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, 2023

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, 2023, together with the comparative figures for the year ended December 31, 2022 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 achieved consistent and steady growth in the sales of our major ophthalmic products, and further expanded our market share.

In April 2023, the NDA for OT-1001 (ZERVIATE®, 0.24% cetirizine eye drop) was accepted by the CDE and included in the priority review and approval process, and is expected to be approved for commercialization in the near future.

In December 2023, our Core Product Youshiying® (fluocinolone intravitreal implant), a new drug of our Company for treatment of uveitis, was included in the updated NRDL officially effective from January 1, 2024.

As of the date of this announcement, the number of injections of Youshiying® administered in hospitals year-to-date has surpassed last year's figure. We expect such number will grow rapidly throughout 2024.

FINANCIAL HIGHLIGHTS

The revenue of our Group increased by 55.0% from RMB159.0 million for the year ended December 31, 2022 to RMB246.4 million for the year ended December 31, 2023, primarily led by a significant increase in the revenue generated from the sales of our ophthalmic products and the pharmaceutical products promotion services.

We recorded a total comprehensive income of RMB27.5 million for the year ended December 31, 2023, while we recorded a total comprehensive expense of RMB580.0 million for the year ended December 31, 2022. Such total comprehensive income recorded was primarily attributable to (i) a further narrowed loss for the year, primarily led by a significant increase in our revenue and gross profits, and (ii) an increase in the fair market value of our strategic investments in EyePoint and Alimera.

As of December 31, 2023, we had approximately RMB1,053.8 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 ophthalmic pharmaceutical platform, which enjoys a clear first-mover advantage, will enable us to obtain and maintain our leadership position in the field of ophthalmology in China.

To date, we have 25 front- and back-of-the-eye drug assets, and have established a complete ophthalmic drug pipeline, covering all major front- and back-of-the-eye diseases, among which five products are in phase III clinical trial. The following table summarizes our product portfolio and the status of each drug asset as of December 31, 2023:

Program	Mechanism of Action	Indication	Commercial Rights	BD Partners	Pre-IND / Phase I / II / Phase III / NDA / BLA
OT-401 (Youshiying®) (優施瑩®)	Fluocinolone intravitreal implant	Chronic NIU-PS	Greater China, Korea and 11 countries in Southeast Asia	EyePoint	Commercialized; US approved (EyePoint)
OT-1004 (Emadine®) (埃美丁®)	Emedastine difumarate	Allergic conjunctivitis	Mainland China	Novartis	Commercialized
OT-305 (Betoptic® S) (貝特舒®)	Betaxolol hydrochloride	Glaucoma and ocular hypertension	Mainland China	Novartis	Commercialized
OT-306 (Xalatan®) (適利達®)	Latanoprost	Glaucoma and ocular hypertension	Mainland China	Viatris	Commercialized
OT-307 (Xalacom®) (適利加®)	Latanoprost and timolol maleate	Glaucoma and ocular hypertension	Mainland China	Viatris	Commercialized
OT-1005 (Azep®) (愛賽平®)	Azelastine hydrochloride	Allergic conjunctivitis	Mainland China	Viatris	Commercialized
OT-204 (Ou Qin®) (歐沁®)[1]	Sodium hyaluronate	Dry eye	Mainland China	汇恩兰德 Huonland	Commercialized
OT-303[2]	Brimonidine tartrate	Glaucoma and ocular hypertension	Mainland China	汇恩兰德 Huonland	Commercialized
OT-402 (Visudyne®) (維速達爾®)	Verteporfin	Choroidal neovascularization	Mainland China	Cheplapharm	Commercial Rights
OT-601 (Kangwenjuan®) (康文涓®)	Moxifloxacin	Bacterial conjunctivitis	Global		Commercialized
OT-1001 (ZERVIATE®)	Cetirizine hydrochloride	Allergic conjunctivitis	Greater China and 11 countries in Southeast Asia	nicox	CN NDA Accepted; US Approved (Nicox)
OT-101	Low-concentration atropine	Myopia	Global		Global
OT-101-S	Dual-chamber Low-concentration atropine	Myopia	Global		China IND Accepted
OT-301 (NCX 470®)	Nitric oxide-donating prostaglandin analog	Glaucoma and ocular hypertension	Greater China, Korea and 12 countries in Southeast Asia	nicox	Global
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	China; US Approved (Alimera)
OT-502 (DEXYCU®)	Dexamethasone	Postoperative inflammation	Greater China, Korea and 11 countries in Southeast Asia	EyePoint	China; US Approved (EyePoint)
OT-202	Tyrosine kinase inhibitor	Dry eye	Global		China
OT-601-C	Moxifloxacin-dexamethasone sodium phosphate	Postoperative inflammation	Global		China
OT-701[3]	Anti-VEGF	wAMD	Greater China	Senju	China; Japan Approved (Senju and GTS)
OT-503[4] (NCX 4251®)	Fluticasone propionate nanocrystals	Blepharitis	Greater China	nicox	China; Phase II USA completed (Nicox)
OT-302	Acetazolamide	Acute glaucoma	Global		China
OT-1301[3]	Cyclosporine implant	Cornea graft rejection	Global		China
OT-1601[3]	Stem cells	Retinitis pigmentosa and dry AMD	Greater China	SanBio	China
OT-1602[3]	Stem cells	Optic neuritis	Greater China	SanBio	China

In-licensed/acquired Internally developed

1. 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®.
2. 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.
3. May not require phase I and phase II clinical trials prior to beginning phase III clinical trial.
4. May not require phase I clinical trial prior to beginning phase II clinical trial.

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, we managed to achieve a number of key milestones in clinical R&D projects. Our R&D team worked closely with clinical principal investigators (PIs), demonstrating our potent clinical development capability. The NDA for OT-1001 (ZERVIATE®, 0.24% cetirizine eye drops) has been accepted by the CDE and included in the priority review and approval process, and is expected to be approved for commercialization in the near future. We have completed the enrollment of patients for the global multi-center phase III clinical trial for OT-101 (0.01% atropine sulfate eye drop) and the real-world study for OT-502 (dexamethasone implant) has been completed. We have completed the enrollment of patients for the phase II clinical trial for OT-202 (tyrosine kinase inhibitor), an in-house developed class I new drug for the treatment of dry eye. The clinical projects were launched in 26 new experimental centers, and a total of more than 700 patients were enrolled during the Reporting Period. Five of our products are in phase III clinical trial, comprehensively covering front- and back-of-the-eye diseases and with a complete product layout and balanced portfolio thoughtfully designed to encompass various stages of development. We continue to be one of the ophthalmic pharmaceutical companies with the largest number of ophthalmic drugs in phase III clinical trials in China, infusing the company's future development with momentum.

Research and Development Progress of Our Key Drug Candidates

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

  In June 2023, we completed the enrollment of 678 patients for the global phase III randomized, double-blind, placebo-controlled, parallel-group and multi-center clinical trial of our key product OT-101, which is a self-developed new drug.

  We expect to continue to advance the phase III clinical trial this year.

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

  In April 2023, the NDA for OT-1001 for the treatment of allergic conjunctivitis was accepted by the NMPA and included in the priority review and approval process.

  We expect OT-1001 to be approved for commercialization in the near future.

- OT-702 (aflibercept biosimilar)

  In March 2023, the enrollment of all patients for the phase III clinical trial of OT-702, a recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection, was successfully completed.

  We expect to complete the phase III clinical trial of OT-702 and submit NDA this year.

- OT-502 (DEXYCU®, dexamethasone implant)

  In August 2023, OT-502, we completed the enrollment of 263 patients for the real-world study of OT-502, a new drug for the treatment of postoperative inflammation, in Boao Lecheng International Medical Tourism Pilot Zone (博鰲樂城國際醫療旅遊先行區) in Hainan Province.

  In November 2023, we completed the enrollment of a total of 300 patients for the phase III clinical trial of OT-502.

  We expect to submit the NDA for OT-502 this year.

- OT-202 (tyrosine kinase inhibitor)

  In February 2023, the Company initiated the phase II clinical trial of OT-202, a first-in-class, class I innovative drug for the treatment of dry eye. OT-202 demonstrated good safety and tolerability profile in healthy adult subjects in its phase I clinical trial successfully completed in February 2023.

  In November 2023, we completed the enrollment of a total of 213 patients for the phase II clinical trial of OT-202. In March 2024, the phase II clinical trial of OT-202 successfully completed the unblinding with all related data collected, which marked that OT-202 has achieved the primary clinical endpoint of the phase II clinical trial, demonstrating positive results in safety and efficacy.

  We expect to commence the phase III clinical trial this year.

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

  On December 20, 2023, OT-703, an innovative drug for the treatment of diabetic macular edema (DME), was approved for commercialization in Hong Kong, formally commencing commercialization in the Chinese market.

  We expect to continue to advance the phase III clinical trial and real-world study in mainland China this year.

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

Commercialization Performance

During the Reporting Period, we actively expanded the coverage of hospitals, accelerated the admission of products into hospitals, deeply explored the commercial potential of products with strong vitality, such as Emadine® and Xalatan®, and thereby achieved rapid growth in our revenue. We recorded a total revenue of RMB246.4 million, representing a year-on-year increase of 55.0%. We achieved a coverage of 10,120 hospitals nationwide, 1,558 of which are Grade III hospitals. With the number of commercial team members exceeding 230, we have completed the coverage of the national business network.

In December 2023, Youshiying® (fluocinolone intravitreal implant), a new drug of the Company for the treatment of uveitis, has been included in the updated NRDL issued by the China National Healthcare Security Administration (中國國家醫療保障局) for the treatment of chronic non-infectious uveitis affecting the posterior segment of the eye. The updated NRDL has officially taken effect on January 1, 2024. Since the admission of Youshiying® into the updated NRDL, the payment pressure of patients has been relieved significantly, the demand for the drug is booming, and Youshiying® is highly recommended by experts and scholars in uveitis. As of the date of this announcement, the year-to-date number of injections of Youshiying® in hospitals has exceeded that of last year, and is expected to continue to increase rapidly.

Manufacturing Performance

During the Reporting Period, we mainly focused on pilot scale production and validation batch production of our products at our Suzhou manufacture site and maintained the ongoing production of products transferred from other manufacture sites.

Future Development and Outlook

As a pharmaceutical manufacturer established merely five years ago, Ocumension has basically completed the building of a closed-loop mechanism for its business operations and initially gained a self-driven impetus. Currently, the Company has 12 marketed products, including its Core Product Youshiying®, and a wealth of self-developed medicine pipelines at different R&D stages which provide momentum for its future development. Looking forward to 2024, Ocumension expects to continue its development and make breakthroughs in the following aspects:

(i) the Company targets to accelerate the increase of the commercialization of existing products (especially the Core Product, Youshiying®) for levelling up the Company's overall revenue;

(ii) the Company targets to further improve its financial position based on increasing revenue and controlling costs to lay a foundation for the Company to achieve profitability in a sooner manner;

(iii) in respect of R&D, the NDA of OT-1001 is expected to be approved this year. At the same time, the Company will steadily carry forward the R&D of its in-house developed products such as the clinical trial process of OT-101 and OT-202 to achieve phased objectives; and

(iv) the Company targets to expand overseas cooperation to facilitate the overseas promotion of its products thus benefiting patients in need around the world.

Looking forward to 2024, based on the philosophy of "*Virtus et Lumen*", we will continue our commitment to foster our unique business strengths enabling Ocumension to maintain continuous rapid development, benefit patients at large and create value for Shareholders in today's complex and tough business environment.

Financial Review

Revenue

The revenue of our Group increased by 55.0% from RMB159.0 million for the year ended December 31, 2022 to RMB246.4 million for the year ended December 31, 2023. The following table sets forth the components of our revenue for the years indicated:

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Sales of ophthalmic products	**204,695**	108,833
Pharmaceutical products promotion services	**38,347**	22,655
Sales-based royalty income	**3,054**	27,469
Contract development and manufacturing services	**271**	–
Total Revenue	**246,367**	158,957

The increase in our revenue was primarily attributable to (i) a significant increase of 88.1% in the sales of ophthalmic pharmaceutical products from RMB108.8 million for the year ended December 31, 2022 to RMB204.7 million for the year ended December 31, 2023; and (ii) an increase in the revenue generated from the provision of pharmaceutical products promotion services from RMB22.7 million for the year ended December 31, 2022 to RMB38.3 million for the year ended December 31, 2023. The revenue generated from the sales-based royalty income decreased from RMB27.5 million for the year ended December 31, 2022 to RMB3.1 million for the year ended December 31, 2023 because the relevant revenue was recorded as revenue from sales of ophthalmic products instead of revenue from sales-based royalty income during the Reporting Period. Such change in revenue recognition was due to the change of business model of Emadine® during the Reporting Period.

For the sale of ophthalmic products, revenue is recognized when the control of goods is transferred, being the time when the goods are delivered to the location specified by customers, i.e., when the products are delivered and titles are passed to customers upon receipt by customer. For pharmaceutical products promotion services, revenue is recognized at a point in time when we satisfy the obligation to arrange for sales and/or delivery of pharmaceutical products pursuant to the service contracts. The sales-based royalty income is based on the profit margin of each sale and is recognized at a point of time upon the customer completes its sales.

Cost of Sales

Our cost of sales consists of cost incurred for the purchase of goods and amortization of license rights. The cost of sales of our Group increased by 82.0% from RMB56.0 million for the year ended December 31, 2022 to RMB102.0 million for the year ended December 31, 2023. The increase was mainly due to (i) the increased cost in relation to our sales of ophthalmic products and amortization of license rights, which was generally in line with our revenue growth; and (ii) the change of business model of Xalatan® and Xalacom® from providing promotion services to direct sales during the Reporting Period.

Gross Profit

The gross profit of our Group increased by 40.3% from RMB103.0 million for the year ended December 31, 2022 to RMB144.4 million for the year ended December 31, 2023. The increase in the gross profit was largely in line with the growth of our revenue but slightly trailed behind, primarily due to the increase in cost of sale which was caused by the change of business model of Xalatan® and Xalacom® from providing promotion services to direct sales during the Reporting Period.

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 decreased from RMB35.7 million for the year ended December 31, 2022 to approximately RMB23.2 million for the year ended December 31, 2023, primarily due to the decrease in bank interest income and government grant income.

Other Gains and Losses

Our other gains and losses decreased from RMB19.9 million for the year ended December 31, 2022 to RMB5.4 million for the year ended December 31, 2023, primarily due to a decrease of RMB21.3 million in the net foreign exchange gain because the Company retained fewer assets denominated in USD and the appreciation of the USD against RMB narrowed during the Reporting Period as compared to last year, partially offset by a reversal of impairment loss of RMB3.2 million on long-lived assets. The reversal was caused by the recoverable amount exceeding the carrying amount of the long-lived assets on the date of transferring the product right of AZEP® upon change of business model.

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, 2023, our selling and marketing expenses were RMB226.3 million, representing an increase of 23.6% from RMB183.0 million for the year ended December 31, 2022, primarily due to (i) the expansion of our commercialization team; and (ii) the increasing marketing and promotion activities for our products during the Reporting Period; partially offset by a decrease in share-based payments for sales and marketing staff during the Reporting Period as compared to last year.

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

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Salaries and benefits	**91,133**	77,292
Share-based payments	**52,257**	66,307
Marketing and promotion	**56,803**	24,728
Others	**26,060**	14,712
Total selling and marketing expenses	**226,253**	183,039

R&D Expenses

During the Reporting Period, we recorded R&D expenses of RMB123.8 million, representing a decrease of 32.8% from RMB184.3 million for the year ended December 31, 2022, which was primarily due to (i) a decrease in share-based payments for R&D staff during the Reporting Period as compared to last year; and (ii) a decrease in third-party contracting costs.

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

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Third-party contracting costs	**43,493**	52,328
Staff costs	**62,656**	118,238
Depreciation and amortization	**9,002**	3,534
Others	**8,617**	10,209
Total R&D expenses	**123,768**	184,309

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; (iii) depreciation and amortization of the property for the purpose of administrative use and right-of-use assets; and (iv) rental and related expenses.

For the year ended December 31, 2023, we recorded administrative expenses of RMB196.1 million, representing a slight increase from RMB190.7 million for the year ended December 31, 2022, which is primarily due to a growth in rental and related expenses for our new offices and an increase in the depreciation of property for administrative use and other right-of-use assets, partially offset by a decrease in share-based payments for relevant staff during the Reporting Period.

Income Tax Expenses

Our income tax expense mainly represents the profit tax in relation to the revenue incurred in markets outside the PRC. We recorded income tax expense of RMB0.3 million for the year ended December 31, 2023 (2022: RMB0.4 million).

Loss for the Year

As a result of the above factors, for the year ended December 31, 2023, our loss was RMB379.8 million, representing a decrease of 5.7% from RMB402.6 million for year ended December 31, 2022, mainly attributable to an increase of RMB41.4 million in gross profits and a decrease of RMB60.5 million in R&D expenses, as compared to last year, which was partially offset by the decreases in other income and other gains of RMB27.0 million in aggregate, and an increase of RMB43.2 million in selling and marketing expenses, as compared to last year.

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 as 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 adding back impairment loss (reversed) recognized on long-lived assets and share-based payments. The following table reconciles our non-IFRS adjusted net loss for the year with our loss for the year:

	For the year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(379,787)**	(402,643)
Add:		
Impairment loss (reversed) recognized on long-lived assets	**(3,179)**	3,179
Share-based payments	**139,729**	218,792
Non-IFRS adjusted net loss for the year	**(243,237)**	(180,672)

Selected Data from Consolidated Statement of Financial Position

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Total current assets	**1,205,634**	1,455,160
Total non-current assets	**2,065,365**	1,588,514
Total assets	**3,270,999**	3,043,674
Total current liabilities	**315,284**	247,653
Total non-current liabilities	**35,747**	47,382
Total liabilities	**351,031**	295,035
Net assets	**2,919,968**	2,748,639

Trade Receivables

We allow an average credit period of 30 to 90 days to our trade customers, and the credit terms of certain trade customers are based on the timing of their actual sales.

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

The increase in our trade receivables as of December 31, 2023 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) expenses and costs for our daily operation and sales and marketing activities; (ii) R&D expenses in relation to the clinical trials for our drugs and/or drug candidates; 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. During the Reporting Period, we primarily funded our working capital needs through equity financing and cash generated from (i) the sales of Youshiying®, Ou Qin®, brimonidine tartrate eye drop, Emadine® and Kangwenjuan® and (ii) the pharmaceutical products promotion services in relation to Xalatan® and Xalacom®. 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, 2023, our cash and cash equivalents amounted to RMB842.8 million (December 31, 2022: RMB1,170.0 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, 2023, we recorded a short-term loan of RMB120.0 million (December 31, 2022: nil). In December 2023, we entered into short-term loan agreements with two banks, obtaining loans of RMB70.0 million and RMB50.0 million, respectively, at fixed interest rate of 3.0% and 3.1%, respectively. As of December 31, 2023, we have drawn down a total of RMB120.0 million, which will be repayable within one year.

Capital Commitment

As of December 31, 2023, we have capital commitment of RMB6.4 million for the contracts in relation to the acquisition of property, plant and equipment (December 31, 2022: RMB49.0 million).

Contingent Liabilities

As of December 31, 2023, we did not have any contingent liabilities, guarantees or any litigation against us (December 31, 2022: nil).

Pledge of Assets

As of December 31, 2023, we pledged RMB4.3 million deposits to a bank to secure the letter of credit granted to our Group (December 31, 2022: RMB26.0 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, 2023, we were in a net cash position and thus, gearing ratio is not applicable.

Material Investments, Acquisitions and Disposals

We acquired 3,010,722 shares of EyePoint in January 2021 and became a shareholder of EyePoint since then. During the period from May 30, 2023 (New York time) to December 6, 2023 (New York time), we disposed of a total of 1,000,001 EyePoint Shares on the open market at an aggregate consideration of approximately US$19,499,000 (equivalent to approximately HK$152,482,000) (exclusive of transaction costs), which was determined based on the market price of the EyePoint Shares at the time of the relevant transactions and has been fully settled in cash. From January 11, 2024 (New York time) and up to January 17, 2024 (New York time), we further disposed of a total of 1,910,500 EyePoint Shares by way of block trade, at an aggregate consideration of approximately US$37,159,000 (equivalent to approximately HK$290,583,000) (exclusive of transaction costs), which was determined with reference to the market price of EyePoint Shares on January 11, 2024 (New York time) based on arm's length negotiations between the parties and has been fully settled in cash. For details of the aforesaid disposals, please refer to the Company's announcement dated January 17, 2024. Upon completion of the aforesaid series of disposals, we directly hold 100,221 EyePoint Shares, representing approximately 0.21% of the total issued and outstanding EyePoint Shares based on publicly available information as of the date of the aforesaid announcement.

As of December 31, 2023, the carrying amount of our investment in EyePoint as equity instruments at FVTOCI was approximately RMB329.1 million (December 31, 2022: RMB73.4 million). Accordingly, the fair value of such investment compared to our total assets as of December 31, 2023 was approximately 10.1%. For the year ended December 31, 2023, we have not received any dividend from such investment.

Save as disclosed above, the Company did not have any other material investments, acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2023.

Future Plans for Material Investments or Capital Assets

As of the date of this announcement, we plan 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 do 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, 2023, we had a total of 444 employees (December 31, 2022: 398). For the year ended December 31, 2023, the total remuneration cost incurred, including the share-based payments, was RMB314.6 million (2022: RMB382.1 million). The following table sets forth a breakdown of our employees by function as of December 31, 2023:

Function	Number	Percentage of total employees
Commercial	232	52.3%
R&D	58	13.1%
Manufacturing	119	26.8%
Management and administrative	35	7.9%
Total	444	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. We 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 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

FOR THE YEAR ENDED DECEMBER 31, 2023

	NOTES	**2023** ***RMB'000***	2022 *RMB'000*
Revenue	*3*	**246,367**	158,957
Cost of sales		**(102,002)**	(56,041)
Gross profit		**144,365**	102,916
Other income	*4*	**23,203**	35,654
Other gains and losses	*5*	**5,430**	19,901
Impairment losses under expected credit loss ("ECL") model, net of reversal		**(349)**	(683)
Selling and marketing expenses		**(226,253)**	(183,039)
Research and development expenses		**(123,768)**	(184,309)
Administrative expenses		**(196,142)**	(190,748)
Other expenses		**(4,641)**	(128)
Finance costs		**(1,325)**	(1,793)
Loss before tax		**(379,480)**	(402,229)
Income tax expense	*6*	**(307)**	(414)
Loss for the year		**(379,787)**	(402,643)
Other comprehensive income (expense):			
Item that will not be reclassified to profit or loss:			
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income		**407,254**	(177,401)
		407,254	(177,401)
Total comprehensive income (expense) for the year		**27,467**	(580,044)
Loss per share			
– Basic and diluted (RMB)		**(0.59)**	(0.64)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2023

	NOTES	31/12/2023 RMB'000	31/12/2022 RMB'000
Non-current assets			
Property, plant and equipment		**444,365**	414,478
Right-of-use assets		**23,286**	33,591
Intangible assets		**1,140,181**	919,050
Equity instruments at FVTOCI		**364,148**	95,000
Deposits and prepayments		**93,385**	108,472
Other asset – non-current		**–**	17,923
		2,065,365	1,588,514
Current assets			
Inventories		**32,473**	24,104
Trade and other receivables	*7*	**110,961**	106,238
Contract assets		**8,399**	6,473
Other asset – current		**–**	3,898
Bank balances and cash	*8*	**1,053,801**	1,314,447
		1,205,634	1,455,160
Current liabilities			
Trade and other payables	*9*	**182,619**	235,368
Income tax payables		**339**	–
Borrowings	*10*	**120,000**	–
Lease liabilities		**12,326**	12,285
		315,284	247,653
Net current assets		**890,350**	1,207,507
Total assets less current liabilities		**2,955,715**	2,796,021
Non-current liabilities			
Contract liabilities		**30,090**	30,090
Lease liabilities		**5,657**	17,292
		35,747	47,382
Net assets		**2,919,968**	2,748,639
Capital and reserves			
Share capital		**48**	48
Reserves		**2,919,920**	2,748,591
Total equity		**2,919,968**	2,748,639

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")

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

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

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. 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.

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after January 1 2022;

(ii) the Group also, as at January 1 2022, recognized 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 difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group disclose the related deferred tax assets and deferred tax liabilities on a gross basis but it has no impact on the accumulated losses at the earliest period presented.

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

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* 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 has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies.

Amendments to IFRSs in issue but not yet effective

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

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendments to IAS 21	Lack of Exchangeability[3]

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

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

[3] Effective for annual periods beginning on or after January 1, 2025.

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

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

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

	2023	2022
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time		
Sales of ophthalmic products	**204,695**	108,833
Pharmaceutical products promotion services	**38,347**	22,655
Sales-based royalty income	**3,054**	27,469
Contract development and manufacturing ("CDMO") services	**271**	–
	246,367	158,957

(ii) Performance obligations for contracts with customers

Sales of ophthalmic products

For the sale of ophthalmic products, revenue is recognized 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 recognized 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 the end customers. The contracts of pharmaceutical products promotion services may contain variable consideration on sales basis. Accordingly, revenue is recognized 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 products suppliers until the Group's products suppliers has received settlements for its sales or accepted the compliance report for promotion activities, as appropriate, and therefore a contract asset is recognized 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 contracts in relation to royalty income contain variable consideration. 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 recognized 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.

CDMO services

The Group starts to earn revenues by providing CDMO services to its customer through fee-for-service ("FFS") contracts. Under FFS method, the contracts usually have multiple deliverable units, which are generally in the form of samples and/or products, each with individual selling price specified within the contract. The Group identifies each deliverable unit as a separate performance obligation and recognizes FFS revenue of contractual elements at the point in time upon the units delivered.

(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.

All revenue from external customers is attributed to the Group and RMB243,689,000 of revenue is derived from the PRC. 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:

	2023	2022
	RMB'000	*RMB'000*
Customer A (note ii)	**140,655**	35,792
Customer B (note i)	**35,194**	21,614
Customer C (note ii)	**29,599**	16,525

Notes:

(i) Revenue on pharmaceutical product promotion services

(ii) Revenue on sales of ophthalmic products

4. OTHER INCOME

	2023	2022
	RMB'000	*RMB'000*
Bank interest income	**21,920**	28,221
Government grant income (note)	**458**	6,955
Others	**825**	478
	23,203	35,654

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

	2023	2022
	RMB'000	*RMB'000*
Gain from changes in fair value of other financial assets	**1,155**	1,253
Impairment loss reversed (recognised) on long-lived assets	**3,179**	(3,179)
Net foreign exchange gain	**1,096**	22,424
Losses from early termination of leases	**–**	(597)
	5,430	19,901

6. INCOME TAX EXPENSE

	2023	2022
	RMB'000	*RMB'000*
Withholding tax	**–**	358
Current tax – Hong Kong	**232**	–
Current tax – the PRC	**107**	56
Over provision for prior years	**(32)**	0
	307	414

The withholding tax for the year ended December 31, 2022 represents the withholding tax at 20% relating to the sublicense income generated from Taiwan market included in contract liabilities.

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

Ocumension (Hong Kong) Limited ("Ocumension Hong Kong") generated royalty income during the year ended December 31, 2023. Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

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. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 90 days to its trade customers, and the credit terms of certain trade customers are based on the timing of their actual sales. The following is an aged analysis of trade receivable, presented based on invoice date:

	2023	2022
	RMB'000	*RMB'000*
0-90 days	**80,142**	59,847
91-180 days	**–**	4
Over 180 days	**9,206**	–
	89,348	59,851

8. BANK BALANCES AND CASH

	2023	2022
	RMB'000	*RMB'000*
Cash at bank	**547,139**	904,261
Term deposits	**506,662**	410,186
	1,053,801	1,314,447
Analysed as:		
Cash and cash equivalents	**842,839**	1,170,049
Term deposits with maturity date between three months to one year (note a)	**206,662**	118,398
Pledged bank deposits (note b)	**4,300**	26,000
	1,053,801	1,314,447

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.

9. 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:

	2023	2022
	RMB'000	*RMB'000*
0 – 30 days	**24,285**	18,581
31 – 60 days	**755**	2,200
More than 60 days	**152**	922
	25,192	21,703

10. BORROWINGS

	2023	2022
	RMB'000	*RMB'000*
Guaranteed bank loans	**120,000**	–

In December 2023, subsidiaries of the Group entered into short-term loan agreement with two banks, which provided loans of RMB70,000,000 and RMB50,000,000. The fixed interest rates are 3.0% and 3.1%, respectively. The borrowings are guaranteed by the group entities. As at December 31, 2023, the Group has drawn down a total of RMB120,000,000, which will be repayable within one year.

11. DIVIDEND

No dividend was paid or declared during the year ended December 31, 2023, nor has any dividend been proposed since the end of the reporting period (2022: 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 C1 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 noncompliance 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, 2023, such net proceeds were utilized as follows in accordance with the intended uses:

Use of proceeds from Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceed *(%)*	Unutilized net proceeds as of December 31, 2022 *(HK$ million)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Utilized net proceeds as of December 31, 2023 *(HK$ million)*	Unutilized net proceeds as of December 31, 2023 *(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%	112.35	6.13	91.35	106.22	by the end of 2025
2. For milestone payments of OT-401	49.39	3.00%	15.49	–	33.9	15.49	by the end of 2024
3. For the commercialization of OT-401	246.96	15.00%	144.18	94.23	197.01	49.95	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%	71.98	71.98	562.42	–	–
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%	61.86	61.86	164.64	–	–
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%**	**–**	**–**	**164.64**	**–**	**–**
Total	**1,646.41**	**100.00%**	**428.33**	**234.2**	**1,452.28**	**194.13**	

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

As of December 31, 2023, 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

In January 2021, an aggregate of 28,000,000 placing Shares have been successfully placed by Morgan Stanley & Co. International plc to not less than six Independent Third Party placees at the placing price of HK$28.35 per Share. For details of the placing and subscription, please refer to the Company's announcements dated January 13, 2021 and January 22, 2021, respectively.

The net proceeds arising from the placing and subscription amounted 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, 2023, the net proceeds from the placing and subscription were utilized as follows in accordance with the intended uses:

Use of proceeds from placing and subscription	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Unutilized net proceeds as of December 31, 2022 *(HK$ million)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Utilized net proceeds as of December 31, 2023 *(HK$ million)*	Unutilized proceeds as of December 31, 2023 *(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%**	**140.43**	**115.20**	**248.37**	**25.23**	**by the end of 2024**
OT-702 (Eylea biosimilar)	99.66	12.75%	19.56	19.56	99.66	–	–
OT-301 (NCX-470)	50.03	6.40%	39.97	39.97	50.03	–	–
OT-101 (low-concentration atropine)	43.78	5.60%	19.23	19.23	43.78	–	–
OT-1001 (Zerviate)	30.10	3.85%	27.88	5.48	7.70	22.40	by the end of 2024
OT-202 (TKI)	50.03	6.40%	33.79	30.96	47.20	2.83	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%**	**–**	**–**	**195.43**	**–**	**–**
Other general corporate purposes	**78.17**	**10%**	**44.83**	**44.83**	**78.17**	**–**	**–**
Total	**781.70**	**100%**	**419.77**	**160.03**	**521.97**	**259.74**	

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

As of December 31, 2023, 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

During the Reporting Period, the Company repurchased a total of 239,000 ordinary shares of the Company for an aggregate consideration of HK$1,610,239 on the Stock Exchange before expenses. The repurchased Shares have not yet been cancelled as of the date of this announcement. The repurchase was effected by the Board for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

	Share repurchased	Purchase consideration per Share		Aggregate
Month of purchase in 2023	**No. of Shares purchased**	**Highest price paid** *(HKD)*	**Lowest price paid** *(HKD)*	**consideration paid** *(HKD)*
December 2023	239,000	6.94	6.54	1,610,239
Total	**239,000**			**1,610,239**

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2023.

Final Dividend

The Board does not recommend any payment of a final dividend for the year ended December 31, 2023 (2022: nil).

Events After the Reporting Period

From January 11, 2024 (New York time) and up to January 17, 2024 (New York time), the Group disposed 1,910,500 EyePoint Shares by way of block trade, at an aggregate consideration of approximately US$37.2 million (equivalent to approximately HK$290.6 million) (exclusive of transaction costs). For details of disposals of EyePoint Shares, please refer to the announcement of the Company dated January 17, 2024. Upon completion of such disposals, the Group hold 100,221 EyePoint Shares directly, representing approximately 0.21% of the total issued and outstanding EyePoint Shares based on publicly available information as of January 17, 2024.

Saved as disclosed herein, there was no event which has occurred after the year ended December 31, 2023 and up to the date of this announcement 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, 2023 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 audited consolidated financial statements of the Group for the year as approved by the Board on March 21, 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion 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, 2023 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, 2023. 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, 2023 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.

"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
"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 C1 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®, fluocinolone intravitreal implant, trade name: Youshiying® (優施瑩®))
"Director(s)"	the director(s) of our Company, including all executive directors, non-executive directors and independent non-executive directors
"ESOP"	the employee stock option plan adopted by our Company on May 23, 2018, as amended from time to time, the details of which are set out in the Prospectus
"EyePoint"	EyePoint Pharmaceuticals, Inc., a company whose shares 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
"EyePoint Share(s)"	share(s) of common stock of a par value of US$0.001 per share of EyePoint
"FVTOCI"	fair value through other comprehensive income
"Greater China"	the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Group" or "Ocumension"	the Company and its subsidiaries
"Grade III hospitals"	a top-level hospital in China, as hospitals in China are divided into three classes by National Health Commission of the PRC (中華人民共和國國家衛生健康委員會), among which, Class III hospitals are at the highest level, typically having more than 500 beds, providing high-level specialist medical and healthcare services to several regions and performing advanced teaching and research tasks
"HK$"	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. Huonland 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
"Independent Third Party(ies)"	party or parties that, to the best of our Directors' knowledge, information and belief, having made all reasonable inquiries, is or are not a connected person or connected persons of the Company
"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 C3 to the Listing Rules
"NASDAQ"	The Nasdaq Stock Market LLC
"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

"NRDL"	National Reimbursement Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance《國家基本醫療保險、工傷保險和生育保險藥品目錄》
"Prospectus"	the prospectus issued by the Company dated June 29, 2020
"Reporting Period"	the one-year period from January 1, 2023 to December 31, 2023
"RMB"	Renminbi Yuan, the lawful currency of China
"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$0.00001 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Suzhou Xiaxiang"	Suzhou Xiaxiang Biomedicine Co., Ltd. (蘇州夏翔生物醫藥有限公司), a limited liability company established in the PRC on October 18, 2019 and a wholly-owned subsidiary of the Company
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States

"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 21, 2024

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.