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## **CStone Pharmaceuticals**

### **基石藥業**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2616)**

## **GRANT OF SHARE OPTIONS**

### **SHARE OPTIONS**

This announcement is made pursuant to Rule 17.06A of the Listing Rules.

The Board announces that on August 15, 2019, the Company granted 40,480,421 Options to one Grantee in accordance with the terms of the Post-IPO ESOP, subject to acceptance.

### **Details of the Grant**

The details of the Options granted to the Grantee are as follows:

Date of Grant:	August 15, 2019
Number of Grantee:	one
Total number of new Shares to be subscribed upon exercise of the Options granted:	40,480,421 (subject to future adjustments)
Consideration for the Grant:	HK\$1.00 to be paid by the Grantee upon acceptance of the Options granted
Subscription price of the Options granted:	HK\$10.69 per Share
Closing price of the Shares on the date of grant:	HK\$10.52 per Share

Validity period of the Options: The validity period of the Options shall be subject to the relevant grant letter to the Grantee, which in any event must not be more than ten years from the Grant Date and the Options shall lapse at the expiry of such validity period.

Vesting period: Subject to certain vesting conditions and provided that the Grantee continues to be the Chief Executive Officer of the Company as of each such vesting date, 40,480,421 of the Options granted to the Grantee shall vest in the Grantee as follows:

- 25% shall vest on July 15, 2020;
- 25% shall vest in equal monthly installments thereafter until July 15, 2021 (rounding to the nearest whole Option);
- 25% shall vest in equal monthly installments thereafter until July 15, 2022 (rounding to the nearest whole Option); and
- 25% shall vest in equal monthly installments thereafter until July 15, 2023.

Vesting conditions: The vesting of the Options granted to the Grantee is subject to individual performance results and other requirements and conditional upon and subject to satisfaction of certain vesting conditions as set out by the Board.

### **Subscription Price**

The subscription price of the Options of HK\$10.69 per Share represents the higher of (i) the closing price of the Shares of HK\$10.52 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Grant Date and (ii) the average closing price of the Shares of HK\$10.69 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Grant Date.

### **Grants to Director**

All of the Options granted above were granted to a Director and chief executive (as defined in the Listing Rules) of the Company, details of which are as follows:

<b>Name of Grantee</b>	<b>Position held in the Company</b>	<b>Number of Options granted</b>
Dr. Frank Ningjun Jiang	Executive Director, Chairman of the Board and Chief Executive Officer	40,480,421

Pursuant to Rule 17.04(1) of the Listing Rules, the Grant of Options to the Grantee has been approved by the Board (including but not limited to the independent non-executive Directors), save that Dr. Frank Ningjun Jiang has abstained from approving the resolution relating to the Grant to him. Save as disclosed above, none of the grantees of the Share Options is a Director, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company or an associate of any of them (as defined in the Listing Rules).

The Grant to Dr. Frank Ningjun Jiang forms part of the remuneration package under his service contracts with the Company, and accordingly, are exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rules 14A.73(6) and Rule 14A.95 of the Listing Rules.

### **REASONS FOR AND BENEFITS OF THE GRANTS**

The purpose of the aforesaid grants of the Options is to attract and retain employees, to reward eligible employee, officer, director, contractor, advisor or consultant of the Group for their past contribution to the Company, to provide incentives to the employees to further contribute to the Group and to align their interests with the best interests of the Company and the Shareholders as a whole. In this regard, the Board (including the independent non-executive Directors) considers that the Grant to the Grantee is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **DEFINITIONS**

“Board”	the board of Directors
“Company”	CStone Pharmaceuticals 基石藥業, an exempted company with limited liability incorporated under the laws of the Cayman Islands on December 2, 2015
“Directors”	the directors of the Company
“Grant”	the grant of an aggregate of 40,480,421 Options to the Grantee in accordance with the terms of the Post-IPO ESOP (subject to future adjustments)
“Grant Date”	August 15, 2019
“Grantee”	Dr. Frank Ningjun Jiang who were granted Options in accordance with the Post-IPO ESOP on the Grant Date

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Date”	February 26, 2019, being the date on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option(s)”	option(s) to subscribe for or acquire Shares which is granted under the Post-IPO ESOP
“Post-IPO ESOP”	the post-IPO employee share option plan adopted by the Company on January 30, 2019, with effect on the Listing Date
“Shareholder(s)”	holder(s) of shares in the Company
“Shares”	ordinary shares in the issued capital of the Company with a nominal value of US\$0.0001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it by the Listing Rules
“substantial shareholder”	has the meaning ascribed to it by the Listing Rules

By order of the Board  
**CStone Pharmaceuticals**  
**Dr. Frank Ningjun Jiang**  
*Chairman*

Shanghai, People’s Republic of China, August 15, 2019

*As at the date of this announcement, the Board of Directors of the Company comprises Dr. Frank Ningjun Jiang as Chairman and Executive Director, Dr. Wei Li, Mr. Qun Zhao, Mr. Yanling Cao, Mr. Guobin Zhang and Dr. Lian Yong Chen as non-executive Directors, and Dr. Paul Herbert Chew, Mr. Ting Yuk Anthony Wu and Mr. Hongbin Sun as independent non-executive Directors.*