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ASCENTAGE PHARMA GROUP INTERNATIONAL

亞盛醫藥集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6855)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agents

J.P.Morgan



The Board is pleased to announce that on February 3, 2021 (after trading hours), the Company, the Vendor and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) the Vendor has agreed to appoint the Placing Agents, and the Placing Agents have severally (not jointly nor jointly and severally) agreed to act as agents of the Vendor, to procure on a best effort basis the Placees to purchase up to 26,500,000 Sale Shares at the Placing Price of HK\$44.20 per Sale Share; and (ii) the Vendor has irrevocably agreed to subscribe for, and the Company has agreed to issue to the Vendor up to 26,500,000 new Subscription Shares under the General Mandate (and such number of Subscription Shares shall be the same as the number of Sale Shares actually placed by the Placing Agents pursuant to the Placing and Subscription Agreement) at the Subscription Price of HK\$44.20 per Subscription Share (being the same as the Placing Price), in each case subject to the terms and conditions of the Placing and Subscription Agreement.

The maximum number of the Sale Shares represents approximately 11.71% of the existing issued share capital of the Company as at the date of this announcement and approximately 10.49% of the enlarged issued share capital of the Company immediately following the closing of the Subscription (assuming there will be no change to the issued share capital of the Company from the date of this announcement to the closing of the Subscription other than the issue by the Company of the Subscription Shares).

The Placing Price of HK\$44.20 per Sale Share represents: (i) a discount of approximately 9.43% to the closing price of HK\$48.80 per Share as quoted on the Stock Exchange on February 3, 2021, being the date of the Placing and Subscription Agreement; and (ii) a discount of approximately 3.20% to the average closing price of HK\$45.66 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to (and including) the date of the Placing and Subscription Agreement.

The gross proceeds to be raised from the Subscription are expected to be approximately HK\$1,171.30 million and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) arising from the Subscription are estimated to be approximately HK\$1,153.64 million. On this basis, the net price per Sale Share will be approximately HK\$43.53. The Company intends to apply the net proceeds arising from the Subscription in the manner detailed in the section headed “Reasons for the Placing and the Subscription and the Use of Proceeds” in this announcement.

The Subscription Shares are to be issued under the General Mandate granted to the Directors pursuant to resolutions of the shareholders of the Company passed on June 19, 2020. As such, the allotment and issue of the Subscription Shares is not subject to additional Shareholders’ approval.

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares.

As the closing of the Placing and the Subscription are subject to the satisfaction (or the waiver, if applicable) of the Placing Conditions Precedent and the Subscription Conditions Precedent, the Placing and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF EXISTING SHARES

The Board is pleased to announce that on February 3, 2021 (after trading hours), the Company, the Vendor and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) the Vendor has agreed to appoint the Placing Agents, and the Placing Agents have severally (not jointly nor jointly and severally) agreed to act as agents of the Vendor, to procure on a best effort basis the Placees to purchase up to 26,500,000 Sale Shares at the Placing Price of HK\$44.20 per Sale Share; and (ii) the Vendor has irrevocably agreed to subscribe for, and the Company has agreed to issue to the Vendor up to 26,500,000 new Subscription Shares under the General Mandate (and such number of Subscription Shares shall be the same as the number of Sale Shares actually placed by the Placing Agents pursuant to the Placing and Subscription Agreement) at the Subscription Price of HK\$44.20 per Subscription Share (being the same as the Placing Price), in each case subject to the terms and conditions of the Placing and Subscription Agreement. The principal terms of the Placing and Subscription Agreement are set out below.

Date

February 3, 2021 (after trading hours)

Parties

- (1) The Company;
- (2) the Vendor;
- (3) J.P. Morgan; and
- (4) CICC.

The Vendor

As at the date of this announcement, the Vendor holds an aggregate of 67,204,967 Shares, including the Sale Shares, representing approximately 29.71% of the existing issued share capital of the Company as at the date of this announcement.

The Placing Agents

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agents are third parties independent of the Company and its connected persons.

The Placees

The Placing Agents will place the Sale Shares to investors who are third parties independent of the Company and its connected persons. It is expected that the Sale Shares will be placed to not less than six placees who shall be professional, institutional, and/or other investors that are, together with their respective ultimate beneficial owners, third parties independent of the Company and its connected persons.

The Sale Shares

The maximum number of the Sale Shares represents approximately 11.71% of the existing issued share capital of the Company as at the date of this announcement and approximately 10.49% of the enlarged issued share capital of the Company immediately following the closing of the Subscription (assuming there will be no change to the issued share capital of the Company from the date of this announcement to the closing of the Subscription other than the issue by the Company of the Subscription Shares).

Placing Price

The Placing Price of HK\$44.20 per Sale Share represents:

- (i) a discount of approximately 9.43% to the closing price of HK\$48.80 per Share as quoted on the Stock Exchange on February 3, 2021, being the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 3.20% to the average closing price of HK\$45.66 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to (and including) the date of the Placing and Subscription Agreement.

The Placing Price was determined on arm's length basis among the Company, the Vendor and the Placing Agents and with reference to the prevailing market price of the Shares, the recent trading volume of the Shares and the prospects of the Group. The Board (including the independent non-executive Directors) considers that the Placing Price and the terms of the Placing and Subscription Agreement are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent to the Closing of the Placing

Closing of the Placing shall be subject to the satisfaction or, if applicable, waiver of the Placing Conditions Precedent which include, among other things:

- (i) the representations and warranties made by any of the Company and the Vendor pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as at the date of the Placing and Subscription Agreement and the Closing Date; and
- (ii) each of the Company and the Vendor having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Closing Date.

Pursuant to the Placing and Subscription Agreement, the Placing Agents in their sole discretion may waive any of the Placing Conditions Precedent.

Closing of the Placing

Closing of the Placing shall take place on the third business day (each being a day on which trading on the Stock Exchange takes place) after February 3, 2021, being the date of the Placing and Subscription Agreement, or such other time and/or date as the Vendor and the Placing Agents agree.

Termination

In the event that, among other things, (i) the Vendor does not deliver the Sale Shares on the Closing Date; or (ii) any of the Placing Conditions Precedent has not been satisfied or waived in writing pursuant to the Placing and Subscription Agreement, the Placing Agents may elect, in their sole discretion, to terminate the Placing and Subscription Agreement forthwith.

THE SUBSCRIPTION

Subscription Shares

The Vendor has irrevocably agreed to subscribe for, and the Company has agreed to issue to the Vendor, up to 26,500,000 new Subscription Shares under the General Mandate (and such number of Subscription Shares shall be the same as the number of Sale Shares actually placed by the Placing Agents pursuant to the Placing and Subscription Agreement) at the Subscription Price of HK\$44.20 per Subscription Share (being the same as the Placing Price), free from all pledges, liens, charges and encumbrances, equities, security interests or other claims on the terms and subject to the constitutional documents of the Company and the conditions set out in the Placing and Subscription Agreement. Subject to the fulfillment of the Subscription Conditions Precedent, the Vendor agrees that its obligation to subscribe for the Subscription Shares is binding and irrevocable.

The maximum number of the Subscription Shares represents approximately 11.71% of the existing issued share capital of the Company as at the date of this announcement and approximately 10.49% of the enlarged issued share capital of the Company immediately following the closing of the Subscription (assuming there will be no change to the issued share capital of the Company from the date of this announcement to the date of closing of the Subscription other than the issue by the Company of the Subscription Shares).

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of closing of the Subscription including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment of the Subscription Shares.

Subscription Price

The Subscription Price is the same as the Placing Price. The aggregate nominal value of the Subscription Shares is US\$2,650.

Conditions Precedent to the Closing of the Subscription

Closing of the Subscription is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee granting the approval for the listing of and permission to deal in the Subscription Shares and such listing approval and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares pursuant to the Placing and Subscription Agreement; and
- (ii) the closing of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Placing and Subscription Agreement has not provided for the right of the parties to waive the above conditions.

Closing of the Subscription

Closing of the Subscription shall take place on the second clear business day after the date upon which the last of the Subscription Conditions Precedent has been satisfied, provided that it shall take place on a date no later than 14 days after the date of the Placing and Subscription Agreement, or at such other time and/or date as the Company, the Vendor and the Placing Agents may agree in writing and in compliance with the Listing Rules.

Pursuant to Chapter 14A of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement, the Subscription will constitute a non-exempt connected transaction of the Company, and in such case, the Company would need to issue a circular and hold an extraordinary general meeting to seek the approval of the independent Shareholders before the Subscription can proceed.

Lock-up Arrangements of the Vendor

Pursuant to the Placing and Subscription Agreement, during the Lock-up Period, being the period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date, save for the placing of the Sale Shares under the Placing and Subscription Agreement, the Vendor shall not and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Placing Agents:

- (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Vendor or any Affiliate of the Vendor or any person in privity with the Vendor or any Affiliate of the Vendor), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in paragraphs (i) or (ii) is to be settled by delivery of Shares or such other securities, in cash or otherwise, or
- (iii) publicly announce an intention to effect any such transaction.

Lock-up Arrangements of the Company

Pursuant to the Placing and Subscription Agreement, during the Lock-up Period, being the period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date, save for (i) the issue of the Subscription Shares under the Placing and Subscription Agreement; (ii) the issue of new Shares pursuant to the exercise of share options granted under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme; (iii) the grant of any awards pursuant to the 2018 RSU Scheme; (iv) the grant of any awards pursuant to the 2021 RSU Scheme; (v) the grant of share options under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme; and (vi) any actions that may be approved by the Placing Agents in writing, provided that any issuance or grant under (ii), (iii), (iv) and (v) above is in compliance with the applicable Listing Rules, the Company shall not (and the Vendor shall use its best effort to procure that the Company shall not), without the prior written consent of the Placing Agents:

- (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in paragraphs (i) or (ii) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (iii) publicly announce an intention to effect any such transaction.

GENERAL MANDATE

The Subscription Shares will be allotted and issued under the General Mandate.

As at the date of this announcement, the number of new Shares that can be issued by the Company under the General Mandate is 26,780,345 Shares. Up to the date of this announcement, 15,000,000 Shares have been issued by the Company pursuant to the General Mandate. The allotment and issue of the Subscription Shares will utilize approximately 63.43% of the General Mandate. As such, the allotment and issue of the Subscription Shares is not subject to the additional approval of the Shareholders.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND THE USE OF PROCEEDS

The Group is a globally-focused, clinical-stage biotechnology company engaged in developing novel therapies for cancers, hepatitis B virus, or HBV, and age-related diseases.

Assuming all the Sale Shares are fully placed and the Subscription Shares are fully subscribed for by the Vendor, the gross proceeds to be raised from the Subscription are expected to be approximately HK\$1,171.30 million and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) arising from the Subscription are estimated to be approximately HK\$1,153.64 million. On this basis, the net price per Sale Share will be approximately HK\$43.53.

As set out in the Company's announcement dated July 8, 2020, the Company proposed to use the net proceeds of HK\$689.5 million from the previous placing of new Shares pursuant to the 2020 Placing Agreement for (i) the registration, trial production and marketing of the Core Product, HQP1351 (third generation BCR-ABL/KIT multi-kinase inhibitor) that we have submitted New Drug Application (NDA) in June 2020; (ii) clinical development for other pipeline products such as APG-2575 (Bcl-2 selective inhibitor currently in Phase Ib/II clinical trial), APG-115 (MDM2-p53 inhibitors currently in Phase Ib/II clinical trial), APG-1387 (pan-IAP inhibitor currently in Phase Ib/II clinical trial) and APG-1252 (Bcl-2/Bcl-xL dual inhibitor currently in Phase I clinical trial); and (iii) general corporate use, as appropriate.

Since then, APG-2575 has achieved proof of concept in December 2020, and other pipeline has progressed according to the plans set out by the Company at the time of the 2020 Placing.

In light of this, the Directors consider that the Placing and the Subscription represents an opportunity to raise capital for the Company in order to enable the Company to continue the development of its products in its pipeline, while broadening its Shareholder base. The Directors are of the view that the Placing and the Subscription would further strengthen the financial position of the Group and provide additional working capital to the Group. The net proceeds from the Subscription will be utilized in the following manner:

- (i) approximately 50% will be used for the clinical trials of the key product candidate, APG-2575;

- (ii) approximately 20% will be used for the registrational trials for full approval and the commercialization of the Core Product, HQP1351;
- (iii) approximately 20% will be used for clinical development for other molecules and pre-clinical assets; and
- (iv) approximately 10% will be used for general corporate purposes.

Cautionary Statement required by Rule 18A.05 of the Listing Rules: The Company cannot guarantee that it will be able to develop, or ultimately market, any of the products in its pipeline successfully. Shareholders and potential investors are should exercise due care when dealing in the securities of the Company.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the closing of the Placing and the Subscription (assuming the Sale Shares are fully placed, the Subscription Shares are fully subscribed for, and there is no change in the issued share capital of the Company between the date of this announcement and the closing of the Placing and the Subscription) are set out below.

Shareholder	As at the date of this announcement		Immediately following the closing of the Placing and the Subscription	
	<i>Number of Shares held</i>	<i>Approximate percentage of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate percentage of total Shares in issue⁽⁴⁾</i>
Substantial Shareholders				
– Founders SPV ⁽¹⁾⁽³⁾	67,204,967	29.71%	67,204,967	26.59%
– Dr. Zhai SPV ⁽²⁾⁽³⁾	67,204,967	29.71%	67,204,967	26.59%
– Dr. Yang ⁽¹⁾⁽³⁾	67,204,967	29.71%	67,204,967	26.59%
– Dr. Wang ⁽¹⁾⁽³⁾	67,204,967	29.71%	67,204,967	26.59%
– Dr. Guo ⁽¹⁾⁽³⁾	67,204,967	29.71%	67,204,967	26.59%
– Dr. Zhai ⁽²⁾⁽³⁾	67,204,967	29.71%	67,204,967	26.59%
The Places	–	–	26,500,000	10.49%
Other Shareholders	159,009,164	70.29%	159,009,164	62.92%
Total	<u>226,214,131</u>	<u>100.00%</u>	<u>252,714,131</u>	<u>100.00%</u>

Notes:

- (1) Founders SPV is beneficially owned by (i) Dr. Yang as to 0.84%; (ii) Dr. Wang as to 13.39%; (iii) Dr. Guo as to 4.20%; (iv) Dajun Yang Dynasty Trust as to 44.69%; (v) Shaomeng Wang Dynasty Trust as to 13.39%; and (vi) Ming Edward Guo Dynasty Trust as to 23.49%. Dajun Yang Dynasty Trust, Shaomeng Wang Dynasty Trust and Ming Edward Guo Dynasty Trust are discretionary family trusts respectively established by Dr. Yang, Dr. Wang and Dr. Guo as settlor for the benefits of their respective family members.
- (2) Dr. Zhai SPV is beneficially owned by (i) Dr. Zhai as to 3%; and (ii) Yifan Zhai Dynasty Trust as to 97%. Yifan Zhai Dynasty Trust is a discretionary family trust established by Dr. Zhai as settlor for the benefits of her family members.
- (3) Dr. Yang, Dr. Guo, Dr. Wang, Dr. Zhai, Founders SPV and Dr. Zhai SPV are parties to the Concert Party Confirmation Deed, according to which they have been and will be actively cooperating, communicating and acting in concert with each other with respect to their interests in or the business of the relevant members of the Group since December 5, 2016 and will continue to act in concert after Listing. Accordingly, each of them is deemed to be interested in an aggregate of approximately 29.71% shareholding interest in the Company as at the date of this announcement and an aggregate of approximately 26.59% shareholding interest in the Company immediately following the closing of the Placing and the Subscription.
- (4) The percentage of total Shares in issue may not add up to 100% due to rounding.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The closing of the 2020 Placing of 15,000,000 Shares at a price of HK\$46.80 each pursuant to the 2020 Placing Agreement took place on July 15, 2020. The net proceeds (after the deduction of all applicable costs and expenses) raised from the Placing were approximately HK\$689.5 million. There was no change in the intended use of the net proceeds as previously disclosed in the relevant announcement of the Company dated July 8, 2020 and the Company will gradually utilize the remaining amount of the net proceeds in accordance with such intended purposes depending on actual business needs.

The table below sets out the planned applications of the net proceeds from the 2020 Placing and the actual usage up to December 31, 2020:

Use of proceeds		Planned allocation of net proceeds (HK\$ million)	Planned allocation of net proceeds (RMB million)	Utilized amount (as at December 31, 2020) (RMB million)	Expected timeline for utilizing the remaining balance of net proceeds from the 2020 Placing
Clinical development for other pipeline products, such as APG-2575, APG-115, APG-1387 and APG-1252	60%	413.5	345.0	126	June 30, 2021
Registration, trial production and marketing of the Core Product, HQP1351	20%	138.0	115.0	59.0	June 30, 2021
General corporate purposes	20%	138.0	115.0	28.0	June 30, 2021
Total	100.0%	689.5	575.0	213.0	

Notes:

- (1) The sum of the data may not add up to the total due to rounding.
- (2) The expected timeline for utilizing the remaining balance of net proceeds is based on the best estimation of the market conditions made by the Group and it is subject to the research and development progress of the Group which may be affected by COVID-19.
- (3) Net proceeds from the 2020 Placing were received in Hong Kong dollars and translated to RMB for application planning. The plan was adjusted slightly due to the fluctuation of the exchange rate since the 2020 Placing.

Save as disclosed above, the Company has not conducted any fund raising activities in the 12 months immediately preceding the date of this announcement.

As the closing of the Placing and the Subscription are subject to the satisfaction (or the waiver, if applicable) of the Placing Conditions Precedent and the Subscription Conditions Precedent, the Placing and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms used herein have the following meanings:

“2018 RSU Scheme”	the restricted share unit scheme adopted by the Company on July 6, 2018
“2020 Placing”	the placing of 15,000,000 Shares at a price of HK\$46.80 each pursuant to the terms and conditions of the 2020 Placing Agreement
“2020 Placing Agreement”	the placing agreement entered into among the Company, Citigroup Global Markets Limited and J.P. Morgan dated July 8, 2020 in relation to the 2020 Placing
“2021 RSU Scheme”	the restricted share unit scheme adopted by the Company on February 2, 2021
“Affiliate”	has the meaning ascribed to it under Rule 501(b) of Regulation D under the Securities Act
“APG-115”	the Company’s novel, orally active small molecule MDM2-p53 inhibitor
“APG-1252	the Company’s novel, highly potent, small molecule drug designed to restore apoptosis, or programmed cell death, through selective inhibition of the Bcl-2/Bcl-xL proteins
“APG-1387”	the Company’s novel, small molecule inhibitor of the inhibitor of apoptosis protein (IAP)
“APG-2449”	the Company’s third-generation inhibitor of the FAK, ROS1 and ALK kinases
“APG-2575”	the Company’s novel, orally administered Bcl-2 inhibitor

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CDE”	Centre of Drug Evaluation
“CICC”	China International Capital Corporation Hong Kong Securities Limited
“Closing Date”	the third business day (each being a day on which trading on the Stock Exchange takes place) after the date of the Placing and Subscription Agreement, or such other time and/or date as the Vendor and the Placing Agents agree
“Company”	Ascentage Pharma Group International (亞盛醫藥集團), an exempted company incorporated in the Cayman Islands with limited liability on November 17, 2017 and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6855)
“Concert Party Confirmation Deed”	the concert party confirmation deed dated August 11, 2018 executed by Dr. Yang, Dr. Wang, Dr. Guo, Dr. Zhai, Founders SPV and Dr. Zhai SPV, to confirm, agree and acknowledge, among other things, that they are parties acting in concert in relation to our Group since December 5, 2016 and will continue to act in concert after the Listing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Core Product”	has the meaning ascribed to it under Chapter 18A of the Listing Rules. For the purpose of this announcement, our Core Product is HQP1351
“COVID-19”	novel coronavirus pneumonia COVID-19
“Directors”	the directors of the Company
“Dr. Guo”	Dr. Guo Edward Ming, the chief operating officer of the Company and a Substantial Shareholder
“Dr. Wang”	Dr. Wang Shaomeng, a non-executive Director and a Substantial Shareholder

“Dr. Yang”	Dr. Yang Dajun, the chairman of the Board, the chief executive officer of the Company, the executive Director, a Substantial Shareholder, and spouse of Dr. Zhai
“Dr. Zhai SPV”	HealthQuest Pharma Limited, a company incorporated in BVI with limited liability and wholly owned by Dr. Zhai (for herself and as settlor of the Yifan Zhai Dynasty Trust), and a Substantial Shareholder
“Dr. Zhai”	Dr. Zhai Yifan, the chief medical officer of the Company, a Substantial Shareholder, and spouse of Dr. Yang
“EEA”	European Economic Area
“FDA”	United States Food and Drug Administration
“Founders SPV” or “Vendor”	Ascentage Limited, a company incorporated in BVI with limited liability which is owned by Dr. Yang (for himself and as settlor of the Dajung Yang Dynasty Trust) as to 45.53%, Dr. Guo (for himself and as settlor of the Ming Edward Guo Dynasty Trust) as to 27.69% and Dr. Wang (for himself and as settlor of the Shaomeng Wang Dynasty Trust) as to 26.78%, and a Substantial Shareholder
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on June 19, 2020 to allot, issue and deal with up to 20% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries
“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
“HQP1351”	formerly known as D824, or GZD824; our third-generation BCR-ABL inhibitor, which was designed to overcome drug resistance caused by BCR-ABL kinase mutants such as T315I mutants, and our Core Product
“J.P. Morgan”	J.P. Morgan Securities (Asia Pacific) Limited

“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on October 28, 2019
“Lock-up Period”	the period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date
“Placee(s)”	any professional, institutional and/or other investor(s) procured by the Placing Agents to subscribe for any of the Sale Shares pursuant to the Placing and Subscription Agreement
“Placing”	the placing of 26,500,000 Sale Shares to the Placees at the Placing Price pursuant to the terms and conditions of the Placing and Subscription Agreement
“Placing Agents”	collectively, J.P. Morgan and CICC
“Placing and Subscription Agreement”	the placing and subscription agreement entered into among the Company, the Vendor and the Placing Agents dated February 3, 2021 in relation to the Placing and the Subscription
“Placing Conditions Precedent”	the conditions precedent to the closing of the Placing
“Placing Price”	HK\$44.20 per Sale Share
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Post-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on September 28, 2019
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on July 13, 2018

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	up to 26,500,000 Shares beneficially owned by the Vendor and to be placed by the Placing Agents under the Placing pursuant to the terms and conditions of the Placing and Subscription Agreement
“Share(s)”	ordinary share(s) in the issued share capital of the Company with a nominal value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor at the Subscription Price pursuant to the terms and conditions of the Placing and Subscription Agreement
“Subscription Conditions Precedent”	the conditions precedent to the closing of the Subscription
“Subscription Price”	the price payable per Subscription Share by the Vendor, which price shall be the same as the Placing Price (being HK\$44.20 per Subscription Share)
“Subscription Shares”	up to 26,500,000 new Shares (and such number shall be the same as the number of Sale Shares actually placed by the Placing Agents pursuant to the Placing and Subscription Agreement) to be allotted and issued by the Company to the Vendor under the Subscription
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires refers to Dr. Yang, Dr. Wang, Dr. Guo, Dr. Zhai, Founders SPV and Dr. Zhai SPV
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“United States”	the United States of America

“US\$” United States dollars, the lawful currency of the United States

“%” per cent

By order of the Board
Ascentage Pharma Group International
Dr. Yang Dajun
Chairman and Executive Director

Suzhou, the PRC, February 4, 2021

As at the date of this announcement, the Board comprises Dr. Yang Dajun as chairman and executive Director, Dr. Wang Shaomeng, Dr. Tian Yuan, Mr. Zhao Qun, Dr. Lu Simon Dazhong and Mr. Liu Qian as non-executive Directors, and Mr. Ye Changqing, Dr. Yin Zheng and Mr. Ren Wei as independent non-executive Directors.