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Jacobson Pharma Corporation Limited

雅各臣科研製藥有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock Code : 2633

GRANT OF SHARE AWARDS INSIDE INFORMATION TERMINATION OF SHARE INCENTIVE SCHEME AND ADOPTION OF SHARE AWARD SCHEME

The Board announces that on 16 October 2018, pursuant to the Share Incentive Scheme which was conditionally approved and adopted on 30 August 2016 and became effective upon Listing, certain employees of the Group were granted share awards entitling them to acquire an aggregate of 7,231,000 ordinary shares of HK\$0.01 each in the Company from the Original Trustee on the vesting date(s) after the acceptance and vesting of the awards.

The Board further announces that on 16 October 2018, it has resolved to (i) terminate the Share Incentive Scheme after the vesting all the Shares held by the Original Trustee on trust for the purpose of the Share Incentive Scheme to the grantees selected under that scheme; and (ii) adopt the Share Award Scheme. The purpose of the Share Award Scheme is to recognize and reward the contribution of certain Eligible Person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group and to attract suitable personnel for further development of the Group.

The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board announces that on 16 October 2018, pursuant to the Share Incentive Scheme which was conditionally approved and adopted on 30 August 2016 and became effective upon Listing, certain employees of the Group were granted share awards entitling them to acquire an aggregate of 7,231,000 ordinary shares of HK\$0.01 each in the Company from the Original Trustee on the vesting date(s) after the acceptance and vesting of the awards.

The Board further announces that on 16 October 2018, it has resolved to (i) terminate the Share Incentive Scheme after the vesting all the Shares held by the Original Trustee on trust for the purpose of the Share Incentive Scheme to the grantees selected under that scheme; and (ii) adopt the Share Award Scheme. A summary of the grant of share awards under the Share Incentive Scheme as well as a summary of the principal terms of the Share Award Scheme are set out below.

GRANT OF SHARE AWARDS

The Board announces that on 16 October 2018, pursuant to the Share Incentive Scheme, certain employees of the Group were granted share awards entitling them to acquire an aggregate of 7,231,000 ordinary shares of HK\$0.01 each in the Company from the Original Trustee on the vesting date(s) after acceptance and vesting of the awards.

Details of the Shares granted are as follows:

Date of Grant:	16 October 2018
Vesting Date:	23 January 2019
Number of Shares granted:	7,231,000
Number of underlying ordinary shares of the Company involved:	7,231,000
Approximate percentage of the issued share capital of the Company:	0.36%

An aggregate of 7,231,000 Shares were granted to employees with the approval of the remuneration committee and the Board (including all independent non-executive directors), of which 3,750,000 Shares were granted to all executive directors including Mr. Sum of the Company subject to 1-year lockup period from the vesting date, 1,976,000 Shares were granted to certain directors of the subsidiaries of the Company, and 1,505,000 Shares were granted to the employees who are not director(s), chief executive(s) or substantial shareholder(s) of the Group, nor an associate (as defined under the Listing Rules) of any of them.

INSIDE INFORMATION

Pursuant to Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Company also wishes to disclose that the grant of 2,000,000 Shares was made to Mr. Sum. Upon the vesting of all the Shares granted, Mr. Sum's shareholding percentage in the Company will decrease from approximately 63.92% to 63.66% due to an overall decrease in shares held by the Original Trustee in which Mr. Sum is the sole shareholder.

TERMINATION OF SHARE INCENTIVE SCHEME

The Board has on 16 October 2018 approved the termination of the Share Incentive Scheme after the vesting of all the available share awards to the relevant grantees eligible under the Share Incentive Scheme. Such termination shall not affect any subsisting rights of any grantee under the Share Incentive Scheme.

ADOPTION OF SHARE AWARD SCHEME

The Board has also on 16 October 2018 adopted the Share Award Scheme (which is a new incentive scheme in place of the Share Incentive Scheme upon the termination of the Share Incentive Scheme). The principal terms of the Share Award Scheme are set out below.

Purpose

The purpose of the Share Award Scheme is to recognize and reward the contribution of certain Eligible Person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group and to attract suitable personnel for further development of the Group.

Administration

The Share Award Scheme shall be subject to the administration of the Award Committee in accordance with the Scheme Rules. The decision of the Award Committee in respect to any matter arising in relation to the Share Award Scheme shall be final, conclusive and binding.

Duration

Subject to any early termination of the Share Award Scheme in accordance with the Scheme Rules, the Share Award Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date.

Eligible Persons

Pursuant to the Scheme Rules, the eligibility of any Eligible Persons to an Award shall be determined by the Award Committee from time to time on the basis of the Award Committee's opinion as to his contribution and/or future contribution to the development and growth of the Group.

Scheme Limit

Pursuant to the Scheme Rules, the maximum number of Shares which may be purchased or subscribed for by the Trustee in any financial year of the Company may be fixed by the Board, but in any event such purchase or subscription shall not result in the Trustee holding at any time more than three (3) percent of the total issued Shares of the Company.

In addition, unless approved by the Board, the Award Committee shall not grant any Awarded Shares to any Selected Participant if the granting of such Awarded Shares would result in the total number of Shares vested or to be vested in the relevant Selected Participant during any 12 month period exceeding 0.5 percent of the total issued Shares of the Company (save and except that any grant of Awarded Shares to an independent non-executive director of the Company should not result in the total number of Shares vested or to be vested in that person (under this Share Award Scheme or otherwise) during any 12 month period exceeding 0.1 percent of the total issued Shares of the Company).

Operation and Vesting

Pursuant to the Scheme Rules, the Award Committee may at any time pay to the Trustee such Group Contribution for the purpose of purchasing or subscription for Shares constituting the Shares Pool.

Upon the Award Committee giving an Award Notice to the Trustee, the Trustee shall set aside the appropriate number of Awarded Shares out of the Shares Pool. The Award Committee shall then notify the Selected Participant in writing of the Award by way of a Grant Notice once the Trustee has notified the Award Committee that the Awarded Shares have been set aside in accordance with the Scheme Rules.

The Trustee shall hold the Awarded Shares and any Other Distributions derived in respect of the Awarded Shares (if any) during the Vesting Period on trust for the Selected Participant such that the Selected Participant shall only have a contingent interest in the Awarded Shares and any Other Distributions derived in respect of the Awarded Shares (if any) subject to the vesting of Awarded Shares and the relevant Other Distributions (if any) in the Selected Participant in accordance with the Scheme Rules.

Subject to the Scheme Rules and fulfilment by a Selected Participant of certain terms and conditions which may be specified in the Grant Notice, the Trustee shall transfer to and vest in the Selected Participant the legal and beneficial ownership of the Awarded Shares and the relevant Other Distributions (if any) to which such Selected Participant is entitled under the relevant Award as soon as practicable on or after the Vesting Date to the extent that the Awarded Shares and the relevant Other Distributions (if any) are vested pursuant to the Scheme Rules and there is no Total Lapse or Partial Lapse of the Award.

Restrictions

No Award or, as the case may be, no instruction of the Award Committee to the Trustee to acquire Shares for the purpose of increasing the number of Shares in the Shares Pool shall be made pursuant to the Scheme Rules:

- (a) where any Director is in possession of unpublished inside information;
- (b) during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares as prescribed by the Listing Rules.

Any Award to an Eligible Person who is a Connected Person shall not be made during the periods or times in which the Directors are prohibited from dealing in Shares as prescribed by the Listing Rules.

Lapse of an Award

In the event of a Total Lapse, the Award shall automatically lapse forthwith and all the Awarded Shares and the relevant Other Distributions (if any) shall not vest on the relevant Vesting Date but shall become Returned Shares and Residual Cash (as the case may be).

In the event of a Partial Lapse, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant unvested Awarded Shares and the relevant Other Distributions (if any) shall not vest on the relevant Vesting Date but shall become the Returned Shares and Residual Cash (as the case may be).

In respect of a Selected Participant who, at any time prior to a Vesting Date ceases to be an Eligible Person by reason of (i) death; or (ii) retirement of the Selected Participant at his normal retirement date or earlier by agreement with the Group or by virtue of any statutory requirement (other than by way of dismissal on grounds of dishonesty or misconduct), the Selected Participant (or his legal personal representative(s), as the case may be) shall be vested with all of the Selected Participant's Awarded Shares and the relevant Other Distributions (if any) (subject to the terms and conditions as set out in the relevant Grant Notice and that the Award Committee has been satisfied with the fulfilment of such conditions at its absolute discretion) in accordance with the Scheme Rules.

The Residual Cash, if any, may be applied to (i) settle the fees, costs and expenses of the trust; (ii) purchase or subscribe for additional Shares which will constitute Shares in the Shares Pool pursuant to the direction of the Award Committee; or (iii) subscribe for any rights attached to the Awarded Shares in accordance with the Scheme Rules.

Voting Rights

The Trustee may not exercise any voting rights in respect of any Shares held under trust.

Alteration

The Share Award Scheme may be altered in any respect by a resolution of the Board provided that prior written notice is given to the Trustee and no such amendment shall operate to affect adversely any subsisting rights of any Selected Participant.

IMPLICATIONS UNDER THE LISTING RULES

The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

However, where any grant of the Awarded Shares is proposed to be made to any person who is a Connected Person of the Company, the Company shall comply with the relevant provisions of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Adoption Date”	16 October 2018, being the date on which the Board adopted the Scheme Rules for the establishment of the Share Award Scheme
“Award”	an provisional award of Shares to a Selected Participant determined by the Award Committee in accordance with the Scheme Rules
“Award Committee”	a duly authorized committee comprised of the executive director(s) of the Company (from time to time) delegated with the power and authority by the Board to administer the Share Award Scheme
“Award Notice”	a notice to be sent by the Award Committee to the Trustee upon the making of an Award under the Share Award Scheme containing information as specified in the Scheme Rules
“Awarded Shares”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors of the Company
“Company”	Jacobson Pharma Corporation Limited (雅各臣科研製藥有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 2633)
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Eligible Person(s)”	means any individual who is an employee (whether full part or part time), director, officer, consultant or advisor of any member of the Group or any Invested Entity who is considered by the Board, in its sole discretion, to have contributed to or will contribute to the Group, and is selected by the Board for achieving the purposes of the Share Award Scheme

“Excluded Person”	any Eligible Person who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Award Committee or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person
“Grant Notice”	a notice to be sent by the Award Committee to the Selected Participant upon making of an Award containing information as specified in the Scheme Rules
“Group”	the Company and its subsidiaries
“Group Contribution”	any contribution in the form of money made by the Company or any of its subsidiaries to be paid to the Trustee for the purchase of and/or subscription for Shares constituting the Shares in the Shares Pool in accordance with the Share Award Scheme
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Listing”	the listing of the Shares of the Company on the Main Board of the Stock Exchange on 21 September 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Sum”	Mr. Sum Kwong Yip, Derek, an executive Director, the chairman and chief executive officer of the Company who is also the controlling shareholder of the Company
“Original Trustee”	The Jacobson Pharma (PTC) Limited, being the trustee of the Share Incentive Scheme
“Other Distributions”	any dividends (cash or non cash) or other distributions received by the Trustee in respect of the Awarded Shares in the form of (i) cash when the rights, options, warrants or other non cash distributions derived from the Awarded Shares are sold; or (ii) Shares arising as a result of the exercise of rights, options, warrants or other open or preferential offers derived from the Awarded Shares

“Partial Lapse”	the lapse of a part of an Award as a result of the occurrence of one of the following events: (i) a Selected Participant is found to be an Excluded Person or (ii) a Selected Participant fails to return a reply slip or duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares and the Other Distributions within the stipulated period in accordance with the Scheme Rules
“Reference Date”	in respect of each Selected Participant, the Reference Date shall be the date of the issue of the Grant Notice to that Selected Participant, being the date of notification by the Award Committee of the total number of Shares to be provisionally awarded to that Selected Participant in a single Award in accordance with the Scheme Rules
“Residual Cash”	cash remaining in the trust fund including (i) any excess of the Group Contribution not applied in the purchase of and/or subscription for the Awarded Shares (ii) Other Distributions in the form of cash which are not vested in the Selected Participants in accordance with the terms of the Share Award Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise) or (iii) any dividends or distributions in the form of cash, or money generated from the Shares in the Shares Pool (other than the Awarded Shares); and shall include interest income of the trust fund derived from deposits maintained with licensed banks in Hong Kong
“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Share Award Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or was forfeited in accordance with the terms of the Share Award Scheme, or such Shares which are deemed to be Returned Shares in accordance with the Scheme Rules
“Scheme Rules”	the rules relating to the Share Award Scheme adopted by the Board
“Selected Participant”	any Eligible Person selected by the Awarded Committee for whom Awarded Shares have been provisionally set aside pursuant to an Award
“Share Award Scheme”	the share award scheme of the Company adopted by the Board in accordance with the Scheme Rules on the Adoption Date
“Share Incentive Scheme”	a share incentive scheme conditionally approved and adopted by a written resolution passed by the shareholders on 30 August 2016 which became effective upon Listing

“Shares”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shares Pool”	A pool of issued Shares, fully paid or credited as fully paid, for the time being and from to time held by the Trustee pursuant to the Trust Deed
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Lapse”	the lapse of an Award as a result of, amongst other things, (i) a Selected Participant ceasing to be an Eligible Person by reason of, inter alia, misconduct, bankruptcy, insolvency, conviction of criminal offence; (ii) the subsidiary by which a Selected Participant is employed ceasing to be a subsidiary of the Company; (iii) an order for the winding-up of the Company being made; (iv) the Awarded Shares for whatever reason not being vested in the Selected Participants in accordance with the Scheme Rules upon the occurrence of events in which the vesting of Awarded Shares may be accelerated; (v) the Selected Participant selling, transferring, charging, mortgaging, encumbering or otherwise disposing of or creating any security or adverse interest in favour of any third party over or in relation to an Award or any part thereof; (vi) the Award Committee having resolved that the conditions in a relevant Grant Notice to a Selected Participant have not been satisfied; or (vii) the Award Committee having resolved that a Selected Participant has failed to comply with any relevant contracts; or (viii) the expiry of the period as stipulated in a relevant Grant Notice
“Trust Deed”	a trust deed dated 16 October 2018 executed by the Company as settlor and the Trustee as trustee in respect of Shares and trust fund held or to be held by the Trustee subject to the terms thereof, as amended from time to time
“Trustee”	Acheson Limited, a company registered in Hong Kong and licensed as a trust and company service provider in Hong Kong, which is a member of the Tricor Group and which will hold Shares subject to the terms and conditions of the Trust Deed, or such other trustee or trustees as shall be appointed pursuant to and in accordance with the terms of the Trust Deed
“Vesting Date”	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Awarded Shares and the relevant Other Distributions (if any) or any part thereof are transferred to and vested in a Selected Participant pursuant to an Award in accordance with the Scheme Rules

“Vesting Period”

in relation to any Selected Participant, the period commencing on the Reference Date and ending on the Vesting Date (both dates inclusive)

By order of the Board
Jacobson Pharma Corporation Limited
Wu Lai King
Company Secretary

Hong Kong, 16 October 2018

As at the date of this announcement, the Board comprises Mr. Sum Kwong Yip, Derek (also as Chairman and Chief Executive Officer), Mr. Yim Chun Leung and Ms. Pun Yue Wai as executive Directors, Professor Lam Sing Kwong, Simon as non-executive Director, Dr. Lam Kwing Tong, Alan, Mr. Young Chun Man, Kenneth and Professor Wong Chi Kei, Ian as independent non-executive Directors.