
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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Ocumention Therapeutics 歐康維視生物

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1477)

- (1) PROPOSED ADOPTION OF THE 2021 SHARE OPTION SCHEME;**
- (2) PROPOSED GRANT OF OPTIONS UNDER
THE 2021 SHARE OPTION SCHEME;**
- (3) CONNECTED TRANSACTION INVOLVING PROPOSED GRANT
OF AWARDS UNDER THE 2021 SHARE AWARD SCHEME;**
- (4) PROPOSED GRANT OF CONNECTED GRANT SPECIFIC
MANDATE AND AWARD SCHEME SPECIFIC MANDATE;**
- AND**
- (5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



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

A letter from the Board is set out on pages 6 to 24 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders regarding the Proposed Grant of Awards is set out on page 25 of this circular. A letter from Gram Capital, the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders containing its advice regarding the Proposed Grant of Awards is set out on pages 26 to 52 of this circular.

The notice convening the EGM of OcuMension Therapeutics to be held at Taishan Meeting Room, 5th Floor, Want Want Plaza, No. 211 Shimen Yi Road, Jing'an District, Shanghai, the People's Republic of China at 10:00 a.m. on Tuesday, August 31, 2021 is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for the EGM is enclosed. Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and sign the enclosed form of proxy for use at the EGM in accordance with the instructions stated thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. 10:00 a.m. on Sunday, August 29, 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish. In such event, the form of proxy shall be deemed to be revoked.

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

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

August 11, 2021

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DEFINITIONS

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

| | |
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| “2018 ESOP” | the 2018 employee stock option plan adopted by the Company on May 23, 2018, as amended from time to time |
| “2020 RSU Scheme” | the restricted share unit scheme adopted by the Company on April 28, 2020, as amended from time to time |
| “2021 Share Award Scheme” | the share award scheme adopted by the Company in accordance with the scheme rules thereof on July 2, 2021 |
| “2021 Share Option Scheme” | the share option scheme adopted by the Board in accordance with the rules thereof on July 2, 2021 and proposed by the Board to the Shareholders for approval on the EGM |
| “Announcement” | the announcement of the Company dated July 2, 2021 in relation to (a) the proposed adoption of the 2021 Share Option Scheme; (b) Proposed Grant of Options under the 2021 Share Option Scheme; and (c) Proposed Grant of Awards under the 2021 Share Award Scheme |
| “Articles of Association” or “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 July 2, 2021 and ending on the Business Day immediately prior to the 10th anniversary of the date of July 2, 2021 |

DEFINITIONS

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| “Award Scheme 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 18,936,000 Award Shares (being 3% of the total Shares in issue as of the date of adoption of the 2021 Share Award Scheme rounded down to nearest whole board lot of 500 Shares, and including the Connected Shares to be issued under the Connected Grant Specific Mandate) underlying the Awards to be granted by the Company under the 2021 Share Award Scheme from time to time |
| “Award Share(s)” | the Shares granted to a Selected Participant in an Award |
| “Board” | the board of Directors of the Company |
| “Business Day” | means any day on which securities are traded on the Stock Exchange |
| “Company” | Ocumension Therapeutics (歐康維視生物), an exempted company with limited liability incorporated under the Companies Act of the Cayman Islands on February 27, 2018 with its Shares listed on the Main Board of the Stock Exchange |
| “Connected Grant 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 Connected Shares underlying the Awards to be granted by the Company under the Proposed Grant of Awards |
| “Connected Grantees” | the Grantee(s) who is/are connected person(s) of the Company |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Connected Shares” | 13,152,000 Award 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 |
| “Core Connected Person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Date of Grant” | July 2, 2021, being the date on which the Proposed Grant of Options and the Proposed Grant of Awards are approved by the Board |

DEFINITIONS

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| “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 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” or “Gram Capital” | Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the issue and allotment of the Connected Shares to the Connected Grantees and transactions contemplated thereunder |

DEFINITIONS

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| “Independent Shareholders” | the Shareholders who are not required under the Listing Rules to abstain from voting at the EGM to approve the Proposed Grant of Options and Connected Grant Specific Mandate |
| “Latest Practicable Date” | August 5, 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein |
| “Listing” | the listing of Shares on the main board of the Stock Exchange on July 10, 2020 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix 10 to the Listing Rules |
| “Mr. Liu” | Mr. Ye LIU, an executive Director and the 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 |
| “PRC” or “China” | the People’s Republic of China, but for the purpose of this circular and unless otherwise indicated, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “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 |
| “Proposed Grant of Options” | the proposed grant of 8,668,000 Options to Mr. Liu under the 2021 Share Option Scheme |
| “RMB” | renminbi, the lawful currency of the PRC |
| “RSU(s)” | the restricted share unit(s) |

DEFINITIONS

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| “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 |
| “Share(s)” | ordinary share(s) in the capital of the Company with nominal value of US\$0.00001 each |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the price at which each Share subject to an Option may be subscribed for on the exercise of that Option |
| “subsidiary(ies)” | has the meaning ascribed to it by the Listing Rules |
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “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 its connected persons |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “Vesting Date(s)” | in respect of a Selected Participant, the vesting date on which the Trustee may vest the legal and beneficial ownership of the relevant Award Shares (or the relevant portions thereof) in such Selected Participant |
| % | per cent |

LETTER FROM THE BOARD



Ocumension Therapeutics
歐康維視生物

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

Executive Directors:

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

Non-Executive Directors:

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

Independent Non-Executive Directors:

Mr. Ting Yuk Anthony WU
Mr. Lianming HE
Mr. Yiran HUANG

Registered Office:

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

Principal Place of Business in the PRC:

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

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

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

August 11, 2021

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE 2021 SHARE OPTION SCHEME;**
(2) PROPOSED GRANT OF OPTIONS UNDER
THE 2021 SHARE OPTION SCHEME;
(3) CONNECTED TRANSACTION INVOLVING PROPOSED GRANT
OF AWARDS UNDER THE 2021 SHARE AWARD SCHEME;
(4) PROPOSED GRANT OF CONNECTED GRANT SPECIFIC
MANDATE AND AWARD SCHEME SPECIFIC MANDATE;
AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

2021 Share Option Scheme and 2021 Share Award Scheme

Reference is made to the Announcement in relation to (a) the proposed adoption of the 2021 Share Option Scheme; (b) Proposed Grant of Options under the 2021 Share Option Scheme; and (c) Proposed Grant of Awards under the 2021 Share Award Scheme.

LETTER FROM THE BOARD

The purpose of this circular is to (a) provide you with the notice of the EGM at which ordinary resolutions will be proposed to consider and if thought fit, to approved (i) the adoption of the 2021 Share Option Scheme; (ii) the Proposed Grant of Options; (iii) the Proposed Grant of Awards; and (iv) the grant of Awards Scheme Specific Mandate and Connected Grant Specific Mandate; (b) provide you with further information in relation to the above proposals; (c) set out the recommendations of the Independent Board Committees in relation to the Proposed Grant of Awards and the transactions thereunder; and (d) set out the recommendations of the Independent Financial Adviser in relation to the Proposed Grant of Awards and the transactions thereunder.

2018 ESOP and 2020 RSU Scheme adopted before Listing

Prior to the Listing, in recognition of the contributions of our Directors and employees and to incentivize them to further promote our development, our Company adopted the 2018 ESOP on May 23, 2018 and the 2020 RSU Scheme on April 28, 2020. The 2018 ESOP was adopted by the Company on May 23, 2018 and amended from time to time. The purpose of the 2018 ESOP is to recognize the contributions of the Directors and employees and to incentivize them to further promote the development of the Group by providing a means through which the Company may grant options to attract, motivate, retain and reward certain eligible employees. The maximum number of Shares in respect of which options may be granted under the 2018 ESOP shall not, subject to reorganization of capital structuring and other corporate events provisions under the plan, exceed 60,328,890 Shares in the aggregate.

The details of the options granted to Mr. Liu, Dr. Hu and other employees under the 2018 ESOP as of the Latest Practicable Date are set out as follows:

| Name of grantee | Date of grant | Option period | Exercise price (US\$ per share) | Number of shares underlying outstanding options as of the Latest Practicable Date | Number of shares exercised as of the Latest Practicable Date | Number of options cancelled/forfeited/ lapsed from the Listing Date to the Latest Practicable Date and the exercise price |
|------------------------------------|--|--|------------------------------------|---|---|--|
| Directors | | | | | | |
| Mr. Ye LIU | Between August 28, 2018 to January 22, 2020 | 10 years commencing on the adoption date | Between 0.001 to 0.188 | 30,136,710 | 0 | 0 |
| Mr. Zhaopeng HU | Between January 22, 2019 to January 22, 2020 | 10 years commencing on the adoption date | Between 0.001 to 0.188 | 2,208,250 | 320,000 | 0 |
| Other grantees in aggregate | | 10 years commencing on the adoption date | Between 0.001 to 0.201 | 15,817,540 | 11,745,260 | 101,130 |
| Total | | | | 48,162,500 | 12,065,260 | 101,130 |

LETTER FROM THE BOARD

The 2020 RSU Scheme was adopted by the Company on April 28, 2020. The purpose of the 2020 RSU Scheme is to recognize the contributions of the Directors and employees of the Group and to incentivize them to further promote the development of the Group.

Pursuant to the 2020 RSU Scheme, an aggregate of 24,000,000 underlying Shares were issued to Coral Incentivization Limited, a business company incorporated in the BVI with limited liability on March 31, 2020, representing an aggregate of 3.80% of the total issued share capital of the Company as of the Latest Practicable Date. As of the the Latest Practicable Date, the Company had granted RSUs representing 22,866,920 Shares upon vesting to 74 grantees under the 2020 RSU Scheme (in which RSUs representing 84,770 Shares upon vesting granted to eight grantees have been forfeited due to resignation of the relevant employees). Among the RSUs granted, RSUs representing 11,990,050 and 1,353,690 Shares upon vesting were granted to Mr. Liu and Dr. Hu respectively, among which 7,194,030 and 744,529 Shares have been vested to Mr. Liu and Dr. Hu respectively.

PROPOSED ADOPTION OF THE 2021 SHARE OPTION SCHEME

In order 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, the Company proposes to adopt the 2021 Share Option Scheme which will be put to the Shareholders for approval at the EGM.

The 2021 Share Option Scheme will take effect on the date of its adoption at the EGM and is conditional upon:

- (a) the passing of the ordinary resolution by the Shareholders to approve and adopt the 2021 Share Option Scheme and to authorize the Board to grant Options under the 2021 Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any Options granted under the 2021 Share Option Scheme.

Eligible Persons under the 2021 Share Option Scheme 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.

LETTER FROM THE BOARD

The Board is of the opinion that inclusion of the advisors, consultants, agents or business partners that the Company deems important to provide support to the Group as Eligible Persons under the 2021 Share Option Scheme leaves sufficient flexibility in the scheme rules in light of the future development and is fair and reasonable and in the interest of the Company and its Shareholders as a whole in the long run because: (a) in a view to enhancing its competitive strength and maintaining its market position, the Company may strategically develop further drugs and expand its business lines and may need external expert consultants to provide professional insights to various aspects of the business and operation of the Group. Also, along with the growth and development of the Group's business, the Company may further engage various business partners to help the Group reduce costs and increase supply and sales efficiency; and (b) in the event that the Company engages external expert, advisors and consultants to provide professional consulting services to the Group, including these external parties as Eligible Persons will allow the Company to pay the external experts, advisors or consultants a consideration comprising service fee and share based consideration, leveraging on which, the Company may be able to avoid expensive one-off short-term transaction costs, at the same time incentivize the external expert, advisors and consultants with the long-term value to be brought by the growth of the Company's business and market capitalization.

As of the Latest Practicable Date, the Company does not have any imminent plan to grant Options or Awards to any advisors, consultants, agents or business partners. In determining whether or not to grant Options or Awards to any advisors, consultants, agent or business partners, the Board will exercise their duty of care and take into accounts various factors, in particular, such factors that are expected to maximize the interests of the Company and the Shareholders, which include but not limited to (i) strategic importance to the Group, (ii) fairness and reasonableness to the interest of the Group and Shareholders, and (iii) long term impact on the Group's business, operation and financial position. The Board will also ensure that each and every grant to the advisors, consultants, agents or business partners will comply with all applicable laws, the Listing Rules and the scheme rules of the 2021 Share Option Scheme.

The 2021 Share Option Scheme does not stipulate either a minimum period for which an Option must be held or any performance targets a Grantee is required to achieve before an Option may be exercised. However, under the 2021 Share Option Scheme, the Board may at its discretion specify any conditions which must be satisfied before the Option may be exercised in the Offer letter whereby the Option is offered. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group.

The aggregate number of Shares which may be issued upon exercise of all Options and any new share option scheme of the Company which may be adopted hereinafter must not, in aggregate, exceed 10% of the total number of Shares in issue as of the date of adoption of the 2021 Share Option Scheme or any new share option scheme (as the case may be). The maximum aggregate number of Shares which may be issued upon exercise of all outstanding

LETTER FROM THE BOARD

options granted and yet to be exercised under the 2021 Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

As of the Latest Practicable Date, the Company has 631,205,380 Shares in issue. Assuming that there is no change in the issued share capital between the Latest Practicable Date and the date of the EGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the 2021 Share Option Scheme would be 63,120,538 Shares.

The Board considers that it is not appropriate or helpful to Shareholders to state the value of the Options that can be granted under the 2021 Share Option Scheme as if they had been granted at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the Subscription Price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the 2021 Share Option Scheme, and if so, the number of Options to be granted and the timing of granting such Options, the period during which the Options may be exercised, the discretion of the Board to impose any performance targets that have to be achieved before the Options can be exercised and any other terms and conditions that the Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised by the holders of the Options. Accordingly, the Board believes that any calculation of the value of the Options based on a great number of speculative assumptions will not be meaningful and may be misleading to Shareholders in the circumstances.

With respect to the operation of the 2021 Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules, especially where any related matters are required to be approved by the Shareholders/independent non-executive Directors separately. As of the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) save as Mr. Liu, who has material interest in the adoption of the 2021 Share Option Scheme after taking into account the proposed grant of 8,668,000 Options to him, no Shareholder has a material interest in the proposed adoption of the 2021 Share Option Scheme; and (ii) save as Mr. Liu, who shall abstain from voting at the EGM for approving the 2021 Share Option Scheme, no Shareholder is required to abstain from voting at the EGM for approving the 2021 Share Option Scheme.

The Company is not required under the terms of the 2021 Share Option Scheme to appoint any trustee for the purpose of administering the 2021 Share Option Scheme. The 2021 Share Option Scheme will be subject to the administration of the Board, or a committee of the Board or any person(s) delegated with the authority by, and as deemed appropriate at the sole discretion of, the Board. None of the Directors will be a trustee of the 2021 Share Option Scheme or has a direct or indirect interest in the trustees of the 2021 Share Option Scheme, if any.

LETTER FROM THE BOARD

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

A summary of the principal terms of the 2021 Share Option Scheme is set out in Appendix II to this circular. A copy of the 2021 Share Option Scheme will be available for inspection at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, during normal business hours from the date hereof up to and including the date of the EGM and will be available for inspection at the EGM.

PROPOSED GRANT OF OPTIONS UNDER THE 2021 SHARE OPTION SCHEME

Details of the Proposed Grant of Options

Reference is made to the Announcement in respect of the Proposed Grant of Options, in which the Company announced on July 2, 2021 that it has resolved to approved the Proposed Grant of Options, subject to the approval of the 2021 Share Option Scheme by the Shareholders. Under the Proposed Grant of Options, 8,668,000 Options entitling Mr. Liu to subscribe for 8,668,000 Shares, representing approximately 1.37% of the Shares in issue as of the Latest Practicable Date, were granted to Mr. Liu, subject to approval of the Shareholders. The exercise of the Option to be granted under the Proposed Grant of Options are not subject to any performance targets. The exercise price for the Options relating to the Proposed Grant of Options is HK\$27.43 per Share, which was determined on July 2, 2021, the date of the proposed grant.

Further details regarding the Proposed Grant of Options are set out in Appendix III to this circular.

Listing Rules Implications

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 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 Date of Grant exceeding in aggregate over 1% of the Shares in issue. Besides, the Proposed Grant of Options had been approved by the independent non-executive Directors. As of the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Mr. Liu, who is interested in a total of 47,963,490 Shares or underlying Shares, representing

LETTER FROM THE BOARD

approximately 7.60% of total number of issued Shares as of the Latest Practicable Date, as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, no Shareholders are required to abstain from voting at the EGM on the resolutions approving the Proposed Grant of Options and transactions contemplated thereunder.

PROPOSED GRANT OF AWARDS UNDER THE 2021 SHARE AWARD SCHEME

Adoption of the 2021 Share Award Scheme

Reference is made to the Announcement in respect of, among other, the adoption of the 2021 Share Award Scheme and the Proposed Grant of Awards. A summary of the principal terms of the 2021 Share Award Scheme is set out in Appendix IV to this circular.

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.

The Board is of the view that the adoption of the 2021 Share Option Scheme and 2021 Share Award Scheme on the same time is fair and reasonable and in the interest of the Company and the Shareholders as a whole, even if both schemes are targeting the same group of Eligible Persons, because of the following reasons:

- (a) professionals and talents in biotechnology industry are scarce resources. Frequent employee turnover would be costly and time-consuming. Facing the fierce competition in the talent market, the Company, as a company listed under Chapter 18A of the Listing Rules, needs a market-oriented, professional and stable management and operation team to lead and support its business development. The maintenance of a stable core management and operation team is vital to the development of a biotech company like the Company;
- (b) incentivizing the Company's management and operation team with two different incentive tools is in line with the market practice. Share award is a full-value tool that focuses more on retaining and incentivizing the employees and management team to achieve key performance goals, while share option is a value-added tool that incentivizes the employees and management team with the value generated from the increased stock price. Awards allow the incentivized employees to have direct access to benefits regardless of stock price performance, which is used by the Company to retain employees and ensure continuity of operations. Share option enables the incentivized employees to benefit from the Company's stock price growth, thus better aligns the interests of employees, the management team as well as the Shareholders. The Board is of the view that a combination of two incentive tools with different functions will, on one hand, incentivize the employees and

LETTER FROM THE BOARD

management team to achieve the Company's short term management and operation goals, on the other hand, retain the employees and management team by allowing them to share the long term value brought by the development of the business of the Group; and

- (c) the adoption of the 2021 Share Option Scheme and 2021 Share Award Scheme will allow the Board to have more flexibility when deciding how to retain and/or incentivize a specific employee. With two different types of incentive tools in place, the Board is allowed to flexibly design niche targeting incentive plans for different types of talents. Nonetheless, even if there are two types of incentive tools in place at the same time, the Board will still evaluate whether the total amount of options and/or awards to be granted to each individual employee is fair and reasonable from the perspective of overall compensation competitiveness so as to avoid excessive incentives.

In addition, the number of Award Shares which may be granted pursuant to the 2021 Share Award Scheme for each financial year shall not exceed 3% of the total number of issued Shares as of the relevant Grant Date.

Appointment of Trustee under the 2021 Share Award Scheme

The Company expects to entrust the Trustee to hold the Award Shares on behalf of the relevant Selected Participants on trust, until such Award Shares are vested with the relevant Selected Participants in accordance with the scheme rules of the 2021 Share Award Scheme and the Trust Deed.

For any Award Shares that have not yet been vested, neither the Selected Participant nor the Trustee may exercise any voting rights in respect of such Award Shares. For other Shares held by the Trustee which have not been granted to any Selected Participants, the Board or its delegate(s) will not give any instructions to the Trustee so that no votes will be cast for those ungranted Shares and the Trustee shall also abstain from voting with respect to such Shares.

The Award Shares shall be held on trust for the Grantees by the Trustee which shall transfer the Award Shares to the relevant Selected Participants upon the Vesting Dates subject to payment of the Grant Price and satisfaction of vesting conditions specified by the Board in the award letters issued to each relevant Selected Participants. Upon vesting, the voting rights attaching to the Award Shares will belong to the relevant Selected Participants.

As of the Latest Practicable Date, the Company is still in the process of assessing and selecting competent Trustee candidate, and therefore, no formal decision has been made regarding the appointment of Trustee. It is expected that the appointment of the Trustee will take two to three months. The Company will further notify Shareholders and the Stock Exchange when the Trustee is formally appointed.

LETTER FROM THE BOARD

Details of the Proposed Grant of Awards

On July 2, 2021, the Board 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 the Connected Grantees and the Independent Shareholders' approval at the EGM. The Proposed Grant of Awards shall be satisfied by the issue and allotment of new Award Shares to the Trustee pursuant to the Connected Grant Specific Mandate and in accordance with the scheme rules of the 2021 Share Award Scheme.

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 Latest Practicable Date 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 Latest Practicable Date 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 Date of Grant;
- (b) 25% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the first anniversary of the Date of Grant to the second anniversary of the Date of Grant;
- (c) 25% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the second anniversary of the Date of Grant to the third anniversary of the Date of Grant; and
- (d) 25% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the third anniversary of the Date of Grant to the fourth anniversary of the Date of Grant.

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 Date of Grant;
- (b) 20% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the first anniversary of the Date of Grant to the second anniversary of the Date of Grant;
- (c) 30% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the second anniversary of the Date of Grant to the third anniversary of the Date of Grant; and
- (d) 40% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the third anniversary of the Date of Grant to the fourth anniversary of the Date of Grant.

LETTER FROM THE BOARD

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.

Market Value

The closing price of the Shares on the Date of Grant 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 Date of Grant 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. The aggregate nominal value of the Award Shares under the Proposed Grant of Awards is US\$131.52.

Upon the issue and allotment of the new Connected Shares, the Trustee will hold the new Shares on trust for the Connected Grantees and such new Connected Shares shall be transferred to the Connected Grantees at nil consideration until the end of each vesting period which may differ among the Connected Grantees. As such, no fund will be raised by the Company as a result of the issue and allotment of the new Shares.

Conditions precedent

The issue and allotment of the 13,152,000 Connected Shares to the Connected Grantees 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 under the Connected Grant 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.

Listing Rules Implications

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

Mr. Liu

Pursuant to Chapter 14A of the Listing Rules, Mr. Liu is required to abstain from voting on the resolutions at the EGM to approve the Proposed Grant of Awards to Mr. Liu and transactions contemplated therein. To the best of the Directors' knowledge, information and belief: (i) each of Mr. Liu and his associates is not interested in any Shares except Mr. Liu's interest in a total of 47,963,490 Shares or underlying Shares, representing approximately 7.60% of total number of issued Shares as at the Latest Practicable Date, as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; and (ii) there are no other Shareholders having any material interest in the Proposed Grant of

LETTER FROM THE BOARD

Awards to Mr. Liu and transactions contemplated therein. Accordingly, save for Mr. Liu, no Shareholders are required under the Listing Rules to abstain from voting at the EGM on the resolutions approving the Proposed Grant to Mr. Liu and transactions contemplated therein.

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

Dr. Hu

Pursuant to Chapter 14A of the Listing Rules, Dr. Hu is required to abstain from voting on the resolutions at the EGM to approve the Proposed Grant of Awards to Dr. Hu and transactions contemplated therein. To the best of the Directors' knowledge, information and belief: (i) each of Dr. Hu and his associates is not interested in any Shares except Dr. Hu's interest in a total of 3,881,940 Shares or underlying Shares, representing approximately 0.62% of the total number of issued Shares as at the Latest Practicable Date, as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; and (ii) there are no other Shareholders having any material interest in the Proposed Grant of Awards to Dr. Hu and transactions contemplated therein. Accordingly, save for Dr. Hu, no Shareholders are required under the Listing Rules to abstain from voting at the EGM on the resolutions approving the Proposed Grant of Awards to Dr. Hu and transactions contemplated therein.

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

Reasons and Rationale for the Proposed Grant of Awards

Reasons for the Proposed Grant of Awards

The Proposed Grants of Awards to Directors are part of the Company's remuneration policy. The purpose of such grants 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.

The Proposed Grant of Awards to Mr. Liu and Dr. Hu aims to provide sufficient incentive to retain and motivate Mr. Liu and Dr. Hu to participate in the formulation of strategy and long-term development of the Company and to recognize their contribution to the growth of the Company.

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

LETTER FROM THE BOARD

Rationale of the Proposed Grant of Awards

Background and Contribution of Mr. Liu

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

Mr. Liu is responsible for overall strategic planning, business direction and daily management of the Company. Mr. Liu has over 20 years of experience in the pharmaceutical industry. Prior to joining our Group, he served as the chairman and general manager in Santen Pharmaceutical (China) Co., Ltd. (參天製藥(中國)有限公司) from October 2014 to July 2018. From February 2009 to September 2014, Mr. Liu served as the head of pharmaceutical affair division and later became the general manager of Eisai (China) Inc. (衛材(中國)藥業有限公司), responsible for the management of pharmaceutical affairs and development, and the overall corporate operation, respectively.

In addition to Mr. Liu's intensive industry experience, he has also been indispensable to the growth of the Group. Mr. Liu is an indispensable part of the senior management of the Group in light of the Group's progress since the arrival of Mr. Liu. With his rich experience in the ophthalmology industry, Mr. Liu led the growth of the Group by building a strategically designed ophthalmic drug portfolio that is comprehensive, innovative and validated, with 18 drugs and drug candidates covering all major front- and back of-the-eye diseases. Such a strong and comprehensive pipeline is key to the Company's successful listing on the Stock Exchange. Under the lead of Mr. Liu, the Company was successfully listed on Main Board of the Stock Exchange on July 10, 2020, being approximately two years upon the establishment of principal operating subsidiary of the Company in May 2018 and Mr. Liu's joining to the Group in August 2018. After the listing, the Group continue to grow rapidly. The significant acceleration in the development progress of the Company's core product, OT-401, and the rapid increase in the sales of the Group have showed the Company's strong execution capabilities under Mr. Liu's efficient management. Mr. Liu has spearheaded the Group's mission to develop a China-based ophthalmic pharmaceutical platform company dedicated to identifying, developing and commercializing first- or best-in-class ophthalmic therapies. The Group's success in the past years serve as testament to Mr. Liu's contribution and leadership.

Background and Contribution of Dr. Hu

The Board proposed to remunerate Dr. Hu with the Proposed Grant of Awards to Dr. Hu after considering Dr. Hu's contribution to the Group in terms of research and development, and his background and experience in pharmaceutical industry.

Dr. Hu is an executive Director and the chief development officer of the Company, and is mainly responsible for management of chemistry, manufacturing and controls and regulatory affairs, and participates in the strategic planning of the Group. Dr. Hu has around 20 years of

LETTER FROM THE BOARD

experience in pharmaceutical industry. From July 2006 to August 2018, he held positions including plant technique and registration group manager, registration and pharmaceutical department director, clinical development department director and internal audit department director in Santen Pharmaceutical (China) Co., Ltd., mainly responsible for clinical development compliance and other drug-related regulations and compliance.

As of the Latest Practicable Date, with Dr. Hu's contribution in research and development of the drug candidates, the Group had five drugs that has entered into phase III clinical trials. Such a significant progress in the research and development progress of the Group's drug candidates enables the Company to achieve and maintain a leading position in the field of innovative ophthalmic drugs in China and to maintain its market position as the company with the largest number of innovative ophthalmic drugs that had entered phase III clinical trials.

Listing and future development

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

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

Since the Listing, with the vision of benefiting domestic patients in China with innovative ophthalmic drugs as early as possible, the Company actively continued to explore innovative models of clinical 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, the Company began the real world study (RWS) on OT-401 (YUTIQ). The Company has become one of the pilot companies the drugs of which have been included in RWS by the Hainan Medical Products Administration (海南省藥品監督管理局), which was the first time that drugs were included in RWS pilot programs in China, and represents a full-scale recognition of the Company product quality, research and development strengths and innovation spirit.

In October 2020 and April 2021, the Company licensed in a Aflibercept biosimilar, OT-702, and a 190 microgram fluocinolone acetonide intravitreal implant in applicator, ILUVIEN[®], which further increased the number of the Company's pipeline products to 18. The Company has developed a number of products with an aim to provide solutions to certain indications to address their unmet demands for eye diagnosis and treatment, such as dry eye and wet age-related macular degeneration. The Company's innovative products are expected to become first-in-class or potentially best-in-class. As the marketing of ophthalmic drugs mainly relies on portfolio design of products, the Company has firmly taken its first-mover advantage.

LETTER FROM THE BOARD

In support of the solid business and commercial operations, the Group has drawn strong financial backing and raised approximately HK\$781.7 million through a new share placement in January 2021. In January 2021 and April 2021, the Company completed (i) the subscription of 16.6% enlarged equity interest of EyePoint Pharmaceuticals, Inc., a company whose shares of common stock are listed on the NASDAQ (ticker symbol: EYPT) and a biopharmaceutical company committed to developing and commercializing innovative ophthalmic products for the treatment of eye diseases, and (ii) the subscription of 16.6% enlarged equity interest of Alimera Sciences, Inc., a biopharmaceutical company organized and existing under the laws of the State of Delaware of the United States, whose shares of common stock are traded on the Nasdaq (ticker symbol: ALIM).

The Company's stock was also included in the Hang Seng Composite Index and Hang Seng Healthcare Index, which reflects market confidence in the Company's past and future performance.

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

Retention and recognition of Mr. Liu and Dr. Hu

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

The Board considered that the retention and motivation of Mr. Liu and Dr. Hu as an indispensable part of the senior management of the Group and in light of the Group's progress since the Listing 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. 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.

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

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

Effect on Shareholding

Assuming each of the Connected Grantees becomes fully entitled to all Award Shares underlying the Awards, the total number of such underlying Award Shares would amount to 13,152,000 Shares, or approximately 2.08% of the total number of issued Shares as of the Latest Practicable Date. Assuming such underlying Award Shares will be newly issued, such Shares will represent 2.04% of the total number of issued Shares upon completion of issue.

The shareholding effects of the Proposed Grant of Awards as of the Latest Practicable Date and immediately after the issue, allotment and full vesting of the Award Shares (assuming no other change in the issued share capital of the Company other than the issue, allotment and full vesting of the Shares and excluding any options granted pursuant to the 2021 Share Option Scheme) is as follows:

| | As of the Latest Practicable Date | | Immediately after the issue, allotment and full vesting of the Award Shares⁽¹⁾ | |
|---------------------------------|--|--------------------|--|--------------------|
| | <i>No. of Shares</i> | <i>%</i> | <i>No. of Shares</i> | <i>%</i> |
| Substantial Shareholders | 333,256,730 | 52.80% | 333,256,730 | 51.72% |
| Connected Grantees | | | | |
| Mr. Liu | 47,963,490 | 7.60% | 60,965,490 | 9.46% |
| Dr. Hu | 3,881,940 | 0.62% | 4,031,940 | 0.63% |
| Other Shareholders | <u>246,103,220</u> | <u>38.98%</u> | <u>246,103,220</u> | <u>38.19%</u> |
| Total | <u><u>631,205,380</u></u> | <u><u>100%</u></u> | <u><u>644,357,380</u></u> | <u><u>100%</u></u> |

Note:

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

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

LETTER FROM THE BOARD

Directors' View

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

Independent Board Committees and Independent Financial Adviser

The Independent Board Committee comprising Mr. Ting Yuk Anthony WU, Mr. 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 has also appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

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.

PROPOSED GRANT OF THE AWARD SCHEME SPECIFIC MANDATE

Reference is made to the Announcement in respect of, among others, the principal terms of the 2021 Share Award Scheme.

The maximum number of Award Shares to be issued, reserved and available for distribution under the 2021 Share Award Scheme will be 5% of the total number of Shares in issue from time to time during the Award Period of the 2021 Share Award Scheme. As of the Latest Practicable Date, the issued share capital of the Company comprised 631,205,380 Shares. Under the 2021 Share Award Scheme, 18,936,000 Award Shares, representing 3% of the total Shares in issue as of the Date of Grant rounded down to the nearest whole board lot of 500 Shares, will be allotted and issued pursuant to the Award Scheme Specific Mandate and, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue. An application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Award Shares to be issued pursuant to the Award Scheme Specific Mandate. The Award Scheme Specific Mandate shall be valid until December 31, 2021. Upon expiry of the Award Scheme Specific Mandate, the Company

LETTER FROM THE BOARD

may grant further Award Shares to Eligible Person(s) by seeking to grant the Board a specific mandate from the Shareholders at the annual general meeting of the Company for the relevant years for the issue and allotment of Award Shares underlying the Awards to be granted by the Company, or by a general mandate during the valid period of the 2021 Share Award Scheme.

The Company will comply with the relevant Listing Rules when making grants under the 2021 Share Award Scheme to connected persons of the Company.

EGM AND PROXY ARRANGEMENT

Approval from the Shareholders will be sought at the EGM for the proposed adoption of the 2021 Share Option Scheme, the Proposed Grant of Options and the proposed grant of Award Scheme Specific Mandate. Approval from the Independent Shareholders will be sought at the EGM for the Proposed Grant of Awards and the Connected Grant Specific Mandate.

Pursuant to Rule 17.03(4) of the Listing Rules, Mr. Liu will abstain from voting in favor of the resolution to approve the Proposed Grant of Options at the EGM.

Pursuant to Rule 14A.36 of the Listing Rules, Mr. Liu and Dr. Hu will abstain from voting in favor of the resolutions to approve the Proposed Grant of Awards and the Connected Grant Specific Mandate at the EGM.

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

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

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the endorsed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM (i.e. not later than 10:00 a.m. on Sunday, August 29, 2021) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM should you so desire; in such event the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY POLL

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

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

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

RECOMMENDATION

The independent non-executive Directors consider the terms of the Proposed Grant of Options fair and reasonable so far as the Independent Shareholders are concerned, and believe that the Proposed Grant of Options is in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors but excluding Mr. Liu who is the Grantee of the Proposed Grant of Options) recommend the Independent Shareholders to vote in favor of the resolution relating to the Proposed Grant of Options at the EGM.

Gram Capital has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the Proposed Grant of Awards and Connected Grant Specific Mandate and consider that the Proposed Grant of Awards are fair and reasonable so far as the interests of the Independent Shareholders are concerned. Your attention is drawn to the letter of advice from Gram Capital containing its recommendation and the principal factors and reasons it has taken into account in arriving at its recommendation are set out in this circular.

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

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

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Thursday, August 26, 2021 to Tuesday, August 31, 2021, both dates inclusive, for the purpose of determining shareholders' entitlements to attend and vote at the EGM. In order to qualify for the right to attend and vote at the meeting, all unregistered transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, August 25, 2021.

RESPONSIBILITY STATEMENT

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

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Ocumension Therapeutics

歐康維視生物

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1477)

August 11, 2021

To the Independent Shareholders

Dear Sir/Madam,

We have been appointed as an independent board committee of the Company to advise the Independent Shareholders in connection with the Proposed Grant of Awards to Mr. Liu and Dr. Hu, details of which are set out in the circular of the Company to the Shareholders dated August 11, 2021 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

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

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

Yours faithfully,

Mr. Ting Yuk Anthony WU

*Independent non-executive
Director*

Mr. Lianming HE

*Independent non-executive
Director*

Mr. Yiran HUANG

*Independent non-executive
Director*

LETTER FROM GRAM CAPITAL

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



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

11 August 2021

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

Dear Sir/Madam,

CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Grant of Awards under the 2021 Share Award Scheme to the Connected Grantees (i.e. Mr. Liu and Dr. Hu), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 11 August 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 2 July 2021 (the “**Announcement Date**”), the Board has resolved to (i) the proposed adoption of the 2021 Share Option Scheme to further improve the governance structure of the Company and to attract, motivate and retain talents; (ii) grant 8,668,000 Options to Mr. Liu; and (iii) adopt 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. A total of 13,152,000 Award Shares will be granted to Mr. Liu and Dr. Hu, subject to acceptance by the Connected Grantees and the Independent Shareholders approval at the EGM. The Proposed Grant of Awards shall be satisfied by new Shares to be allotted and issued by the Company under the Connected Grant Specific Mandate sought from the Shareholders at the EGM and in accordance with the scheme rules of the 2021 Share Award Scheme.

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

The Independent Board Committee comprising Mr. Ting Yuk Anthony WU, Mr. Lianming HE and Mr. Yiran HUANG (being all of the independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Proposed Grant of Awards are on normal commercial terms and are fair and reasonable; (ii) whether the Proposed Grant of Awards are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Proposed Grant of Awards and the transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

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

BASIS OF OUR OPINION

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

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

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

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Background of and reasons for the Proposed Grant of Awards

Information on the Group

The Company was founded by 6 Dimensions (as defined in the Prospectus and being specialist healthcare private equity funds and incubators and Controlling Shareholders of the Company), as an incubation project and a financial investment with the goal to develop a leading and independent ophthalmology platform. The Company was incorporated as an exempt company with limited liability in the Cayman Islands on 27 February 2018 by utilizing 6 Dimensions' own capital.

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With reference to the Board Letter, 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. As at the Latest Practicable 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.

Since the Listing, the Group have been making significant progress with respect to the Group's pipeline products and business operations, including but not limited to (i) research and development projects of the Group's pipeline products had been carried out in a rapid and efficient manner; (ii) having five drug candidates entered phase III clinical trials (as compared to one drug candidates as at the date of the Prospectus (as defined below)), etc.. Please refer to the section headed "Business Review" in the Company's annual report for the year ended 31 December 2020 (the "**2020 Annual Report**") for details.

In the second half of 2020, the Company began the real world study (RWS) on OT-401 (YUTIQ). The Company has become one of the pilot companies the drugs of which have been included in RWS by the Hainan Medical Products Administration (海南省藥品監督管理局), which was the first time that drugs were included in RWS pilot programs in China, and represents a full-scale recognition of the Company product quality, research and development strengths and innovation spirit.

In October 2020 and April 2021, the Company licensed in a Aflibercept biosimilar, OT-702, and a 190 microgram fluocinolone acetonide intravitreal implant in applicator, ILUVIEN®, which further increased the number of the Company's pipeline products to 18. The Company has developed a number of products with an aim to provide solutions to certain indications to address their unmet demands for eye diagnosis and treatment, such as dry eye and wet age-related macular degeneration. The Company's innovative products are expected to become first-in-class or potentially best-in-class. As the marketing of ophthalmic drugs mainly relies on portfolio design of products, the Company has firmly taken its first-mover advantage.

In support of the solid business and commercial operations, the Group has drawn strong financial backing and raised approximately HK\$781.7 million through a top-up placing in January 2021. In January 2021 and April 2021, the Company completed the (i) subscription of 16.6% enlarged equity interest of EyePoint Pharmaceuticals, Inc., a company whose shares of common stock are listed on the NASDAQ (ticker symbol: EYPT) and a biopharmaceutical company committed to developing and commercializing innovative ophthalmic products for the treatment of eye diseases, and (ii) the subscription of 16.6% enlarged equity interest of Alimera Sciences, Inc., a biopharmaceutical company organized and existing under the laws of the State of Delaware of the United States, whose shares of common stock are traded on the NASDAQ (ticker symbol: ALIM).

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Information on the Connected Grantees

Details of the Connected Grantees are set out as follows:

| Name | Relationship with the Group |
|-----------------|--|
| Mr. Ye LIU | Executive Director and Chief Executive Officer |
| Dr. Zhaopeng HU | Executive Director and Chief Development Officer |

Mr. Liu

Please refer to the information in respect of background information of Mr. Liu as disclosed in the section headed “A. Background information of Mr. Liu” of this letter below.

Dr. Hu

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

With Dr. Hu’s contribution in research and development of the drug candidates, the Group had five drugs that has entered into phase III clinical trials. Such a significant progress in the research and development progress of the Group’s drug candidates enables the Company to achieve and maintain a leading position in the field of innovative ophthalmic drugs in China and to maintain its market position as the company with largest number of innovative ophthalmic drugs that had entered phase III clinical trials.

Reasons for the Proposed Grant of Awards

With reference to the Board Letter, the Proposed Grant of Awards is part of the Company’s remuneration policy, the purpose of which is to closely align the interest and benefits of the Company and its employees in order to maximize the motivation of the executive Directors and senior management. 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 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.

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

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

2. Principal terms of the Proposed Grant of Awards

Set out below are the summarised terms of the Proposed Grant of Awards, details of which are set out under the section headed “Details of the Proposed Grant of Awards” of the Board Letter.

A. Number of Award Shares

Based on the resolutions of the Company as at the Latest Practicable Date, details of the number of Award Shares to be granted to the Connected Grantees are as follows (Note: for Shareholders’ information purpose, number of Options to be granted to the Connected Grantees are also listed out):

| Name | Relationship with the Group | Number of Award Shares (% to the total share capital of the Company as at the Latest Practicable Date) | Number of Options (% to the total share capital of the Company as at the Latest Practicable Date) |
|---------|--|---|--|
| Mr. Liu | Executive Director and Chief Executive Officer | 13,002,000 (2.06%) | 8,668,000 (1.37%) |
| Dr. Hu | Executive Director and Chief Development Officer | 150,000 (0.02%) | N/A |

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

Comparison of other share awards granted to connected persons

For the purpose of comparing the Proposed Grant of Awards with other connected transactions undertaken by companies listed on the Main Board of the Stock Exchange involving share awards granted/restricted share units to connected persons by issuance of new shares (issuance of A shares or H shares were excluded) with available information in respect of at least (i) number of share awards/restricted share units to be granted to such persons; and (ii) information on vesting period, we identified connected transactions involving share awards granted to connected persons which were announced by companies listed on the Main Board of the Stock Exchange (the “**Comparables**”) during the period from 1 April 2021 up to the Announcement Date (being an approximate three-month period up to and including the Announcement Date). We consider the three-month period reflect the recent market practice for share incentives and the number of Comparables is sufficient for us to form our view. To the best of our knowledge and as far as we are aware of, we found 8 Comparables which met the said criteria and they are exhaustive, fair and representative. Although the business nature and market capitalisation of the Comparables may be different from that of the Company, the analysis below, in our view, demonstrates the recent market practice in relation to grants of restricted share units and/or awarded shares to connected person(s) and therefore an appropriate basis in assessing the fairness and reasonableness of the terms of the Proposed Grant of Awards.

| Date of announcement | Company name (Stock code) | Vesting period | Performance conditions | Minimum percentage | | Grant price |
|----------------------|---|--|---|---|--|----------------------|
| | | | | Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company | of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company | |
| 28 June 2021 | Fourace Industries Group Holdings Limited (1455) | Not applicable | Not subject to any vesting conditions | 0.305% | 0.305% | Nil |
| 10 June 2021 | YTO Express (International) Holdings Limited (6123) | 25% on each of the business day immediately after the 30th day of the date of publication of the annual results announcement for the year ending 31 December 2021, 2022, 2023 and 2024, respectively | 50% of award shares is unconditional and 50% of award shares is conditional upon personal level performance targets | Ranged from 0.1920% to 0.9640% | Ranged from 0.0480% to 0.2410% | HK\$2.37 (Note 1) |

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| Date of announcement | Company name (Stock code) | Vesting period | Performance conditions | Minimum percentage | | Grant price |
|----------------------|--|---|--|---|--|-------------|
| | | | | Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company | of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company | |
| 31 May 2021 | Semiconductor Manufacturing International Corporation (981.HK & 688981.SH) | (i) over a period of four years at the rate of 25%, 25% and 25% for each 12-month period; (ii) over a period of three years at the rate of 33%, 33% and 34% for each 12-month period; or (iii) on 1 January 2022. | Information not available | Ranged from 0.0001% to 0.0024% | Ranged from 0.00002% to 0.0008% | Nil |
| 21 May 2021 | IGG Inc (799) | In five tranches, each to be vested as soon as reasonably practicable after the end of each of the trading days within the thirty calendar days immediately after the date on which the annual results for each of the five financial years ending 31 December 2025 are published | Achievement of a compound annual growth rate of not less than 10% on the initial benchmark price based on the measurement price for each relevant measurement period | Ranged from 0.06% to 3.22% | Ranged from 0.0120% to 0.6440% | Nil |
| 20 May 2021 | Haidilao International Holding Ltd (6862) | Ten years from the grant date | Specific vesting conditions (mainly including future performance indicators and contributions to innovation fields, etc.) | Ranged from 0.0075% to 0.0375% | Ranged from 0.0008% to 0.0038% (Note 2) | Nil |
| 22 April 2021 | Midea Real Estate Holding Limited (3990) | On 1 April 2022 (or such other date as determined by the board), subject to the achievement of performance targets as determined by the board | Achievement of performance targets | Ranged from 0.0179% to 0.0447% | Ranged from 0.0179% to 0.0447% | Nil |
| 20 April 2021 | China Environmental Technology and Bioenergy Holdings Limited (1237) | Not applicable | Not subject to any vesting conditions | 1.8914% | 1.8914% | Nil |

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| Date of announcement | Company name (Stock code) | Vesting period | Performance conditions | Minimum percentage | | Grant price |
|----------------------|---|--|---------------------------|---|--|-------------|
| | | | | Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company | of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company | |
| 12 April 2021 | BAIOO Family Interactive Limited (2100) | 20% vest on 1 July 2022; 20% vest on 1 July 2023; 30% vest quarterly from 1 July 2023 to July 2024; and 30% vest quarterly from 1 July 2024 to July 2025 | Information not available | Ranged from 0.3680% to 0.5520% | Ranged from 0.0736% to 0.1104% | Nil |
| | | Minimum | | 0.0001% | 0.00002% | |
| | | Maximum | | 3.22% | 1.8914% | |
| | | Average | | 0.2559% | 0.1173% | |
| 2 July 2021 | Mr. Liu | (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 (with each installment to vest at the end of each quarter) during the period from the first anniversary of the Grant Date to the second anniversary of the Grant Date; (c) 25% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the second anniversary of the Grant Date to the third anniversary of the Grant Date; and (d) 25% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the third anniversary of the Grant Date to the fourth anniversary of the Grant Date. | | 2.06% | 0.515% | Nil |

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| Date of announcement | Company name (Stock code) | Vesting period | Performance conditions | Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company | Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company | Grant price |
|----------------------|------------------------------|--|------------------------|---|---|-------------|
| | Dr. Hu | (a) 10% of the Awards shall vest on the first anniversary of the Grant Date; (b) 20% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the first anniversary of the Grant Date to the second anniversary of the Grant Date; (c) 30% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the second anniversary of the Grant Date to the third anniversary of the Grant Date; and (d) 40% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the third anniversary of the Grant Date to the fourth anniversary of the Grant Date. | | 0.02% | 0.002% to 0.008% | Nil |

Notes:

1. The closing price of the shares as at the date of the announcement as quoted on the Stock Exchange is HK\$4.73 per share, to which the grant price representing a discount of approximately 49.90%.
2. Such percentage is calculated with the assumption that the award shares shall be vested in ten equal installments.

Sources: Website of the Stock Exchange

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As depicted in the above table, the percentage of restricted share units or award shares granted to each individual grantee to total issued shares ranged from approximately 0.0001% to 3.22% (or approximately 0.00002% to 1.8914% (the “**Comparable Percentage Range**”) after taking into account of the vesting period). The number of Shares underlying the Award Shares to be granted to Mr. Liu of approximately 2.06% (or approximately 0.515% after taking into account of the vesting period) and Dr. Hu of approximately 0.02% (or approximately 0.002% to 0.008% after taking into account of the vesting period) of the total issued Shares as at the Announcement Date respectively, fall within the Comparable Percentage Range.

In addition, the number of Award Shares to be granted to Mr. Liu (as a percentage of the total issued Shares) are above the average of the Comparable Percentage Range and the number of Award Shares to be granted to Dr. Hu (as a percentage of the total issued Shares) are below the average of the Comparable Percentage Range.

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

We also noted that number of Award Shares to be granted to Mr. Liu represented approximately 2.06% to the total issued share capital of the Company, representing a value of approximately HK\$338.7 million as at the Announcement Date or approximately HK\$84.7 million (or approximately RMB70.6 million) during each of the vesting period.

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

A. Background information of Mr. Liu

Mr. Ye LIU, the executive Director and chief executive officer, joined the Group as chief executive officer on 1 August 2018 and has been the executive Director since 23 November 2018. He is responsible for overall strategic planning, business direction and daily management of the Company.

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

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

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B. Key milestones of the Group

Certain key business development milestones of the Group are set out under the section headed “Key Milestones” from pages 198 to pages 200 of the Company’s prospectus dated 29 June 2020 (the “**Prospectus**”).

As mentioned above, the Company was founded by 6 Dimensions, specialist healthcare private equity funds and incubators and the Controlling Shareholders of the Company, as an incubation project and a financial investment with the goal to develop a leading and independent ophthalmology platform. The Company was incorporated as an exempt company with limited liability in the Cayman Islands on 27 February 2018 by utilizing 6 Dimensions’ own capital. The Company’s principal operating subsidiary, Ocumension Therapeutics (Shanghai) Co., Ltd., was established in the China (Shanghai) Pilot Free Trade Zone as a wholly foreign owned enterprise in May 2018.

As mentioned above, Mr. Liu is responsible for overall strategic planning, business direction and daily management of the Company. Under the lead of Mr. Liu, the Company was successfully listed on Main Board of the Stock Exchange on 10 July 2020, being approximately two years upon the establishment of principal operating subsidiary in May 2018 and Mr. Liu’s joining to the Group in August 2018.

Under the lead of Mr. Liu and leveraging the Group’s platforms, the Group has built a strategically designed ophthalmic drug portfolio that is comprehensive, innovative and validated. As at the Latest Practicable Date, the Group had 18 drug assets in its portfolio, covering all major front- and back-of-the-eye diseases. Comparing to having only one phase III clinical trial at the time of the Listing, the Group has further initiated five phase III clinical trials for relevant drug candidates, and have six ongoing phase III clinical trials in aggregate as at the date of the 2020 Annual Report. The Group’s product portfolio includes three of the ten ophthalmic drugs approved by the United States Food and Drug Administration (the “**FDA**”) since 2015 that are not yet available in China in any formulation. Additionally, the Group’s product portfolio includes three drugs that are in or near the commercial stage.

As disclosed in the Prospectus, OT-401 (YUTIQ), the Group’s core product, is an innovative intravitreal implant designed to provide sustained release of a corticosteroid active ingredient for 36 months from a single administration to treat chronic NIU-PS (chronic non-infectious uveitis affecting the posterior segment of the eye), an indication for which there is no standard of care in China. In the United States, YUTIQ is the first and only FDA-approved uveitis treatment designed to deliver fluocinolone up to 36 months. Uveitis is one of the leading causes of blindness in China and worldwide, as blindness will be the natural course of the disease if it is left untreated, in particular in young adults. According to Frost &

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Sullivan, non-infectious posterior uveitis affected 1.4 million people in China in 2019, and is expected to affect 1.8 million people in 2030. The Group initiated a bridging phase III trial in China and enrolled the first patient in November 2019. The Group planned to submit an NDA (new drug application) in the first half of 2022 and commence commercialization in the second half of 2022 upon approval.

With reference to the 2020 Annual Report, 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.

As disclosed in the Company's announcement dated 7 April 2021, the new drug application for OT-401, one of the Company's key drug candidates, has been accepted by the National Medical Products Administration ("NMPA") on 7 April 2021. OT-401 is the first ophthalmic drug of the Company whose new drug application has been accepted by NMPA, and is also the first sustained-release micro-insert submitted for new drug application in mainland China that has a controlled release rate for up to 36 months. It is the first time that NMPA has accepted the new drug application based on real world study data. The submission of new drug application for OT-401 is much earlier than previously expected (i.e. the first half of 2022).

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

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

We searched over the website of the Stock Exchange and to the best of our knowledge and as far as we are aware of, we found a list of biotech companies listed prior to the commencement of financial year 2021 with primary listing on the Stock Exchange under Chapter 18A of the Listing Rules (the “**18A Comparable(s)**”). The remuneration of executive directors who also serve as chief executive officers (the “**Comparable CEO(s)**”) of the 18A Comparables for the year ended 31 December 2020 (“**FY2020**”) as disclosed in the respective latest annual report of the 18A Comparables are set out below, which is exhaustive to the best of our knowledge and fair and representative:

| Company name (Stock code) | Total remuneration of the Comparable CEOs (A) = (B) + (C) RMB'000 | Fee, salary, bonuses, allowance, benefit in kind and retirement benefit scheme contribution of the Comparable CEOs (B) RMB'000 | Share-based payment of the Comparable CEOs (C) RMB'000 | Comparable CEOs' interest (including all unexercised options and restricted share units) in shares of the relevant 18A Comparables as disclosed in the most recent annual report % | Total remuneration of the Comparable CXOs (as defined below) RMB'000 |
|--|---|--|--|---|---|
| Jacobio Pharmaceuticals Group Co., Ltd. – B (1167) | 4,102 | 2,994 | 1,108 | 36.48 | N/A |
| Ascletris Pharma Inc. – B (1672) | 11,468 | 11,468 | – | 54.56 | N/A |
| TOT BIOPHARM International Co., Ltd. – B (1875) (Note 1) | 3,365 | 1,770 | 1,595 | 0.64 | N/A |
| Everest Medicines Ltd – B (1952) (Note 2) | 34,228 | 16,340 | 17,888 | 1.11 | 24,429 24,929 |
| JW (Cayman) Therapeutics Co. Ltd – B (2126) | 99,393 | 5,194 | 94,199 | 5.63 | N/A |
| HBM Holdings Limited – B (2142) (Note 3) | 141,456 | 4,511 | 136,945 | 7.86 | 11,071 14,216 |
| Hua Medicine – B (2552) | 28,145 | 7,274 | 20,871 | 5.80 | 11,118 |
| CStone Pharmaceuticals – B (2616) | 162,860 | 6,056 | 156,804 | 8.27 | N/A |

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| Company name (Stock code) | Total remuneration of the Comparable CEOs (A) = (B) + (C) RMB'000 | Fee, salary, bonuses, allowance, benefit in kind and retirement benefit scheme contribution of the Comparable CEOs (B) RMB'000 | Share-based payment of the Comparable CEOs (C) RMB'000 | Comparable CEOs' interest (including all unexercised options and restricted share units) in shares of the relevant 18A Comparables as disclosed in the most recent annual report % | Total remuneration of the Comparable CXOs (as defined below) RMB'000 |
|--|---|--|--|---|---|
| SinoMab BioScience Limited – B (3681) | 4,973 | 4,973 | – | 16.77 | N/A |
| CanSino Biologics Inc. – B (6185.HK & 688185.SH) | 6,654 | 6,654 | – | 27.96 <i>(Note 12)</i> | 6,654 6,706 |
| Ascentage Pharma Group International – B (6855) | 4,288 | 4,288 | – | 29.73 | N/A |
| Immunotech Biopharm Ltd – B (6978) | 101,669 | 1,104 | 100,565 | 4.56 | 1,531 |
| Antengene Corporation Limited (6996) <i>(Note 5)</i> | 87,441 | 8,000 | 79,441 | 26.81 | 3,654 10,955 |
| JHBP (CY) Holdings Limited – B (6998) <i>(Note 6)</i> | 48,085 | 5,088 | 42,997 | 2.59 | 61,613 |
| Akeso, Inc. – B (9926) | 6,809 | 6,809 | – | 32.88 | 4,089 |
| Kintor Pharmaceutical Limited – B (9939) | 2,743 | 2,743 | – | 26.50 | N/A |
| Alphamab Oncology – B (9966) | 5,133 | 5,133 | Relevant information was not disclosed | 34.08 | N/A |
| InnoCare Pharma Limited – B (9969) | 119,548 | 3,131 | 116,417 | 8.85 | N/A |
| RemeGen Co., Ltd. – B (9995) | 5,599 | 5,599 | – | 46.21 | 9,763 |
| Peijia Medical Limited – B (9996) | 4,008 | 1,415 | 2,593 | 24.45 | N/A |
| Innovent Biologics, Inc. (1801) <i>(Note 7)</i> | 104,574 | 17,728 | 86,846 | 8.63 | 13,816 |

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| Company name (Stock code) | Total remuneration of the Comparable CEOs (A) = (B) + (C) RMB'000 | Fee, salary, bonuses, allowance, benefit in kind and retirement benefit scheme contribution of the Comparable CEOs (B) RMB'000 | Share-based payment of the Comparable CEOs (C) RMB'000 | Comparable CEOs' interest (including all unexercised options and restricted share units) in shares of the relevant 18A Comparables as disclosed in the most recent annual report % | Total remuneration of the Comparable CXOs (as defined below) RMB'000 |
|---|---|--|--|---|---|
| Shanghai Junshi Biosciences Co., Ltd. (1877.HK & 688180.SH) (Note 7) | 27,060 | 25,645 | 1,415 | 0.18 | 5,167 |
| BeiGene, Ltd. (6160.HK & BGNE.US) (Notes 3 & 7) | 109,044 | 9,884 | 99,160 | 6.52 | N/A |
| Mabpharm Limited – B (2181) (Note 11) | N/A (Note 11) | N/A (Note 11) | N/A (Note 11) | N/A (Note 11) | 1,317 |
| Minimum | 2,743 | 1,104 | Nil | 0.18 | 1,317 |
| Maximum | 162,860 | 25,645 | 156,804 | 54.56 | 61,613 |
| Median | 27,060 | 5,194 | 2,593 | 8.85 | 10,359 |
| Average | 48,811 | 7,122 | 41,689 | 18.13 | 13,189 |
| The Company Mr. Liu (1477) Executive director and chief executive officer | 102,712 (Note 8) | 5,375 (Note 9) | 97,337 (Note 8) | 8.11 (Note 13) | N/A |
| Dr. Hu Executive director and chief development officer | N/A | N/A | N/A | N/A | 2,623 (Note 10) |

Source: Annual report of the respective 18A Comparables

Notes:

- The Comparable CEO was appointed as an executive director, chief scientific officer and chief executive officer of the company on 26 October 2018, 12 March 2019 and 15 October 2020, respectively.
- The Comparable CEO was appointed as a director and chief executive officer of the company in February 2020.
- Calculated based on average exchange rate of US\$:RMB of 1:6.8976 for illustrative purpose only.
- The Comparable CEO has been a director and general manager since the group's establishment and was later appointed as the chairman of board on 14 December 2015. The Comparable CEO is primarily responsible for the overall management of the business strategy, corporate development and research and development of the group and oversight of the suitability and sustainability of the group.
- The Comparable CEO was appointed as a director on 28 August 2018. He was re-designated as an executive director and appointed as the chairman of the board and the chief executive officer of the company on 18 August 2020.

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6. The Comparable CEO is an executive director and chief executive officer of the group. He was appointed as a director on 16 April 2020.
7. Companies that were listed on the Stock Exchange under Chapter 18A with the stock marker B subsequently removed.
8. Mr. Liu's remuneration was a hypothetical figure. The average value of approximately RMB97.3 million was calculated by the market value of Awards based on the Share closing price of HK\$26.05 (equivalent to RMB21.71 based on exchange rate of RMB:HK\$ of 1:0.83338) as at the Announcement Date and fair value of Options and taking into account the Awards and Options will be vested in four installments equally during the Vesting Period. For the avoidance of doubt, the aforesaid value may be different from the reported share-based payment expenses to be included in the Company's annual reports.
9. Based on the disclosure of the 2020 Annual Report.
10. Dr. Hu's remuneration was a hypothetical figure. The maximum value of approximately RMB2.6 million was calculated by (i) Dr. Hu's salary, bonus and other benefits of RMB1.3 million; and (ii) the market value of Award based on the Share closing price of HK\$26.05 (equivalent to RMB21.71 based on exchange rate of RMB:HK\$1:0.83338) as at the Announcement Date, taking into account the maximum number of Awards to be vested in an individual installment during the Vesting Period. For the avoidance of doubt, the aforesaid value may be different from the reported share-based payment expenses to be included in the Company's annual reports.
11. As chief executive officer of Shanghai Henlius Biotech, Inc. (stock code: 2696) ("Shanghai Henlius") changed in September 2020 and chief executive officer of Mabpharm Limited – B (stock code: 2181) ("Mabpharm") was redesignated from chief scientist in October 2020, we excluded them from the above table for analysis purpose.
12. Pursuant to a concert party agreement.
13. The figure was extracted from the 2020 Annual Report. As at the Latest Practicable Date, Mr. Liu was interested in approximately 7.60% of total number of issued Shares.

As depicted from the above table, total remuneration of the Comparable CEOs ranged from RMB2,743,000 to RMB162,860,000 for FY2020 with average and median of approximately RMB48,811,000 and RMB27,060,000 respectively.

In addition, we also searched the remuneration of executive directors who also serve as chief officer of certain managerial aspect (such as chief financial officer, chief medical officer, chief scientific officer etc., collectively, CXO) of the 18A Comparables (other than Comparable CEOs, the "Comparable CXO(s)"), being an exhaustive list of samples based on our selection criteria as abovementioned. As Dr. Hu is the executive Director and Chief Development Officer (i.e. a chief officer), we consider the comparison of Dr. Hu's remuneration with Comparable CXOs remunerations to be fair and representative. We noted that the total remuneration of the Comparable CXOs^(Note) ranged from RMB1,317,000 to RMB61,613,000 for FY2020 with average and median of approximately RMB13,189,000 and RMB10,359,000 respectively.

Note: Remuneration of president of Shanghai Henlius was not considered as such staff was also appointed as chief executive officer in September 2020. Remuneration of chief scientist of Mabpharm was also not considered as such staff was redesignated as chief executive officer in October 2020.

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As advised by the Directors, assuming the vesting condition in respect of Awards and the Options to be granted to Mr. Liu are satisfied and the Award Shares and Options are vested in accordance to the vesting period, the average value in respect of the Proposed Grant of Options and Proposed Grant of Awards for Mr. Liu of each installment during the vesting period is expected to be approximately RMB97.3 million. Mr. Liu's hypothetical total remuneration is expected to be approximately RMB102.7 million (calculated based on (i) Mr. Liu's salary, bonus and other benefits of RMB5.4 million; and (ii) the aforesaid average value of each installment during the vesting period of approximately RMB97.3 million), assuming Mr. Liu's salary and bonus will remain at same level to those for FY2020. Mr. Liu's hypothetical total remuneration of approximately RMB102.7 million falls within the range of the total remuneration of the Comparable CEOs and is higher than the average and median of remunerations of the Comparable CEOs for FY2020.

As advised by the Directors, assuming the vesting condition in respect of Awards to be granted to Dr. Hu are satisfied and the Award Shares are vested in accordance to the vesting period, the maximum value in respect of the Proposed Grant of Awards for Dr. Hu is expected to be approximately RMB1.3 million. Dr. Hu's hypothetical total remuneration is expected to be approximately RMB2.6 million (calculated based on (i) Dr. Hu's salary, bonus and other benefits of approximately RMB1.3 million; and (ii) the aforesaid maximum value of an individual installment during the vesting period of approximately RMB1.3 million), assuming Dr. Hu's salary and bonus will remain at same level to those for FY2020. Dr. Hu's hypothetical total remuneration of approximately RMB2.6 million falls within the range of the total remuneration of the Comparable CXOs and is less than the average and median of remunerations of the Comparable CXOs for FY2020.

Despite that the number of Award Shares to be granted to Mr. Liu (as a percentage of the total issued Shares) are above the Comparables' average and Mr. Liu's hypothetical total remuneration is higher than the average and median remuneration of the Comparable CEOs for FY2020, having considered the following factors, including:

- (i) the number of Shares underlying the Award Shares to be granted to Mr. Liu of the total issued Shares as at the Announcement Date falls within the Comparable Percentage Range;
- (ii) Mr. Liu's hypothetical total remuneration of approximately RMB102.7 million falls within the range of the total remuneration of the Comparable CEOs;

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- (iii) Mr. Liu's remuneration (excluding share-based payment) of approximately RMB5.38 million falls below the average of the Comparable CEOs' remuneration (excluding share-based payment) of approximately RMB7.12 million. In addition, Mr. Liu's hypothetical total remuneration was less than Mr. Liu's actual remuneration of approximately RMB160.0 million (including share-based payment of approximately RMB154.7 million) for FY2020. As the purpose of the Proposed Grant of Awards is to, among other things, retain Mr. Liu in the Company, it is necessary for the Company to consider the existing remuneration package of Mr. Liu, which falls in the upper limit of the total remuneration of the Comparable CEOs range;
- (iv) Mr. Liu, who has extensive experience and networks in ophthalmology industry, is responsible for overall strategic planning, business direction and daily management of the Company.

Mr. Liu's previous working experience as provided by the Company was listed out below for Shareholders' easy reference.

| Duration | Company name | Position | Principal duty | Major achievement |
|-----------------|---------------------------------|---|---|--|
| 2003-2006 | Eisai (China) Inc. | Head of Business Development | Company strategy making, pre-marketing/sales strategy for new products, new product in-licensing, new project development and market research | Successfully in-licensed Eiril and Cidine for Eisai China and built the portfolio. |
| 2006-2009 | Sandoz China/ Novartis Group | Head of Sales, Senior Business Development Manager | Promotion and sales as well as business development management of the PRC Market | Built the sales team and in-licensed JinSiPing. |

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| Duration | Company name | Position | Principal duty | Major achievement |
|-----------|---|--|--|---|
| 2009-2014 | Eisai (China) Inc. | General Manager, Head of Pharmaceutical Affair Division | Management of corporate operation and Research & Development Affairs | <ol style="list-style-type: none"> 1. Mr. Liu led Eisai China became the one of leading Japanese pharmaceutical companies in China in terms of revenue. 2. Mr. Liu led the R&D and registration of Glakay, a first-in-class drug in Orthopaedics, which was later approved and marketed in China successfully. 3. Mr. Liu not only achieved remarkable growth in terms of key financial measures, he successfully installed a corporate infrastructure with rules-based, technology-enabled systems and built a comprehensive drug pipeline, both promising long-lasting benefits to the organization. |
| 2014-2018 | Santen Pharmaceutical (China) Co., Ltd. | Chairman and General Manager | Management of corporate operation | <ol style="list-style-type: none"> 1. Mr. Liu led Santen China grow up to the largest overseas market for Santen globally and became the one of the leading ophthalmology companies in China in terms of revenue. |

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| Duration | Company name | Position | Principal duty | Major achievement |
|----------|--------------|----------|----------------|---|
| | | | | <ol style="list-style-type: none">2. Mr. Liu led the R&D and registration of TAPROS and DIQUAS, the only two eye drop products and two of the only seven new ophthalmic drugs approved in China since 2015.3. Mr. Liu also led the construction of the joint venture's manufacturing plant in Chongqing and the EU GMP certification of Santen China's Suzhou plant, which remains the only plant with such certification in the Chinese ophthalmic pharmaceutical industry. |

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

- a. a visionary management team (which has extensive experience and deep domain expertise in ophthalmic drug research and development, manufacturing and commercialization in the PRC) was built, including Dr. Hu (being Chief Development Officer and worked in Santen Pharmaceutical (China) Co., Ltd. for over ten years and has extensive experience in chemistry, manufacturing and controls fields), Dr. DongHong Chen (being Chief Medical Officer and has over 30 years in ophthalmic fields. Dr. Chen was head of clinical development and medical affairs at Alcon Hong Kong, Limited), Mr. Qinglei Zuo (being Chief Commercial Officer and has over ten years of experience in drug research and development, sales and marketing. Mr. Zuo headed sales and business development at Santen China). Most of them have been working with Mr. Liu as subordinates over five years.

A scientific advisory board (“**SAB**”), composed of distinguished members with strong influence in ophthalmology in the United States and China, was assembled. The SAB will advise the Group the assessments of drug candidates' scientific feasibility, enabling the Company's professionalism, prospectiveness and innovation in the research and development of new ophthalmology drug products and initiation of new projects;

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- b. the Group has the most comprehensive ophthalmologic product line in China with 18 drug assets in its portfolio (four of which have been approved by the FDA). As advised by the Directors, nearly all the drug assets were built under the lead by Mr. Liu. The fast portfolio (products) building indicates the business development capability of Mr. Liu and the team (which was built by Mr. Liu).

As compared to the 18A Comparables, the Company has five products which have been entered into phases III clinical trial stage and two products which have been commercialised; while over ten 18A comparables did not have any commercialised products according to their respective annual reports. The Company is also in a leading position in terms of total number of products which have been commercialised and/or entered into phase III clinical trial stage (i.e. seven products in total);

- c. despite numerous difficulties due to the COVID-19 pandemic, the Company has completed the major structural construction of its factory (which is expected to be a leading manufacture base for ophthalmic drugs in China) in approximate one year since the commencement from January 2020 and is expected to be put into service by the third quarter of 2021;
- d. up to the Latest Practicable Date (approximately one year after the Company's Listing), the Company has rapidly become a China-based leading ophthalmologic company with the greatest number of innovative ophthalmic drugs in phase III clinical stage, thereby establishing the Company's leading position in terms of innovative ophthalmic drug in China;
- e. the Company will have its first approval and launch for YUTIQ, one of its key drug candidates, in 2021 even though there was only a three-year history since the Company's establishment. OT-401 (YUTIQ) was conducted phase III bridging trial and RWS simultaneously to accelerate its registration significantly, which made it possible to launch to the market earlier than expected, helping numerous uveitis patients in China;
- f. OT-101, a self-developed pharmaceutical product for low-concentration atropine or its analogues and the first international multi-regional phase III clinical trial involving Chinese population in the world, was approved by the FDA, NMPA and MHRA (the Medicines & Healthcare Products Regulatory Agency) to commence phase III clinical trial as at the Latest Practicable Date. At the same time, OT-202, another self-developed first-in-class new drug of the Company, is expected to enter clinical trial stage in 2021. It is also one of the few new compounds in the ophthalmic field in recent years;

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- g. although there was only an approximate three-year history since the Company's establishment, a nationwide sales team and commercialization system have been built, which helped the Group successfully market two in-licensed ophthalmologic products before Listing and prepare for the launching of OT-401 (YUTIQ); and
 - h. the Company was successfully listed on Main Board of the Stock Exchange on 10 July 2020, being approximately two years upon the establishment of principal operating subsidiary in May 2018 and Mr. Liu's joining to the Group in August 2018;
- (v) As Mr. Liu is important to the Group, retaining Mr. Liu is highly beneficial for the Group's development and expansion, and can avoid any potential disruption to the existing operation of the Group resulting from the lack of continuity in leadership. In addition, the Proposed Grant of Awards is able to closely align the interests and benefits of the Company and its employees in order to maximize the motivation of the executive Directors.

As noted from the 18A Comparables, those Comparable CEOs with higher equity interest in the relevant 18A Comparables generally have a lower remuneration. Total remunerations of those Comparable CEOs who are interested in (including all unexercised options and restricted share units) less than 8.85% of shares in their respective company (being the median of the Comparable CEOs' interest in shares of their respective company) ranged from RMB3.4 million to approximately RMB162.9 million, with an average of approximately RMB81.6 million and a median of approximately RMB100.5 million. Mr. Liu's hypothetical total remuneration is close to the median of the aforesaid range.

The Proposed Grant of Awards to Mr. Liu allows the Group to closely tie his total remuneration to the performance of the Group, which is beneficial to the Company and the Shareholders as a whole;

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(vi) We also conducted research on the 18A Comparables' share performance as summarized below:

| | Premium/discount of closing prices of the company(ies) as at 2 July 2021 (being the Announcement Date) over/to closing prices of the company(ies) as at 9 July 2020 (being the last day immediately before the date of Listing) or the offer price if the company(ies) listed on the Stock Exchange on or after 10 July 2021 | Premium/discount of average closing prices of the company(ies) for the 30 days prior to and including 2 July 2021 (being the Announcement Date) over/to closing prices of the company(ies) as at 9 July 2020 (being the last day immediately before the date of Listing) or the offer price if the company(ies) listed on the Stock Exchange on or after 10 July 2021 | Premium/discount of average closing prices of the company(ies) for the period from 10 July 2020 (being the date of Listing) or date of Listing (whichever is later) to and including 2 July 2021 (being the Announcement Date) over/to closing prices of the company(ies) as at 9 July 2020 (being the last day immediately before the date of Listing) or the offer price if the company(ies) listed on the Stock Exchange on or after 10 July 2021 |
|-----------------------------------|--|---|--|
| 18A Comparables | Ranged from discount of approximately 40% to premium of approximately 298% | Ranged from discount of approximately 36% to premium of approximately 317% | Ranged from discount of approximately 29% to premium of approximately 95% |
| The Company | Premium of approximately 78% | Premium of approximately 83% | Premium of approximately 72% |
| Ranking among the 18A Comparables | 4 | 3 | 2 |

As depicted from the above table, the performances of the Shares are better than most of 18A Comparables,

we consider that (i) the number of Award Shares to be granted to Mr. Liu (as a percentage of the total issued Shares) being above the Comparables' average and Mr. Liu's hypothetical total remuneration being higher than the average and median remuneration of the Comparable CEOs for FY2020 are justifiable; and (ii) the number of Award Shares to be granted to Mr. Liu is fair and reasonable.

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Having considered that (i) the number of Shares underlying the Award Shares to be granted to Dr. Hu of the total issued Shares as at the Announcement Date falls within the Comparable Percentage Range; (ii) Dr. Hu's hypothetical total remuneration of approximately RMB2.6 million (a) falls within the range of the total remuneration of the Comparable CXOs and is less than the average remuneration and median of the Comparable CXOs for FY2020; and (b) is less than Dr. Hu's actual remuneration of approximately RMB10.6 million (including share-based payment of approximately RMB9.3 million) for FY2020, we consider the number of Award Shares to be granted to Dr. Hu to be fair and reasonable.

Consideration

With reference to the Board Letter, each of the Award Shares is granted for nil consideration. The closing price of the Shares on the Grant Date as quoted on the Stock Exchange is HK\$26.05 per Share and the average closing price of the Shares for the five consecutive trading days immediately preceding the Grant Date as quoted on the Stock Exchange is HK\$27.43 per Share.

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

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

Vesting period

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

- 25% of the Awards shall vest on the first anniversary of the Grant Date;
- 25% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the first anniversary of the Grant Date to the second anniversary of the Grant Date;
- 25% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the second anniversary of the Grant Date to the third anniversary of the Grant Date; and
- 25% of the Awards shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the third anniversary of the Grant Date to the fourth anniversary of the Grant Date.

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

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

We noted from the Comparables that majority of the Comparables set three to four installments with 20% to 40% in each installment of the restricted share units and/or awarded shares for relevant grantees for vesting such restricted share units and/or award shares, we consider the arrangement of vesting period regarding the Proposed Grant of Awards is generally in line with the Comparables and is reasonable.

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

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

Upon vesting of the Award Shares, the number of Award Shares to be issued under the Proposed Grant of Awards would be 13,152,000, representing approximately 2.08% of the issued Shares of the Company as at the Announcement Date. Accordingly, the Shareholders other than those who hold 10% or more equity interests in the Company or are Directors will be diluted by approximately 0.79 percentage points assuming the Award Shares are vested in full. Taking into account (i) the reasons for and benefits of the Proposed Grant of Awards as mentioned above, in particular Mr. Liu's importance to the Group and that the purpose of the Proposed Grant of Awards is closely align the interest and benefits of the Company and Mr. Liu; and (ii) that the principal terms of the Proposed Grant of Awards being fair and reasonable, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

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RECOMMENDATION

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

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

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

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

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

As of the Latest Practicable Date, the interests and short positions of our Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

| Name of Director | Nature of Interest | Number of ordinary Shares | Approximately percentage shareholding |
|-------------------------|---------------------------|----------------------------------|--|
| Mr. Liu | Beneficial owner | 47,963,490 (L) ⁽¹⁾⁽³⁾ | 7.60% |
| Dr. Hu | Beneficial owner | 3,881,940 (L) ⁽²⁾⁽³⁾ | 0.62% |

Notes:

- (1) Including 5,836,730 Shares directly held by him, 30,136,710 options granted under the 2018 ESOP and the restricted share units representing 11,990,050 Shares upon vesting granted under the 2020 RSU Scheme.
- (2) Including 320,000 Shares directly held by him, 2,208,250 options granted under the 2018 ESOP adopted by the Company on May 23, 2018 and restricted share units representing 1,353,690 Shares upon vesting granted under the 2020 RSU Scheme.
- (3) (L) denotes long position.

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

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

None of the Directors has, or has had, any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2020, the date to which the latest published audited financial statements of the Group were made up, and none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting as of the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

4. SERVICE CONTRACTS

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

5. COMPETING INTERESTS

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

6. CONSENT OF EXPERT

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

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

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear. The letter from Gram Capital dated August 11, 2021 on pages 26 to 52 was provided for incorporation herein.

As of the Latest Practicable Date, Gram Capital did not have: (a) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (b) any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2020, the date to which the latest published audited financial statements of the Group were made up.

7. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Company since December 31, 2020, being the date to which the latest published audited financial statement of the Company have been made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on Monday to Friday (other than public holidays) at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, from the date of this circular up to and including the date of the EGM, which is a period of not less than 14 days before the date of the EGM:

- (a) a copy of the 2021 Share Option Scheme;
- (b) a copy of the 2021 Share Award Scheme;
- (c) the letter from the Independent Board Committee set out on page 25 of this circular;
- (d) the letter from Gram Capital set out on pages 26 to 52 of this circular; and
- (e) the letter from Gram Capital consenting to the issue of this circular with the inclusion of its letter and/or references to its name in the form and context in which it appears.

9. LANGUAGE

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

The following is a summary of the principal terms of the 2021 Share Option Scheme proposed to be approved at the EGM.

1. 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.

2. 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.

3. DURATION OF THE 2021 SHARE OPTION SCHEME

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 10 year period, the provisions of the 2021 Share Option Scheme shall remain in full force and effect.

4. 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 other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the 2021 Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.

5. 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.

6. GRANT OF OPTIONS

Each offer of an Option (the “**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 (the “**Offer Letter**”). The Offer Letter shall state, among others, the period during which the Option may be exercised (the “**Option Period**”), which period is to be determined and notified by the Board but shall expire in any event not later than the last day of the 10-year period after the date of grant of the Option. The Board may specify in the Offer Letter any 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. The Board shall specify in the Offer Letter that no amount shall be payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

The Board shall specify in the Offer Letter a date by which the Grantee must accept the Offer or be deemed to have declined it, being a date no later than 14 days after (i) the date on which the Option is offered (the “**Offer Date**”), or (ii) the date on which the conditions for the Offer are satisfied, if any, whichever is earlier.

Where an Option is to be granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is also a proposed Grantee of the Option.

Where an Option is to be granted to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director (or any of their respective associates), and the grant will, in the 12-month period up to and including the date of such grant, result in the number and value of the Shares issued and to be issued upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the relevant Eligible Person exceeding the following:

- (a) 0.1% of the total number of Shares in issue at the relevant time of grant; and

- (b) an aggregate value (based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant) in excess of HK\$5 million,

such grant shall not be valid unless:

- (a) a circular containing the details of the grant has been dispatched 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. The circular must contain (i) details of the number and terms of the Options (including the Subscription Price and other information required under Rules 17.03(5) to 17.03(10) of the Listing Rules) to be granted to each participant, which must be fixed before the Shareholders' meeting, and the date of board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Subscription Price; (ii) a recommendation from the independent non-executive Directors (excluding independent non-executive Director who is also a proposed Grantee of the Options) to the independent Shareholders as to voting; (iii) the information required under Rules 17.02(2)(c) and (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules; and (iv) the information required under Rule 2.17 of the Listing Rules; and
- (b) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the proposed Grantee, his associate, and all core connected persons abstained from voting in favor.

7. SUBSCRIPTION PRICE

The price at which each Share subject to an Option may be subscribed for on the exercise of that Option (the “**Subscription Price**”) shall be a price solely determined by the Board and notified to an Eligible Person and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
- (b) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Shares.

8. RANKING OF SHARES

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.

9. RESTRICTIONS 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.

10. RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON

- (a) Where the Grantee cease to be an Eligible Person for any reason other than those as described in paragraphs (b) to (d) below, the Option may not be exercised after the date of such cessation or termination, unless the Board or its delegate(s) determines otherwise at their absolute discretion, which date shall be his last actual working day with the Company or any Subsidiary whether salary is paid in lieu of notice or not, or the date on which his contract is terminated.
- (b) If a Grantee ceases to be an Eligible Person by reason of (i) expiry of the Grantee's employment or contractual engagement, and no renewal of which has been agreed upon between the Grantee and the Group; (ii) termination of the Grantee's employment or contractual engagement with the Group by reason of unsatisfactory performance, (iii) resignation of the Grantee's employment, any Option granted to

such Grantee may not be vested or exercised and shall be terminated on or after the date on which the Board so determined, unless the Board or its delegate(s) determines otherwise at their absolute discretion; and the Options that have been vested shall be exercised within a reasonable period as determined by the Board, after which such Options shall lapse.

- (c) Where the Grantee of an outstanding Option retires, dies or becomes serious ill or injured which, in the opinion of the Board, renders the Grantee concerned unfit to perform the duties of his or her employment and which in the normal course would render the Grantee 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 “**Severance Events**”) before exercising the Option in full or at all, the Board has the absolute discretion to decide whether the outstanding Options shall be deemed to have become vested on the date of occurrence of the Severance Events; and the Options that have been vested shall be exercised within a reasonable period as determined by the Board, after which such Options shall lapse.
- (d) If the Board determines that any Grantee ceasing to be an Eligible Person by any of the following reason, (i) any act of grave misconduct or willful default or willful neglect in the discharge of duties of the Grantee 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 Grantee’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 Grantee 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 Grantee’s obligations and duties of employment; and (viii) any other conduct which, as the Board determines in good faith, would justify the termination of his or her contract, then any Option (whether vested or outstanding) granted to such Grantee may not be exercised and shall be cancelled on or after the date on which the Board so determined, unless the Board resolves otherwise in its absolute discretion.
- (e) If a general offer (whether by way of a take-over, share repurchase offer, scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, if the Board so determines, all the Grantees and any Grantee (or his personal representatives) may by notice in

writing to the Company within a period determined by the Board, exercise the Option to its full extent or to the extent specified in such notice, otherwise the outstanding Options will be cancelled immediately.

- (f) In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options at any time not later than four Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than one Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. All outstanding Options may, at the Board's discretion, accelerate to vest on the date of such resolutions. The Grantees shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon exercise of the Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolutions.

Upon occurrence of the events as set out in paragraphs (a) to (c) above, the Grantee (or his/her legal representatives, as the case may be) shall, exercise the Options so vested in the Grantee (and unexercised) immediately prior to the occurrence of the relevant events within a reasonable period of time as determined by the Board in its sole discretion, otherwise the Options shall lapse and become non-exercisable. If the Options would otherwise become *bona vacantia*, the Options shall lapse and become non-exercisable.

11. LAPSE OF OPTION

The right to exercise an Option (to the extent not already exercised) shall terminate immediately and the Options granted shall lapse immediately upon the earliest of:

- (a) the expiry of the Option Period;
- (b) the date referred to in paragraph 10(a);
- (c) the date referred to in paragraph 10(b);

- (d) the expiry of the period referred to in paragraph 10(c);
- (e) the date referred to in paragraph 10(d);
- (f) the expiry of the period referred to in paragraph 10(e);
- (g) subject to paragraph 10(d), the date of the commencement of the winding-up of the Company;
- (h) the non-fulfilment of any condition to the 2021 Share Option Scheme on or before the date stated therein.

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph.

12. CANCELLATION OF OPTIONS GRANTED

The Board may cancel an Option granted but not exercised with the approval of the Grantee of such Option. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 14 below.

No Options may be granted to an Eligible Person in place of his cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit from time to time.

13. TERMINATION

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the 2021 Share Option Scheme and in such event no further Option will be offered but the provisions of the 2021 Share Option Scheme shall remain in full force and effect in all other respects and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the 2021 Share Option Scheme.

14. TRANSFERABILITY OF OPTIONS

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.

15. EFFECT OF ALTERATIONS TO SHARE CAPITAL

In the event of any alteration to the capital structure of the Company whilst any Option remains exercisable, arising from capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company in accordance with the legal requirements or requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, adjustment (if any) shall be made to:

- (a) the number of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price for the Shares subject to the Option so far as unexercised; and/or
- (c) any combination thereof.

In the event of any adjustment as described in this paragraph 15, the auditors of the Company (the “**Auditors**”) or the independent financial adviser to the Company (acting as expert not arbitrator) shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in compliance with the requirements under the note to Rule 17.03(13) of the Listing Rules.

16. ALTERATION

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.

This Appendix provides information as required by the Listing Rules to be provided to Shareholders for their consideration as to whether to vote for or against the resolution to be proposed at the EGM in relation to the Proposed Grant of Options, which exceeds 1% of the relevant class of securities of the Company in issue.

PARTICIPANT AND NUMBER OF OPTIONS TO BE GRANTED

The total number of Shares to be issued upon the exercise of the Options to be granted under the Proposed Grant of Option and the percentage of total issued share capital of the Company, calculated based on the number of Shares in issue on the Latest Practicable Date, would be as follows:

| Name of Grantee | Capacity | No. of Shares to be issued upon exercise of the Options | Percentage of total no. of Shares in issue |
|------------------------|--------------------|--|---|
| Mr. Liu | Executive Director | 8,668,000 | 1.37% |

As of the Latest Practicable Date, Mr. Liu did not hold any options under the 2021 Share Option Scheme.

Subject to the approval of the 2021 Share Option Scheme by the Shareholders at the EGM, the Option Scheme Mandate Limit was 63,120,538 Shares. As of the Latest Practicable Date, other than the Options under the Proposed Grant of Options, no options had been granted.

The shareholding structures of the Company before and after full exercise of the Options under the Proposed Grant of Options are summarized as follows (calculated based on the number of Shares in issue on the Latest Practicable Date):

| | As of the Latest Practicable Date | | Assuming full exercise of the Options under the Proposed Grant of Options⁽¹⁾ | |
|--------------------|--|-------------|--|-------------|
| | <i>No. of Shares</i> | <i>%</i> | <i>No. of Shares</i> | <i>%</i> |
| Mr. Liu | 47,963,490 ⁽²⁾ | 7.60% | 56,631,490 | 8.85% |
| Other Shareholders | 583,241,890 | 92.40% | 583,241,890 | 91.15% |
| Total | 631,205,380 | 100% | 639,873,380 | 100% |

Notes:

- (1) Without taking into account Shares which may be repurchased or issued by the Company (except for the issue of shares underlying the Options under the Proposed Grants of Options).
- (2) Including 5,836,730 Shares directly held by him, 30,136,710 options granted under the 2018 ESOP and the restricted share units representing 11,990,050 Shares upon vesting granted under the 2020 RSU Scheme.

TERMS OF THE PROPOSED GRANT OF OPTIONS

The terms of the Proposed Grant of Options shall follow the terms of the 2021 Share Option Scheme. Details of the Proposed Grant of Options are as follows:

| | |
|---|---|
| Date of Grant | 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 | <p>The exercise price shall be HK\$27.43, which represents the highest of:</p> <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 Date of Grant and the Options shall lapse at the expiry of the validity period. |
| Vesting period | <p>8,668,000 Options granted to Mr. Liu shall vest as follows:</p> <ul style="list-style-type: none">(a) 25% of the Options shall vest on the first anniversary of the Date of Grant;(b) 25% of the Options shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the first anniversary of the Date of Grant to the second anniversary of the Date of Grant; |

- (c) 25% of the Options shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the second anniversary of the Date of Grant to the third anniversary of the Date of Grant; and

- (d) 25% of the Options shall vest in four equal installments (with each installment to vest at the end of each quarter) during the period from the third anniversary of the Date of Grant to the fourth anniversary of the Date of Grant.

The Shares to be allotted and issued upon exercise of the Options under the Proposed Grant of Options will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the fully paid Shares in issue.

The following is a summary of the principal terms of the 2021 Share Award Scheme proposed to be approved at the EGM.

1. PURPOSE

The purpose of the Scheme is 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.

2. 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 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.

3. DURATION

Unless terminated earlier by the Board in accordance with the scheme rules, the 2021 Share Award Scheme is valid and effective during the Award Period (after which no further Awards will be granted), and thereafter for so long as there are any non-vested Award Shares granted hereunder prior to the expiration of the 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 of the 2021 Share Award Scheme.

4. ADMINISTRATION

The 2021 Share Award Scheme is subject to the administration of the Board in accordance with the scheme rules of the 2021 Share Award Scheme 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.

5. OPERATION OF THE 2021 SHARE AWARD SCHEME

The Board or 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.

6. 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.

7. 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.

8. 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 willful default or willful 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 (viii) 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.

9. 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.

10. 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 prior to the vesting of the Award Shares (including but not limited to the Award Shares, any returned Shares, any bonus Shares and any scrip Shares).

11. 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.

12. TERMINATION

The 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 of the 2021 Share Award Scheme; 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Ocumention Therapeutics 歐康維視生物

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Ocumention Therapeutics (the “Company”) will be held at Taishan Meeting Room, 5th Floor, Want Want Plaza, No. 211 Shimen Yi Road, Jing’an District, Shanghai, the People’s Republic of China at 10:00 a.m. on Tuesday, August 31, 2021 for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions as ordinary resolutions of the Company. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated August 11, 2021.

ORDINARY RESOLUTIONS

“**THAT,**

1. subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, Shares to be issued pursuant to the exercise of the share options which may be granted under the 2021 Share Option Scheme, a copy of which is tabled at the EGM and marked “A” and initialed by the chairman of the EGM for identification purpose, the 2021 Share Option Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2021 Share Option Scheme, including without limitation to:
 - (i) to administer or authorize a committee of the Board or any person(s) as deemed appropriate at the sole discretion of the Board to administer the 2021 Share Option Scheme under which share options will be granted to the Eligible Persons (as defined in the 2021 Share Option Scheme) eligible under the 2021 Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the 2021 Share Option Scheme;
 - (ii) to modify and/or amend the 2021 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the 2021 Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the 2021 Share Option Scheme and subject to the Listing Rules;
 - (iv) to make application at appropriate time or times to the Stock Exchange, and any other stock exchanges on which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the 2021 Share Option Scheme; and
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2021 Share Option Scheme.”
- 2(a) the conditional grant of Options to Mr. Liu in accordance with the terms of the 2021 Share Option Scheme (the “**Options Grant**”), subject to all applicable laws, rules, regulations and the applicable grant letter be and hereby approved and confirmed;
- 2(b) any one or more of the directors of the Company, with the exception of Mr. Liu, be authorized to exercise the powers of the Company to allot and issue the ordinary shares of the Company pursuant to the Option Grant (the “**Option Shares**”) in accordance with the terms of the 2021 Share Option Scheme, such that the Option Shares shall rank *pari passu* in all respects among themselves and with the existing ordinary shares in issue at the date of the allotment and issuance of the Option Shares, and that he/she/they, be and is/are hereby authorized to take such actions, do such things, which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or to implement the transactions contemplated in 2(a) above;
- 3(a) the conditional grant of Awards to Mr. Liu and Dr. Hu in accordance with the terms of the 2021 Share Award Scheme, subject to all applicable laws, rules, regulations and the applicable grant letter (the “**Awards Grant**”) be hereby approved and confirmed;
- 3(b) any one or more of the directors of the Company, with the exception of Mr. Liu and Dr. Hu, be authorized to exercise the powers of the Company to allot and issue the ordinary shares of the Company pursuant to the Awards Grant (the “**Award Shares**”) under the Connected Grant Specific Mandate granted to the Directors by the shareholders of the Company at the EGM in accordance with the terms of the 2021 Share Award Scheme, such that the Award Shares shall rank *pari passu* in all respects among themselves and with the existing ordinary shares in issue at the date of the allotment and issuance of the Award Shares, and that he/she/they, be and is/are hereby authorized to take such actions, do such things, which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or to implement the transactions contemplated in 3(a) above;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- 4(a) subject to and conditional upon the Listing Committee of Stock Exchange granting the approval for the listing of, and the permission to deal in, Shares to be issued pursuant to the 2021 Share Award Scheme, the Directors be and are hereby granted the specific mandate to allot and issue up to 3% of Shares as of the Latest Practicable Date pursuant to the 2021 Share Award Scheme and the Articles of Association and for the purpose of distribution of Shares pursuant to the 2021 Share Award Scheme (the “**Award Scheme Specific Mandate**”), provided that this Award Scheme Specific Mandate shall be in addition to, and shall not prejudice or revoke any existing or such other general or special mandates which may from time to time be granted to the Directors prior to the passing of this resolution;
- 4(b) subject to and conditional upon the Listing Committee of Stock Exchange granting the approval for the listing of, and the permission to deal in, Shares to be issued pursuant to the 2021 Share Award Scheme, and the passing of resolution 4(a) above, the Directors be and are hereby granted the specific mandate to allot and issue up to 13,152,000 Shares under the Awards Grant pursuant to the 2021 Share Award Scheme and the Articles of Association (the “**Connected Grant Specific Mandate**”), provided that the Connected Grant Specific Mandate shall be in addition to, and shall not prejudice or revoke any existing or such other general or special mandates (other than the Award Scheme Specific Mandate) which may from time to time be granted to the Directors prior to the passing of this resolution.”

Yours faithfully,

By order of the Board

Ocumension Therapeutics

Dr. Lian Yong CHEN

Chairman and non-executive Director

Hong Kong, August 11, 2021

Registered office:

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

Principal Place of Business

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

Principal place of business

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The transfer books and register of members of the Company will be closed from Thursday, August 26, 2021 to Tuesday, August 31, 2021, both dates inclusive, for the purpose of determining shareholders' entitlements to attend and vote at the EGM. In order to qualify for the right to attend and vote at the meeting, all unregistered transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, August 25, 2021.
2. Any shareholder entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the EGM. A proxy need not be a shareholder of the Company. In addition, a proxy or proxies representing either a shareholder who is an individual or a shareholder which is a corporation shall be entitled to exercise the same powers on behalf of the shareholder which he/she or they represent as such shareholder could exercise.
3. To be valid, a form of proxy must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 10:00 a.m. on Sunday, August 29, 2021) or any adjournment thereof.
4. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Votes on the ordinary resolutions set out herein which are to be passed at the EGM will be taken by way of poll.
7. If Typhoon Signal No.8 or above, or a "black" rainstorm warning, is in effect any time after 10:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the website of the Company at www.ocumension.com and on website of the Stock Exchange at www.hkexnews.hk to notify the shareholders of the date, time and place of the rescheduled meeting.
8. A circular containing further details concerning the resolutions set out in this notice will be sent to all shareholders of the Company together with this notice.
9. References to dates and time in this notice are to Hong Kong dates and time.