleral outflow of aqueous humor, and nitric oxide facilitates the outflow of aqueous humor through trabecular meshwork, thereby achieving better eye pressure reduction.

On March 3, 2021, OT-301 was approved for the second phase III clinical trial, namely the Denali trial, in China. The two international multi-regional phase III clinical trials of OT-301 have been both approved in China. The Denali trial is expected to enroll a total of 670 subjects in 50 research centers in China and the United States, and continue to evaluate the safety and effectiveness of OT-301 (0.1%) compared with latanoprost (0.005%). The Denali trial will discover the safety and tolerability of OT-301 after administration for up to 12 months. In November 2020, the Denali trial in the United States has completed the first subject enrollment.

We expect to release top-line results for the phase III clinical trials of OT-301 by the end of 2022.

OT-702 (Aflibercept Biosimilar)

On October 30, 2020, we entered into an agreement with Shandong Boan Biotechnology Co., Ltd., a subsidiary of Luye Pharma Group Ltd. (HKEX: 2186), pursuant to which both parties will jointly develop OT-702, an aflibercept biosimilar of anti-VEGF drug, and we were granted the exclusive right to promote and commercialize OT-702 in China (excluding Hong Kong, Macau and Taiwan). The preclinical comparison of OT-702 to EYLEA® (Aflibercept) showed a high degree of similarity in both physical and chemical properties and biological activities. The results of its phase I clinical trial showed that OT-702 has a good safety and tolerability profile without serious adverse reactions.

On February 5, 2021, the first subject was enrolled at the First Hospital of Nanchang (南昌市第一醫院) in a random, double-blind, parallel-controlled, multi-center phase III clinical study on the comparison, in terms of efficacy and safety, between recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection (OT-702) and EYLEA® (aflibercept intraocular injection solution) in China for the treatment of wet age-related macular degeneration.

We expect to complete enrollment of all subjects for the phase III clinical trial of OT-702 in China by the first half of 2022.

Other Research and Development Milestones Expected to be Achieved in 2021

0.5% Moxifloxacin Eye Drop

We expect to obtain the approval for marketing of our 0.5% moxifloxacin eye drop in June 2021.

OT-202 (Tyrosine Kinase Inhibitor)

OT-202 is class 1.1 new drug self-developed by our Company, which is an innovative topical targeted treatment for dry eye. We have completed over 60 experiments for selecting the best optimal crystal form and over 20 experiments for selecting the best optimal molecule form.

We expect to submit an IND for OT-202 in China in the first half of 2021.

OT-601-C (Moxifloxacin-Dexamethasone Sodium Phosphate Hydrochloride Eye Drop)

OT-601-C includes both the antibiotic moxifloxacin and the anti-inflammatory dexamethasone, which has lower bacteria resistance rate than certain commonly used antibiotic drugs.

We expect to submit an IND for OT-601-C in China in the second half of 2021.

OT-302 (Acetazolamide Injection)

Acetazolamide is a carbonic anhydrase inhibitor for acute glaucoma, which can effectively control the secretion of aqueous humor and reduce IOP.

We expect to submit an IND for OT-302 in China in the second half of 2021.

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

Commercialized Products

In April 2020, we have commenced commercialization of our ophthalmic drugs, including Ou Qin for the treatment of dry eye and the brimonidine tartrate eye drop for lowering eye pressure of glaucoma. We have conducted an early commercial trial of OT-401 at Hainan Boao Super Hospital (海南博鰲超級醫院) while carrying out RWS on OT-401. In addition, we entered into a promotion agreement with OSAKI, a company engaging in the manufacture and marketing of medical accessories based in Japan, for in-licensing and marketing Kangshu (康姝), the eye cleaning cotton products, in China, which has been initiated in December, 2020.

For the year ended December 31, 2020, the total revenue generated from the marketing and sales of our drugs amounted to approximately RMB13.1 million, among which the sales of Ou Qin amounted to RMB10.4 million, representing approximately 79% of our total revenue. Ou Qin is an artificial tear product, which has a unique dosage form (0.3% concentration in a single dose package of 0.8ml) as compared to its market comparables. High viscosity artificial tears can provide longer-lasting lubrication. Ou Qin is equipped with a re-sealable cap available for multiple uses within a day, which has a better safety profile as it is not easily contaminated, convenient to carry and free of preservatives. These advantages have enabled Ou Qin to stand out among similar products and achieve rapid growth. Kangshu (康姝) is an eye-cleaning cotton containing 0.02% chlorine-fixation glucose hydrochloride. It can thoroughly clean the skin around an eye and precisely remove mites with no alcohol, providing a good safety profile. It is expected to create synergy with our ophthalmic drugs in the future.

As of December 31, 2020, we had approximately 69 first-line academic promoters, covering 267 hospitals across China, 53 of which are Grade III hospitals. We have established a dedicated promotion team with extensive experience and nationwide coverage in the ophthalmology market to promote a rapid application for hospitalized use as well as the launch of our commercialized products.

MANUFACTURING

As of the date of this announcement, the construction of our Suzhou manufacture site was close to completion. The Suzhou manufacture site is planned to have four production workshops with a total planned capacity of up to 455.0 million doses per year. We expect the trial production to commence in our Suzhou manufacture site in the second half of 2021 with an aim to further lower product cost and increase sales profit margin.

IMPACT OF COVID-19

Against the backdrop of the outbreak of COVID-19 pandemic in early 2020, there was a slight delay on patient enrollment and marketing activities for OT-401 during the first quarter of 2020. Since the beginning of the second quarter of 2020, benefited from the strong and effective control measures by the PRC government, the COVID-19 pandemic in China has been gradually brought under control, patient enrollment and marketing activities have resumed gradually. The overall operation of the Group has returned to normal and achieved a significant progress in the second half of 2020, where we have further initiated five phase III clinical trails for our relevant drug candidates.

FUTURE DEVELOPMENT AND OUTLOOK

The pharmaceutical market in China is undergoing unprecedented changes. The control of drug price policy has become more stringent on innovative drugs which has led to a more diversified segmental market, and our advantage in each segment is expected to become more obvious.

We have established a comprehensive product line in ophthalmology field with a competitive advantage in most of the market segments of ophthalmology. Going forward, leveraging on our in-house R&D capability, we will continue to expand our product lines to strengthen our advantages in the field of innovative ophthalmic drugs. At the same time, we expect to accelerate the registration process through new application channels such as RWS, enable the drug candidates to benefit the ophthalmic patients in China as early as possible.

Pilot operation is expected to commence in our Suzhou manufacture site in 2021, further laying a solid foundation for the future development of our Company. In the foreseeable future, there will be at least 20 drug products to be produced in the Suzhou manufacturing facility. We plan to use our Suzhou manufacturing facility to produce drugs that we have the manufacturing rights, including potentially OT-301, OT-1001 and OT-503. Such products will not only serve to meet the demand of the PRC market, but also be exported to overseas markets. Leveraging on the advanced design, large production capacity and high automation, the Suzhou manufacturing facility is expected to enable our Company to provide high-quality and affordable ophthalmic drugs to patients worldwide.

To date, we have preliminarily established a centralized commercialization team, which has been operating effectively. In the future, we will continue to expand our commercial coverage and improve drug accessibility with a view to achieving a certain extent of commercial income of our Company. We are targeting to establish a self-sufficient commercial team by 2021 so as to lay a foundation for our Company to break even as soon as possible.

With the rapid development of the Chinese society, eye health among social concerns is of more importance. In the meantime, people's demand for life quality is increasing, which presents a huge market opportunity for ophthalmic pharmaceutical enterprises. It is the vision of our Company to use our efforts to seize the opportunities to help ophthalmic patients in China, and further substantiate our value. We will spare no effort to make contributions to society against the backdrop of the extraordinary opportunities arising from this era.

For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, our prior announcements published on the websites of the Stock Exchange and our Company.

FINANCIAL REIVEW

Revenue

The revenue of our Group increased from RMB0.2 million for the year ended December 31, 2019 to RMB13.1 million for the year ended December 31, 2020. The increase was mainly attributed to the increase in our promotion and sales of Ou Qin.

The revenue of our Group on sales of ophthalmic pharmaceutical products increased 4,685.8% from approximately RMB0.2 million for the year ended December 31, 2019 to approximately RMB9.1 million for the year ended December 31, 2020. The revenue from pharmaceutical products promotion services totaled approximately RMB4.0 million, for the year ended December 31, 2020 (2019: nil).

Cost of Sales

Our cost of sales represent the purchase price of goods. Cost of sales of our Group increased from RMB0.01 million for the year ended December 31, 2019 to RMB1.7 million for the year ended December 31, 2020. The increase was mainly attributed to the cost in relation to our sales of Ou Qin.

Gross Profit

The gross profit of our Group increased by 6,217.8% from approximately RMB0.2 million for the year ended December 31, 2019 to approximately RMB11.4 million for the year ended December 31, 2020. The increase in the gross profit was mainly in line with the growth in revenue.

Other Income

Our other income consists of bank interest income and government subsidy income. Other income of our Group increased from RMB3.9 million for the year ended December 31, 2019 to approximately RMB19.3 million for the year ended December 31, 2020. The increase was primarily due to increased efficiency in treasury management.

Other Gains and Losses

For the year ended December 31, 2020, our other gains and losses primarily consist of fair value loss of preferred shares of RMB1,789.5 million, increasing by 52.9% from RMB1,170.3 million for the year ended December 31, 2019. The RMB1,694.5 million fair value change of our convertible redeemable preferred shares was a one-time, non-cash accounting adjustment for our pre-IPO preference share.

After the conversion of our preferred shares upon Listing, we do not recognize any further loss or gain on fair value changes from preferred shares.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (i) expenses for the marketing and promotion of our drug, and (ii) salary and benefits expenses for our commercial team. For the year ended December 31, 2020, our selling expenses were RMB50.7 million, representing a significant increase of RMB48.2 million from RMB2.5 million for the year ended December 31, 2019, primarily attributable to the commercialization of our drug in 2020.

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

	For the Year Ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Salary and benefits	**19,480**	1,912
Share-based compensation	**16,378**	–
Marketing and promotion	**8,418**	212
Others	**6,453**	355
Total selling and marketing expenses	**50,729**	2,479

Research and Development Expenses

For the year ended December 31, 2020, our research and development expenses were RMB179.6 million, increasing by 80.5% from RMB99.5 million for the year ended December 31, 2019. The increase was primarily attributable to the increase in the research and development cost in preparation for the phase III clinical trials for our OT-101, OT-702, OT-1001 and OT-301.

The following table sets forth the components of our research and development expenses for the years indicated:

	For the Year Ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Third-party contracting costs and upfront and milestone payments	**65,832**	79,280
Staff costs	**107,676**	16,341
Depreciation and amortization	**989**	108
Others	**5,053**	3,735
Total research and development expenses	**179,550**	99,464

Administrative Expenses

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

For the year ended December 31, 2020, we recorded administrative expenses of RMB232.8 million, representing a significant increase from RMB57.2 million for the year ended December 31, 2019, which is primarily attributable to the increase in the share-based compensation expenses in relation to the options granted under the ESOP and RSUs granted under the RSU Scheme.

Listing Expenses

For the year ended December 31, 2020, we recorded listing expenses of RMB41.1 million (2019: nil), reflecting the fees paid to professional parties engaged in preparation for our Listing in 2020.

Loss for the Year

As a result of the above factors, for the year ended December 31, 2020, our loss and total comprehensive expenses was RMB2,264.9 million, representing an increase of RMB939.4 million from RMB1,325.5 million for year ended December 31, 2019 mainly from (i) a one-time, non-cash IFRS fair value adjustment loss of RMB1,694.5 of our pre-IPO preferred shares and (ii) share-based payment expenses of RMB293.6 million.

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use a non-IFRS measure, adjusted net loss for the year, as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measure facilitates comparisons of our operating performance from period to period by eliminating impacts of such non-cash items (and, for fair value loss of financial liabilities at FVTPL, also an item that pertains to financial instruments that have ceased upon Listing) that our management considers to be not indicative of our operating performance and providing useful information to investors and Shareholders in evaluating our operating results in the same manner of our management. However, our presentation of the adjusted net loss for the year may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and investors and Shareholders should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRS. We define adjusted net loss for the year as loss and total comprehensive expenses for the year adjusted by adding back (i) fair value loss of financial liabilities at FVTPL and (ii) share-based payment expenses. The following table reconciles our non-IFRS adjusted net loss for the year with our loss and total comprehensive expenses for the year, which is the most directly comparable financial measure calculated and presented in accordance with IFRS:

	For the Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Loss and total comprehensive expense for the year	**(2,264,866)**	(1,325,481)
Add:		
Fair value loss of financial liabilities at FVTPL	**1,694,543**	1,196,248
Share-based payment expenses	**293,588**	46,803
Non-IFRS adjusted net loss for the year	**(276,735)**	(82,430)

Selected Data from Statement of Financial Position

	As of December 31,	
	2020	2019
	RMB'000	*RMB'000*
Total current assets	**2,103,404**	1,261,993
Total non-current assets	**496,158**	27,704
Total assets	**2,599,562**	1,289,697
Total current liabilities	**91,925**	39,435
Total non-current liabilities	**5,309**	3,318,750
Total liabilities	**97,234**	3,358,185
Net current assets	**2,502,328**	(2,068,488)

Trade Receivables

We allow an average credit period of 30 to 60 days to its trade customers.

A majority of the trade receivables aged less than 90 days.

Trade Payables

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

Working Capital and Source of Capital

Our primary uses of cash related to the development of our drug candidates and the payment for the purchase of equipment. We primarily funded our working capital requirement through equity financing and also generated cash from the limited sales of OT-401. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2020, our cash and cash equivalents amounted to RMB2,034.3 million (December 31, 2019: RMB192.4 million). The increase in our cash and cash equivalents is primarily attributable to the net proceeds we obtained from the Listing. Currently, we follow a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved.

Borrowings

As of December 31, 2020, we did not have any borrowings (December 31, 2019: nil).

Capital Commitment

As of December 31, 2020, we have capital commitment of RMB197.5 million for the contracts in relation to the acquisition of property and equipment (December 31, 2019: nil).

Contingent Liabilities

As of December 31, 2020, we did not have any material contingent liabilities, guarantees or any litigation against it (December 31, 2019: nil).

Pledge of Assets

As of December 31, 2020, we pledged RMB17.5 million deposits to a bank to secure the letter of credit granted to our Group (December 31, 2019: nil).

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents and term deposits with initial term of over three months, divided by total equity and multiplied by 100%. As of December 31, 2020, we were in a net cash position and thus, gearing ratio is not applicable.

Material Investments

We did not make any material investments during the year ended December 31, 2020 (2019: nil).

Material Acquisitions and Disposals

We did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the year ended December 31, 2020.

Material Investments and Capital Assets

Save as disclosed in this announcement, we had not authorized any plan for other material investments or acquisition of capital assets during the year ended December 31, 2020.

Foreign Exchange

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Certain of our bank balances and cash, other financial assets, trade and other receivables, trade and other payables, preferred shares and gross obligation from share purchase option written are denominated in foreign currencies, and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, we manage the foreign exchange risk by closely monitoring our foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration

As of December 31, 2020, we had a total of 136 employees. For the year ended December 31, 2020, the total remuneration cost incurred was RMB359.6 million (2019: RMB67.1 million). The following table sets forth a breakdown of our employees by function as of December 31, 2020:

Function	Number	Percentage of total employees
Research and development	31	22.8%
Manufacturing	17	12.5%
Sales and Marketing	69	50.7%
General and administrative	19	14.0%
	136	100.0%

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

The remuneration of the employees of our Group comprises salaries, bonuses, employees' provident fund, share-based payment, social security contributions and other welfare payments which is determined by their responsibilities, qualifications, positions and seniority. In accordance with applicable laws and regulations, we made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE EXPENSE

For the year ended December 31, 2020

	NOTES	**2020** ***RMB'000***	2019 *RMB'000*
Revenue	*3*	**13,096**	190
Cost of sales		**(1,724)**	(10)
Gross profit		**11,372**	180
Other income	*4*	**19,271**	3,877
Other gains and losses	*5*	**(1,789,480)**	(1,170,347)
Selling and marketing expenses		**(50,729)**	(2,479)
Research and development expenses		**(179,550)**	(99,464)
Administrative expenses		**(232,811)**	(57,185)
Listing expenses		**(41,127)**	–
Other expenses		**(1,753)**	–
Finance costs		**(59)**	(63)
Loss and total comprehensive expenses for the year		**(2,264,866)**	(1,325,481)
Loss and total comprehensive expense for the year attributable to:			
– Owners of the Company		**(2,264,866)**	(1,312,311)
– Non-controlling interests		**–**	(13,170)
		(2,264,866)	(1,325,481)
Loss per share			
– Basic and diluted (RMB)	*7*	**(7)**	(32)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2020

	NOTES	**2020** ***RMB'000***	2019 *RMB'000*
Non-current assets			
Property, plant and equipment		**66,085**	779
Right-of-use assets		**15,940**	1,236
Intangible assets		**201,652**	25,000
Deposits and prepayments		**212,481**	689
		496,158	27,704
Current assets			
Inventories		**3,027**	259
Trade and other receivables	*8*	**48,558**	13,581
Other financial assets		**–**	497,653
Bank balances and cash	*9*	**2,051,819**	750,500
		2,103,404	1,261,993
Current liabilities			
Trade and other payables	*10*	**89,998**	38,176
Lease liabilities		**1,927**	1,259
		91,925	39,435
Net Current Assets		**2,011,479**	1,222,558
Total Assets Less Current Liabilities		**2,507,637**	1,250,262
Non-current liabilities			
Lease liabilities		**5,309**	–
Financial liabilities at fair value through profit or loss ("FVTPL")		**–**	3,318,750
		5,309	3,318,750
Net Assets (Liabilities)		**2,502,328**	(2,068,488)
Capital and reserves			
Share capital		**41**	4
Reserves		**2,502,287**	(2,068,492)
Total Equity (Deficits)		**2,502,328**	(2,068,488)

1. GENERAL INFORMATION

Ocumension Therapeutics (the "Company") is an exempted company incorporated in the Cayman Islands on February 27, 2018 and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited effective from July 10, 2020. The address of the registered office of the Company is the offices of Vistra (Cayman) Limited, at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands, and its principal place of business in the People's Republic of China (the "PRC") is located at No. 1858, Yinzhongnan Road, Guoxiang Subdistrict, Wuzhong District, Suzhou, Jiangsu Province, the PRC.

The Company (together with its subsidiaries, collectively referred to as the "Group") is a specialty biopharmaceutical platform company committed to discovering (through either in-licensing or self-development), developing and commercializing innovative and best-in-class therapies for ophthalmic patients in the PRC.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in IFRS Standards* and the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the *Amendments to References to the Conceptual Framework in IFRS Standards* and the amendments to IFRSs in the current year had no material impact on the Group's Financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 1 and IAS 8 Definition of Material

The Group has applied the Amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

Impacts on application of Amendments to IFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The application of the amendments had no impact on the consolidated financial statements in the current year as similar conclusion would have been reached without applying the optional concentration test.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendment to IFRS 16	Covid-19-Related Rent Concessions[4]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform-Phase 2[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 16	Property, Plant and Equipment-Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts-Cost of Fulfilling a Contract[2]
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018-2020[2]

[1] Effective for annual periods beginning on or after January 1, 2023.

[2] Effective for annual periods beginning on or after January 1, 2022.

[3] Effective for annual periods beginning on or after a date to be determined.

[4] Effective for annual periods beginning on or after June 1, 2020.

[5] Effective for annual periods beginning on or after January 1, 2021.

The directors of the Company anticipate that the application of all the new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

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

	2020	2019
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time		
Sales of ophthalmic pharmaceutical products	**9,093**	190
Pharmaceutical products promotion services	**4,003**	–
	13,096	190

(ii) Performance obligations for contracts with customers

Sales of ophthalmic pharmaceutical products

For the sale of ophthalmic pharmaceutical products, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location, i.e. when the products are delivered and titles have passed to customers upon receipt by customer. Following delivery, the customer has the primary responsibility when selling the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The normal credit term is 30 to 60 days upon delivery. Under the Group's standard contract terms, customers can only return or request refund if the goods delivered do not meet required quality standards. Therefore, the probability of significant reversal in revenue in relation to sales return in the future is remote.

Pharmaceutical products promotion services

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

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

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

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

Geographical information

All revenue from external customers is attributed to and all non-current assets of the Group are located in the PRC.

Information about major customers

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

	2020	2019
	RMB'000	*RMB'000*
Customer A (note i)	**4,003**	N/A
Customer B (note ii)	**3,839**	N/A
Customer C (note ii)	**3,275**	190

Notes:

(i) Revenue on pharmaceutical product promotion services

(ii) Revenue on sales of ophthalmic pharmaceutical products

4. OTHER INCOME

	2020	2019
	RMB'000	*RMB'000*
Bank interest income	**14,251**	3,877
Government grant income (note)	**5,020**	–
	19,271	3,877

Note: Government grants include subsidies from the PRC government which are specifically for the incentive and other subsidies for initial public offering, employment support and training, which are recognised upon compliance with attached conditions.

5. OTHER GAINS AND LOSSES

	2020	2019
	RMB'000	*RMB'000*
Net foreign exchange (loss) gain	**(102,567)**	15,122
Gain from changes in fair value of other financial assets		
– realised	**7,630**	10,181
– unrealised	**–**	598
Fair value loss of financial liabilities at FVTPL	**(1,694,543)**	(1,196,248)
	(1,789,480)	(1,170,347)

6. INCOME TAX EXPENSE

No income tax expense has been incurred by the Group for the years ended December 31, 2020 and 2019.

7. LOSS PER SHARE

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

	2020	2019
Loss:		
Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share (RMB'000)	**(2,264,866)**	(1,312,311)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share calculation	**302,348,710**	41,024,255

The computation of basic and diluted loss per share for the reporting period excluded the unvested restricted ordinary shares of the Company and the shares held by Coral Inventicization Limited ("Coral Inventicization") for unexercised awarded restricted share units.

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for both years are calculated based on the assumption that the sub-division of shares had been effected since January 1, 2019.

The computation of diluted loss per share for December 31, 2020 did not assume the exercise of share options and restricted share units, over-allotment option before exercise and the vesting of restricted ordinary shares since their assumed conversion or exercise would result in a decrease in loss per share.

The computation of diluted loss per share for December 31, 2019 did not assume conversion of the preferred shares, the exercise of share purchase option written to the non-controlling shareholders, the exercise of share options and the vesting of restricted ordinary shares since their assumed conversion or exercise would result in a decrease in loss per share.

8. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 60 days to its trade customers. The following is an aged analysis of trade receivable, presented based on invoice date:

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**7,810**	96

As at December 31, 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB358,000 (2019: nil) which are past due but within 90 days as at reporting date. The Group maintains adequate credit policy to access the credit quality of the customers and closely monitored to minimise any credit risk associated with the trade debtors. The Group's customers have good repayment history during the current year, and strong financial capacity as they are the subsidiaries of large listed corporate in PRC.

9. BANK BALANCES AND CASH

	2020	2019
	RMB'000	*RMB'000*
Cash at bank	**1,149,256**	192,404
Term deposits	**902,563**	558,096
	2,051,819	750,500
Analysed as:		
Cash and cash equivalents	**2,034,319**	192,404
Term deposits with maturity date between three months to one year	**–**	558,096
Pledged bank deposits	**17,500**	–
	2,051,819	750,500

10. TRADE PAYABLES

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

	2020	2019
	RMB'000	*RMB'000*
0-30 days	**9,281**	3,940
31-60 days	**62**	–
	9,343	3,940

11. DIVIDEND

The Board does not recommend any payment of a final dividend for the year ended December 31, 2020 (for the year ended December 31, 2019: nil).

OTHER INFORMATION

Compliance With the Corporate Governance Code

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

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

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the period from the Listing Date to the date of this announcement. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

Compliance With the Model Code for Securities Transactions

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

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines during the period from the Listing Date to the date of this announcement. No incident of non-compliance of the Written Guidelines by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

Use of Proceeds from Listing

The total net proceeds from our Listing (including the full exercise of the over-allotment option and after deducting the underwriting fees and related Listing expenses) amounted to approximately HK$1,646.41 million. As of December 31, 2020, such net proceeds were utilized as follows:

Use of proceeds from Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Utilized net proceeds as of December 31, 2020 *(HK$ million)*	Unutilized net proceeds as of December 31, 2020 *(HK$ million)*	Expected time frame for unutilized amount *(HK$ million)*
For the Core Products					
1. Fund the costs and expenses in connection with research and development personnel as well as the continuing research and development activities of OT-401	197.57	12.00%	23.20	174.37	by the end of 2025
2. For milestone payments of OT-401	49.39	3.00%	33.90	15.49	by the end of 2022
3. For the commercialization of OT-401	246.96	15.00%	–	246.96	by the end of 2023

Use of proceeds from Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Utilized net proceeds as of December 31, 2020 *(HK$ million)*	Unutilized net proceeds as of December 31, 2020 *(HK$ million)*	Expected time frame for unutilized amount *(HK$ million)*
For the other drug candidates, including OT-101, OT-301, OT-1001, OT-502,OT-202,OT-503 and OT-701					
1. The continuing research and development activities of other drug candidates, including OT-101, OT-301, OT-1001, OT-502,OT- 202,OT-503 and OT-701	562.42	34.16%	87.73	474.69	second half of 2023
2. For milestone payments of our other in-licensed drug candidates	96.15	5.84%	58.11	38.04	by the end of 2023
3. For the further expansion of our sales and marketing team	164.64	10.00%	–	164.64	by the end of 2023
For the acquisition of 100% equity interest in Suzhou Xiaxiang as disclosed in our announcement dated September 11, 2020	**164.64**	**10.00%**	**89.65**	**74.99**	**by the end of 2021**
For our working capital and other general corporate purposes	**164.64**	**10.00%**	**71.82**	**92.82**	**by the end of 2022**
Total	**1,646.41**	**100.00%**	**364.41**	**1,282.00**	**by the end of 2023**

Notes:

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

As at December 31, 2020, all the unused net proceeds are held by the Company in short-term deposits with licensed banks or authorised financial institutions.

On January 15, 2021, an aggregate of 28,000,000 placing Shares have been successfully placed by Morgan Stanley & Co. International plc to not less than six placees at the placing price of HK$28.35 per Share in accordance with the placing and subscription agreement, and the placing and subscription of Shares have been completed on January 15, 2021 and January 22, 2021, respectively. The net proceeds arising from the placing and subscription amount approximately HK$781.7 million, which are expected to be utilized according to our announcement dated January 22, 2021 and the table below:

Use of proceeds from placing and subscription	**Amount of net proceeds for planned applications** *(HK$ million)*	**Percentage of total net proceeds** *(%)*	**Utilized net proceeds as of January 22, 2021** *(HK$ million)*	**Unutilized net proceeds as of January 22, 2021** *(HK$ million)*	**Expected time frame for unutilized amount** *(HK$ million)*
Expansion of the Company's commercial team in view of the proposed launch of its new therapies	**234.51**	**30%**	**–**	**234.51**	**by the end of 2025**
Funding of international multi-centre clinical trials of the Company's therapies	**273.60**	**35%**	**–**	**273.60**	**by the end of 2023**
OT-702 (Eylea biosimilar)	99.66	12.75%	–	99.66	second half of 2023
OT-301 (NCX-470)	50.03	6.40%	–	50.03	second half of 2023
OT-101 (low-concentration atropine)	43.78	5.60%	–	43.78	by the end of 2024
OT-1001 (Zerviate)	30.10	3.85%	–	30.10	by the end of 2022
OT-202 (TKI)	50.03	6.40%	–	50.03	by the end of 2023
Building and development of new manufacturing facilities and equipment of Suzhou Xiaxiang and active pharmaceutical ingredients manufacturing facilities	**195.43**	**25%**	**–**	**195.43**	**by the end of 2022**
Other general corporate purposes	**78.17**	**10%**	**–**	**78.17**	**by the end of 2023**
Total	**781.70**	**100%**	**–**	**781.70**	**by the end of 2023**

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

As at the date of this announcement, all the unused net subscription proceeds have been deposited into the bank account(s) maintained by our Group.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2020 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

Purchase, Sale or Redemption of the Listed Securities of the Company

The Shares of the Company were first listed on the Main Board of the Stock Exchange on July 10, 2020. As of December 31, 2020, the Company had a total of 591,140,120 Shares in issue.

Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended December 31, 2020.

Review of the Annual Results

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ting Yuk Anthony WU, Mr. Lianming HE and Mr. Yiran HUANG. The chairman of the Audit Committee is Mr. Ting Yuk Anthony WU. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2020 and has recommended for the Board's approval thereof.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2020. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

Final Dividend

The Board does not recommend any payment of a final dividend for the year ended December 31, 2020.

Closure of the Register of Members

The AGM is scheduled to be held on June 29, 2021. A notice convening the AGM will be published and dispatched to the Shareholders of the Company in the manner required by the Listing Rules in due course.

The register of members of the Company will be closed from June 24, 2021 to June 29, 2021, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on June 23, 2021.

Events After the Reporting Period

On January 1, 2021, the Company has executed and completed the subscription of 3,010,722 shares of EyePoint, for a total consideration of approximately US$15.7 million (equivalent to approximately RMB102.5 million).

On January 22, 2021, the Company completed the placing of existing shares and top-up subscription of new shares. The gross proceeds from the subscription amount to approximately HK$793.8 million (equivalent to approximately RMB663.7 million). An aggregate of 28,000,000 Shares have been successfully placed by Morgan Stanley & Co. International plc to not less than six placees at the Placing Price of HK$28.35 per Share in accordance with the Agreement.

On March 19, 2021, Ms. Yumeng WANG was appointed as a non-executive Director in replace of Mr. Lefei SUN, who resigned from such position on the same date.

Saved as disclosed in elsewhere of this announcement and the above, there was no event which has occurred after the year ended December 31, 2020 that would cause material impact on the Group.

Publication of Annual Results and Annual Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.ocumension.com). The annual report of the Company for the year ended December 31, 2020 containing all the information in accordance with the requirements under the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

Appreciation

The Board would like to express its sincere gratitude to the Shareholders, management, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITION, ACRONYMS AND GLOSSARY OF TECHNICAL TERMS

"AGM"	annual general meeting of the Company
"AMD"	age-related macular degeneration, a disease that causes damage to the macula and leads to progressive loss of central vision
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"CDE"	the Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for review and approval of IND and NDA
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules

"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"chronic NIU-PS"	chronic non-infectious uveitis affecting the posterior segment of the eye
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this announcement, our Core Products refers to OT-401 (YUTIQ)
"COVID-19"	an infectious disease caused by the most recently discovered coronavirus (severe acute respiratory syndrome coronavirus 2), first reported in December 2019
"CTA"	the clinical trial application
"Director(s)"	the director(s) of our Company, including all executive directors, non-executive directors and independent non-executive directors
"ESOP"	the employee stock option plan adopted by our Company on May 23, 2018, as amended from time to time, the details of which are set out in the Prospectus
"EyePoint"	EyePoint Pharmaceuticals, Inc., a Company whose shares are listed on the NASDAQ (stock code: EYPT) and a biopharmaceutical company committed to developing and commercializing innovative ophthalmic products for the treatment of eye diseases
"FDA"	the United States Food and Drug Administration
"FVTPL"	financial liabilities at fair value through profit or loss
"Group", "our Group", "the Group", "we" or "Ocumension"	the Company and its subsidiaries
"Grade III hospitals"	a top-level hospital in China, as hospitals in China are divided into three classes by National Health Commission of the PRC (中華人民共和國國家衛生健康委員會), among which, Class III hospitals are at the highest level, typically having more than 500 beds, providing high-level specialist medical and healthcare services to several regions and performing advanced teaching and research tasks
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	the Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Huonland"	Beijing Huonland Pharmaceutical Co., Ltd. (北京匯恩蘭德製藥有限公司), a limited liability company established under the laws of the PRC on August 3, 2012 and one of our licensing partners. Hounland primarily engages in development, production and sales of ophthalmology products
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug, the application for which is the first step in the drug review process by regulatory authorities to decide whether to permit clinical trials. Also known as clinical trial application, or CTA, in China
"IOP"	intraocular pressure, the fluid pressure inside the eye
"Listing" or "IPO"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Date"	July 10, 2020, being the date on which dealings in our Shares first commence on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"MAH"	marketing authorization holder, who is allowed to market a drug product within a certain region or country
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"NDA"	new drug application, an application through which the drug sponsor formally proposes that the relevant regulatory authority approve a new drug for sales and marketing
"Nicox"	Nicox S.A., a corporation incorporated under the laws of France on February 15, 1996, one of our licensing partners whose shares are listed on the Euronext exchange (ticker symbol: COX)
"NMPA"	National Medical Products Administration, the institution that performs the functions of CFDA instead according to the Institutional Reform Plan of the State Council
"NO"	nitric oxide, colorless gas and is one of the principal oxides of nitrogen
"Ocumension", "Company", "our Company", "the Company" or "we"	Ocumension Therapeutics (歐康維視生物), a company incorporated under the laws of the Cayman Islands with limited liability on February 27, 2018, the shares of which were listed on the Main Board of the Stock Exchange on July 10, 2020,
"OSAKI"	a Japanese company manufactures and markets medical accessories

"Prospectus"	the prospectus issued by the Company dated June 29, 2020
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the one-year period from January 1, 2020 to December 31, 2020
"RSU"	the restricted share unit
"RSU Scheme"	the restricted share unit scheme adopted by the Company on April 28, 2020, the details of which are set out in the Prospectus
"RWS"	real-world study
"Share(s)"	ordinary shares in the share capital of our Company of US$0.00001 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Written Guidelines"	the Guidelines for Securities Transactions by Directors adopted by the Company

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

Hong Kong, March 19, 2021

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