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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)

ADOPTION OF THE 2021 RSU SCHEME

The Board is pleased to announce that it has approved the adoption of the 2021 RSU Scheme on February 2, 2021 (after trading hours).

Pursuant to the 2021 RSU Scheme, the Company may (i) allot and issue Shares under its available general mandate to the Trustee to be held by the Trustee and which will be used to satisfy the RSUs upon exercise and/or (ii) direct and procure the Trustee to receive existing Shares from any shareholder of the Company or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise.

The 2021 RSU Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 17 of the Listing Rules.

ADOPTION OF THE 2021 RSU SCHEME

The Board is pleased to announce that it has approved the adoption of the 2021 RSU Scheme on February 2, 2021 (after trading hours). The 2021 RSU Scheme will be maintained in parallel with the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme, the 2018 RSU Scheme and such other share incentive schemes which may be adopted by the Company from time to time.

Pursuant to the 2021 RSU Scheme, the Company may (i) allot and issue Shares under its available general mandate to the Trustee to be held by the Trustee and which will be used to satisfy the RSUs upon exercise and/or (ii) direct and procure the Trustee to receive existing Shares from any shareholder of the Company or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise. The Company shall procure that sufficient funds are provided to the Trustee to enable the Trustee to satisfy its obligations in connection with the 2021 RSU Scheme.

SUMMARY OF THE 2021 RSU SCHEME

The following is a summary of the principal terms of the 2021 RSU Scheme:

Purpose

The purposes of the 2021 RSU Scheme are to (i) incentivize the existing and incoming directors, senior management and employees for their contribution to the Group; and (ii) attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

Participants

Eligible Persons who can receive RSUs under the 2021 RSU Scheme are (i) existing or incoming employees; (ii) directors (whether executive or non-executive); or (iii) officers of the Company or any member of the Group.

The Board may, at its discretion, select any Eligible Person for participation in the 2021 RSU Scheme as a Selected Person. Unless so selected, no Eligible Person shall be entitled to participate in the 2021 RSU Scheme. The basis of eligibility of any Selected Person for the grant of RSUs shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group or such other factors as the Board may deem appropriate.

Administration

The Board has the power to administer the 2021 RSU Scheme, including the power to construe and interpret the 2021 Scheme Rules and the terms of the RSUs granted under it. The Board may delegate the authority to administer the 2021 RSU Scheme to a committee of the Board. The Board may also appoint one or more independent third party contractors to assist in the administration of the 2021 RSU Scheme and delegate such powers and/or functions relating to the administration of the 2021 RSU Scheme as the Board thinks fit (the “**RSU Administrator**”).

The Board’s determinations under the 2021 RSU Scheme need not be uniform and may be made to any selected persons who are granted, or are eligible to be granted, RSUs under it. If a Director is a Participant, he may, notwithstanding his/her own interest and subject to the Articles, vote on any Board resolution concerning the 2021 RSU Scheme (other than in respect of his/her own participation in it), and may retain RSUs under it. Each Participant waives any right to contest, amongst other things, the value and number of RSUs or Shares or equivalent value of cash underlying the RSUs or Shares and the Board’s administration of the 2021 RSU Scheme.

Term

The 2021 RSU Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, provided that (i) no RSUs shall be granted after the expiry of the term of the 2021 RSU Scheme or after the earlier termination of the 2021 RSU Scheme pursuant to the relevant terms of the 2021 RSU Scheme Rules; and (ii) RSUs that have lapsed in accordance with the relevant terms of the 2021 RSU Scheme Rules or for any other reason can be re-granted by the Board.

Grant and acceptance

Making an offer

An offer to grant RSUs will be made to an Eligible Person selected by the Board by a Grant Letter, in such form as the Board may determine. The Grant Letter will specify the Selected Person's name, the manner of acceptance of the RSU, the number of RSUs granted and the number of underlying Shares represented by the RSUs, the vesting criteria and conditions, the vesting schedule and such other terms and conditions as the Board shall determine and are not inconsistent with the 2021 RSU Scheme, and will require the Selected Person to undertake to hold the RSU on the terms on which it is granted and to be bound by the terms of the 2021 RSU Scheme.

Acceptance of an offer

A Selected Person may accept an offer of the grant of RSUs in such manner as set out in the Grant Letter. Once accepted, the RSUs are deemed granted from the date of the Grant Letter. Upon acceptance, the Selected Person becomes a Participant in the 2021 RSU Scheme.

Restrictions on grants

The Board may not grant any RSUs to any Selected Persons in, among others, any of the following circumstances:

- (i) where the Company has information that must be disclosed under Rule 13.09 of the Listing Rules or where the Company reasonably believes there is Inside Information which must be disclosed under part XIVA of the SFO, until such Inside Information has been published on the websites of the Stock Exchange and the Company;

- (ii) within the period commencing 60 days (in the case of yearly results), or 30 days (in the case of results for half-year, quarterly or other interim period) immediately preceding the earlier of (a) the date of a meeting of the Board (as such date is first notified to the Stock Exchange) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to publish its quarterly, interim or annual results announcement for any such period, and ending on the date of such announcement;
- (iii) in any other circumstances where dealings by Selected Persons are prohibited under the Listing Rules, SFO or any other applicable law or regulation or where the requisite approval from any applicable regulatory authorities has not been granted, or where granting the RSUs would result in a breach by the Company, any member of the Group or any of their directors of any applicable law or regulation; or
- (iv) where such grant of RSUs would result in breach of the limits of the 2021 RSU Scheme as set out in the 2021 RSU Scheme Rules.

Maximum number of RSUs granted under the 2021 RSU Scheme

The maximum number of RSUs that may be granted under the 2021 RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the 2021 Scheme Rules) shall be 3,133,526 Shares, representing approximately 1.39% of the total issued share capital of the Company as at the Adoption Date.

No RSU has been granted under the 2021 RSU Scheme as at the date of this announcement.

Assignment of RSUs

The RSUs granted pursuant to the 2021 RSU Scheme are personal to each Participant, and are not assignable. Participants are prohibited from selling, transferring, assigning, charging, mortgaging, encumbering, hedging or creating any interest in favour of any other person over or in relation to any property held by the Trustee on trust for the Participants, the RSUs, or any interest or benefits therein.

Vesting of RSUs

The Board may determine the vesting criteria, conditions and the schedule when the RSUs will vest and such criteria, conditions and time schedule shall be stated in the Grant Letter.

Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Board shall send the Vesting Notice to each of the relevant Participants. The Vesting Notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved.

Exercise of RSUs

RSUs held by a Participant that are vested as evidenced by the Vesting Notice may be exercised (in whole or in part) by the Participant serving an exercise notice in writing on the Trustee and copied to the Company. Any exercise of RSUs must be in respect of a Board Lot or an integral multiple thereof (except where the number of RSUs which remains unexercised is less than one Board Lot).

An Award gives the Participant a conditional right upon vesting of the Award to obtain an equivalent value in cash with reference to the value of the Shares underlying such Award held by the Trustee on a date of sale (being a date that the RSU Administrator determines to conduct on-market sale of such Shares once every financial year pursuant to the 2021 RSU Scheme), less any tax, fees, levies, stamp duty and other applicable charges.

Rights attached to RSUs

A Participant does not have any contingent interest in any Shares underlying the RSUs unless and until such Award is actually transferred to the Participant. Further, a Participant may not exercise voting rights in respect of the Shares underlying the RSUs prior to their exercise and, unless otherwise specified by the Board in its entire discretion in the Grant Letter to the Participant, nor do they have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the RSUs.

Rights attached to Shares

Any Shares transferred to a Participant in respect of any RSUs will be subject to all the provisions of the Articles and will rank *pari passu* with the fully paid Shares in issue on the date of the transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members.

Rights on a takeover

If a general offer to acquire the Shares (whether by takeover offer, merger, or otherwise in a like manner) is made to all of the shareholders of the Company (or shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects, a Participant's RSUs will vest immediately, even if the vesting period has not yet commenced.

Rights on a compromise or arrangement

If a compromise or arrangement between the Company and its shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such shareholders' approval is obtained, a Participant's RSUs will vest immediately, even if the vesting period has not yet commenced.

Rights on voluntary winding-up

If an effective resolution is passed during the Scheme Period for the voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), all outstanding RSUs shall be treated as having vested immediately. No Shares will be transferred, and no cash alternative will be paid, to the Participant, but the Participant will be entitled to receive out of the assets available in liquidation on an equal basis with the Company's shareholders such sum as they would have received in respect of the RSUs.

Lapse of RSUs

Any unvested RSU will automatically lapse immediately where:

- (i) such Participant's employment or service terminates for any reason; or
- (ii) the Participant makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any other person over or in relation to any RSUs or any interests or benefits pursuant to the RSUs.

If at any time, a Participant:

- (i) ceases to be an employee of the Group;

- (ii) fails, during the course of his/her employment, to devote the whole of his/her time and attention to the business of the Group or to use his/her best endeavours to develop the business and interests of the Group;
- (iii) is concerned during the course of his/her employment with the Group (without the prior written consent of the Company) with any (competitive or other) business other than that of the Group; and/or
- (iv) is in breach of his/her contract of employment with or any other obligation to the Group (including without limitation certain restrictive covenants),

then all vested and unvested RSUs shall automatically lapse and such Participant shall have no claim whatsoever in respect of the RSUs or the underlying Shares.

Cancellation of RSUs

The Board may at its discretion cancel any RSU that has not vested or lapsed, provided that:

- (i) the Company or any member of the Group pay to the Participant an amount equal to the fair value of the RSU at the date of the cancellation as determined by the Board, after consultation with the Auditors or an independent financial adviser appointed by the Board;
- (ii) the Company or the relevant member of the Group provides to the Participant a replacement award (or a grant or option under any other restricted share unit scheme, share option scheme or share-related incentive scheme) of equivalent value to the RSUs to be cancelled; or
- (iii) the Board makes any arrangement as the Participant may agree in order to compensate him/her for the cancellation of the RSUs.

Reorganization of capital structure

In the event of any capitalization issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company, the Board may make such equitable adjustments, designed to protect the Participants' interests, to the number of Shares underlying the outstanding RSUs or to the amount of the equivalent value, as it may deem appropriate at its absolute discretion.

Amendment of the 2021 RSU Scheme

Save as provided in the 2021 RSU Scheme, the Board may alter any of the terms of the 2021 RSU Scheme at any time. Written notice of any amendment to the 2021 RSU Scheme shall be given to all Participants.

Any alterations to the terms and conditions of the 2021 RSU Scheme which are of a material nature or any changes to the terms of the RSUs granted which shall operate to affect materially adversely any subsisting rights of any Participant shall be subject to the consent of the Participants amounting to three-fourths in nominal value of all underlying RSUs so held by the Participants on the date of the relevant resolution passed by the Board in approving the amendment of the 2021 RSU Scheme or the terms of the RSUs granted (as the case may be), except where the alterations or changes take effect automatically under the existing terms of the 2021 RSU Scheme. The Board's determination as to whether any proposed alteration to the terms and conditions of the 2021 RSU Scheme or the terms of the RSUs granted (as the case may be) is material shall be conclusive.

Termination of the 2021 RSU Scheme

The Board may terminate the 2021 RSU Scheme at any time before the expiry of the Scheme Period. The terms of the 2021 RSU Scheme shall remain in full force and effect in respect of RSUs which are granted pursuant to the 2021 Scheme Rules prior to the termination of the operation of the 2021 RSU Scheme. The Company or relevant member of the Group shall notify the Trustee and all Participants of such termination and of how any property held by the Trustee on trust for the Participants (including, but not limited to, any Shares held) and the outstanding RSUs shall be dealt with.

LISTING RULES IMPLICATIONS

The 2021 RSU Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 17 of the Listing Rules. It is a discretionary scheme of the Company. No shareholders' approval is required for the adoption of the 2021 RSU Scheme.

As abovementioned, in the event that new Shares are to be allotted and issued to the Trustee, such new Shares will be issued under the available general mandate of the Company. The Company will comply with the relevant Listing Rules when issuing the new Shares and application will be made to the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the new Shares to be issued to the Trustee pursuant to the 2021 RSU Scheme.

The Company will seek independent shareholders' approval for any grant of new Shares to the Directors or any other connected person as required under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2018 RSU Scheme”	the restricted share unit scheme approved by the board of directors of the Company on July 6, 2018, the details of which are set out in the Prospectus
“2021 RSU Scheme”	the restricted share unit scheme of the Company approved by the Board on February 2, 2021 (after trading hours) for adoption, in its present form or as amended from time to time in accordance with the 2021 Scheme Rules
“2021 RSU Scheme Rules”	the rules of the 2021 RSU Scheme, as amended, modified or supplemented from time to time
“Adoption Date”	February 2, 2021, being the date of the adoption of the 2021 RSU Scheme by the Board
“Articles”	the articles of association of the Company (as amended from time to time)
“Award(s)”	an award of RSUs under the 2021 RSU Scheme
“Board Lot”	100 Shares
“Board”	the board of Directors
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Persons”	persons eligible to receive RSUs under the 2021 RSU Scheme, who are existing or incoming employees, directors (whether executive or non-executive) or officers of the Company or any member of the Group

“Grant Date”	the date on which RSUs are granted under the 2021 RSU Scheme pursuant to a Grant Letter
“Grant Letter”	the letter pursuant to which RSUs are granted to a Selected Person
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Inside Information”	has the meaning ascribed to it under Part XIVA of the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Participant(s)”	a Selected Person who accepts the offer of the grant of RSUs in accordance with the terms of the 2021 RSU Scheme
“Post-IPO Share Option Scheme”	the post-IPO share option scheme approved by the Company on September 28, 2019 (as amended from time to time), the details of which are set out in the Prospectus
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme approved by the Company on July 13, 2018 (as amended from time to time), the details of which are set out in the Prospectus
“Prospectus”	the prospectus of the Company dated October 16, 2019
“RSUs”	restricted share units to be granted under the 2021 RSU Scheme, each of which represents one underlying Share, and represent a conditional right granted to any Selected Person under the 2021 RSU Scheme to obtain the corresponding economic value of the underlying Shares, less any tax, stamp duty and other charges applicable, as determined by the Board in its absolute discretion
“Scheme Period”	the period of ten (10) years commencing from the Adoption Date, or until the 2021 RSU Scheme is terminated pursuant to the relevant terms of the 2021 RSU Scheme Rules, whichever is earlier
“Selected Person(s)”	Eligible Person(s) selected by the Board to be granted RSUs under the 2021 RSU Scheme at its discretion

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of US\$0.0001 par value each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the trustee(s) to be appointed by the Board to hold Shares for the purpose of the 2021 RSU Scheme
“Vesting Notice”	a notice to be sent by the Company to each of the relevant Participants after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived

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

Suzhou, People’s Republic of China, February 2, 2021

As at the date of this announcement, the Board of Directors of the Company 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.