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**康臣藥業集團有限公司**  
**CONSUN PHARMACEUTICAL GROUP LIMITED**

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

**(Stock code: 1681)**

## **GRANT OF SHARE OPTIONS**

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board (the “**Board**”) of directors (the “**Directors**”) of Consun Pharmaceutical Group Limited (the “**Company**”) announces that the Company has granted 63,000,000 share options (the “**Share Option(s)**”) to certain Directors and employees (collectively the “**Grantees**”) of the Company and its subsidiaries (collectively the “**Group**”) on 2 January 2019 (the “**Date of Grant**”) to subscribe for the Company’s ordinary shares of HKD0.1 each (the “**Shares**”) under the share option scheme of the Company (the “**Share Option Scheme**”) adopted on 2 December 2013 (the “**Grant**”), subject to acceptance of the Grantees.

Among the 63,000,000 Share Options, 8,750,000 Share Options are granted to Mr. AN Yubao (“**Mr. An**”), the Chairman and a substantial shareholder of the Company, 8,750,000 Share Options are granted to Ms. Li Qian (“**Ms. Li**”), the Vice Chairlady, Chief Executive Officer and a substantial shareholder of the Company, 800,000 Share Options are granted to Professor ZHU Quan (“**Professor Zhu**”), an executive Director of the Company, and 1,300,000 Share Options are granted to Mr. TANG Ning (“**Mr. Tang**”), an executive Director of the Company. The grant of Share Options to each of Mr. An and Ms. Li is conditional upon the approval of the independent shareholders of the Company (the “**Independent Shareholders’ Approval**”) to be obtained at the forthcoming extraordinary general meeting of the Company (the “**EGM**”) to be convened.

A summary of the Grant is set out below:

Date of Grant:	2 January 2019
Exercise price of the Share Options:	<p>HKD4.476, which represents the highest of:</p> <ul style="list-style-type: none"><li>(i) the closing price of HKD4.19 per Share as stated in the daily quotations sheet of the Stock Exchange on 2 January 2019 ;</li><li>(ii) the average closing price of HKD4.476 per Share as stated in the daily quotations sheets of the Stock Exchange for five business days immediately preceding 2 January 2019; and</li><li>(iii) the nominal value of HKD0.1 per Share.</li></ul>
Number of the Share Options granted:	<p>63,000,000 Share Options, of which the grant of 17,500,000 Share Options is subject to the Independent Shareholders' Approval at the EGM. Each Share Option shall entitle the holder thereof to subscribe for one Share.</p>
Validity period of the Share Options:	<p>Save and except for the Share Options granted to Mr. An and Ms. Li, ten (10) years from 2 January 2019 to 1 January 2029 (both dates inclusive).</p> <p>In respect of the Share Options granted to Mr. An and Ms. Li, from the date upon obtaining the Independent Shareholders' Approval at the EGM, with Mr. An, Ms. Li, their respective associates and all core connected persons of the Company abstaining from voting in favour at the EGM, to 1 January 2029 (both dates inclusive).</p>

Vesting condition and exercise period of the Share Options: Conditional upon the fulfillment of the performance targets within a 3-year period, the Share Options shall be exercisable respectively as follows:

- (i) 30% of the 63,000,000 Share Options may be exercised on or after 1 April 2020;
- (ii) another 30% of the 63,000,000 Share Options may be exercised on or after 1 April 2021; and
- (iii) the remaining 40% of the 63,000,000 Share Options may be exercised on or after 1 April 2022.

Save as disclosed above, the Board confirms that none of the Grantees (other than Mr. An, Ms. Li, Professor Zhu and Mr. Tang) is a Director, chief executive or a substantial shareholder (as defined in the Listing Rules) of the Company or their associates (as defined in the Listing Rules). Each of Mr. An, Ms. Li, Professor Zhu and Mr. Tang has abstained from voting in respect of the Board resolution in the Board meeting to approve the grant of Share Options to himself/herself respectively.

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of share options by the Company to a Director, chief executive or substantial shareholder of the Company or any of their associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the share options concerned). On 2 January 2019, the independent non-executive Directors approved the grant of Share Options to Mr. An, Ms. Li, Professor Zhu and Mr. Tang.

On 2 January 2019, the Remuneration Committee of the Company approved the grant of Share Options to Mr. An, Ms. Li, Professor Zhu and Mr. Tang. Ms. Li, being a member of the Remuneration Committee of the Company, has abstained from voting in respect of the Remuneration Committee meeting to approve the grant of Share Options to herself.

Further, pursuant to Rule 17.04(1) of the Listing Rules, where any grant of share options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates (as defined in the Listing Rules), would result in the Shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HKD5,000,000, such grant of share options must be approved by the shareholders in a general meeting at which the grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

The grant of Share Options to each of Mr. An and Ms. Li (both being substantial shareholders) would result in the Shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to each of them in the 12-month period up to and including the Date of Grant (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the Date of Grant, in excess of HKD5,000,000, falling within the ambit of Rule 17.04(1) of the Listing Rules. The grant of Share Options to each of Mr. An and Ms. Li is therefore subject to the Independent Shareholders' Approval.

## Shareholding structure

The shareholding structure of the Company (a) as at the Date of Grant (i.e. 2 January 2019); and (b) immediately upon exercise of all outstanding share options granted under the Share Option Scheme (including those under the Grant) are as follows:

	As at the Date of Grant		Immediately upon exercise of all outstanding share options granted under the Share Option Scheme (including those under the Grant)	
	<i>No. of Shares</i>	<i>Approximate percentage shareholdings</i>	<i>No. of Shares</i>	<i>Approximate percentage shareholdings</i>
Mr. An (Note 1)	9,805,817	1.12%	28,555,817	2.87%
BOS Trustee Limited (Note 2)	197,324,000	22.55%	197,324,000	19.87%
<b>Total shareholding of Mr. An and his associates</b>	<b>207,129,817</b>	<b>23.67%</b>	<b>225,879,817</b>	<b>22.74%</b>
Ms. Li (Note 1)	5,922,261	0.68%	24,672,261	2.49%
Double Grace (Note 3)	127,048,000	14.51%	127,048,000	12.79%
<b>Total shareholding of Ms. Li and her associates</b>	<b>132,970,261</b>	<b>15.19%</b>	<b>151,720,261</b>	<b>15.28%</b>
Professor Zhu (Note 1)	-	-	3,757,700	0.38%
Mr. Tang (Note 1)	-	-	2,805,600	0.28%
Ms. CHEN Xinxin (Note 1)	2,993,000	0.34%	2,993,000	0.30%
other shareholders	532,096,702	60.80%	605,996,129	61.02%
<b>Total</b>	<b>875,189,780</b>	<b>100.00%</b>	<b>993,152,507</b>	<b>100.00%</b>

Note:

- 1) They are Directors.
- 2) Central Success Developments Limited (“**Central Success**”) beneficially owns 197,324,000 Shares. The entire issued share capital of Central Success is owned by Aali Resources Limited, which is held by BOS Trustee Limited as a trustee of a discretionary trust, of which Mr. An is the founder.
- 3) Double Grace International Limited (“**Double Grace**”) is wholly owned by Ms. Li.

## **General**

The grant of Share Options to each of Mr. An and Ms. Li is conditional upon the Independent Shareholders' Approval at the EGM. Mr. An and his associates shall abstain from voting in favour at the EGM in respect of the resolution approving the grant of Share Options to Mr. An. Ms. Li and her associates shall abstain from voting in favour at the EGM in respect of the resolution approving the grant of Share Options to Ms. Li. In addition, all core connected persons of the Company shall abstain from voting in favour at the EGM.

A circular containing information in relation to the grant of Share Options to each of Mr. An and Ms. Li as required under the Listing Rules, together with the notice of the EGM, will be despatched in due course.

By order of the Board of  
**Consun Pharmaceutical Group Limited**  
**AN Yubao**  
*Chairman*

Hong Kong, 2 January 2019

*As at the date of this announcement, the Board comprises Mr. AN Yubao, Ms. LI Qian, Professor ZHU Quan and Mr. TANG Ning as executive Directors; Mr. SU Yuanfu, Mr. FENG Zhongshi and Ms. CHENG Xinxin as independent non-executive Directors.*