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CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2616)

GRANT OF OPTIONS PURSUANT TO THE POST-IPO ESOP

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

The Board announces that on December 10, 2021, the Company offered to grant an aggregate of 4,075,336 Options to 44 Grantees (including 1 senior management and 43 other employees of the Group) in accordance with the terms of the Post-IPO ESOP, subject to acceptance.

Details of the Grant of Options

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

Grant Date:	December 10, 2021
Number of Grantees:	44
Total number of new Shares to be subscribed upon exercise of the Options granted:	4,075,336
Consideration for the Grant of Options:	Nil to be paid by each Grantee upon acceptance of the Options granted
Subscription price of the Options granted:	HK\$9.588 per Share
Closing price of the Shares on the Grant Date:	HK\$9.330 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 of Option: 1,746,336 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.

2,329,000 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 of Options

The subscription price of the Options of HK\$9.588 per Share represents the higher of (i) the closing price of the Shares of HK\$9.330 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\$9.588 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Grant Date.

Grant of Options to Employees

None of the Grantees is a Director, chief executive or substantial shareholder of the Company nor an associate of any of them (as defined in the Listing Rules). All the 4,075,336 Options were granted to senior management (not being Directors) and other employees of the Group, subject to acceptance by the Grantees.

Reasons for and Benefits of the Grant of Options

The purpose of the aforesaid Grant of Options is to attract and retain employees, to reward selected grantees of the Group for their past contribution to the Company, to provide incentives to selected 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 of Options”	the grant of an aggregate of 4,075,336 Options to 44 Grantees in accordance with the terms of the Post-IPO ESOP
“Grant Date”	December 10, 2021
“Grantee(s)”	the employees of the Group who were granted Options in accordance with the Post-IPO ESOP on the Grant Date, including senior management (not being Directors) and other employees of the Group
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Options”	4,075,336 options to subscribe for or acquire 4,075,336 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 of the Company (i.e. February 26, 2019)
“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
“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, December 10, 2021

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. Kenneth Walton Hitchner III, Mr. Yanling Cao, Mr. Xianghong Lin and Mr. Edward Hu as non-executive Directors, and Dr. Paul Herbert Chew, Mr. Ting Yuk Anthony Wu and Mr. Hongbin Sun as independent non-executive Directors.