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Ocumention Therapeutics
歐康維視生物

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1477)

**(I) PROPOSED ADOPTION OF 2021 SHARE OPTION SCHEME AND
PROPOSED GRANT OF OPTIONS;
(II) ADOPTION OF 2021 SHARE AWARD SCHEME; AND
(III) NON-EXEMPT CONNECTED TRANSACTION - PROPOSED GRANT
OF AWARDS TO DIRECTORS**

**(I) PROPOSED ADOPTION OF 2021 SHARE OPTION SCHEME AND PROPOSED
GRANT OF OPTIONS UNDER THE 2021 SHARE OPTION SCHEME**

A. PROPOSED ADOPTION OF 2021 SHARE OPTION SCHEME

Overview

The Board is pleased to announce that at the meeting of the Board held on July 2, 2021, it has resolved to propose the adoption of the 2021 Share Option Scheme to further improve the governance structure of the Company and to attract, motivate and retain talents.

The 2021 Share Option Scheme will constitute a share option scheme under Chapter 17 of the Listing Rules and is subject to and conditional upon, among other things, (i) the passing of the relevant resolution(s) by the Shareholders at the EGM to approve and adopt the 2021 Share Option Scheme, authorize the Board to grant Options under the 2021 Share Option Scheme, to issue and allot Shares pursuant to the exercise of any Options to be granted under the 2021 Share Option Scheme; and (ii) the listing committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of Options under the 2021 Share Option Scheme.

An application will be made to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of the Options granted under the 2021 Share Option Scheme.

2021 Share Option Scheme

A summary of key terms of the 2021 Share Option Scheme is set out below. Further details of the terms of the 2021 Share Option Scheme will be set out in a circular to be despatched to the Shareholders in due course.

Purpose

The purpose of the 2021 Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group, and to incentivize them to remain with the Group, as well as for such other purposes as the Board may approve from time to time.

Eligible Persons

Eligible Persons under the 2021 Share Option Scheme shall include:

- (a) any employee of the Company or any of its subsidiaries;
- (b) any staff, advisor (professional or otherwise), consultant, agent or business partner that the Company deems important to provide support to the Group; and
- (c) any director (including executive, non-executive and independent non-executive directors) of the Group;

however, no individual who is a resident in a place where the grant, acceptance or vesting of an Option pursuant to the 2021 Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2021 Share Option Scheme and such individual shall therefore be excluded from the scope of Eligible Persons.

The basis of eligibility of any of the above classes of Eligible Persons to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

Maximum number of Shares available for subscription

At the time of adoption of the 2021 Share Option Scheme or any new share option scheme (the “**New Scheme**”), the aggregate number of Shares which may be issued upon exercise of all Options to be granted under the 2021 Share Option Scheme and all New Schemes (if any) existing at such time (the “**Existing Schemes**”) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the 2021 Share Option Scheme or the New Scheme (as the case may be) (the “**Scheme Mandate Limit**”).

The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting, provided that:

- (1) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit;
- (2) Options previously granted under any Existing Schemes (including Options outstanding, cancelled, or lapsed in accordance with the rules of the 2021 Share Option Scheme or exercised options) shall not be counted for the purpose of calculating the limit as refreshed; and
- (3) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

Notwithstanding the foregoing, the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2021 Share Option Scheme and any New Schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the 2021 Share Option Scheme and any New Schemes of the Company if this will result in such limit being exceeded.

Maximum entitlement of each Eligible Person No Option shall be granted to any Eligible Person if, at the relevant time of grant, the number of relevant Shares underlying the Options would exceed 1% of the total number of Shares in issue at such time within any 12-month period, unless:

- (1) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules in force from time to time, by ordinary resolution of the Shareholders in general meeting, at which the relevant Eligible Person and his close associates (or his associates if the relevant Eligible Person is a connected person) abstained from voting;
- (2) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time; and
- (3) the number and terms (including the Subscription Price) of such Options are fixed before the general meeting of the Company at which the same are approved and the date of Board meeting for proposing such further grant should be taken as the Grant Date for the purpose of calculating the Subscription Price.

Validity period	The 2021 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption date, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiration of the ten (10) year period, the provisions of the 2021 Share Option Scheme shall remain in full force and effect.
Minimum holding period, performance targets, payment on acceptance of the grant of Options and exercise price	Each Offer shall be in writing made to an Eligible Person by letter in such form as the Board may from time to time determine at its discretion and shall, among other things, (a) state the price (if any), method and procedures for accepting the Offer; (b) specify the Subscription Price and the manner of payment of the Subscription Price for the Shares on and in consequence of the exercise of the Option and (c) specify any other conditions which must be satisfied before the Option may be exercised, including without limitation such performance targets (if any) and minimum periods for which an Option must be held before it can be exercised, and any other terms in relation to the exercise of the Option, including without limitation such percentages of the Options that can be exercised during a certain period of time, as the Board may determine from time to time.
Restriction on the time of grant of Options	No Offer shall be made after inside information has come to the knowledge of the Company, until such information has been announced by the Company pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of actual publication of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement.
Exercise period of Options	The exercise period of Options will be determined and notified by the Board to the Grantee and specified in the Offer, which shall expire in any event not later than the last day of the 10-year period after the Grant Date of the Option.

Ranking

The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Articles and the laws of the Cayman Islands for the time being in force and shall rank *pari passu* in all respects with other fully-paid Shares in issue as at the date of allotment and will entitle the holders to the same rights of the holders of other fully-paid Shares in issue, including dividend, transfer and any other rights, unless, for the purpose of administration of the Shares, if the Shares, upon exercise, will be held by a trust, the voting rights of such Shares shall be retained by such trust until the holders of the Shares make a sale thereof. In particular, the Shares to be allotted and issued upon the exercise of an Option will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment and issue. The Option itself (before exercise) will not entitle the Grantee to any of the aforementioned Shareholder's rights.

Transferability

An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Board to cancel any outstanding Options or any part thereof granted to such Grantee.

Alteration of scheme

The provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective associates abstaining from voting). No such alterations shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the Articles for the time being of the Company for a variation of the rights attached to the Shares.

Any change to the authority of the Board in relation to any alterations to the terms of the 2021 Share Option Scheme must be approved by the Shareholders in general meeting.

Any alterations to the provisions of the 2021 Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the 2021 Share Option Scheme.

The amended terms of the 2021 Share Option Scheme or the Options must comply with Chapter 17 of the Listing Rules.

Shareholders' Approval

The Board will convene the EGM for the purposes of, among other things, seeking the approval from the Shareholders for the adoption of the 2021 Share Option Scheme. The Company will despatch a circular containing, among other things, details of the 2021 Share Option Scheme, and other matters to be transacted at the EGM, together with the notice of the EGM to the Shareholders as soon as practicable in accordance with the Listing Rules. Given additional time is required for the Company to prepare and finalize certain information to be included in the circular, the despatch of circular is expected to be on or before August 6, 2021.

As of the date of this announcement, the 2021 Share Option Scheme remains subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the Company's securities.

B. PROPOSED GRANT OF OPTIONS UNDER THE 2021 SHARE OPTION SCHEME

The Board further resolved to grant 8,668,000 Options to Mr. Liu, the executive Director and chief executive officer of the Company, who is responsible for overall strategic planning, business direction and daily management of the Company, in accordance with the terms of the 2021 Share Option Scheme, subject to the approval of the 2021 Share Option Scheme by the Shareholders at the EGM and the acceptance by Mr. Liu.

Details of the Grant of Options

The details of the Options proposed to be granted to the Mr. Liu are as follows:

Grant Date	July 2, 2021 (subject to the approval of the 2021 Share Option Scheme by the Shareholders at the EGM)
Total number of new Shares to be subscribed upon exercise of the Options granted	8,668,000 Shares
Exercise price of the Options granted	The exercise price shall be HK\$27.43, which represents the highest of: <ul style="list-style-type: none">(i) the closing price to be stated in the daily quotations sheet issued by the Stock Exchange on July 2, 2021, being HK\$26.05;(ii) the average closing price to be stated in the daily quotations sheets issued by the Stock Exchange for five (5) business days immediately preceding July 2, 2021, being HK\$27.43; and(iii) the nominal value of the Share, which is US\$0.00001 each.
Validity period of the Options	The validity period of the Options shall be ten (10) years from the Grant Date and the Options shall lapse at the expiry of the validity period.

Vesting period

8,668,000 Options granted to Mr. Liu shall vest as follows:

- (a) 25% of the Options shall vest on the first anniversary of the Grant Date;
- (b) 25% of the Options shall vest in four equal installments during the period from the first anniversary of the Grant Date to the second anniversary of the Grant Date;
- (c) 25% of the Options shall vest in four equal installments during the period from the second anniversary of the Grant Date to the third anniversary of the Grant Date; and
- (d) 25% of the Options shall vest in four equal installments during the period from the third anniversary of the Grant Date to the fourth anniversary of the Grant Date.

Shareholders' Approval

Pursuant to Note to Rule 17.03(4) of the Listing Rules, where any further grant of options to a participant would result in the securities issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the listed issuer in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. Therefore, the grant of 8,668,000 Options to Mr. Liu, namely the Proposed Grant of Options, will be subject to approval by the Shareholders at the EGM as such grant would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted to such person in the 12-month period up to and including the Grant Date exceeding in aggregate over 1% of the Shares in issue. Mr. Liu and his close associates will abstain from voting at the EGM.

An ordinary resolution will be proposed at the EGM to approve the Proposed Grant of Options. The Company will despatch a circular containing, among other things, details of the Proposed Grant of Options (including but not limited to the Grant Date, exercised price of the Options granted, validity period of the Options and vesting period of the Options) and a recommendation from the independent non-executive Directors to the Independent Shareholders as to voting, together with the notice convening the EGM to the Shareholders as soon as practical in accordance with the Listing Rules. Given additional time is required for the Company to prepare and finalize certain information to be included in the circular, the despatch of circular is expected to be on or before August 6, 2021.

(II) ADOPTION OF 2021 SHARE AWARD SCHEME**OVERVIEW**

The Board further announces that at the meeting of the Board held on July 2, 2021, the Company has resolved to adopt its 2021 Share Award Scheme to, among other things, recognize the contributions of the Eligible Persons in order to incentivize them to remain with the Group, and to motivate them to strive for the future development and expansion of the Group.

Pursuant to the 2021 Share Award Scheme, the Award Shares granted to the Selected Participants in Awards will be satisfied by new Shares to be allotted and issued to a Trustee by the Company under the general or specific mandate sought from the Shareholders in its general meetings, in which, 31,560,000 Award Shares (being 5% of the total Shares in issue as of the Adoption Date rounded down to nearest whole board lot of 500 Shares) underlying the Awards to be granted by the Company under the 2021 Share Award Scheme, which include the Connected Shares to be granted to Mr. Liu and Dr Hu, will be satisfied by new Shares to be allotted and issued by the Company under the Specific Mandate sought from the Shareholders at the EGM.

SUMMARY OF THE TERMS OF 2021 SHARE AWARD SCHEME

Purpose To align the interests of Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

Eligible Persons Eligible Persons under the 2021 Share Award Scheme shall include:

- (a) any employee of the Company or any of its subsidiaries;
- (b) any staff, advisor (professional or otherwise), consultant, agent or business partner that the Company deems important to provide support to the Group; and
- (c) any director (including executive, non-executive and independent non-executive directors) of the Group;

however, no individual who is a resident in a place where the grant, acceptance or vesting of an Award pursuant to the 2021 Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2021 Share Award Scheme and such individual shall therefore be excluded from the term of Eligible Persons.

The basis of eligibility of any of the above classes of Eligible Persons to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

Duration Unless terminated earlier by the Board in accordance with the Scheme Rules, the 2021 Share Award Scheme is valid and effective for a period of ten (10) years commencing on the Adoption Date (after which no further Awards will be granted under the 2021 Share Award Scheme), and thereafter for so long as there are any non-vested Award Shares granted hereunder prior to the expiration of the 2021 Share Award Scheme, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme Rules.

Administration

The 2021 Share Award Scheme is subject to the administration of the Board in accordance with the terms of the Scheme Rules and, where applicable, the Trust Deed. A decision of the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall be final and binding on all persons affected thereby.

Operation of the 2021 Share Award Scheme

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, select any Eligible Person to be a Selected Participant and grant an Award to such Selected Participant during the Award Period.

In determining the Selected Participants, the Board or the committee of the Board or person(s) to which the Board has delegated its authority may take into consideration matters including the present and expected contribution of the relevant Selected Participant to the Group.

Each grant of an Award to any Director shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award) and/or, if applicable, the approval of the Shareholders.

No grant of any Award Shares to any Selected Participant may be made:

- (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted;
- (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the 2021 Share Award Scheme, unless the Board determines otherwise;
- (c) where such Award would result in a breach by any member of the Group or its Directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (d) where such grant of Award would result in a breach of the Scheme Limit or would otherwise cause the Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders,

and any such grant so made shall be null and void to the extent (and only to the extent) that it falls within the circumstances above.

Timing of grant of Awards

No Award shall be made to Selected Participants and no directions or recommendation shall be given to the Trustee with respect to a grant of an Award under the 2021 Share Award Scheme:

- (a) where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (b) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (c) during the period of 30 days immediately preceding the publication date of the half-year, or quarterly or other interim (whether or not required under the Listing Rules) results or, if shorter, the period from the end of the relevant half-year, or quarterly or other interim (whether or not required under the Listing Rules) period up to the publication date of the results.

In respect of the administration of the 2021 Share Award Scheme, the Company shall comply with all applicable disclosure regulations including but not limited to those imposed by the Listing Rules or SFO.

Vesting

The Board or the committee of the Board or person(s) to which the Board delegated its authority may from time to time while the 2021 Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested hereunder.

Cessation of Employment and Other Events

An Award shall be cancelled automatically (to the extent not already vested) and any rights to such unvested Award shall immediately be forfeited, upon the earliest of (i) the date on which the restrictions on transfer are violated; or (ii) a Selected Participant's ceasing to be an eligible employee.

If any Selected Participant ceases to be an Eligible Person by reason of the Selected Participant's retirement from its position within the Group, death or serious illness or injury which, in the opinion of the board, renders the Selected Participant concerned unfit to perform the duties of his or her employment and which in the normal course would render the Selected Participant unfit to continue performing the duties under his or her contract provided such illness or injury is not self-inflicted or as a result of alcohol or drug abuse, the Board has the absolute discretion to decide whether the unvested Award Shares shall accelerate to vest upon occurrence of the aforesaid events, otherwise any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If the Board determines that any Selected Participant ceasing to be an Eligible Person by any of the following reason, (i) any act of grave misconduct or wilful default or wilful neglect in the discharge of duties of the Selected Participant with the Group; (ii) without prejudice to the generality of (i) above, being proven to have carried out any fraudulent activity or have fraudulently failed to carry out any activity whether or not in connection with the affairs of the Group; (iii) being convicted of any offence; (iv) being proved to take advantages of such Selected Participant's position to make interest for him/herself or for others; (v) being proved to appropriate assets of the Group; (vi) serious violation or persistent breach of any terms of the employment agreement (or the service agreement), the confidentiality and intellectual property rights assignment agreement, the non-compete and non-solicitation agreement, the anti-bribery agreement or any other agreements entered into by and between such Selected Participant and any member of the Group; (vii) repeated drunkenness or use of illegal drugs or being addicted to gambling which adversely interferes with or is reasonably expected to adversely interfere with the performance of such Selected Participant's obligations and duties of employment; and (ix) any other conduct which, as the board determines in good faith, would justify the termination of his or her contract, then any outstanding Award Shares and related income (whether vested or unvested) held by the Selected Participant shall immediately be cancelled, unless the Board resolves otherwise in its absolute discretion.

If a Selected Participant, ceases to be an Eligible Person by reason of (i) expiry of the Selected Participant's employment or contractual engagement, and no renewal of which has been agreed upon between the Selected Participant and the Group; (ii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of unsatisfactory performance; and (iii) resignation of the Selected Participant's employment, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a Selected Participant ceases to be an Eligible Person for any reason other than those set out above, then, any unvested Award will immediately be cancelled, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

Restrictions on Transfer

Any Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter into any agreement to do so.

Rights attached to the Award

A Selected Participant shall have only a contingent interest in the Award subject to the vesting of such Award. No instructions may be given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust and the Trustee shall not follow instructions given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust. None of the Selected Participant may exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Award Shares, any returned Shares, any bonus Shares and any scrip Shares).

Scheme Limit

The Company shall not make any further award of Award Shares which will result in the aggregate number of Shares underlying all grants made pursuant to the 2021 Share Award Scheme (excluding Award Shares that have been forfeited in accordance with the 2021 Share Award Scheme) to exceed 5% of the total number of Shares in issue from time to time during the period of the 2021 Share Award Scheme.

Termination

The 2021 Share Award Scheme shall terminate on the earlier of (i) the end of the Award Period except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the the 2021 Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the Scheme Rules; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder; provided further that for the avoidance of doubt, the change in the subsisting rights of a Selected Participant refers solely to any change in the rights in respect of the Award Shares already granted to a Selected Participant.

On the business day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the relevant outstanding award made under the 2021 Share Award Scheme, the Trustee shall sell all the Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company upon receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale and the returned trust funds (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities) to the Company. For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever.

LISTING RULES IMPLICATION

The 2021 Share Award Scheme is not a share option scheme under Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No approval from the Shareholders is required for the adoption of the 2021 Share Award Scheme or alteration of the Scheme Rules thereof.

APPOINTMENT OF TRUSTEE

The Company expects to enter into the Trust Deed and appoint a Trustee for the administration of the 2021 Share Award Scheme pursuant to the Scheme Rules. The Trustee shall administer the 2021 Share Award Scheme in accordance with the Scheme Rules and the Trust Deed.

(III) NON-EXEMPT CONNECTED TRANSACTION - PROPOSED GRANT OF AWARDS TO DIRECTORS

OVERVIEW

The Board is pleased to announce that at the meeting of the Board held on July 2, 2021, it has resolved to approve, the grant of a total of 13,152,000 Award 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. Dr. Hu is an executive Director and the chief development officer of the Group and is responsible for primarily responsible for participating in strategic planning and management of chemistry, manufacturing and controls and regulatory affairs. The Proposed Grant of Awards shall be satisfied by the issue and allotment of new Award Shares to the Trustee pursuant to the Specific Mandate and in accordance with the terms of the Scheme Rules.

Subject to the Independent Shareholders' approval of the Proposed Grant of Awards at the EGM, the maximum number of Award Shares that may be issued to Mr. Liu and Dr. Hu would be 13,002,000 Shares and 150,000 Shares, respectively, representing approximately 2.06% and 0.02% of the Company's issued share capital as of the date of this announcement and approximately 2.02% and 0.02% of the Company's enlarged issued share capital after the said issue and allotment, respectively (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the allotment date of the new Shares, other than the issue and allotment of the new Connected Shares).

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

- (a) 25% of the Awards shall vest on the first anniversary of the Grant Date;
- (b) 25% of the Awards shall vest in four equal installments during the period from the first anniversary of the Grant Date to the second anniversary of the Grant Date;
- (c) 25% of the Awards shall vest in four equal installments during the period from the second anniversary of the Grant Date to the third anniversary of the Grant Date; and
- (d) 25% of the Awards shall vest in four equal installments during the period from the third anniversary of the Grant Date to the fourth anniversary of the Grant Date.

The Award Shares to be granted to Dr. Hu 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 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 during the period from the second anniversary of the Grant Date to the third anniversary of the Grant Date; and
- (d) 40% of the Awards shall vest in four equal installments during the period from the third anniversary of the Grant Date to the fourth anniversary of the Grant Date.

Each of the Award Shares is granted for nil consideration. Other than the relevant restrictions set out in the Listing Rules, there are no restrictions which apply to the subsequent sale of the Award Shares. As of the date of this announcement, each of Mr. Liu and Dr. Hu is interested in 47,963,490 Shares and 3,881,940 Shares, respectively, representing approximately 7.59% and 0.61% of the total issued share capital of the Company, respectively, as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO.

MARKET VALUE

The closing price of the Shares on the Grant Date as quoted on the Stock Exchange is HK\$26.05 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\$27.43 per Share. Based on the closing price of HK\$26.05 per Share, the market value of the Awards granted to the Connected Grantees amounts to approximately HK\$342.6 million.

CONDITIONS PRECEDENT

The issue and allotment of the 13,152,000 Connected Shares to Mr. Liu and Dr. Hu shall be subject to (i) the approval by the Independent Shareholders at the EGM in respect of the issue and allotment of the Connected Shares, the Specific Mandate and the transactions contemplated therein; 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.

INFORMATION ON THE GROUP

The Group is a China-based ophthalmic pharmaceutical platform 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. To date, the Group had 18 drug assets in its portfolio, covering all major front- and back-of-the-eye diseases. The Group currently has five key drug candidates in phase III clinical development stage, which the Group believes will potentially be first- or best-in class if approved and have significant near-term revenue potential from as early as 2022.

REASONS FOR THE PROPOSED GRANT OF AWARDS

The 2021 Share Award Scheme and the Proposed Grant of Awards thereunder is part of the Company's remuneration policy, the purpose of which is to closely align the interests and benefits of the Company and its employees in order to maximize the motivation of the executive Directors and senior management. Therefore, the Directors (including independent non-executive Directors) and the remuneration committee of the Company consider that the adoption of the 2021 Share Award Scheme and the terms thereof are fair and reasonable and in the best interest of the Company and its Shareholders as a whole.

The Proposed Grant of Awards 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 any potential disruption to the existing operation of the Group resulting from the lack of continuity of leadership. In this regard, the Directors (excluding independent non-executive Directors, whose view will be given after considering the advice of the Independent Financial Adviser) consider that the terms of the Proposed Grant of Awards are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The 2021 Share Award Scheme is not a share option scheme under Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No approval from the Shareholders is required for the adoption of the 2021 Share Award Scheme or alteration of the terms thereof.

Each of Mr. Liu and Dr. Hu is an executive Director and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the proposed issue and allotment of Connected Shares to them under the 2021 Share Award Scheme shall constitute a connected transaction for the Company under Chapter 14A of the Listing Rules and shall be subject to the announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

The EGM will be convened and held to consider, and if thought fit, approve, among other things, the issue and allotment of the Connected Shares to Mr. Liu and Dr. Hu, the Specific Mandate and the transactions contemplated therein.

To the best of the knowledge, information and belief of the Directors, save for Mr. Liu and Dr. Hu and their respective associates, no other Shareholder is required to abstain from voting on the resolutions to approve, among other things, the issue and allotment of Connected Shares to Mr. Liu and Dr. Hu, the Specific Mandate and the transactions contemplated thereunder at the EGM.

The Independent Board Committee comprising Mr. Ting Yuk Anthony WU, Mr. Lianming HE, and Mr. Yiran HUANG, being the independent non-executive Directors who are not Connected Grantees, has been formed to advise the Independent Shareholders on the issue and allotment of the Connected Shares to the Connected Grantees. The Company will appoint in due course an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will despatch a circular containing, among other things, further details of the issue and allotment of the Connected Shares and the Specific Mandate, a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the issue and allotment of Connected Shares to the Connected Grantees, and other relevant resolutions to be considered at the EGM, together with the notice convening the EGM to the Shareholders as soon as practicable in accordance with the Listing Rules. Given additional time is required for the Company to prepare and finalize certain information to be included in the circular, the despatch of circular is expected to be on or before August 6, 2021.

Each of Mr. Liu and Dr. Hu has abstained from approving the relevant resolutions of the Board on the issue and allotment of the Connected Shares to them under the 2021 Share Award Scheme. Save as disclosed above, none of the other Directors had any interest in the 2021 Share Award Scheme and therefore no other Director abstained from voting on the relevant resolutions of the Board in respect of the 2021 Share Award Scheme.

Details of the Connected Shares will be disclosed in the Company's annual report and accounts in accordance with Rule 14A.69 of the Listing Rules.

(IV) DEFINITIONS

“2021 Share Award Scheme”	the share award scheme adopted by the Company in accordance with the Scheme Rules on July 2, 2021
“2021 Share Option Scheme”	the share option scheme adopted by the Board of Company in accordance with the rules thereof on July 2, 2021 and proposed by the Board to the Shareholders for approval on the EGM
“Adoption Date”	July 2, 2021, being the date on which the Board approved the 2021 Share Award Scheme
“Articles”	the articles of association of the Company adopted by special resolution of the Shareholders passed on June 23, 2020 and effective on July 10, 2020, as may be amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Award”	an award granted by the Board to a Selected Participant under the 2021 Share Award Scheme
“Award Period”	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the 10th anniversary of the Adoption Date
“Award Share(s)”	the Shares granted to a Selected Participant in an Award
“Board”	the board of directors of the Company
“Company”	Ocumension Therapeutics, a company incorporated under the Acts of the Cayman Islands with limited liability on February 27, 2018, with its Shares listed on the Main Board of the Stock Exchange
“Connected Grantee(s)”	the Grantees who are connected persons of the Group
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Connected Share(s)”	the Shares to be issued and allotted underlying the Awards granted by the Company to Mr. Liu and Dr. Hu under the 2021 Share Award Scheme
“Director(s)”	director(s) of the Company
“Dr. Hu”	Dr. Zhaopeng HU, an executive Director and the chief development officer of the Company
“EGM”	the extraordinary general meeting of the Company for the purpose of, among other things, considering and, if thought fit, approving, among other things, the adoption of the 2021 Share Option Scheme, the Proposed Grant of Options, the Proposed Grant of Awards, the issue and allotment of the Connected Shares, the Specific Mandate and the transactions contemplated thereunder
“Eligible Person(s)”	persons eligible to the Options or Awards (as the case may be)

“Grant Date”	the date on which the grant of an Award or an Option (as the case may be) is made to a Selected Participant
“Grantee(s)”	any Eligible Person who accepts an Offer in accordance with the terms of the 2021 Share Option Scheme
“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
“Independent Board Committee”	an independent board committee of the Board comprising Mr. Ting Yuk Anthony WU, Mr. Lianming HE, and Mr. Yiran HUANG, the independent non-executive Directors who are not Connected Grantees, established for the purpose of advising the Independent Shareholders on the issue and allotment of the Connected Shares to the Connected Grantees and transactions contemplated thereunder
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the issue and allotment of the Connected Shares to the Connected Grantees and transactions contemplated thereunder
“Independent Shareholders”	independent Shareholders other than the Connected Grantees and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Ye LIU, an executive Director and the chief executive officer of the Company
“Offer”	an offer of the grant of an Option made in accordance with the 2021 Share Option Scheme
“Option(s)”	option(s) to subscribe for or acquire Shares which is granted under the 2021 Share Option Scheme
“Proposed Grant of Options”	the proposed grant of 8,668,000 Options to Mr. Liu under the 2021 Share Option Scheme
“Proposed Grant of Awards”	the proposed grant of 13,002,000 Award Shares to Mr. Liu and 150,000 Award Shares to Dr. Hu, respectively, under the 2021 Share Award Scheme
“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 any Award in accordance with the Scheme Rules of the 2021 Share Award Scheme

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.00001 each
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM to grant the authority to the Board for the issue and allotment of the 31,560,000 Award Shares (being the 5% of the total Shares in issue as of the Adoption Date rounded down to nearest whole board lot of 500 Shares and including the Connected Shares to be approved by the Independent Shareholders) underlying the Awards to be granted by the Company under the 2021 Share Award Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“Subscription Price”	the price at which each Share subject to an Option may be subscribed for on the exercise of that Option
“Trust”	the trust constituted by the Trust Deed to service the 2021 Share Award Scheme
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time)
“Trustee”	the trustee that the Company expects to engage for holding the Award Shares under the 2021 Share Award Scheme, which is expected to be independent of and not connected with the Company and connected persons of the Company
“%”	per cent

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

Hong Kong, July 2, 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.