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YSB Inc.

藥師幫股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9885)

GRANT OF SHARE AWARDS PURSUANT TO THE 2023 SHARE INCENTIVE PLAN

GRANT OF SHARE AWARDS

Pursuant to Rule 17.06A of the Listing Rules, the Board announces that, on 6 February 2024, the Company granted 10,552,500 Award Shares involving 10,552,500 new Shares representing approximately 1.65% of the total issued Shares as at the date of this announcement, to the Award Grantees, under the 2023 Share Incentive Plan (the “**Award Grants**”).

Details of the Award Grants are set out below:

Date of grant:	6 February 2024.
Number of Award Grantees:	619 Employee Participants and 1 Service Provider Participant.
Number of Award Shares granted:	10,432,500 Award Shares are granted to Employee Participants, representing approximately 1.63% of the total issued Shares of the Company as of the date of this announcement. 120,000 Award Shares are granted to a Service Provider Participant, representing approximately 0.02% of the total issued Shares of the Company as of the date of this announcement.
Purchase price of the Award Shares granted:	Nil.

Closing price of the Shares on the date of grant: HK\$6.39 per Share.

Consideration for the Award Shares granted: Nil.

Vesting period of the Award Shares: The Award Shares granted to the Employee Participants shall vest in the Award Grantees as follows:

- 1,462,500 Award Shares shall vest one year from vesting commencement date (being the date of grant);
- 3,275,000 Award Shares shall vest over two years from the vesting commencement date (being the date of grant) equally on an annual basis in arrears;
- 5,655,000 Award Shares shall vest over three years from the vesting commencement date (being the date of grant) equally on an annual basis in arrears; and
- 40,000 Award Shares shall vest over four years from the vesting commencement date (being the date of grant) equally on an annual basis in arrears.

The Award Shares granted to the Service Provider Participant shall vested over two years from the vesting commencement date (being the date of grant) equally on an annual basis in arrears.

Performance targets of the Award Shares: Each vesting of the Award Shares granted to the Award Grantees will be subject to the individual's annual year-end comprehensive performance evaluation, which shall be based on performance targets and evaluation rules set by the Company in line with business development goals. The vesting percentage of the Award Shares at each vesting date will be adjusted based on the individual's annual evaluation results.

Clawback mechanism of the Award Shares:

The key clawback terms are as follow:

In the event that an Award Grantee (a) ceases to be an eligible participant by reason of termination for cause or without notice, or the result of being charged/penalised/convicted of an offence involving the Award Grantee's integrity or honesty; (b) commits a serious misconduct or breach, including with respect to a policy or code of or other agreement with our Group, which is considered to be material; (c) he/she, in the reasonable opinion of the Board, has engaged in serious misconduct or breaches the terms of the 2023 Share Incentive Plan in any material respect or (d) the award is no longer determined to be appropriate and aligned with the purpose of the 2023 Share Incentive Plan, then the Board may make a determination at its absolute discretion that: (A) any awards issued to that Award Grantee but not yet exercised shall immediately lapse, regardless of whether such awards have vested or not, (B) with respect to any Shares delivered or Actual Selling Price paid to that Award Grantee, the Award Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares or the Actual Selling Price, or (3) a combination of (1) and (2).

Listing Rules implications

Under the Award Grants, (i) none of the Award Grantees is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined under the Listing Rules); (ii) none of the Award Grantees is a participant with options and share awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D(1) of the Listing Rules; (iii) none of the Award Grantees is a related entity participant (as defined under the Listing Rules); and (iv) no financial assistance has been provided by the Group to the Award Grantees for the purchase of Shares under the 2023 Share Incentive Plan. None of the Award Grants will be subject to approval by the Shareholders.

Reasons for and benefits of the Award Grants

The reasons for the Award Grants are to provide incentives for the Award Grantees to exert maximum efforts and reward continued efforts for the success of the Company and its affiliates, and to provide a means by which the Award Grantees may be given an opportunity to benefit from increases in value of the Shares through the granting of the Award Shares.

Additionally, the Board is of the view that the Award Grant made to the Service Provider Participant, which provides continuing and recurring services to the Group, is in line with the purpose of the 2023 Share Incentive Plan as it would strengthen the strategic alliance and business relationship with the Service Provider, would directly link the performance of the services rendered by the Service Provider to the Group with the results of the Group on a long-term basis throughout the vesting period, and give the Service Provider a right to gain proprietary interest in the Company that is aligned with that of the Company's other shareholders in the future. For these reasons, the Board considers the Award Grant to the Service Provider Participant to act as a further incentive for the Service Provider to not only continue providing services to the Group but also be invested, as a future stakeholder, in the overall business and financial performance of the Group.

Number of Shares available for future grant

The number of Shares available for future grant after the Award Grants under the (i) Scheme Mandate Limit will be 48,991,505 Shares and (ii) the service provider sublimit of the 2023 Share Incentive Plan will be 1,144,700 Shares.

Information about our share incentive schemes

The Company has two existing share incentive schemes, namely the 2019 Share Incentive Plan and the 2023 Share Incentive Plan.

The 2019 Share Incentive Plan is not subject to Chapter 17 of the Listing Rules and will not involve the grant of Awards (including options and share units) by the Company upon and after Listing. A maximum of 47,772,984 Shares may be issued under the 2019 Share Incentive Plan, with each Award entitling the holder to two Shares. For further details of the 2019 Share Incentive Plan, please refer to the section headed "Share Incentive Plans – 2019 Share Incentive Plan" under Appendix IV of the Prospectus.

The 2023 Share Incentive Plan was first adopted by the Board on 12 June 2023 and took effect immediately upon the Listing. Since the Listing, the 2023 Share Incentive Plan is subject to Chapter 17 of the Listing Rules. The 2023 Share Incentive Plan is valid and effective for a period of 10 years commencing from the Listing Date. For further details of the 2023 Share Incentive Plan, please refer to the section headed "Share Incentive Plans – 2023 Share Incentive Plan" under Appendix IV of the Prospectus.

DEFINITIONS

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

Term	Definition
“2019 Share Incentive Plan”	the share incentive plan approved and adopted by our Company and effective since 1 January 2019 (as amended from time to time), the principal terms of which are set out in “Statutory and general information – Share Incentive Plans” in Appendix IV to the Prospectus
“2023 Share Incentive Plan”	the share incentive plan approved and adopted by our Company and effective upon Listing, which constitutes a share scheme under Chapter 17 of the Listing Rules, the principal terms of which are set out in “Statutory and general information – Share Incentive Plans” in Appendix IV to the Prospectus
“Actual Selling Price”	an amount equal to the actual price at which the Award Shares are sold (net of brokerage, Stock Exchange trading fee, Securities and Futures Commission of Hong Kong transaction levy and any other applicable costs) in the circumstances specified in the 2023 Share Incentive Plan
“Articles”	the articles of association of the Company currently in force
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules
“Award Grant(s)”	the grants of a total of 10,552,500 Award Shares involving 10,552,500 new Shares to selected grantees on 6 February 2024 pursuant to the 2023 Share Incentive Plan
“Award Grantee(s)”	grantee(s) of the Award Grants, consisting of Employee Participants and Service Provider Participant, which are not connected persons of the Company under the Listing Rules
“Award Share(s)”	the Shares underlying an Award Grant, each representing a contingent right to receive 1 Share
“Board”	the board of Directors of the Company
“Company”	YSB Inc. (藥師幫股份有限公司), a business company with limited liability incorporated under the laws of the Cayman Islands on 27 August 2018, the Shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company, from time to time
“Employee Participant(s)”	employees of the Group on the grant date
“Group”	the Company together with its subsidiaries from time to time; “member of the Company” means any or a specific one of them, and “Group Company” shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	28 June 2023, the date on which the Shares are listed and dealings in the Shares are first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Prospectus”	the prospectus of the Company dated 15 June 2023
“Scheme Mandate Limit”	The total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Incentive Plan and any other share schemes (for the avoidance of doubt, Shares issued or to be issued pursuant to awards made under the 2019 Share Incentive Plan (as defined in the Prospectus) shall not be subject to the Scheme Mandate Limit) of the Company as approved by the Shareholders on 12 June 2023, being 63,235,005 Shares, representing approximately 10% of the Shares in issue on the Listing Date
“Service Provider Participant(s)”	persons providing services to the Group on a continuing basis in its ordinary and usual course of business that are in the interests of the long term growth of the Group, as determined by the scheme administrator, pursuant to the criteria set out in the 2023 Share Incentive Plan
“Share(s)”	ordinary share(s) in the share capital of our Company, currently with a par value of US\$0.0000025 each
“Shareholder(s)”	holder(s) of Shares

“Stock Exchange”

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“subsidiary”

has the meaning ascribed to it in the Listing Rules

By Order of the Board

YSB Inc.

Mr. Buzhen Zhang

Chairman and executive Director

Hong Kong, 6 February 2024

As of the date of this announcement, the Board comprises Mr. Buzhen Zhang and Mr. Fei Chen as executive Directors, and Mr. Ziyang Zhu as the non-executive Director, and Ms. Rong Shao, Mr. Sam Hanhui Sun and Mr. Hongqiang Zhao as independent non-executive Directors.