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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 April 1, 2020, the Company granted 8,901,500 Options to 53 Grantees 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 Grantees are as follows:

Date of Grant:	April 1, 2020
Number of Grantees:	53
Total number of new Shares to be subscribed upon exercise of the Options granted:	8,901,500
Consideration for the Grants:	HK\$1.00 to be paid by each Grantee upon acceptance of the Options granted
Subscription price of the Options granted:	HK\$8.85 per Share
Closing price of the Shares on the date of grant:	HK\$8.60 per Share

Validity period of the Options: The validity period of the Options shall be subject to the relevant grant letter to each of the Grantees, 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: 7,383,500 of the Options granted to the Grantees shall vest in the Grantees as follows:

- 25% shall vest on the first anniversary of the Grant Date (rounding to the nearest whole Option); and
- 75% shall vest monthly in equal installments over the 36 months (rounding to the nearest whole Option) immediately following the first anniversary of the Grant Date.

1,518,000 of the Options granted to the Grantees shall vest in the Grantees as follows:

- 25% shall vest on the first anniversary of the Grant Date (rounding to the nearest whole Option);
- 25% shall vest on the second anniversary of the Grant Date (rounding to the nearest whole Option);
- 25% shall vest on the third anniversary of the Grant Date (rounding to the nearest whole Option); and
- 25% shall vest on the fourth anniversary of the Grant Date (rounding to the nearest whole Option).

In each event, the Board has the discretion to accelerate the above vesting schedule of the Options.

The Options granted are subject to the individual performance result and other requirements as set out in the grant letters entered into between the Grantees and the Company.

Subscription Price

The subscription price of the Options of HK\$8.85 per Share represents the higher of (i) the closing price of the Shares of HK\$8.60 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\$8.85 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 Employees

Among the Options granted above, none of the Options were granted to any of the Directors, chief executive and substantial shareholder (as defined in the Listing Rules) of the Company or an associate of any of them (as defined in the Listing Rules). All the 8,901,500 Options were granted to other employees of the Group, subject to acceptance by the Grantees.

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.

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 8,901,500 Options to 53 Grantees in accordance with the terms of the Post-IPO ESOP
“Grant Date”	April 1, 2020
“Grantee”	the employees of the Group 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

“Options”	8,901,500 options to subscribe for or acquire 8,901,500 Shares which were 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 HK\$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

Suzhou, People’s Republic of China, April 1, 2020

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.