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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)**

### **GRANT OF AWARDS UNDER THE 2021 RSU SCHEME AND CONNECTED TRANSACTION PROPOSED GRANT OF AWARDS UNDER THE 2021 RSU SCHEME TO CHIEF COMMERCIAL OFFICER**

Reference is made to (i) the announcement of Ascentage Pharma Group International (the “**Company**”, together with its subsidiaries, the “**Group**”) dated February 2, 2021 (the “**Announcement**”) in relation to, among other things, the 2021 RSU Scheme of the Company; and (ii) the circular of the Company dated April 9, 2021 (the “**Circular**”) and the poll results announcement of the Company dated May 10, 2021 in relation to, among other things, the proposed remuneration for Directors. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

### **GRANT OF AWARDS UNDER THE 2021 RSU SCHEME**

#### **Background**

The Board hereby announces that, on May 17, 2021, the Company granted an aggregate of 395,974 RSUs under the RSU Scheme (the “**Awards**”), representing 395,974 Shares to a total of 34 Selected Persons, which include employees of the Group and a director of the Company. Among the Awards, 10,641 RSUs, representing 10,641 Shares, were granted to Dr. David Sidransky (“**Dr. Sidransky**”), an independent non-executive Director.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the other 33 Selected Persons (the "**Independent Selected Persons**") are third parties independent of the Company and are not connected persons of the Company, and none of them is a director, chief executive or substantial shareholder of the Company or any of its subsidiaries, or an associate (as defined under the Listing Rules) of any of them as at the date of grant of the Awards.

The grant of RSUs to Dr. Sidransky has been unanimously approved by all members of the remuneration committee of the Company. Dr. Sidransky, being a Selected Person under the grant of the Awards, has abstained from voting on the relevant Board resolution approving the grant of the Awards. Save as aforementioned, none of the other Directors has a material interest in the grant of the Awards. Therefore, no other Director is required to abstain from voting on such Board resolution.

The Awards shall vest in accordance with the vesting criteria, conditions and time schedule as determined by the Board in its sole and absolute discretion with reference to, among other things, the location at which the Selected Person is based and the commencement date or duration of their employment.

The RSUs granted to Dr. Sidransky and the Independent Selected Persons would be satisfied upon exercise by the allotment and issuance of Shares under the Company's available general mandate to the Trustee to be held by the Trustee for such purpose.

The underlying Shares of the Awards, being 395,974 Shares, represent approximately 0.16% of the total issued share capital of the Company as at the date of this announcement, and approximately 0.16% of the enlarged total issued share capital of the Company (assuming there will be no change to the total issued share capital from the date of this announcement up to the exercise of the RSUs granted to Dr. Sidransky and the Independent Selected Persons other than the abovementioned allotment and issuance of Shares by the Company to the Trustee).

The new Shares to be allotted and issued by the Company to the Trustee under the grant of the Awards will rank *pari passu* in all respects among themselves and with all the Shares in issue from time to time. Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, such new Shares.

## **Implications under the Listing Rules**

Dr. Sidransky, being an independent non-executive Director, is a connected person of the Company, and the grant of RSUs to Dr. Sidransky constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the grant of RSUs to Dr. Sidransky forms part of the remuneration package under his letter of appointment with the Company (as disclosed in the Circular and as approved by the shareholders of the Company at the annual general meeting of the Company held on May 10, 2021), such grant is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rules 14A.73(6) and 14A.95 of the Listing Rules.

## **CONNECTED TRANSACTION — PROPOSED GRANT OF AWARDS UNDER THE 2021 RSU SCHEME TO CHIEF COMMERCIAL OFFICER**

### **Background**

The Board hereby announces that, on May 17, 2021, the Company proposed to, subject to the approval of the Independent Shareholders (as defined below) at the EGM (as defined below), grant an aggregate of 55,157 RSUs under the RSU Scheme, representing 55,157 Shares to Mr. Zhu Gang (“**Mr. Zhu**”), the chief commercial officer of the Company.

The proposed grant of RSUs to Mr. Zhu has been unanimously approved by all members of the remuneration committee of the Company. None of the Directors has a material interest in the proposed grant of RSUs to Mr. Zhu and therefore none of them has abstained from voting on the relevant Board resolution.

The RSUs to be granted to Mr. Zhu shall vest in accordance with the vesting criteria, conditions and time schedule as determined by the Board in its sole and absolute discretion with reference to, among other things, the location at which Mr. Zhu is based and the commencement date or duration of his employment.

Based on the closing price of HK\$43.80 as quoted on the Stock Exchange on May 17, 2021 (being the date on which the grant of RSUs to Mr. Zhu is proposed), the aggregate market value of the underlying Shares in relation to the RSUs to be granted to Mr. Zhu amounts to HK\$2,415,876.60.

The RSUs to be granted to Mr. Zhu would be satisfied upon exercise by the allotment and issuance of Shares under the Company's available general mandate to the Trustee to be held by the Trustee for such purpose.

The underlying Shares of the RSUs to be granted to Mr. Zhu, being 55,157 Shares, represent approximately 0.02% of the total issued share capital of the Company as at the date of this announcement, and approximately 0.02% of the enlarged total issued share capital of the Company (assuming there will be no change to the total issued share capital from the date of this announcement up to the exercise of the RSUs granted to Mr. Zhu other than the abovementioned allotment and issuance of Shares by the Company to the Trustee).

The new Shares to be allotted and issued by the Company to the Trustee under the proposed grant of RSUs to Mr. Zhu will rank *pari passu* in all respects among themselves and with all the Shares in issue from time to time. Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, such new Shares.

### **Information on the Company**

The Company is a China-based, globally focused, clinical-stage biotechnology company engaged in developing novel therapies for cancers, CHB (Chronic hepatitis B), and age-related diseases. On October 28, 2019, the Company became listed on the Main Board of the Stock Exchange with the stock code: 6855.HK.

### **Reasons for and benefits of the proposed grant of RSUs to Mr. Zhu**

As disclosed in the Announcement, the purposes of the 2021 RSU Scheme are to (i) incentivize the existing and incoming directors, senior management and employees for their contributions 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.

As disclosed in the announcement of the Company dated December 4, 2020, Mr. Zhu, the chief commercial officer of the Company, is comprehensively responsible for the Company's commercialization roadmap, the formulation of commercial operations strategies, the building of a commercialization team, and accelerating the launch of the commercialization of the Company's drug candidates under development. The proposed grant of RSUs to Mr. Zhu aims to provide sufficient incentives to attract, retain and motivate Mr. Zhu to participate in the continuing operation and long-term development of the Company and to recognise Mr. Zhu's contributions to the growth of the Company.

Furthermore, the dilution effect of the proposed grant of RSUs to Mr. Zhu to the interests of the existing public Shareholders is insignificant and there will not be substantial cash outflow by the Company under the proposed grant of RSUs to Mr. Zhu.

The Directors (other than the Independent Board Committee (as defined below) who will express its views after considering the advice from the Independent Financial Adviser (as defined below)) consider that the proposed grant of RSUs to Mr. Zhu is on normal commercial terms which are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

### **Implications under the Listing Rules**

As Mr. Zhu is the chief commercial officer of the Company, he is a chief executive and thus a connected person of the Company. As such, the proposed grant of RSUs to Mr. Zhu constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements.

The independent board committee of the Company (the "**Independent Board Committee**") comprising Mr. Ye Changqing, Dr. Yin Zheng, Mr. Ren Wei and Dr. David Sidransky, being all the independent non-executive Directors, has been formed in accordance with Chapter 14A of the Listing Rules to advise the shareholders of the Company who are independent of Mr. Zhu and his associates and are not required to abstain from voting on the relevant resolution at the EGM (as defined below) (the "**Independent Shareholders**") on the proposed grant of RSUs to Mr. Zhu. In this connection, an independent financial adviser (the "**Independent Financial Adviser**") will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of RSUs to Mr. Zhu. Further announcement(s) will be made by the Company upon the appointment of the Independent Financial Adviser.

## **EGM**

An ordinary resolution will be proposed at an extraordinary general meeting to be convened by the Company (the “**EGM**”) for the shareholders of the Company to consider and, if thought fit, approve the proposed grant of RSUs to Mr. Zhu. The voting at the EGM will be conducted by poll.

A circular containing, among other things, (i) further details of the proposed grant of RSUs to Mr. Zhu; (ii) the letter from the Independent Board Committee; (iii) the letter from the Independent Financial Adviser; and (iv) the notice convening the EGM, is expected to be despatched to the shareholders of the Company on or before July 31, 2021, which is more than 15 business days after the publication of this announcement as required under the Listing Rules, as more time is needed for the preparation of certain information to be included in the circular and the arrangement of the EGM.

## **GENERAL**

The RSU Scheme does not involve the grant of options in respect of new shares or other new securities of the Company or any of its subsidiaries, and is therefore not within the scope of, and subject to, Chapter 17 of the Listing Rules.

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

Suzhou, People’s Republic of China, May 21, 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, Dr. Lu Simon Dazhong and Mr. Liu Qian as non-executive Directors, and Mr. Ye Changqing, Dr. Yin Zheng, Mr. Ren Wei and Dr. David Sidransky as independent non-executive Directors.*