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HUA MEDICINE

華領醫藥

(Incorporated in the Cayman Islands with limited liability)

(stock code: 2552)

GRANT OF SHARE OPTIONS

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

The board (the “**Board**”) of directors (the “**Directors**”) of Hua Medicine (the “**Company**”) announces that on March 8, 2019, the Company granted share options (the “**Share Options**”) to employees of the Company (the “**Grantees**”) pursuant to the Company’s share option scheme which was conditionally approved and adopted on August 26, 2018 and effective beginning September 14, 2018 (the “**Share Option Scheme**”), subject to acceptance by the Grantees, and in the case of Dr. Li Chen, approval by shareholders at a general meeting to consider the grant of Share Options to him. The Share Options entitles the Grantees to subscribe for a total of 21,119,300 new shares with a nominal value of US\$0.001 each (the “**Shares**”) in the share capital of the Company.

Details of the Share Options granted are as follows:

Date of Grant: March 8, 2019

Exercise price of Share Options granted: HK\$8.866 per Share, which is the higher of:

- i. the closing price of HK\$8.60 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant of the Share Options, being March 8, 2019

- ii. the average closing price of HK\$8.866 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of grant of the Share Options; and
- iii. the nominal value of US\$0.001 per Share

Number of Share Options granted:	An aggregate of 21,119,300 Share Options (each Share Option shall entitle the holder thereof to subscribe for one (1) Share)
Vesting and validity period of the Share Options:	<p>The Share Options shall be valid for a period of ten (10) years from the date of grant.</p> <p>25% of the Share Options shall be vested on the first anniversary of the vesting commence date. The remaining 75% of the Share Options shall be vested in 36 monthly installments thereafter, subject to the Grantees's continued employment from the date of grant.</p>

The Share Options are subject to the terms and condition of the Share Option Scheme. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, except for the executive director, Mr. George Chien Cheng Lin, granted 300,000 Share Options and the chief executive officer and executive director, Dr. Li Chen, granted 12,079,000 Share Options (“**Chief Executive Options**”) including 10,519,300 Share Options with vesting commencement to start on the date upon positive Phase III results as determined in the Board’s sole discretion (without the participation of the chief executive officer), all the other Grantees are neither a Director, chief executive nor substantial shareholder of the Company nor an associate (as defined in the Listing Rules) of any of them. The Share Options and Chief Executive Options are granted in recognition for the Grantees’ contributions in 2018.

As the grant of the Chief Executive Options under the Share Option Scheme would exceed 1% of the total issued shares of the Company in a twelve month period, such grant will be subject to shareholders approval at a general meeting to be held to consider the approval of the Chief Executive Options. The Company will keep

shareholders informed of the despatch of circular relating to the Chief Executive Options in due course.

By Order of the Board
Dr. Li Chen
*Chief Executive Officer and
Executive Director*

Hong Kong, March 8, 2019

As of the date of this announcement, the Board of Directors comprises Dr. Li Chen and Mr. George Chien Cheng Lin as executive Directors; Mr. Robert Taylor Nelsen and Dr. Lian Yong Chen as non-executive Directors; and Mr. Walter Teh-ming Kwauk, Mr. William Robert Keller, Mr. Junling Liu and Mr. Yiu Wa Alec Tsui as independent non-executive Directors.