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CARsgen Therapeutics Holdings Limited

科濟藥業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2171)

GRANT OF OPTIONS PURSUANT TO THE POST-IPO SHARE OPTION SCHEME AND GRANT OF RSU PURSUANT TO THE POST-IPO RSU SCHEME

GRANT OF OPTIONS PURSUANT TO POST-IPO SHARE OPTION SCHEME

References is made to the Prospectus, in relation to the principal terms of the Post-IPO Share Option Scheme adopted on April 30, 2021. Pursuant to Rule 17.06A of the Listing Rules, the Board announces that on October 21, 2022, the Company granted 1,004,000 Options to 9 Option Grantees (including one senior management and other eight employees) in accordance with the terms of the Post-IPO Share Option Scheme, subject to acceptance.

Details of the Grant of Options

The details of the Options granted to the Option Grantees are as follows:

Date of Grant:	October 21, 2022
Number of Option Grantees:	9 Option Grantees
Total number of Options granted:	1,004,000
Total number of new Shares to be subscribed upon exercise of the Options granted:	1,004,000 Shares
Consideration for the Grant of Options:	HK\$1.00 (or the equivalent of HK\$1.00 in the local currency of any jurisdiction where the Company and/or its subsidiaries operate, as the Board may in its absolute discretion determine) to be paid by each Option Grantee upon acceptance of the Options granted

Exercise price of the Options granted:	HK\$13.58 per Share
Closing price of the Shares on the Grant Date:	HK\$13.58 per Share
Validity period of the Options:	The validity period of the Options may commence on any day after the Grant Date and in any event shall end not later than the 10th anniversary of the Grant Date, subject to the provisions for early termination contained in the scheme rules or the relevant document of grant or other notification issued by the Board
Vesting period of the Options:	<p>800,000 of the Options granted to one senior management shall vest as follows:</p> <ul style="list-style-type: none"> • 25% shall vest on April 7, 2023 (rounding down to the nearest whole Option); • 25% shall vest on April 7, 2024 (rounding down to the nearest whole Option); • 25% shall vest on April 7, 2025 (rounding down to the nearest whole Option); and • 25% shall vest on April 7, 2026 (rounding down to the nearest whole Option). <p>204,000 of the Options granted to eight employees shall vest as follows:</p> <ul style="list-style-type: none"> • 25% shall vest on the first anniversary of the Grant Date (rounding down to the nearest whole Option); • 25% shall vest on the second anniversary of the Grant Date (rounding down to the nearest whole Option); • 25% shall vest on the third anniversary of the Grant Date (rounding down to the nearest whole Option); and • 25% shall vest on the fourth anniversary of the Grant Date (rounding down to the nearest whole Option).

The Options granted are subject to the individual performance result and other requirements as set out in the grant letters entered into between the Option Grantees and the Company.

Exercise Price of the Options

The subscription price of the Options of HK\$13.58 per Share represents the higher of (i) the closing price of the Shares of HK\$13.58 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Grant Date; (ii) the average closing price of the Shares of HK\$12.324 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Grant Date; and (iii) the nominal value of US\$0.00000025 per Share.

Grant of Options to Employees

None of the Option Grantees is a Director, chief executive or substantial shareholder of the Company or an associate of any of them (as defined in the Listing Rules). All of the 1,004,000 Options were granted to the employees of the Group, subject to acceptance by the Option Grantees.

Reasons for and Benefits of the Grant of Options

The reasons for the Grant of Options are to reward employees for their past contribution to the success of the Company, to provide incentives to them to further contribute to the Company and to align their interests with the best interests of the Company and the Shareholders as a whole.

GRANT OF RSUs PURSUANT TO THE POST-IPO RSU SCHEME

Reference is made to the Prospectus, in relation to the principal terms of the Post-IPO RSU Scheme adopted on April 30, 2021.

On a voluntary basis, the Board announces that on October 21, 2022, an aggregate of 1,719,000 RSUs were granted to a total of 305 RSU Grantees pursuant to the Post-IPO RSU Scheme. The 1,719,000 RSUs represent 1,719,000 underlying Shares, and approximately 0.30125% of the issued share capital of the Company as of the date of this announcement. Each RSU is granted for nil consideration and the vesting period of the RSUs will be no more than four years pursuant to the terms of the award agreement entered into between the Company and each RSU Grantee.

None of the Grant of RSUs will be subject to approval by the Shareholders, and none of the RSU Grantees is a Director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them.

Market Value

Based on the closing price of HK\$13.58 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Grant Date, the market value of the 1,719,000 RSUs granted to the RSU Grantees amounts up to HK\$23,344,020.

Reasons for and benefits of the Grant of RSUs

The reasons for the Grant of RSUs are to align the interests of the eligible persons with those of our Group through ownership of Shares to encourage and retain them to make contributions to the long-term growth and profits of our Group.

Listing Rules Implications

The Post-IPO RSU Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. Nonetheless, since the amended Chapter 17 of the Listing Rules (which will become effective on January 1, 2023) will cover, among others, share award schemes, the Post-IPO RSU Scheme will be governed by the relevant requirements under the amended Chapter 17 of the Listing Rules with effect from January 1, 2023 as may be applicable.

The vesting of 1,719,000 RSUs under the Grant of RSUs to the RSU Grantees will be satisfied by new shares to be issued by the Company to Carfe Unity Limited, a wholly-owned subsidiary of KASTLE LIMITED, which was appointed as the trustee of the Post-IPO RSU Scheme. The Shareholders have previously approved the issuance of, and the Listing Committee of the Stock Exchange has previously granted its approval for the listing of, and permission to deal in, Shares to be issued pursuant to the vesting schedule of any RSUs granted under the Post-IPO RSU Scheme.

“Directors”	the directors of the Company
“Grant of Options”	the grant of an aggregate of 1,004,000 Options to 9 Option Grantees in accordance with the terms of the Post-IPO Share Option Scheme
“Grant of RSUs”	the grant of an aggregate of 1,719,000 RSUs to 305 RSU Grantees in accordance with the terms of the Post-IPO RSU Scheme
“Grant Date”	October 21, 2022
“Group”	the Company, its subsidiaries and consolidated affiliated entities
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	1,004,000 options to subscribe for or acquire 1,004,000 Shares which were granted under the Post-IPO Share Option Scheme
“Option Grantee(s)”	the employee(s) of the Group who were granted Options in accordance with the Post-IPO Share Option Scheme on the Grant Date
“Post-IPO Share Option Scheme”	the post-IPO share option plan adopted by the Company on April 30, 2021
“Post-IPO RSU Scheme”	the post-IPO RSU scheme adopted by the Company on April 30, 2021
“Prospectus”	the prospectus of the Company dated June 7, 2021 in connection with the initial public offering of the Company on the Stock Exchange
“RSU”	restricted share units
“RSU Grantee(s)”	the employee(s) of the Group who were granted RSUs in accordance with the Post-IPO RSU Scheme on the Grant Date

“Shareholder(s)”	holder(s) of shares in the Company
“Shares”	ordinary shares in the issued capital of the Company with a nominal value of US\$0.00000025 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it by the Listing Rules

By order of the Board
CARsgen Therapeutics Holdings Limited
Dr. Zonghai LI
Chairman

Hong Kong, October 21, 2022

As at the date of this announcement, the board of directors of the Company comprises Dr. Zonghai LI, Dr. Huamao WANG and Dr. Hua JIANG as executive Directors; Mr. Bingsen GUO, Mr. Huaqing GUO and Mr. Ronggang XIE as non-executive Directors; Dr. Chunhai FAN, Dr. Guangmei YAN and Mr. Tak Young SO as the independent non-executive Directors.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.