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石四藥集團有限公司 SSY Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2005)

ADOPTION OF RESTRICTED SHARE AWARD SCHEME

The Board is pleased to announce that on 27 December 2018, the Board has approved the adoption of the Restricted Share Award Scheme. The Restricted Share Award Scheme does not constitute a share option scheme for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

Summary of Restricted Share Award Scheme

A summary of the principal terms of the Restricted Share Award Scheme is set out below.

1. Purposes

The purposes of the Restricted Share Award Scheme are:

- (a) to provide the Selected Participants with an opportunity to acquire a proprietary interest in the Company;
- (b) to encourage and retain such individuals to work with the Company; and
- (c) to provide additional incentive for them to achieve performance goals,

with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the Selected Participants directly to the shareholders of the Company through ownership of Shares.

2. *Administration*

The Restricted Share Award Scheme is subject to the administration of the Board and the Trustee in accordance with the rules of the Restricted Share Award Scheme. The decision of the Board and the Trustee (save as otherwise provided herein) shall be final and binding on all parties.

The Restricted Share Award Scheme may be amended in any respect by the Board by a board resolution provided that no such amendment shall operate to affect adversely any rights of any Selected Participant thereunder which accrued prior to such amendment becoming effective, and provided that no such amendment or alteration to the Restricted Share Award Scheme which affects the Trustee's rights and obligations under the Trust Deed shall be made without the prior written consent of the Trustee (save as may be required to comply with the applicable laws, rules or regulations including amongst others the Listing Rules and/or the SFO).

3. *Duration*

Subject to any early termination in accordance with the Restricted Share Award Scheme and without prejudicing the subsisting rights of any Selected Participant, the Restricted Share Award Scheme shall be valid and effective for a period of 10 years from the Adoption Date.

4. *Scheme Limits*

No Shares shall be purchased pursuant to the Restricted Share Award Scheme, nor any amounts paid to the Trustee for the purpose of making such a purchase, if as a result of such purchase, the number of Shares administered under the Restricted Share Award Scheme would exceed in total 2 per cent of the Company's issued share capital as at the Adoption Date.

The maximum number of Shares which may be granted to a Selected Participant at any one time or in aggregate may not exceed 1 per cent of the issued share capital of the Company as at the Adoption Date.

5. *Operation of Restricted Share Award Scheme*

The Board by a board resolution may, subject always to the Scheme Rules, from time to time determine the number of Shares to be granted (the "**Grant Shares**") and at its absolute discretion select any Participant to be a Selected Participant under the Restricted Share Award Scheme. The Board by a board resolution shall notify the Trustee about the results of its determination of Grant Shares and Selected Participants within a reasonable and practicable period of time as determined by the Board in its absolute discretion. The Grant Shares are subject to acceptance of the Selected Participants. Shares pursuant to a Grant not accepted by the Selected Participants within the time as stipulated in these Rules shall lapse forthwith and become Unaccepted Shares which shall be dealt with in accordance with the Scheme Rules.

In determining the number of Grant Shares to any Selected Participant, the Board shall take into consideration matters including, but without limitation to,

- (a) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group;
- (b) the general financial condition of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

Where any grant of Restricted Shares is proposed to be made to any Selected Participant who is a Director, such grant must first be approved by all the independent non-executive Directors.

After the Board has determined the number of Grant Shares and the Selected Participants, it shall notify the Trustee and the Selected Participants in writing on the proposed Grant Date. Upon receipt of the notification, the Selected Participants are required to confirm their acceptance by returning to the Board a notice of acceptance duly executed by them within 28 days after the Grant Date.

The Board it to cause to be paid to the Trustee the sum of the closing price of the Shares as at the Grant Date together with all related purchase expenses required for the completion of the purchase of all the Grant Shares (the “**Referable Amount**”) from the Company's resources as soon as possible.

Within 20 business days (or such longer period as the Trustee and the Board may agree from time to time) of receiving the Referable Amount, the Trustee shall apply the same towards the purchase of the Shares on the Stock Exchange.

As soon as practicable after the Board or the Board Committee has determined the number of Award Shares and/or the Selected Participants, it shall notify the Trustee of (i) the name of each Selected Participant to whom such an Award has been made; (ii) the number of Shares to which each such Award related; and (iii) the date or dates on which each such Award is expected to vest.

If any Selected Participant fails to return the notice of acceptance at the stipulated time to the Board, the grant shall lapse forthwith and the Shares pursuant to the grant shall become Unaccepted Shares which shall be dealt with in accordance with the Restricted Share Award Scheme.

6. Vesting of Shares

The vesting of the Shares is subject to the Selected Participant remaining at all times after the Grant Date and on the Vesting Date a Participant of the Company or any subsidiary.

Subject to the vesting conditions set out in the Restricted Share Award Scheme, any Share held by the Trustee on behalf of a Selected Participant pursuant to the Restricted Share Award Scheme would vest in such Selected Participant in accordance with the vesting schedule as determined by the Board from time to time.

The Board shall send to each Selected Participant a Vesting Notice thirty (30) days prior to each Vesting Date. Upon receipt of the Vesting Notice, each Selected Participant is required to return to the Board the reply slip (the “**Reply Slip**”) attached to the Vesting Notice to confirm his/her securities account details for the purposes of effecting the transfer of the vested Shares to such Selected Participant by the Trustee. In the event that the Board does not receive the Reply Slip from a Selected Participant prior to the Vesting Date stated on the Vesting Notice, the Shares which would have otherwise vested in such Selected Participant will be automatically forfeited forthwith and become Unvested Shares for the purpose of the Restricted Share Award Scheme.

If an offer by way of takeover, merger, scheme of arrangement, share repurchase or otherwise is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) resulting in a change in control of the Company, and such offer becomes or is declared unconditional prior to the vesting of Shares in the Selected Participant, then such Shares shall immediately vest on the date when such change in control event becomes or is declared unconditional and such date shall be deemed the vesting date.

7. Rights of Selected Participants before vesting

A Selected Participant shall not have any contingent interest in the Shares which are referable to him until such Shares have been vested in accordance with the Scheme Rules.

8. Restrictions

The Trustee shall not exercise any voting rights in respect of any Shares held under the Trust.

No grant shall be made to any Selected Participant:

- (a) after a price sensitive event in relation to the securities of the Company or event which constitutes inside information (as defined in Part XIVA of the SFO) (“**Inside Information**”) of the Company has occurred, or a price sensitive matter in relation to the securities of the Company or Inside Information of the Company has been the subject of a decision, until such price sensitive information and/or Inside Information has been made public by announcement being published on the website of the Stock Exchange;
- (b) within the period commencing 60 days immediately preceding the earlier of: (i) the date of a meeting of the Board (as such date is first notified to the Stock Exchange) for the approval of the Company’s annual results for any financial period; and (ii) the deadline for the Company to publish its annual results announcement for any financial period under the Listing Rules, and ending on the date of such announcement;
- (c) within the period commencing 30 days immediately preceding the earlier of: (i) the date of a meeting of the Board (as such date is first notified to the Stock Exchange) for the approval of the Company’s interim or quarterly results for any financial period; and (ii) the deadline for the Company to publish its interim or quarterly results announcement for any financial period under the Listing Rules, and ending on the date of such announcement; or
- (d) in any circumstances which are prohibited under the applicable laws, rules and regulations which includes amongst others Listing Rules and/or SFO or where the requisite approval from any applicable regulatory authorities has not been granted.

9. *No Assignment of Shares*

Any grant made under the Restricted Share Award Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable. No Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Shares pursuant to such grant or the Unaccepted Shares, additional Shares or any of the Unvested Shares under the Restricted Share Award Scheme.

10. Termination

The Restricted Share Award Scheme shall commence on the Adoption Date and shall terminate:

- (a) upon expiry of the period of 10 years from the Adoption Date;
- (b) on the date of any change in control; or
- (c) on the date determined/resolved by the Board to terminate the Restricted Share Award Scheme pursuant to this Scheme Rules by board resolution; whichever is sooner (collectively “Scheme Period”).

Any termination of the Restricted Share Award Scheme shall be without prejudice to any subsisting rights of any Selected Participant(s)

11. Governing Law

The Restricted Share Award Scheme and the Shares granted thereunder is governed by and construed in accordance with the laws of Hong Kong.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

“Adoption Date”	the date on which the Restricted Share Award Scheme is adopted by the Board, being 27 December 2018
“Board”	the board of Directors
“business day”	a day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays and public holidays)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	SSY Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Director(s)”	the board of Directors of the Company
“Grant Date”	the date on which the Share is, was or is to be granted
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Participant”	any individual being an executive director, employee, officer of the Company or any subsidiary
“Restricted Share Award Scheme”	the share award scheme adopted by the Board on the Adoption Date as may be amended from time to time
“Scheme Rules”	the rules stipulated under the Restricted Share Award Scheme
“Selected Participant”	any Participant selected by the Board in accordance with the terms of and entitled to receive a Grant under the Restricted Share Award Scheme
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shares”	share(s) with a par value of HK\$0.02 each (or such other nominal amount as shall result from a sub-division or a consolidation of such shares from time to time) in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“Trust”	the trust from which Shares may be granted to a Selected Participant pursuant to the Restricted Share Award Scheme
“Trustee”	professional trustee (which is independent of and not connected with the Company) to be appointed by the Company for the administration of the Restricted Share Award Scheme
“Unaccepted Shares”	such Shares granted which are not accepted by the Selected Participants within 28 days after the Grant Date and have been or will be dealt with in accordance with the Scheme Rules
“Unvested Shares”	such Shares which do not vest in the Selected Participants and have been or will be forfeited in accordance with the Restricted Share Award Scheme

“Vesting Notice” the notice given by the Board to a Selected Participant indicating the Board’s intention to vest the Grant Shares in a Selected Participant

“Vesting Date” the date or each such date on which the Grant Shares are to be vested in a Selected Participant

By order of the Board
Chow Hing Yeung
Company Secretary

Hong Kong, 28 December 2018

As at the date of this announcement, the Board comprises Mr. Qu Jiguang, Mr. Wang Xianjun and Mr. Su Xuejun as executive Directors, Mr. Feng Hao as non-executive Director and Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai as independent non-executive Directors.