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Transcenta Holding Limited

創勝集團醫藥有限公司

(registered by way of continuation in the Cayman Islands with limited liability)

(Stock Code: 6628)

GRANT OF AWARD SHARES AND OPTIONS PURSUANT TO THE SHARE INCENTIVE SCHEME

Pursuant to Rule 17.06A of the Listing Rules, the Board announces that, on March 31, 2023, the Company granted 1,810,000 Award Shares to six Award Grantees under the Share Incentive Scheme (the “**March Award Grant**”) and 150,000 Options to two Option Grantees under the Share Incentive Scheme (the “**March Option Grant**”).

Details of the March Award Grant are set out below:

Date of grant:	March 31, 2023
Number of Award Grantees:	Six, of which all are Employee Participants (including Dr. Germa)
Number of Award Shares granted:	1,810,000 Award Shares, representing approximately 0.43% of the total issued share capital 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\$2.56 per Share
Consideration for the Award Shares granted:	Nil to US\$0.001 per Share
Vesting period of the Award Shares:	310,000 Award Shares will be vested over one to four years from the date of grant. 1,500,000 Award Shares conditionally granted to Dr. Germa will be vested based on performance targets. See below for further details.

The vesting period for the 1,500,000 performance target-based Award Shares conditionally granted to the Dr. Germa amongst the Award Grantees may have vesting period shorter than 12 months subject to the fulfillment of the relevant performance targets. This adjustment of vesting period is permitted by the rules of the Share Incentive Scheme and the Remuneration Committee is of the view that such arrangement aligns with the purpose of the Share Incentive Scheme as it incentivizes and encourages them to work towards enhancing the value of the Company and its Shares.

Performance targets of the Award Shares:

The vesting of the 1,500,000 Award Shares granted to Dr. Germa shall be vested upon target achievements of clinical development progress milestones for several programs.

Clawback mechanism of the Award Shares:

The key clawback terms are as follow:

If an Award Grantee ceases to be an eligible person by reason of retirement of the Award Grantee, any outstanding Award Shares and related income not yet vested shall continue to vest in accordance with the vesting dates set out in the award letter, unless the Scheme Administrator determines otherwise at their absolute discretion.

If an Award Grantee ceases to be an eligible person by reason of (i) death of the Award Grantee, (ii) termination of the Award Grantee's employment or contractual engagement with the Group or an affiliate by reason of his/her permanent physical or mental disablement, (iii) termination of the Award Grantee's employment or contractual engagement with the Group by reason of redundancy, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Scheme Administrator determines otherwise at their absolute discretion.

If an Award Grantee, being an employee whose employment is terminated by the Group or an affiliate by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the Award Grantee has been convicted of any criminal offence involving his or her integrity or honesty, or any wrongdoing involving the Group's financial statements, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Scheme Administrator determines otherwise at their absolute discretion, taking into consider the purpose of the Share Incentive Scheme.

Details of the March Option Grant are set out below:

Date of grant:	March 31, 2023
Number of Option Grantees:	Two Employee Participant (of which both are also amongst the Award Grantees)
Number of Options granted:	150,000
Total number of Shares to be issued upon exercise of the Options in full:	150,000 Shares, representing approximately 0.04% of the total issued share capital of the Company as of the date of this announcement
Exercise price of the Options granted:	HK\$2.56 per Share, which represents the highest of: <ul style="list-style-type: none">(i) the closing price of HK\$2.56 per Share as stated in the daily quotations sheet of the Stock Exchange on March 31, 2023, being the date of grant of the Options;(ii) the average closing price of HK\$2.52 per Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and(iii) the nominal value of the Share of US\$0.0001 each
Closing price of the Shares on the date of grant:	HK\$2.56 per Share
Consideration for the Options granted:	Nil
Exercise period of the Options granted:	Subject to the vesting period as set out below, the exercise period of the Options granted shall be not more than ten years from the date of grant, following which if unexercised shall lapse and the Options shall lapse at the expiry of the exercise period.
Vesting period of the Options:	<p>All 50,000 Options will be vested over one to four years from the date of grant.</p> <p>100,000 Options will be vested based on performance targets. See below for further details.</p> <p>The vesting period for the 100,000 performance target-based Options granted to the Award Grantees may have vesting period shorter than 12 months subject to the fulfillment of the relevant performance targets. This adjustment of vesting period is permitted by the rules of the Share Incentive Scheme.</p>

Performance targets of the Options: 100,000 Options shall be vested upon success of business development and Company coverage.

Clawback mechanism of the Options: The key clawback terms are as follow:

If an Option Grantee ceases to be an eligible person by reason of retirement of the Option Grantee, any outstanding Options and related income not yet vested shall continue to vest in accordance with the vesting dates set out in the option letter, unless the Scheme Administrator determines otherwise at their absolute discretion.

If an Option Grantee ceases to be an eligible person by reason of (i) death of the Option Grantee, (ii) termination of the Option Grantee's employment or contractual engagement with the Group or an affiliate by reason of his/her permanent physical or mental disablement, (iii) termination of the Option Grantee's employment or contractual engagement with the Group by reason of redundancy, any outstanding Options and related income not yet vested shall be immediately forfeited, unless the Scheme Administrator determines otherwise at their absolute discretion.

If an Option Grantee, being an employee whose employment is terminated by the Group or an affiliate by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the Option Grantee has been convicted of any criminal offence involving his or her integrity or honesty, or any wrongdoing involving the Group's financial statements, any outstanding Options and related income not yet vested shall be immediately forfeited, unless the Scheme Administrator determines otherwise at their absolute discretion, taking into consider the purpose of the Share Incentive Scheme.

Listing Rules implications

Among the March Award Grant, 1,500,000 Award Shares were conditionally granted to Dr. Germa, the Chief Medical Officer of the Company and a senior manager as defined under the Listing Rules. Since such grant of 1,500,000 Award Shares to Dr. Germa would result in the Shares issued and to be issued in respect of all awards granted to Dr. Germa (excluding any awards lapsed in accordance with the terms of the applicable scheme) in the 12-month period up to and including the date of the said grants representing in aggregate over 1% of the issued Shares. Such grant is conditional upon approval by the Shareholders (with Dr. Germa and her close associates abstaining) at a general meeting to be held by the Company in accordance with Rule 17.03D(1) of the Listing Rules.

Save as disclosed above, under the March Award Grant and the March Option Grant, (i) none of the Award Grantees or Option 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 or Option 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 or Option Grantees is a related entity participant or a service provider (as defined under the Listing Rules); and (iv) no financial assistance has been provided by the Group to the Award Grantees or Option Grantees for the purchase of Shares under the Share Incentive Scheme.

Reason for and benefits of the March Award Grant and March Option Grant

The reasons for the grants of Award Shares and Options are to provide incentives for the Award Grantees and the Option 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 and the Option Grantees may be given an opportunity to benefit from increases in value of the Shares through the granting of the Award Shares and Options.

Number of Shares available for future grant

The number of Shares available for future grant after the March Award Grant and the March Option Grant under the (i) Scheme Mandate Limit will be 8,481,203 Shares and (ii) the service provider sublimit of the Share Incentive Scheme will be 8,910,386 Shares.

GENERAL MEETING

Ordinary resolution will be proposed at a general meeting to be held by the Company to consider and, if thought fit, approve grant of Award Shares to Dr. Germa. A circular of the Company containing, among others, details of the Grant to Dr. Germa as well as a notice convening the general meeting, will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

DEFINITIONS

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

Term	Definition
“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 Grantee(s)”	grantees of the March Award Grant, who are employees of the Company and are not connected persons of the Company under the Listing Rules, including namely Dr. Caroline Gemma
“Award Share(s)”	the Shares granted under the Share Incentive Scheme
“Board”	the board of Directors of the Company
“Company”	Transcenta Holding Limited (創勝集團醫藥有限公司), a limited liability company incorporated under the laws of the British Virgin Islands on August 20, 2010 and continued in the Cayman Islands on March 26, 2021 as an exempted company with limited liability under the laws of Cayman Islands, 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
“Dr. Gemma”	Dr. Caroline Germa, the Chief Medical Officer of the Company
“Employee Participant”	An eligible participant under the Share Incentive Scheme who is a director, officer or employee of the Group on the date of grant
“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 Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“March Award Grant”	the grant of a total of 1,810,000 Award Shares to selected grantees on March 31, 2023 pursuant to the Share Incentive Scheme
“March Option Grant”	the grant of a total of 150,000 Options to selected grantees on March 31, 2023 pursuant to the Share Incentive Scheme
“Option(s)”	option(s) to subscribe for or acquire Shares which is granted under the Share Incentive Scheme

“Option Grantees”	grantees of the March Option Grant, who are employees of the Company and are not connected person of the Company under the Listing Rules
“Prospectus”	the prospectus of the Company dated September 14, 2021
“Scheme Administrator”	the Board or the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Share Incentive Scheme in accordance with its rules
“Scheme Mandate Limit”	The total number of Shares which may be issued in respect of all options and awards to be granted under the Share Incentive Scheme (excluding Award Shares or Options that have been forfeited in accordance with the Share Incentive Scheme) and any other share schemes (for the avoidance of doubt, including the Pre-IPO Equity Incentive Scheme) of the Company as approved by the Shareholders at the extraordinary general meeting held on November 4, 2022, being 44,551,933 Shares, representing 10% of the total issued and outstanding Shares on the date of the said meeting
“Share(s)”	ordinary share(s) in the share capital of our Company, currently with a par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of Shares
“Share Incentive Scheme”	the share incentive scheme of the Company conditionally approved by the Shareholders of the Company on November 4, 2022 (as amended from time to time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent

For the purpose of this announcement, the exchange rate between US\$ and HK\$ is US\$1=HK\$7.8.

By Order of the Board
Transcenta Holding Limited
Xueming Qian
Executive Director and Chief Executive Officer

Hong Kong, March 31, 2023

As at the date of this announcement, the board of directors of the Company comprises Dr. Xueming Qian as executive Director and chief executive officer, Mr. Xiaolu Weng as executive Director, Dr. Yining (Jonathan) Zhao as chairman and non-executive Director, and Mr. Jiasong Tang, Dr. Jun Bao, Mr. Zhihua Zhang and Dr. Kumar Srinivasan as independent non-executive Directors.