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PuraPharm

PURAPHARM CORPORATION LIMITED

培力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1498)

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 PuraPharm Corporation Limited (the “**Company**”) hereby announces that on 24 July 2020 the Board resolved to grant share options (the “**Options**”) to five Directors and 13 employees of the Group (collectively, the “**Grantees**”), subject to the acceptance of the Options and the payment of HK\$1 by each of the Grantees, entitling them to subscribe for a total of 16,124,000 ordinary shares of the Company (each a “**Share**”) under the share option scheme adopted on 12 June 2015. Details of the Options granted are set out below:

- Date of grant : 24 July 2020 (the “**Date of Grant**”)
- Total number of Shares issuable under Options granted : 16,124,000 Options, each Option shall entitle the holder of the Option to subscribe for one Share.
- Exercise price of the Options : HK\$0.80 per Share, which represents the premium of:
- (i) 23.1% over the closing price of HK\$0.65 per Share as stated in the Stock Exchange’s daily quotation sheets on the Date of Grant;
 - (ii) 19.0% over the average closing price of HK\$0.672 per Share as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Date of Grant; and
 - (iii) 3.2% over the nominal value of US\$0.1 per Share.

Closing price of the Options on the Date of Grant : HK\$0.65 per Share

Validity period of the Options : Ten years from the Date of Grant to 23 July 2030, both dates inclusive.

Vesting schedule of the Options : For the Options granted to Mr. Chan Yu Ling, Abraham, Mr. Chan Kin Man, Eddie, Dr. Tsoi Kam Bui, Alvin and Ms. Man Yee Wai, Viola, 50% of the Options will be vested on 23 July 2021 and the remaining 50% of the Options will be vested on 23 July 2022.

For the Options granted to Mr. Cheong Shin Keong, 2,000,000 Options will be vested on 23 July 2021, and the remaining Options will be vested on 23 July 2022.

For the Options granted to 13 employees of the Company, 33.33% of the Options will be vested on 23 July 2021, 33.33% of the Options will be vested on 23 July 2022 and the remaining 33.33% of the Options will be vested on 23 July 2023.

Vesting conditions : The vesting of the Options to the Grantees are subject to the fulfilment of the following conditions that:

- (i) for the Directors of the Company other than Mr. Cheong Shin Keong, the Company attains a net profit target in the year ending 31 December 2020;
- (ii) for Mr. Cheong Shin Keong, he takes part in the management of the Company by re-designating himself as an executive Director; and
- (iii) for the 13 employees, they achieve their individual performance target for the year ended 31 December 2020, which was determined by the Board and specified in each of the respective grant letters.

If the performance target of any of the Grantee is not fulfilled, no Option will be vested to him/her and the related Options granted to that Grantee will be cancelled.

The purposes of the grant of the Options are to retain high-calibre personnel, give incentive and reward the Grantees for their performance in the Company which may enhance the value of the Company and the Shares, align the interests of the Group with the respective Grantees' interests and create a shared stake in the Company's results.

Out of the above 16,124,000 Options granted, 13,924,000 Options were granted to the Directors of the Company, details of which are set out below:

Name of Director	Position held with the Company	Number of Options granted
Mr. Chan Yu Ling, Abraham	Chairman, Chief Executive Officer, Executive Director and substantial shareholder	3,480,000
Mr. Chan Kin Man, Eddie	Executive Director	1,742,000
Dr. Tsoi Kam Biu, Alvin	Executive Director	1,742,000
Ms. Man Yee Wai, Viola	Executive Director and substantial shareholder	3,480,000
Mr. Cheong Shin Keong	Non-executive Director	3,480,000

The grant of the Options to the above Directors and the substantial shareholders has been approved by the independent non-executive Directors in accordance with rule 17.04(1) of the Listing Rules.

Save as disclosed above, none of the Grantees is a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules).

By order of the Board
PuraPharm Corporation Limited
Chan Yu Ling, Abraham
Chairman

Hong Kong, 24 July 2020

As at the date of this announcement, the executive directors of the Company are Mr. Chan Yu Ling, Abraham, Dr. Tsoi Kam Biu, Alvin, Mr. Chan Kin Man, Eddie, and Ms. Man Yee Wai, Viola; non-executive directors of the Company are Mr. Chow, Stanley and Mr. Cheong Shin Keong; and the independent non-executive directors of the Company are Dr. Chan Kin Keung, Eugene, Mr. Ho Kwok Wah, George, Dr. Leung Lim Kin, Simon and Prof. Tsui Lap Chee.