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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)

SUPPLEMENTAL ANNOUNCEMENT

GRANT OF AWARDS UNDER THE 2021 RSU SCHEME AND CONNECTED TRANSACTION PROPOSED GRANT OF AWARDS UNDER THE 2021 RSU SCHEME TO CHIEF COMMERCIAL OFFICER AND INDEPENDENT NON-EXECUTIVE DIRECTOR

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 “**Adoption Announcement**”) in relation to, among other things, the 2021 RSU Scheme of the Company; (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; and (iii) the announcement of the Company dated May 21, 2021 (the “**Grant Announcement**”) in relation to, among other things, the proposed grant of RSUs under the 2021 RSU Scheme to Dr. Sidransky. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Adoption Announcement and the Grant Announcement.

CONNECTED TRANSACTION — PROPOSED GRANT OF AWARDS UNDER THE 2021 RSU SCHEME TO CHIEF COMMERCIAL OFFICER AND INDEPENDENT NON-EXECUTIVE DIRECTOR

Background

As disclosed in the Grant Announcement, on May 17, 2021, the Board approved the proposed grant by the Company of an aggregate of 10,641 RSUs, representing 10,641 Shares, to Dr. Sidransky, an independent non-executive Director.

The proposed 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 RSUs to be granted to Dr. Sidransky 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 Dr. Sidransky 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 proposed grant of RSUs to Dr. Sidransky is proposed), the aggregate market value of the underlying Shares in relation to the RSUs to be granted to Dr. Sidransky and Mr. Zhu amounts to HK\$2,881,952.40.

The RSUs to be granted to Dr. Sidransky 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 Dr. Sidransky and Mr. Zhu, being an aggregate of 65,798 Shares, represent approximately 0.03% of the total issued share capital of the Company as at the date of this announcement, and approximately 0.03% 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 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 Dr. Sidransky 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 Dr. Sidransky

As disclosed in the Adoption 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 Circular, the proposed grant of RSUs to Dr. Sidransky is part of the remuneration package under his letter of appointment with the Company (as approved by the shareholders of the Company at the annual general meeting of the Company held on May 10, 2021) which has been determined with reference to, among other things, (a) his duties and responsibilities within the Company; (b) the prevailing market conditions; and (c) the continuous expansion of the business scale and continuously heightening requirements on corporate governance of the Company over recent years.

Furthermore, the dilution effect of the proposed grant of RSUs to Dr. Sidransky and 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 Dr. Sidransky and Mr. Zhu.

The Directors (other than the Independent Board Committee who will express its views after considering the advice from the Independent Financial Adviser) consider that the proposed grant of RSUs to Dr. Sidransky and 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

Dr. Sidransky, being an independent non-executive Director, is a connected person of the Company. Although the proposed 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 involves the issuance new Shares to Dr. Sidransky which does not fall within any of the exemptions as set out under Rule 14A.92 of the Listing Rules. As such, the proposed grant of RSUs to Dr. Sidransky constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is, together with the proposed grant of RSUs to Mr. Zhu (details of which are set out in the Grant Announcement), subject to the reporting, announcement and independent shareholders' approval requirements.

As Dr. Sidransky, being an independent non-executive Director, is proposed to be granted RSUs and as a result has a material interest in such grant, he will no longer be a member of the Independent Board Committee formed in accordance with Chapter 14A of the Listing Rules. As such, the Independent Board Committee will comprise the other three independent non-executive Directors, namely Mr. Ye Changqing, Dr. Yin Zheng and Mr. Ren Wei. The Independent Board Committee will advise the Independent Shareholders on the proposed grant of RSUs to Dr. Sidransky and Mr. Zhu. The Independent Financial Adviser to 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 will also advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of RSUs to Dr. Sidransky. Further announcement(s) will be made by the Company upon the appointment of the Independent Financial Adviser.

EGM

An additional ordinary resolution will be proposed at the EGM for the shareholders of the Company to consider and, if thought fit, approve the proposed grant of RSUs to Dr. Sidransky. 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 Dr. Sidransky and 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.

Save as disclosed above, all other information as set out in the Grant Announcement remain unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Grant Announcement.

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

Suzhou, People's Republic of China, May 26, 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.