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

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

The Board of Directors of the Company is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2022, together with the comparative figures for year ended December 31, 2021 as follows. These consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee and audited by the Company's auditors, Messrs. Deloitte Touche Tohmatsu.

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

BUSINESS HIGHLIGHTS

During the Reporting Period, we have increased our drug assets to 24 in our product portfolio, among which six drug candidates have entered phase III clinical trial stage, covering all major front- and back-of-the-eye diseases. Our drug candidates target various ophthalmology fields which require urgent medical treatment, including uveitis, myopia in children, conjunctivitis, glaucoma, wAMD and DME. Our significant progress in phase III clinical trials also make us a leading company in terms of ophthalmic innovative drugs in China in terms of the number of innovative ophthalmic drugs currently in phase III clinical trials registered with CDE.

During the Reporting Period, we managed to achieve a number of key milestones for our R&D projects in clinical trials. During the Reporting Period and up to the date of this announcement, the NDA for our Core Product, OT-401 (fluocinolone intravitreal implant, trade name: Youshiying® (優施瑩®)), was officially approved by the NMPA for commercialization in the PRC based on real-world study data and overseas clinical data; Kangwenjuan® (康文涓®) (OT-601, moxifloxacin hydrochloride eye drops), the first self-developed product by us, obtained the product registration certificate in the PRC; the phase III clinical trial of OT-1001 (ZERVIATE®, 0.24% cetirizine eye drops) has achieved its primary clinical endpoint and received positive results; OT-101 (0.01% atropine sulfate eye drop) has completed the enrollment of patients in China for the global phase III randomized, double-blind, placebo-controlled, parallel-group, multicenter clinical trial; the real-world study of OT-502 (dexamethasone implant) is progressing steadily; and the phase I clinical trial of OT-202 (tyrosine kinase inhibitor), a class I new drug developed by us for the treatment of dry eye, has been completed successfully. As one of the innovative pharmaceutical enterprises with the largest number of ophthalmic drugs in phase III clinical trials in China, we are committed to continually strengthening our competitive advantages and unwaveringly devoting our efforts to the commercialization of product pipeline.

During the Reporting Period, despite that the regional and nationwide recurrence of COVID-19 has affected hospital visits and ophthalmic treatment, we still demonstrated strong resilience as the pandemic situation gradually improved. Our commercialized products achieved operating revenue of RMB159.0 million, representing an increase of 183.1% as compared to the year ended December 31, 2021. We continued to accelerate the penetration of our drugs in hospitals in the PRC ophthalmology market, achieving a coverage of 8,171 hospitals nationwide, 1,384 of which are Grade III hospitals. With a commercialization team of 191 employees, we have achieved a nationwide business network coverage.

During the Reporting Period, we maintained our focus on pilot scale production and validation batch production for our products, such as Emadine® (埃美丁®), at our Suzhou manufacture site, as well as continuing to conduct production for products that were transferred from other manufacture sites, such as Ou Qin® (sodium hyaluronate eye drops).

FINANCIAL HIGHLIGHTS

The revenue of our Group increased from RMB56.1 million for the year ended December 31, 2021 to RMB159.0 million for the year ended December 31, 2022. The increase was mainly attributed to (i) a significant increase in the revenue generated from the sales of our Core Product, Youshiying®, after its commercialization; (ii) an increase in the revenue generated from sales of our other ophthalmic products, including Ou Qin®, Emadine® and brimonidine tartrate eye drop, primarily resulting from the smooth progression in marketing and promotion of these products in hospitals; (iii) an increase in the revenue generated from the pharmaceutical products promotion services, in particular, the increase in revenue generated from the promotion services provided by the Group to Viatris in relation to Xalatan® (適利達®) (latanoprost eye drops) and Xalacom® (適利加®) (latanoprost timolol eye drops); and (iv) an increase in the sales-based royalty income in relation to Emadine® and Betoptic® S (貝特舒®).

We recorded adjusted net loss of RMB180.7 million (non-IFRS adjustment) for the year ended December 31, 2022, representing a decrease of RMB6.3 million from RMB187.0 million for the year ended December 31, 2021, primarily attributable to an increase in gross profit resulting from the increase in revenue from sales of ophthalmic products and pharmaceutical products promotion services.

During the Reporting Period, we recorded R&D expenses of RMB184.3 million, representing an increase of 9.0% from RMB169.1 million for the year ended December 31, 2021, which was primarily due to the increase in staff costs.

As of December 31, 2022, we had approximately RMB1,314.4 million in bank balances and cash.

CORPORATE PROFILE

Overview

We are a China-based ophthalmic pharmaceutical platform company dedicated to identifying, developing and commercializing first- or best-in-class ophthalmic therapies. Our vision is to provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China. We believe our platform, which enjoys a clear first-mover advantage, will enable us to maintain our leadership position in the field of ophthalmology in China.

As of the date of this announcement, we had 24 drug assets in our portfolio, and have established a comprehensive ophthalmic drug pipeline covering all major front- and back-of-the-eye diseases, among which six drug candidates have entered phase III clinical trial stage. The following table summarizes our product portfolio and the status of each asset as of December 31, 2022:

Program	Mechanism of Action	Indication	Commercial Rights	BD Partners	Pre-IND / Phase I / II / Phase III / NDA / BLA
OT-401 (YUTIQ®)	Fluocinolone intravitreal implant	Chronic NIU-PS[1]	Greater China, Korea and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	Commercialized; US approved (EyePoint)
OT-1004 (Emadine®)	Emedastine difumarate	Allergic conjunctivitis	Mainland China	Novartis	Commercialized
OT-305 (Betoptic® S)	Betaxolol hydrochloride	Glaucoma and ocular hypertension	Mainland China	Novartis	Commercialized
OT-306 (Xalatan®)	Latanoprost	Glaucoma and ocular hypertension	Mainland China	Viatris	Commercialized
OT-307 (Xalacom®)	Llatanoprost and timolol maleate	Glaucoma and ocular hypertension	Mainland China	Viatris	Commercialized
OT-1005 (Azep®)	Azelastine hydrochloride	Allergic conjunctivitis	Mainland China	Viatris	Commercialized
OT-204 (欧沁®)[2]	Sodium hyaluronate	Dry eye	Mainland China	汇恩兰德 Huonland	Commercialized
OT-303[3]	Brimonidine tartrate	Glaucoma and ocular hypertension	Mainland China	汇恩兰德 Huonland	Commercialized
OT-402 (Visudyne®)	Verteporfin	Choroidal neovascularization	Mainland China	Cheplapharm	Commercial Rights
OT-601 (康文消®)	Moxifloxacin	Bacterial conjunctivitis	Global		Commercialized
OT-101	Low-concentration atropine	Myopia	Global		Global
OT-301 (NCX 470®)	NO-donating prostaglandin analog	Glaucoma and ocular hypertension	Greater China, Korea and 12 countries in Southeast Asia	nicox	Global
OT-1001 (ZERVIATE®)	Cetirizine hydrochloride	Allergic conjunctivitis	Greater China and 11 countries in Southeast Asia	nicox	China; US Approved (Nicox)
OT-702	Anti-VEGF	wAMD	China's mainland	Boan Biotech 博安生物	China
OT-703	Fluocinolone intravitreal implant	DME	Greater China, Korea and 11 countries in Southeast Asia	Alimera Sciences	China; US Approved (Alimera)
OT-502 (DEXYCU®)	Dexamethasone	Postoperative inflammation	Greater China, Korea and 11 countries in Southeast Asia	EyePoint Pharmaceuticals	China; US Approved (Eyepoint)
OT-202	Tyrosine kinase inhibitor	Dry eye	Global		China
OT-503 (NCX 4251®)	Fluticasone propionate nanocrystals	Blepharitis	Greater China	nicox	China[5]; Phase II USA completed (Nicox)
OT-701	Anti-VEGF	wAMD	Greater China	Senju	China; Japan Approved (Senju and GTS)
OT-601-C	Moxifloxacin-dexamethasone sodium phosphate	Postoperative inflammation	Global		China[4]
OT-302	Acetazolamide	Acute glaucoma	Global		China[4]
OT-1301	Cyclosporine implant	Cornea graft rejection	Global		China[4]
OT-1601	Stem cells	Retinitis pigmentosa and dry AMD	Greater China	SanBio	China[4]
OT-1602	Stem cells	Optic neuritis	Greater China	SanBio	China[4]

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

In-licensed/acquired Internally developed

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Reporting Period, we have been making significant progress with respect to our pipeline products and business operations, including the following milestones and achievements:

Research and Development Performance

During the Reporting Period, despite the recurrence of COVID-19 in China, which posed challenges to the overall progress of our R&D projects in clinical trials, we still managed to achieve a number of key milestones in R&D for our pipeline products in clinical trials, demonstrating our potent clinical development capability. During the Reporting Period and up to the date of this announcement, the NDA for our Core Product, OT-401 (fluocinolone intravitreal implant, trade name: Youshiying® (優施瑩®), was officially approved by the NMPA for commercialization in the PRC based on real-world study data and overseas clinical data; Kangwenjuan® (康文涓®) (OT-601, moxifloxacin hydrochloride eye drops), the first self-developed product by us, obtained the product registration certificate in the PRC; the phase III clinical trial of OT-1001 (ZERVIATE®, 0.24% cetirizine eye drops) has achieved its primary clinical endpoint and received positive results; OT-101 (0.01% atropine sulfate eye drop) has completed the enrollment of patients in China for the global phase III randomized, double-blind, placebo-controlled, parallel-group, multicenter clinical trial; the real-world study of OT-502 (dexamethasone implant) is progressing steadily; and the phase I clinical trial of OT-202 (tyrosine kinase inhibitor), a class I new drug developed by us for the treatment of dry eye, has been completed successfully. As one of the innovative pharmaceutical enterprises with the largest number of ophthalmic drugs in phase III clinical trials in China, we are committed to continually strengthening our competitive advantages and unwaveringly devoting our efforts to the commercialization of product pipeline.

On June 21, 2022, we announced that the NDA for Youshiying® had been officially approved by the NMPA for the treatment of chronic NIU-PS and commercialization in the PRC. Youshiying® is the first new drug approved for marketing in our pipeline, the approval of which filled the gaps in the treatment of uveitis in China and satisfied the tremendous underserved clinical demands in such therapeutic area. The research data showed that in the real-world study diagnostic environment, OT-401 could significantly reduce the recurrence rate and disease burden for patients with chronic NIU-PS while improving visual acuity. The safety profile of OT-401 is also favorable. The patients implanted with OT-401 experienced a significant decrease in systemic medication use and in local application of hormone to eyes as well as an evident macular edema alleviation. The safety profile was proven throughout the follow-up sessions without any unexpected serious adverse events.

Research and Development Progress of Our Key Drug Candidates

- OT-101 (0.01% atropine sulfate eye drop)

  On February 1, 2023, OT-101 (0.01% atropine sulfate eye drops), a self-developed new drug to treat the progression of myopia in children, has completed the enrollment of 170 patients in China for the global phase III randomized, double-blind, placebo-controlled, parallel-group, multicenter clinical trial.

  We expect to complete the enrollment of all patients globally in the first half of 2023.

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

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

  We expect to submit the NDA for OT-1001 to the CDE in 2023.

- OT-702 (aflibercept biosimilar)

  During the Reporting Period, we focused on the launch of phase III clinical trial centers of OT-702, a recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection, and further drove the process for the recruitment of patients for the clinical trial. We have completed the enrollment of all patients for the phase III clinical trial of OT-702 in China in March 2023.

- OT-502 (dexamethasone implant)

  During the Reporting Period, the first patient enrollment for OT-502 (dexamethasone implant), a new drug for the treatment of postoperative inflammation indication, was completed in the Fourth Affiliated Hospital of China Medical University (中國醫科大學附屬醫院第四醫院). OT-502 was also approved by the Hainan Medical Products Administration for pilot sales at Boao Super Hospital in response to urgent medical needs. Meanwhile, OT-502 has also been approved by CDE to carry out its real-world study in Boao Lecheng Pilot Zone and the study has been progressing steadily.

- OT-202 (tyrosine kinase inhibitor)

  In February 2023, the phase I clinical trial of OT-202 (tyrosine kinase inhibitor), a class I new drug developed by us for the treatment of dry eye, has been completed successfully. The phase I clinical trial of OT-202 was designed as a randomized, double-blind, placebo-controlled clinical trial on the safety, tolerability and pharmacokinetic properties for its single/multiple administration on healthy adult subjects in China. OT-202 demonstrated good safety and tolerability profile in healthy adult subjects in phase I clinical trial. The study of phase II clinical trial of OT-202 has achieved interim progress, as the study of phase II clinical trial of OT-202 was successfully launched on a researcher conference on February 23, 2023.

  We expect to continue to further advance the phase II clinical trial in 2023.

- OT-703 (ILUVIEN®, fluocinolone acetate intravitreal implant)

  On September 22, 2022, OT-703 (0.19mg fluocinolone intravitreal implant), an injectable, non-biodegradable fluocinolone acetate intravitreal implant for the treatment of DME, completed the first authorized patient injection in the International Eye Center of Hainan Boao Super Hospital (海南博鰲超級醫院國際眼視光眼科中心). Professor Quanyong YI (易全勇) from Ningbo Eye Hospital of Eye Hospitals Group, Wenzhou Medical University (溫州醫科大學眼視光醫院集團寧波市眼科醫院) injected OT-703 into a patient in person.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND/OR MARKET OUR CORE PRODUCT AND/OR DRUG CANDIDATES SUCCESSFULLY.

Commercialization Performance

During the Reporting Period, despite that the regional and nationwide recurrence of COVID-19 has affected hospital visits and ophthalmic treatment, we still demonstrated strong resilience as the pandemic situation gradually improved. Our commercialized products achieved operating revenue of RMB159.0 million, representing an increase of 183.1% as compared to the year ended December 31, 2021. We continued to accelerate the penetration of our drugs in hospitals in the PRC ophthalmology market, achieving a coverage of 8,171 hospitals nationwide, 1,384 of which are Grade III hospitals. With a commercialization team of 191 employees, we have achieved a nationwide business network coverage.

In March 2022, we announced that we had entered into a series of cooperation arrangements with Viatris, a world-renowned pharmaceutical corporation, pursuant to which we became the exclusive promoter to promote and market in hospitals nationwide in the PRC two ophthalmic drugs of Viatris, Xalatan® (適利達®) (latanoprost eye drops) and Xalacom® (適利加®) (latanoprost timolol eye drops), and reciprocally, Viatris China became the exclusive distributor to distribute, promote and market our product Ou Qin® (sodium hyaluronate eye drops) in the out-of-hospital distribution and retail drug markets in the PRC. Xalatan is commonly used for the treatment of glaucoma and ocular hypertension. We believed that the cooperation enabled us to capture certain synergetic effects brought along in terms of business development in the PRC. Particularly, we obtained the promotion rights of current first-line drug for glaucoma and IOP lowering treatment in hospitals nationwide in the PRC, and thus to expand our pipeline and thereby enhancing our overall sales performance and improving our sales coverage in public hospitals in the PRC, especially Grade III hospitals.

Prior to its official market launch, we introduced an early bird program for Youshiying®, which generated an enthusiastic market response. During the Reporting Period, over 200 discount vouchers have been sold to participants under the early bird program. In December 2022, Youshiying® was prescribed for the first time in China at Sichuan Provincial People's Hospital (四川省人民醫院) for a patient with binocular VKH (Vogt-Koyanagi-Harada syndrome), and the first injection was subsequently completed.

Manufacturing Performance

During the Reporting Period, we maintained our focus on pilot scale production and validation batch production for our products, such as Emadine® (埃美丁®), at our Suzhou manufacture site, as well as continuing to conduct production for products that were transferred from other manufacture sites, such as Ou Qin®.

Impact of Covid-19

During the Reporting Period, despite the fact that our R&D, drug registration, sales and operations were affected by the regional and nationwide recurrence of COVID-19 and the temporary surge of infection at the end of 2022 due to the lifting and relaxing of restrictive measures to control the spread of COVID-19, we have endeavored to minimize the impact of the pandemic on our daily operation by closely monitoring the pandemic situation and the government policies, making appropriate work arrangements for our employees and taking preventive measures in accordance with local conditions. Although the future impact of COVID-19 on China and the world remains uncertain, with our existing emergency response policy and the relaxation of government controls, we expect the impact of COVID-19 our operation will gradually decrease.

Future Development and Outlook

The year 2022 was an extremely challenging year due to the regional and nationwide recurrence of COVID-19 on our business operation. During the Reporting Period, the Company has faced enormous pressure in respect of clinical trials, manufacture and production and sales of products. However, with our tenacious spirit and company-wide solidarity, we have overcome numerous difficulties and achieved good performance, bringing Ocumension to a whole new level.

In 2023, with the end of strict COVID-19 control measures in the PRC, our Company is expected to accelerate its development and expand its business comprehensively. In terms of R&D, we anticipate at least two new products of our Company to enter the registration stage in 2023, keeping our pace of continuous launch of new products. In terms of manufacture and production, our Suzhou manufacture site is expected to achieve commercialized mass production to ensure the stability of supply and the quality of products. In terms of the commercialization of Youshiying®, our Core Product, as well as our first product having achieved commercialization and our first product for the treatment of ocular fundus diseases, our commercialization team will spare no efforts in the marketing and promotion of Youshiying® to ensure its successful launch, and thereby benefiting a larger number of patients. In addition, our commercialization team will also enhance its promotion efforts in marketing and promotion of our other drug products, including Xalatan®, Xalacom®, Betoptic® S (貝特舒®), Emadine® and AZEP® (愛塞平®) (azelastine hydrochloride eye drops), through which we will further establish and consolidate our leadership position in the fields of the treatment of uveitis, anti-allergy and glaucoma, and maintain the exponential growth of our sales revenue. In terms of corporate governance, as the team stability and cohesion were finally achieved, we will, upholding the philosophy of "Virtus et Lumen", be committed to building a unique corporate culture catering to Ocumension to safeguard our sustainable development and growth in the next stage in 2023.

Over the past four years, despite experiencing three tough years of COVID-19 pandemic, our Company has never ceased to improve itself and grow with times. With all-round support from our customers, business partners and Shareholders, we have rapidly developed into one of the most influential companies in the industry. The year of 2023 is the fifth year since the establishment of Ocumension and also a year full of hope and expectation. We will strive to work hard under the established strategy to achieve better results and scale new heights.

Financial Review

Revenue

The revenue of our Group increased from RMB56.1 million for the year ended December 31, 2021 to RMB159.0 million for the year ended December 31, 2022. The increase was mainly attributed to (i) a significant increase in the revenue generated from the sales of our Core Product, Youshiying®, after its commercialization; (ii) an increase in the revenue generated from sales of our other ophthalmic products, including Ou Qin®, Emadine® and brimonidine tartrate eye drop, primarily resulting from the smooth progression in marketing and promotion of these products in hospitals; (iii) an increase in the revenue generated from the pharmaceutical products promotion services, in particular, the increase in revenue generated from the promotion services provided by the Group to Viatris in relation to Xalatan® and Xalacom®; and (iv) an increase in the sales-based royalty income in relation to Emadine® and Betoptic® S.

The following table sets forth the components of our revenue for the years indicated:

	For the year ended December 31,	
	2022	2021
	RMB'000	*RMB'000*
Sales of ophthalmic products	**108,833**	43,627
Pharmaceutical products promotion services	**22,655**	1,324
Sales-based royalty income	**27,469**	11,195
Total Revenue	**158,957**	56,146

Our revenue generated from sales of ophthalmic pharmaceutical products increased by 149.5% to RMB108.8 million for the Reporting Period. Our revenue generated from sales-based royalty income is mainly in relation to the licensing of ophthalmic pharmaceutical products to a third party, which reached RMB27.5 million for the Reporting Period.

Cost of Sales

Our cost of sales consists of the purchase price of goods and amortization of license rights. The cost of sales of our Group increased from RMB19.2 million for the year ended December 31, 2021 to RMB56.0 million for the year ended December 31, 2022. The increase was mainly due to the increased cost in relation to our sales of ophthalmic products and amortization of license rights, which was generally in line with the growth of our revenue.

Gross Profit

The gross profit of our Group increased by 178.6% from RMB36.9 million for the year ended December 31, 2021 to RMB102.9 million for the year ended December 31, 2022. The increase in the gross profit was generally in line with the growth of our revenue.

Other Income

Our other income consists of bank interest income arising from our bank deposit and government grant income primarily. Other income of our Group increased from RMB27.6 million for the year ended December 31, 2021 to approximately RMB35.7 million for the year ended December 31, 2022. The increase was primarily due to the increase in the government grant income and the bank interest income.

Other Gains and Losses

For the year ended December 31, 2022, our other gains and losses primarily consist of (i) the net foreign exchange gains of RMB22.4 million, as compared to the net foreign exchange losses of RMB13.4 million for the year ended December 31, 2021, which is primarily due to the effective implementation of our foreign currency risk management measures during the Reporting Period; (ii) the gain of RMB1.3 million from changes in fair value of other financial assets, as compared to the gain of RMB10.6 million from changes in fair value of other financial assets for the year ended December 31, 2021, which was primarily due to the adjustment of the allocation of our cash to term deposits other than other financial assets; and (iii) the impairment loss of other asset of RMB3.2 million.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (i) salary and benefits expenses for our commercialization team; (ii) share-based payments for our commercialization team; and (iii) marketing and promotion expenses. For the year ended December 31, 2022, our selling and marketing expenses were RMB183.0 million, representing an increase of RMB55.4 million from RMB127.6 million for the year ended December 31, 2021, primarily due to (i) the expansion of our commercialization team; (ii) the increase in share-based payments as we further granted options and awards to our staff in commercialization team during the Reporting Period; and (iii) the increasing marketing and promotion activities for our products.

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

	For the year ended December 31,	
	2022	2021
	RMB'000	*RMB'000*
Salaries and benefits	**77,292**	62,262
Share-based payments	**66,307**	43,128
Marketing and promotion	**24,728**	13,377
Others	**14,712**	8,880
Total selling and marketing expenses	**183,039**	127,647

R&D Expenses

During the Reporting Period, we recorded R&D expenses of RMB184.3 million, representing an increase of 9.0% from RMB169.1 million for the year ended December 31, 2021, which was primarily due to the increase in staff costs.

The following table sets forth the components of our R&D expenses for the years indicated:

	For the year ended December 31,	
	2022	2021
	RMB'000	*RMB'000*
Third-party contracting costs	**52,328**	54,458
Staff costs	**118,238**	104,999
Depreciation and amortization	**3,534**	1,999
Others	**10,209**	7,599
Total R&D expenses	**184,309**	169,055

Administrative Expenses

Our administrative expenses primarily consist of (i) salaries and other expenses such as benefits, travel and share-based payments; (ii) professional service fee; and (iii) depreciation and amortization of the property for the purpose of administrative use and right-of-use assets.

For the year ended December 31, 2022, we recorded administrative expenses of RMB190.7 million, representing an increase from RMB126.2 million for the year ended December 31, 2021, which is primarily attributable to (i) an increase in staff costs, in particular, an increase in share-based payments as we further granted options and awards to our administrative staff during the Reporting Period; (ii) an increase in operational costs incurred for the trial production at our Suzhou manufacture site; and (iii) an increase in the depreciation of the property for the purpose of administrative use at our Suzhou manufacture site and the depreciation of right-of-use assets during the Reporting Period.

Income Tax Expenses

Our income tax expense for the year ended December 31, 2022 was RMB0.4 million (2021: nil), which mainly represented the withholding tax relating to the sublicense income generated from Taiwan market.

Loss for the Year

As a result of the above factors, for the year ended December 31, 2022, our loss was RMB402.6 million, representing an increase of RMB142.6 million from RMB260.0 million for year ended December 31, 2021, mainly due to (i) no one-time gain was generated from transaction with third parties during the Reporting Period, as compared to a one-time gain of RMB100.6 million and RMB14.5 million generated from the respective transactions with EyePoint and Alimera for the year ended December 31, 2021; and (ii) an increase in share-based payments of RMB30.7 million as we have further granted options, awards and RSUs under the share incentive schemes to our employees and consultant during the Reporting Period.

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net loss for the year, a non-IFRS measure to present our operating performance.

Adjusted net loss for the year, as an additional financial measure, is not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measure facilitates comparisons of our operating performance from year to year by eliminating impacts of non-cash items that our management considers to be not indicative of our operating performance, and provides useful information to Shareholders and investors to evaluate our operating results in the same manner of our management does. However, our presentation of the adjusted net loss for the year may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRS. We define adjusted net loss for the year as loss for the year adjusted by (a) adding back (i) impairment loss on other asset, and (ii) share-based payments; and (b) deducting the one-time gain generated from the respective transactions with EyePoint and Alimera. The following table reconciles our non-IFRS adjusted net loss for the year with our loss for the year, which is the most directly comparable financial measure calculated with IFRS financial results:

	For the year ended December 31,	
	2022	2021
	RMB'000	*RMB'000*
Loss for the year	**(402,643)**	(259,992)
Add:		
Impairment loss on other asset	**3,179**	–
Gains related to transaction with EyePoint	**–**	(100,621)
Gains related to transaction with Alimera	**–**	(14,534)
Share-based payments	**218,792**	188,116
Non-IFRS adjusted net loss for the year	**(180,672)**	(187,031)

Selected Data from Consolidated Statement of Financial Position

	As of December 31,	
	2022	2021
	RMB'000	*RMB'000*
Total current assets	**1,455,160**	1,834,567
Total non-current assets	**1,588,514**	1,496,486
Total assets	**3,043,674**	3,331,053
Total current liabilities	**247,653**	215,854
Total non-current liabilities	**47,382**	7,026
Total liabilities	**295,035**	222,880
Net assets	**2,748,639**	3,108,173

Trade Receivables

We allow an average credit period of 30 to 90 days to its trade customers.

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

The increase in our trade receivables as of December 31, 2022 is generally in line with the growth of our revenue.

Trade Payables

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

Working Capital and Source of Capital

Our primary uses of cash related to (i) R&D expenses in relation to the clinical trials for our drugs and/or drug candidates; (ii) expenses and costs for our daily operation and commercial promotion activities; and (iii) final payments in relation to the construction project and production equipment at our Suzhou manufacture site, as well as operational costs and fees incurred for the on-site trial production. We primarily funded our working capital needs through equity financing and also cash generated from (i) the sales of Ou Qin®, Emadine® and brimonidine tartrate eye drop; (ii) the pharmaceutical products promotion services in relation to Xalatan and Xalacom; and (iii) the sales-based royalty income in relation to Emadine® and Betoptic® S. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2022, our cash and cash equivalents amounted to RMB1,170.0 million (December 31, 2021: RMB1,125.2 million). Currently, we follow a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved.

Borrowings

As of December 31, 2022, we did not have any borrowings (as of December 31, 2021: nil).

Capital Commitment

As of December 31, 2022, we have capital commitment of RMB49.0 million for the contracts in relation to the acquisition of property, plant and equipment (December 31, 2021: RMB27.9 million).

Contingent Liabilities

As of December 31, 2022, we did not have any contingent liabilities, guarantees or any litigation against it (December 31, 2021: nil).

Pledge of Assets

As of December 31, 2022, we pledged RMB26.0 million deposits to a bank to secure the letter of credit granted to our Group (December 31, 2021: RMB20.0 million).

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents and term deposits with initial term of over three months, divided by total equity and multiplied by 100%. As of December 31, 2022, we were in a net cash position and thus, gearing ratio is not applicable.

Material Investments, Acquisitions and Disposals

We did not have any other material investments or acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2022.

Future Plans for Material Investments or Capital Assets

As of the date of this announcement, we planned to continue to invest in the construction of our Suzhou manufacture site to enhance the manufacturing capacity to satisfy our long-term development strategies.

Saved as disclosed above, we did not have any concrete future plans for material capital expenditure, investments or capital assets as of the date of this announcement. We will make further announcements in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

Foreign Exchange

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Certain of our bank balances and cash, trade and other receivables and trade and other payables are denominated in foreign currencies, and are exposed to foreign currency risk. Our Group currently implements foreign currency hedging measures under our funding and treasury policies. In addition, we will continue to manage the foreign exchange risk by closely monitoring our foreign exchange exposure and will consider implementing more detailed measures as needed to hedge significant foreign currency exposure thus to prevent significant net foreign exchange losses in the future.

Employees and Remuneration

As of December 31, 2022, we had a total of 398 employees (December 31, 2021: 244). For the year ended December 31, 2022, the total remuneration cost incurred, including the share-based payments, was RMB382.1 million (2021: RMB298.4 million). The following table sets forth a breakdown of our employees by function as of December 31, 2022:

Function	Number	Percentage of total employees
Commercial	191	48.0%
R&D	60	15.1%
Manufacturing	118	29.6%
Management and administrative	29	7.3%
Total	398	100%

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

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

We have also adopted the ESOP, the RSU Scheme, the 2021 Share Option Scheme and the 2021 Share Award Scheme to provide incentives for our employees.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	**2022** ***RMB'000***	2021 *RMB'000*
Revenue	*3*	**158,957**	56,146
Cost of sales		**(56,041)**	(19,211)
Gross profit		**102,916**	36,935
Other income	*4*	**35,654**	27,589
Other expenses		**(128)**	(160)
Other gains and losses	*5*	**19,901**	112,403
Impairment losses under expected credit loss model, net of reversal		**(683)**	–
Selling and marketing expenses		**(183,039)**	(127,647)
R&D expenses		**(184,309)**	(169,055)
Administrative expenses		**(190,748)**	(126,159)
Share of results of an associate		**–**	(13,331)
Finance costs		**(1,793)**	(567)
Loss before tax		**(402,229)**	(259,992)
Income tax expense	*6*	**(414)**	–
Loss for the year		**(402,643)**	(259,992)
Other comprehensive expense:			
Item that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at FVTOCI		**(177,401)**	(305)
		(177,401)	(305)
Total comprehensive expense for the year		**(580,044)**	(260,297)
Loss per share	*7*		
– Basic and diluted (RMB)		**(0.64)**	(0.43)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2022 RMB'000	2021 RMB'000
Non-current assets			
Property, plant and equipment		**414,478**	346,411
Right-of-use assets		**33,591**	19,451
Intangible assets		**919,050**	709,973
Equity instruments at FVTOCI		**95,000**	272,401
Deposits and prepayments		**108,472**	148,250
Other asset – non-current		**17,923**	–
		1,588,514	1,496,486
Current assets			
Inventories		**24,104**	4,993
Trade and other receivables	*8*	**106,238**	44,353
Contract assets		**6,473**	–
Other asset – current		**3,898**	–
Bank balances and cash	*9*	**1,314,447**	1,785,221
		1,455,160	1,834,567
Current liabilities			
Trade and other payables	*10*	**235,368**	211,668
Lease liabilities		**12,285**	4,186
		247,653	215,854
Net current assets		**1,207,507**	1,618,713
Total assets less current liabilities		**2,796,021**	3,115,199
Non-current liabilities			
Contract liabilities		**30,090**	–
Lease liabilities		**17,292**	7,026
		47,382	7,026
Net assets		**2,748,639**	3,108,173
Capital and reserves			
Share capital		**48**	46
Reserves		**2,748,591**	3,108,127
Total equity		**2,748,639**	3,108,173

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") effective from July 10, 2020. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

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

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

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

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

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

The application of the amendments to IFRSs in the current year has no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

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

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

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

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

[3] Effective for annual periods beginning on or after January 1, 2024.

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

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

Upon the application of the amendments, the Group will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for the Group's annual reporting periods beginning on or after January 1, 2023. As at December 31, 2022, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to RMB25,475,000 and RMB29,577,000 respectively, in which the Group will recognise the related deferred tax assets and deferred tax liabilities of RMB6,369,000 and RMB6,369,000 respectively. Such deferred tax assets and deferred tax liabilities will be further offset as income taxes levied to the same taxable entity. There will be no adjustment to the opening balance of accumulated loss.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

IAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to IAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in IAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

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

	2022	2021
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time		
Sales of ophthalmic products	**108,833**	43,627
Pharmaceutical products promotion services	**22,655**	1,324
Sales-based royalty income	**27,469**	11,195
	158,957	56,146

(ii) Performance obligations for contracts with customers

Sales of ophthalmic products

For the sale of ophthalmic products, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location, i.e. when the products are delivered and titles have passed to customers upon receipt by customer. Following delivery, the customer has the primary responsibility when selling the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The normal credit term is 30 to 90 days upon delivery. Under the Group's standard contract terms, customers can only return or request refund if the goods delivered do not meet required quality standards. Therefore, the probability of significant reversal in revenue in relation to sales return in the future is remote.

Pharmaceutical products promotion services

For pharmaceutical products promotion services, the Group is an agent under the pharmaceutical products promotion services contracts as its performance obligation is mainly to arrange for sales and delivery of pharmaceutical products supplied by another parties. In this regard, the Group does not control the products provided by another party before those goods sold and delivered to customers. Accordingly, revenue is recognised at a point in time when the Group satisfies its obligation to arrange for sales and/or delivery of pharmaceutical products pursuant to the service contracts. The normal credit term is 30 to 45 days. Payment for services is not due from the customers until the Group's customer has received settlements for its sales or accepted the compliance report for promotion activities, as appropriate, and therefore a contract asset is recognised at the point of time in which the services are performed. No further obligation is borne by the Group after the promotion services have been completed.

Sales-based royalty income

The Group grants its license right to a customer for product sales in exchange for sales-based royalty income. The income is based on the profit margin of each sale and is recognised at a point of time upon the customer completes its sales. Such income is settled by month with the normal credit period of 60 days.

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

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

Segment information

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

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

Geographical information

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

Information about major customers

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

	2022	2021
	RMB'000	*RMB'000*
Customer A (note iii)	**35,792**	7,771
Customer B (note i)	**27,469**	11,195
Customer C (note ii)	**21,614**	*
Customer D (note iii)	**16,525**	7,800
Customer E (note iii)	*****	11,972

Notes:

(i) Revenue on sales-based royalty income

(ii) Revenue on pharmaceutical product promotion services

(iii) Revenue on sales of ophthalmic products

* The relevant amount is less than 10% of the total sales of the Group.

4. OTHER INCOME

	2022	2021
	RMB'000	*RMB'000*
Bank interest income	**28,221**	26,885
Government grant income (note)	**6,955**	382
Others	**478**	322
	35,654	27,589

Note:

Government grants include unconditional subsidies from the PRC government which are specifically for research and development activities, employment support and training, innovation and development support.

5. OTHER GAINS AND LOSSES

	2022	2021
	RMB'000	*RMB'000*
Gain from changes in fair value of other financial assets	**1,253**	10,622
Impairment loss of other asset	**(3,179)**	–
Net foreign exchange gain (losses)	**22,424**	(13,374)
Losses from early termination of leases	**(597)**	–
Other gains related to EyePoint (note a)	**–**	100,621
Gain on acquisition of an equity instrument at FVTOCI (note b)	**–**	14,534
	19,901	112,403

Notes:

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

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

i) The gain on acquisition of an associate represented the gain resulting from the acquisition on the shares of EyePoint, which was the differences between the acquisition date market quoted prices and the agreed subscription prices of shares.

ii) The gain on dilution on shares of an associate represented the gain as a result of the share allotment and issue of new shares by EyePoint, which decreased the proportionate ownership interests held by the Group.

iii) The gain on deemed disposal of an associate represented the gain as a result of the loss of significant influence over EyePoint, which was the difference between the carrying amount of the associate and the fair value of the retained interest in EyePoint.

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

6. INCOME TAX EXPENSE

	2022	2021
	RMB'000	*RMB'000*
Withholding tax – Hong Kong	**358**	–
Current tax – the PRC	**56**	–
	414	–

The Company was incorporated in the Cayman Islands and is exempted from income tax.

Hong Kong Profits Tax is calculated at 16.5% of the estimated profits, Ocumension (Hong Kong) Limited did not have tax assessable profit for both years. The income tax expense for the current year represents the withholding tax at 20% relating to the sublicense income generated from Taiwan market included in contract liabilities.

Pursuant to the Enterprise Income Tax Law and Implementation Regulations of the Law of the PRC, the applicable tax rate of the PRC subsidiary is 25% for both years.

7. LOSS PER SHARE

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

	2022	2021
Loss:		
Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share (RMB'000)	**(402,643)**	(259,992)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share calculation	**632,531,914**	607,143,512

The computation of basic and diluted loss per share for the reporting period excluded the unvested restricted ordinary shares of the Company, the shares held by Coral Incentivization Limited for unexercised awarded RSUs and the shares held by Computershare Hong Kong Trustees Limited for unvested share awards.

The computation of diluted loss per share for December 31, 2022 and 2021 did not assume the exercise of share options and RSUs, the vesting of restricted ordinary shares and share awards and the exercise of warrants since their assumed exercise would result in a decrease in loss per share.

8. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 90 days to its trade customers. The following is an aged analysis of trade receivable, presented based on invoice date:

	2022	2021
	RMB'000	*RMB'000*
0 – 90 days	**59,847**	18,231
91 – 180 days	**4**	278
	59,851	18,509

9. BANK BALANCES AND CASH

	2022	2021
	RMB'000	*RMB'000*
Cash at bank	**904,261**	815,221
Term deposits	**410,186**	970,000
	1,314,447	1,785,221
Analysed as:		
Cash and cash equivalents	**1,170,049**	1,125,221
Term deposits with maturity date between three months to one year (note a)	**118,398**	640,000
Pledged bank deposits (note b)	**26,000**	20,000
	1,314,447	1,785,221

Notes:

(a) The term deposits are under the Group's rights of early redemption at its principal before the maturity date. In the event of early withdrawal prior to maturity, a prevailing current account interest rate would be offered instead of the term deposits interest rate without any penalty.

(b) Pledged bank deposits represented deposits pledged to a bank to secure the letter of credit granted to the Group and classified as current asset.

10. TRADE PAYABLES

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

	2022	2021
	RMB'000	*RMB'000*
0 – 30 days	**18,581**	4,407
31 – 60 days	**2,200**	–
61 – 90 days	**922**	–
	21,703	4,407

11. DIVIDEND

No dividend was paid or declared during the year ended December 31, 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

OTHER INFORMATION

Compliance with the Corporate Governance Code

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

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

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

Compliance with the Model Code for Securities Transactions

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

Having made specific enquiries of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines during the Reporting Period. No incident of non-compliance of the Written Guidelines by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

Use of Proceeds from Listing and Placing

Use of Proceeds from the Listing

The Company was listed on the Main Board of the Stock Exchange on July 10, 2020. The total net proceeds raised from the issue of new Shares by the Company in its Listing and the full exercise of over-allotment option (after deducting the underwriting fees and related Listing expenses) amounted to approximately HK$1,646.41 million. The intended use of the net proceeds and the change in the intended use of the net proceeds were set out in the Prospectus and the announcement of the Company dated September 11, 2020, respectively. As of December 31, 2022, such net proceeds were utilized as follows in accordance with the intended uses:

Use of proceeds from the Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceed *(%)*	Unutilized net proceeds as of December 31, 2021 *(HK$ million)*	Utilized net proceeds as of December 31, 2022 *(HK$ million)*	Unutilized net proceeds as of December 31, 2022 *(HK$ million)*	Amount utilized during the Reporting Period *(HK$ million)*	Expected time frame for unutilized amount
For the Core Product							
1. For funding the costs and expenses in connection with R&D personnel as well as the continuing R&D activities of OT-401	197.57	12.00%	141.78	85.22	112.35	29.43	by the end of 2025
2. For milestone payments of OT-401	49.39	3.00%	15.49	33.90	15.49	–	by the end of 2024

Use of proceeds from the Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceed *(%)*	Unutilized net proceeds as of December 31, 2021 *(HK$ million)*	Utilized net proceeds as of December 31, 2022 *(HK$ million)*	Unutilized net proceeds as of December 31, 2022 *(HK$ million)*	Amount utilized during the Reporting Period *(HK$ million)*	Expected time frame for unutilized amount
3. For the commercialization of OT-401	246.96	15.00%	200.69	102.78	144.18	56.51	by the end of 2024
For the other drug candidates, including OT-101, OT-301, OT-1001, OT-502,OT-202, OT-503 and OT-701							
1. For the continuing R&D activities of other drug candidates, including OT-101, OT-301, OT-1001, OT-502,OT-202,OT-503 and OT-701	562.42	34.16%	288.70	490.44	71.98	216.72	by the end of 2023
2. For milestone payments of our other in-licensed drug candidates	96.15	5.84%	22.47	73.68	22.47	–	by the end of 2024
3. For the further expansion of our sales and marketing team	164.64	10.00%	118.37	102.78	61.86	56.51	by the end of 2023
For the acquisition of 100% equity interest in Suzhou Xiaxiang as disclosed in our announcement dated September 11, 2020	**164.64**	**10.00%**	**–**	**164.64**	**–**	**–**	**–**
For our working capital and other general corporate purposes	**164.64**	**10.00%**	**26.17**	**164.64**	**–**	**26.17**	**–**
Total	**1,646.41**	**100.00%**	**813.67**	**1,218.08**	**428.33**	**385.34**	

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

As of December 31, 2022, all the unused net proceeds are held by the Company in short-term deposits with licensed banks or authorized financial institutions.

Use of Proceeds from the Placing

On January 15, 2021, an aggregate of 28,000,000 placing Shares have been successfully placed by Morgan Stanley & Co. International plc to not less than six placees, who are professional investors and Independent Third Parties, at the placing price of HK$28.35 per Share in accordance with the placing and subscription agreement, and the placing and subscription of Shares have been completed on January 15, 2021 and January 22, 2021, respectively. The net price per Share for the subscription after deducting related fees and expenses is approximately HK$27.92 per Share. The Shares subscribed have a market value of approximately HK$834.4 million based on the closing price of HK$29.80 per Share as of January 12, 2021 and an aggregate nominal value of US$280.

The net proceeds arising from the placing and subscription amounted to approximately HK$781.7 million, of which the intended uses were set out in the announcement of the Company dated January 22, 2021. The placing and subscription was undertaken to strengthen the Group's financial position and for the long term funding of its business, expansion and growth plan. As of December 31, 2022, the net proceeds from the placing and subscription were utilized as follows in accordance with the intended uses:

Use of proceeds from the placing and subscription	**Amount of net proceeds for planned applications** *(HK$ million)*	**Percentage of total net proceeds** *(%)*	**Unutilized net proceeds as of December 31, 2021** *(HK$ million)*	**Utilized net proceeds as of December 31, 2022** *(HK$ million)*	**Unutilized proceeds as of December 31, 2022** *(HK$ million)*	**Amount utilized during the Reporting Period** *(HK$ million)*	**Expected time frame for unutilized amount**
Expansion of the Company's commercial team in view of the proposed launch of its new therapies	**234.51**	**30%**	**234.51**	**–**	**234.51**	**–**	**by the end of 2025**
Funding of International multi-center clinical trials of the Company's therapies	**273.60**	**35%**	**227.84**	**133.17**	**140.43**	**87.41**	**by the end of 2024**
OT-702 (Eylea biosimilar)	99.66	12.75%	53.90	80.10	19.56	34.34	by the end of 2023
OT-301 (NCX-470)	50.03	6.40%	50.03	10.06	39.97	10.06	by the end of 2023
OT-101 (low-concentration atropine)	43.78	5.60%	43.78	24.55	19.23	24.55	by the end of 2024
OT-1001 (ZERVIATE®)	30.10	3.85%	30.10	2.22	27.88	2.22	by the end of 2024
OT-202 (TKI)	50.03	6.40%	50.03	16.24	33.79	16.24	by the end of 2024
Building and development of new manufacturing facilities and equipment of Suzhou Xiaxiang and active pharmaceutical ingredients manufacturing facilities	**195.43**	**25%**	**2.17**	**195.43**	**–**	**2.17**	**–**
Other general corporate purposes	**78.17**	**10%**	**78.17**	**33.34**	**44.83**	**33.34**	**by the end of 2023**
Total	**781.70**	**100%**	**542.69**	**361.94**	**419.77**	**122.92**	

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

As of December 31, 2022, all the unused net subscription proceeds have been deposited into the bank account(s) maintained by our Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended December 31, 2022.

Final Dividend

The Board does not recommend any payment of a final dividend for the year ended December 31, 2022 (2021: nil).

Events After the Reporting Period

On March 13, 2023, the Company was officially included in Hong Kong Stock Connect list under the Shanghai-Hong Kong Stock Connect, with the effective date on March 13, 2023.

As of the date of this announcement, the Shares of the Company have been included in Hong Kong Stock Connect list under the Shenzhen-Hong Kong Stock Connect and Hong Kong Stock Connect list under the Shanghai-Hong Kong Stock Connect, achieving the overall interconnection with the capital market in mainland China and our investor base was thereby expanded. Furthermore, our Company is gaining more attention from mainland China investors and the liquidity of our Shares is further enhanced.

Saved as disclosed elsewhere in this announcement and the above, there was no event which has occurred after the year ended December 31, 2022 that would cause material impact on the Group.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2022 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

Review of the Annual Results

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ting Yuk Anthony WU, Mr. Yiran HUANG and Mr. Zhenyu ZHANG. The chairman of the Audit Committee is Mr. Ting Yuk Anthony WU. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2022 and has recommended for the Board's approval thereof.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2022. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

AGM and Closure of the Register of Members

The Company will arrange the time of convening the AGM as soon as practicable and in accordance with the Listing Rules. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules and the Articles of Association in due course. Once the date of the AGM is finalized, the Company will publish the period of closure of register of members of the Company in the notice of the AGM.

Publication of Annual Results and Annual Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.ocumension.com). The annual report of the Company for the year ended December 31, 2022 containing all the information in accordance with the requirements under the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

Appreciation

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

DEFINITION, ACRONYMS AND GLOSSARY OF TECHNICAL TERMS

"2021 Share Award Scheme"	the share award scheme adopted by the Company in accordance with the scheme rules thereof on July 2, 2021, the details of which are set out in the circular of the Company dated August 11, 2021
"2021 Share Option Scheme"	the share option scheme adopted by the Board in accordance with the rules thereof on July 2, 2021 and approved by the Shareholders on the extraordinary general meeting of the Company held on August 31, 2021, the details of which are set out in the circular of the Company dated August 11, 2021
"AGM"	the annual general meeting of the Company
"Alimera"	Alimera Sciences, Inc. a biopharmaceutical company organized and existing under the laws of the State of Delaware of the United States, whose shares of common stock are traded on the NASDAQ (ticker symbol: ALIM)
"AMD"	age-related macular degeneration, a disease that causes damage to the macula and leads to progressive loss of central vision
"Articles of Association"	the articles of association of the Company conditionally adopted on June 23, 2020 and effective on July 10, 2020, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Boao Lecheng Pilot Zone"	Boao Lecheng International Medical Tourism Pilot Zone (博鰲樂城國際醫療旅遊先行區) in Hainan Province, China
"Boao Super Hospital"	Boao Super Hospital (博鰲超級醫院) in Boao Lecheng Pilot Zone, Hainan Province, China
"Board"	the board of directors of the Company

"CDE"	the Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for review and approval of IND and NDA
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "the PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"chronic NIU-PS"	chronic non-infectious uveitis affecting the posterior segment of the eye
"Company"	Ocumension Therapeutics (歐康維視生物), a company incorporated under the laws of the Cayman Islands with limited liability on February 27, 2018, the shares of which were listed on the Main Board of the Stock Exchange on July 10, 2020
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this announcement, our Core Product refers to OT-401 (YUTIQ)
"COVID-19"	an infectious disease caused by the most recently discovered coronavirus (severe acute respiratory syndrome coronavirus 2), first reported in December 2019
"Director(s)"	the director(s) of our Company, including all executive directors, non-executive directors and independent non-executive directors
"DME"	diabetic macular edema
"ESOP"	the employee stock option plan adopted by our Company on May 23, 2018, as amended from time to time, the details of which are set out in the Prospectus
"EyePoint"	EyePoint Pharmaceuticals, Inc., a company whose shares of common stock are listed on the NASDAQ (ticker symbol: EYPT) and a biopharmaceutical company committed to developing and commercializing innovative ophthalmic products for the treatment of eye diseases
"FVTOCI"	fair value through other comprehensive income

"Greater China"	the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Group" or "Ocumension"	the Company and its subsidiaries
"Grade III hospitals"	a top-level hospital in China, as hospitals in China are divided into three classes by National Health Commission of the PRC (中華人民共和國國家衛生健康委員會), among which, Class III hospitals are at the highest level, typically having more than 500 beds, providing high-level specialist medical and healthcare services to several regions and performing advanced teaching and research tasks
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huonland"	Beijing Huonland Pharmaceutical Co., Ltd. (北京匯恩蘭德製藥有限公司), a limited liability company established under the laws of the PRC on August 3, 2012 and one of our licensing partners. Hounland primarily engages in development, production and sales of ophthalmology products
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug, the application for which is the first step in the drug review process by regulatory authorities to decide whether to permit clinical trials. Also known as clinical trial application in China
"IOP"	intraocular pressure, the fluid pressure inside the eye
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules

"NDA"	new drug application, an application through which the drug sponsor formally proposes that the relevant regulatory authority approve a new drug for sales and marketing
"Nicox"	Nicox S.A., a corporation incorporated under the laws of France on February 15, 1996, one of our licensing partners whose shares are listed on the Euronext exchange (ticker symbol: COX)
"NMPA"	National Medical Products Administration (國家藥品監督管理局), formerly the China Food and Drug Administration (國家食品藥品監督管理局), or CFDA
"NO"	nitric oxide, colorless gas and is one of the principal oxides of nitrogen
"Novartis"	refers to (a) Novartis AG, a Swiss multinational pharmaceutical company based in Basel, Switzerland, the shares of which are traded on the Swiss Stock Exchange under the stock code "NOVN" and on the New York Stock Exchange under the ticker symbol "NVS", (b) Novartis Ophthalmics AG, (c) Novartis Pharma AG, each a company organized under the laws of Switzerland, and (d) Novartis Technology LLC, a company organized under the laws of Delaware, the United States, collectively, and where the context requires, either of Novartis AG, Novartis Ophthalmics AG, Novartis Pharma AG, and Novartis Technology LLC, include their respective affiliate or affiliates
"Prospectus"	the prospectus issued by the Company dated June 29, 2020
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the one-year period from January 1, 2022 to December 31, 2022
"RSU(s)"	the restricted share unit
"RSU Scheme"	the restricted share unit scheme adopted by the Company on April 28, 2020, the details of which are set out in the Prospectus
"R&D"	research and development

"Share(s)"	ordinary shares in the share capital of our Company of US$0.00001 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Suzhou Xiaxiang"	Suzhou Xiaxiang Biomedicine Co., Ltd. (蘇州夏翔生物醫藥有限公司), a limited liability company established in the PRC on October 18, 2019
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"Viatris"	Viatris Inc., a corporation incorporated and existing under the laws of Delaware, the United States, whose shares of common stock are traded on the NASDAQ (ticker symbol: VTRS), with the business address at 1000 Mylan Boulevard, Canonsburg, PA 15317, and its affiliates, including, among others, Viatris China, collectively, and where the context requires, either of Viatris Inc. or its affiliate(s)
"Viatris China"	Viatris Pharmaceuticals Co., Ltd. (暉致醫藥有限公司), an affiliate of Viatris and a company established under the laws of the PRC and located in Shanghai, the PRC, which is primarily engaged in the wholesale, import and licensing of drugs
"wAMD"	wet age-related macular degeneration
"Written Guidelines"	the Guidelines for Securities Transactions by Directors adopted by the Company
"%"	Per cent

By order of the Board
Ocumension Therapeutics
Dr. Lian Yong CHEN
Chairman and Non-executive Director

Hong Kong, March 30, 2023

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