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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)

**(I) INSIDE INFORMATION – ENTRY INTO OF THE HQP1351
COLLABORATION AND LICENSE AGREEMENT AND THE APG-
2575 COMBINATION THERAPY STRATEGIC COLLABORATION
AND CLINICAL TRIAL AGREEMENT;
(II) ISSUANCE OF NEW SHARES UNDER GENERAL MANDATE;
AND
(III) PROPOSED ISSUANCE OF UNLISTED WARRANTS UNDER
SPECIFIC MANDATE**

**ENTRY INTO OF THE HQP1351 COLLABORATION AND LICENSE
AGREEMENT**

On July 14, 2021 (after trading hours), Ascentage HK, Ascentage GZ and Innovent Suzhou entered into the HQP1351 Collaboration and License Agreement, pursuant to which Ascentage agreed to grant to Innovent Suzhou the right to develop HQP1351 in the Field in the Licensed Territory and the right to commercialize HQP1351 in the cities within the Licensed Territory being allocated to Innovent.

ENTRY INTO OF THE APG-2575 COMBINATION THERAPY STRATEGIC COLLABORATION AND CLINICAL TRIAL AGREEMENT

On July 14, 2021 (after trading hours), Ascentage Suzhou and Innovent Suzhou entered into the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement, pursuant to which Ascentage Suzhou and Innovent Suzhou agreed to jointly develop and conduct clinical trials of the combination therapy involving APG-2575, in combination with the CD20 Antibody and the CD47 Antibody for the treatment of certain indications.

ISSUANCE OF NEW SHARES UNDER GENERAL MANDATE

On July 14, 2021 (after trading hours), the Company and Innovent entered into the Share Subscription Agreement, pursuant to which the Company agreed to issue, and Innovent agreed to subscribe, a total of 8,823,863 Subscription Shares at the aggregate consideration of US\$50.00 million (equivalent to approximately HK\$388.25 million) subject to the terms and conditions of the Share Subscription Agreement.

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

PROPOSED ISSUANCE OF UNLISTED WARRANTS UNDER SPECIFIC MANDATE

On July 14, 2021 (after trading hours), the Company and Innovent entered into the Warrant Subscription Deed, pursuant to which the Company agreed to issue to Innovent 6,787,587 Warrants. Innovent is not required to pay any consideration for the Warrants.

IMPLICATIONS UNDER THE LISTING RULES

Entry into of the HQP1351 Collaboration and License Agreement

As the HQP1351 Collaboration and License Agreement and the transactions contemplated thereunder are of a revenue nature in the ordinary and usual course of business of the Company, pursuant to Rule 14.04(1)(g) of the Listing Rules, the HQP1351 Collaboration and License Agreement and the transactions contemplated thereunder do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Entry into of the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement

As the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement and the transactions contemplated thereunder are of a revenue nature in the ordinary and usual course of business of the Company, pursuant to Rule 14.04(1)(g) of the Listing Rules, the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement and the transactions contemplated thereunder do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Proposed issuance of unlisted Warrants under Specific Mandate

Pursuant to Rule 13.36(7) of the Listing Rules, the Company may not issue warrants to subscribe for (i) any new Shares or (ii) any securities convertible into new Shares, for cash consideration pursuant to a general mandate given under Rule 13.36(2)(b) of the Listing Rules. Therefore, the Warrant and the Warrant Shares (to be issued upon exercise of the Warrants) will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

SPECIFIC MANDATE AND THE EGM

The Company will seek the approval of the Specific Mandate from the Shareholders at the EGM to issue the Warrants and the Warrant Shares upon the exercise thereof. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving, among other things, the issue of the Warrants and the Warrant Shares upon exercise thereof. To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the issue of Warrants, and accordingly, no Shareholders will be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) further details of the issue of the Warrants and the Warrant Shares upon exercise thereof; (ii) a notice convening the EGM; and (iii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before July 31, 2021.

The Company is making this announcement in connection with the HQP1351 Collaboration and License Agreement and the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

I. INSIDE INFORMATION – ENTRY INTO OF THE HQP1351 COLLABORATION AND LICENSE AGREEMENT

The Board is pleased to announce that on July 14, 2021 (after trading hours), Ascentage HK, Ascentage GZ and Innovent Suzhou entered into the HQP1351 Collaboration and License Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Innovent Suzhou and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Term

The term of the HQP1351 Collaboration and License Agreement shall commence on the date of the HQP1351 Collaboration and License Agreement, and shall expire upon the expiration of the last to occur of: (i) the expiration of the last-to-expire Valid Claim of the Ascentage Patents covering HQP1351 in any of the regions in the Licensed Territory; or (b) ten (10) years from the First Commercial Sale of HQP1351 in any of the regions in the Licensed Territory.

Development and commercialization of HQP1351

Pursuant to the HQP1351 Collaboration and License Agreement, Ascentage agreed to grant to Innovent Suzhou the right to develop HQP1351 in the Field in the Licensed Territory and the right to commercialize HQP1351 in the cities within the Licensed Territory being allocated to Innovent.

Each of Ascentage and Innovent Suzhou shall use commercially reasonable efforts to (i) carry out the development of HQP1351 in the Field in the Licensed Territory; and (ii) commercialize HQP1351 in the Licensed Territory after the regulatory approval of HQP1351 has been obtained in accordance with applicable laws, with each of them being responsible for 50% of the costs incurred in connection with such development activities after the date of the HQP1351 Collaboration and License Agreement.

Each of Ascentage and Innovent Suzhou shall be allocated 50% of the profit generated from the sales of HQP1351 by Ascentage, Innovent Suzhou and their respective affiliates.

License fees

Innovent Suzhou shall pay Ascentage an upfront fee of US\$30 million (equivalent to approximately HK\$232.95 million) in cash within 15 days after the date of the HQP1351 Collaboration and License Agreement.

In addition, Ascentage is entitled to receive potential milestone payments in the amount of up to US\$115 million (equivalent to approximately HK\$892.98 million) in aggregate upon the achievement certain pre-determined development and regulatory milestones, as well as annual sales performance milestones after HQP1351 is approved for sale in the Licensed Territory.

The upfront fee and the milestone payments were determined after arm's length negotiations between Ascentage and Innovent Suzhou on normal commercial terms with reference to, among other things, the expected sales prospects, the development cost and the allocation of profits generated from the sales of HQP1351.

INFORMATION ON HQP1351

Being developed by the Company, HQP1351 is a novel, orally active, potent third-generation BCR-ABL tyrosine kinase inhibitor (TKI) designed to effectively target a spectrum of BCR-ABL mutants, including T315I, and the first China-developed third-generation BCR-ABL TKI targeting drug-resistant chronic myeloid leukemia (CML). Since 2018, the clinical results of HQP1351 have been selected for oral presentations at American Society of Clinical Oncology (ASCO) Annual Meeting for three years in a row. At present, a New Drug Application (NDA) for HQP1351 has been submitted in China, and the application was subsequently granted the Priority Review status. Moreover, HQP1351 was cleared by the FDA to enter a Phase Ib clinical study, and was subsequently granted an Orphan Drug Designation (ODD) and a Fast Track Designation (FTD) by the FDA.

As at the date of this announcement, HQP1351 has not received marketing authorization in any of the regions in the Licensed Territory.

IMPLICATIONS UNDER THE LISTING RULES

As the HQP1351 Collaboration and License Agreement and the transactions contemplated thereunder are of a revenue nature in the ordinary and usual course of business of the Company, pursuant to Rule 14.04(1)(g) of the Listing Rules, the HQP1351 Collaboration and License Agreement and the transactions contemplated thereunder do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

II. INSIDE INFORMATION – ENTRY INTO OF THE APG-2575 COMBINATION THERAPY STRATEGIC COLLABORATION AND CLINICAL TRIAL AGREEMENT

The Board is pleased to announce that on July 14, 2021 (after trading hours), Ascentage Suzhou and Innovent Suzhou entered into the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Innovent Suzhou and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Term

The term of the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement shall commence on the date of the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement, and shall remain in effect until the first commercial launch of the first combination therapy program involving APG-2575 in combination with the CD20 Antibody or the CD47 Antibody.

Combination Treatment Therapies

Pursuant to the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement, Ascentage Suzhou and Innovent Suzhou agreed to jointly develop and conduct clinical trials of the combination therapy involving APG-2575, in combination with the CD20 Antibody and the CD47 Antibody for the treatment of certain indications.

INFORMATION ON APG-2575

APG-2575 is a novel, orally administered small-molecule Bcl-2-selective inhibitor being developed by the Company. APG-2575 is designed to treat hematologic malignancies and solid tumors by selectively blocking antiapoptotic protein Bcl-2 to restore the normal apoptosis process in cancer cells. APG-2575 is the first China-developed Bcl-2 inhibitor entering clinical development in China. Thus far, APG-2575 has received clearances and approvals for multiple Phase Ib/II clinical studies in China, the US, Australia and Europe, and is currently being developed in a range of hematologic malignancies globally. As a single agent, APG-2575 has potent antitumor activity in Bcl-2-dependent tumor cell lines, and has shown broad antitumor effects when combined with other antitumor therapies.

As at the date of this announcement, APG-2575 has not received marketing authorization in any of the regions in the Licensed Territory.

INFORMATION ON CD20 ANTIBODY AND CD47 ANTIBODY

Information on CD20 Antibody HALPRYZA[®] (rituximab injection)

HALPRYZA[®] is rituximab injection and a recombinant human/murine chimeric monoclonal antibody drug co-developed by Innovent and Eli Lilly and Company. Rituximab binds to the CD20 antigen on the surface of B lymphocytes and mediates complement-dependent cytotoxicity (CDC) and antibody-dependent cellular cytotoxicity (ADCC). Normal and malignant B cells are targeted for destruction by the antibody, thereby achieving anti-tumor and immunosuppressive therapeutic effects. HALPRYZA[®] (rituximab injection) is approved by the National Medical Products Administration (NMPA) of China for patients with diffuse large b cell lymphoma (DLBCL), follicular lymphoma (FL), and chronic lymphocytic leukemia (CLL).

Information on CD47 Antibody IBI188 (letaplimab)

IBI188 (letaplimab), developed by Innovent, is a recombinant fully humanized IgG4 monoclonal antibody targeting CD47. CD47 is a transmembrane protein that blocks phagocytosis of macrophage by binding to the signaling regulatory protein (SIRP) on the surface of macrophage, to send a “don’t eat me” signal. After blocking this myeloid checkpoint, IBI188 (letaplimab) enhanced phagocytosis of tumor cells and cross-activated T cells. Preclinical data showed that IBI188 (letaplimab) had clear target, clear mechanism of action and significant efficacy. Phase 1a clinical data showed that the escalation of all the preset doses has completed, with the highest exploratory dose of 30mg/kg QW. No dose-limiting toxicity occurred in each dose group, and IBI188 (letaplimab) was well tolerated generally. IBI188 (letaplimab) is currently under Phase 1b studies for the treatment of Myelodysplastic Syndrome (MDS) and acute myeloid leukemia (AML).

IMPLICATIONS UNDER THE LISTING RULES

As the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement and the transactions contemplated thereunder are of a revenue nature in the ordinary and usual course of business of the Company, pursuant to Rule 14.04(1)(g) of the Listing Rules, the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement and the transactions contemplated thereunder do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE ENTRY INTO OF THE HQP1351 COLLABORATION AND LICENSE AGREEMENT AND THE APG- 2575 COMBINATION THERAPY STRATEGIC COLLABORATION AND CLINICAL TRIAL AGREEMENT

The HQP1351 Collaboration and License Agreement and the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement mark the first multifaceted strategic collaboration of such scale between two leading Chinese innovative biopharmaceutical companies. Not only does it leverage the strengths of the Company and Innovent in clinical development, commercialization, and channel expansion by further exploring the value of HQP1351 as well as accelerating its indication expansion, the promising potential utility in the combination of APG-2575 as a small-molecule drug with CD20 Antibody and CD47 Antibody. The potential synergy between the Company's portfolio of leading small-molecule assets and Innovent's cutting-edge platform of large-molecule biologics can also be fully realized, and the strategic collaboration represents a new model for China biopharmaceutical companies to work together to bring additional benefit to patients.

III. ISSUANCE OF NEW SHARES UNDER GENERAL MANDATE

THE SHARE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on July 14, 2021 (after trading hours), the Company and Innovent entered into the Share Subscription Agreement, pursuant to which the Company agreed to issue, and Innovent agreed to subscribe, a total of 8,823,863 Subscription Shares at the aggregate consideration of US\$50.00 million (equivalent to approximately HK\$388.25 million) subject to the terms and conditions of the Share Subscription Agreement. The principal terms of the Share Subscription Agreement are set out below.

Date: July 14, 2021 (after trading hours)

Parties: (1) the Company (as the issuer); and
(2) Innovent (as the subscriber).

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

Subscription Shares

The number of Subscription Shares represents approximately 3.48% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.36% of the enlarged issued share capital of the Company immediately following the Share Subscription Completion (assuming all the Subscription Shares are subscribed for in full and there is no change in the issued share capital of the Company between the date of this announcement and the Share Subscription Completion). The aggregate nominal value of the Subscription Shares is US\$882.3863.

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 the Share Subscription Completion including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment.

Subscription Price

The Subscription Price shall be HK\$44.00 per Subscription Share, being the lower of (i) the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Share Subscription Agreement; or (ii) HK\$44.00 per Subscription Share.

The Subscription Price represents:

- (i) a discount of approximately 16.90% to the closing price of HK\$52.95 per Share as quoted on the Stock Exchange on July 14, 2021, being the date of the Share Subscription Agreement; and
- (ii) a discount of approximately 6.84% to the average closing price of HK\$47.23 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Share Subscription Agreement.

The Subscription Price was determined on arm's length basis between the Company and Innovent, 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 Subscription Price and the terms of the Share Subscription Agreement are fair and reasonable and that the Share Subscription is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The Share Subscription Completion shall be subject to the satisfaction or, if applicable, waiver of the following Subscription Conditions Precedent:

- (i) there not having occurred at any time before the Share Subscription Completion,
 - (a) any material adverse change, or any development reasonably likely to have a material adverse effect, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Group taken as a whole; or
 - (b) any event or the existence of any circumstance which renders any of the representations, warranties and undertakings given by the Company pursuant to the Share Subscription Agreement untrue, inaccurate or misleading;
- (ii) the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange;
- (iii) if required by the Listing Rules or other applicable laws, the approval of the Share Subscription Agreement and the transactions contemplated hereunder at a general meeting of the Shareholders in accordance with the requirements of the Listing Rules;
- (iv) the listing of, and permission to deal in, all the Subscription Shares having been granted by the Stock Exchange and such listing and permission not subsequently being revoked prior to the Share Subscription Completion; and
- (v) all the authorizations, approvals, consents, waivers and permits of the relevant authorities of and filings with the relevant jurisdictions (including without limitation the Stock Exchange) which are necessary for the entering into of the Share Subscription Agreement and/or the performance of the obligations thereunder or otherwise to give effect to the Share Subscription as required by applicable laws having been granted, received, obtained and completed.

Pursuant to the Share Subscription Agreement, Innovent may in its absolute discretion waive the Subscription Conditions Precedent (i) and (ii) above.

Share Subscription Completion

Share Subscription Completion shall take place on the third Business Day after satisfaction or waiver (as the case may be) of the last in time of the Share Subscription Conditions Precedent (other than any such condition (or any part thereof) which may only be satisfied at Completion) provided that it shall take place on a date no later than October 15, 2021, or such other time as the Company and Innovent may agree in writing.

Termination

The Share Subscription Agreement shall automatically terminate with immediate effect if, among other things, (i) any of the representations, warranties and undertakings given by the Company pursuant to the Share Subscription Agreement is or becomes untrue or misleading or has been breached in any respect; and (ii) the Company is in breach of any material term of the Share Subscription Agreement.

Lock-up arrangements of the Company

Pursuant to the Share Subscription Agreement, the Company undertook to Innovent that for a period from the date of the Share Subscription up to three months after the date of the Share Subscription Completion, neither the Company nor any person acting on its behalf will, except for the Subscription Shares and save pursuant to (i) the issue of new Shares or grant of options pursuant to the exercise of share options granted under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme; (ii) the grant of any awards pursuant to the 2018 RSU Scheme or the 2021 RSU Scheme; or (iii) any warrants that may be issued by the Company to Innovent and any new Shares that may be issued by the Company to Innovent upon exercise of the subscription rights attached to such warrants:

- (a) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (c) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Innovent.

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 50,546,854 Shares.

As at the date of this announcement, the number of new Shares that can be issued by the Company under the General Mandate is 50,478,646 Shares. Up to the date of this announcement, 68,208 Shares have been issued by the Company pursuant to the General Mandate. The allotment and issuance of the Subscription Shares will utilize approximately 17.46% 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 Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares.

IV. PROPOSED ISSUANCE OF UNLISTED WARRANTS UNDER SPECIFIC MANDATE

INTRODUCTION

The Board is pleased to announce that on July 14, 2021 (after trading hours), the Company and Innovent entered into the Warrant Subscription Deed, pursuant to which the Company agreed to issue to Innovent 6,787,587 Warrants. Innovent is not required to pay any consideration for the Warrants. The principal terms of the Warrant Subscription Deed are set out below.

PRINCIPAL TERMS OF THE WARRANT SUBSCRIPTION DEED

Date: July 14, 2021 (after trading hours)

Parties: (1) the Company (as the issuer); and
(2) Innovent (as the subscriber).

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

Number of Warrants and Warrant Shares

The Company agreed to issue 6,787,587 Warrants to Innovent, conferring the rights to subscribe for an aggregate of 6,787,587 Warrant Shares. The number of Warrant Shares represents approximately 2.67% of the existing issued share capital of the Company as at the date of this announcement and approximately 2.60% of the enlarged issued share capital of the Company immediately following the full exercise of the subscription rights attaching to the Warrants (assuming there is no change in the issued share capital of the Company between the date of this announcement and the date on which such subscription rights are exercised in full). The aggregate nominal value of the Warrant Shares is US\$678.7587.

The Warrant 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 the relevant date of registration of the name of the relevant holder(s) of the Warrants on the register of members of the Company as holder of such Warrant Shares.

Warrant Exercise Price

The initial subscription price of each Warrant Share upon exercise of the Warrants is HK\$57.20 (subject to customary adjustments in certain events such as consolidation or subdivision of the Shares, capitalization of reserve or issuance of Shares for cash).

The Warrant Exercise Price set out above represents:

- (i) a premium of approximately 8.03% to the closing price of HK\$52.95 per Share as quoted on the Stock Exchange on July 14, 2021, being the date of the Warrant Subscription Deed; and
- (ii) a premium of approximately 21.11% to the average closing price of HK\$47.23 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Warrant Subscription Deed.

The Warrant Exercise Price was determined on arm's length basis between the Company and Innovent, 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 Warrant Exercise Price and the terms of the Warrant Subscription Deed are fair and reasonable and that the issuance of the Warrants is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The Warrant Subscription Completion shall be subject to the satisfaction or, if applicable, waiver of the Warrant Subscription Conditions Precedent which include:

- (i) there not having occurred at any time before completion of the Warrant Subscription,
 - (a) any material adverse change, or any development reasonably likely to have a material adverse effect, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Group taken as a whole; or
 - (b) any event or the existence of any circumstance which renders any of the representations, warranties and undertakings given by the Company pursuant to the Warrant Subscription Deed untrue, inaccurate or misleading;
- (ii) the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange;
- (iii) if required by the Listing Rules or other applicable laws, the approval of the Warrant Subscription Deed and the transactions contemplated thereunder at a general meeting of the Shareholders in accordance with the requirements of the Listing Rules;
- (iv) the granting of the Specific Mandate by the Shareholders;
- (v) the approval of issuance of the Warrants and the listing of, and permission to deal in, the Warrants Shares having been granted by the Stock Exchange and such listing and permission not subsequently being revoked prior to the Warrant Subscription Completion; and
- (vi) all the authorizations, approvals, consents, waivers and permits of the relevant authorities of and filings with the relevant jurisdictions (including without limitation the Stock Exchange) which are necessary for the entering into of the Warrant Subscription Deed and/or the performance of the obligations thereunder or otherwise to give effect to the issuance of the Warrants as required by applicable laws having been granted, received, obtained and completed

Pursuant to the Warrant Subscription Deed, Innovent may in its absolute discretion waive the Warrant Subscription Conditions Precedent (i) and (ii) above.

Exercise Period

The subscription rights attaching to the Warrants may be exercised during the period commencing on the date of issuance of the Warrants and ending on the date that is 24 months after the date of issuance of the Warrants (the “**Exercise Period**”).

Redemption right

Pursuant to the conditions of the Warrants, if the closing price of the Shares as quoted on the Stock Exchange stays above the then applicable Warrant Exercise Price during a period of six months (the “**Relevant Period**”) within the Exercise Period, the Company may redeem all of the outstanding Warrants for nil consideration by giving not less than 14 days’ prior written notice to Innovent. If there shall occur any event giving rise to any adjustment to the Warrant Exercise Price during the Relevant Period, the Company may only exercise the aforementioned redemption right if the closing price of the Shares as quoted on the Stock Exchange for each day during the remainder of the Relevant Period continues to be higher than the Warrant Exercise Price (as adjusted).

Transferability

The Warrants are not transferrable by Innovent without the prior written consent of the Company.

Voting Rights for the Holder of the Warrants

Innovent shall not have any right to (i) attend or vote at any meeting of the Company; and (ii) participate in any distributions and/or offers of further securities made by the Company by virtue of being holders of the Warrants.

Rights of the Holders of the Warrants on the Liquidation of the Company

If the Company is liquidated, dissolved, wound up before the end of the Exercise Period, all subscription rights attached to the Warrants which have not been exercised prior to the commencement of the liquidation, dissolution or winding-up shall lapse and the Warrants will cease to be valid for the purpose of exercising any such subscription rights.

Warrant Subscription Completion

The Warrant Subscription Completion shall take place on the third Business Day after satisfaction or waiver (as the case may be) of the last in time of the Warrant Subscription Conditions Precedent (other than any such condition (or any part thereof) which may only be satisfied at Completion), or such other time as the Company and Innovent may agree in writing.

Termination

The Warrant Subscription Deed shall automatically terminate with immediate effect if, among other things, (i) any of the representations, warranties and undertakings given by the Company pursuant to the Warrant Subscription Deed is or becomes untrue or misleading or has been breached in any respect; and (ii) the Company is in breach of any material term of the Warrant Subscription Deed.

Lock-up arrangements of the Company

Pursuant to the Warrant Subscription Deed, the Company undertook to Innovent that for a period from the date of the Share Subscription up to two months after the date of completion of the Warrant Subscription, neither the Company nor any person acting on its behalf will, except for the Warrant Shares and save for (i) the issue of new Shares or grant of options pursuant to the exercise of share options granted under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme; (ii) the grant of any awards pursuant to the 2018 RSU Scheme or the 2021 RSU Scheme; or (iii) any Shares that may be issued by the Company to Innovent:

- (a) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (c) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Innovent.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 13.36(7) of the Listing Rules, the Company may not issue warrants to subscribe for (i) any new Shares or (ii) any securities convertible into new Shares, for cash consideration pursuant to a general mandate given under Rule 13.36(2)(b) of the Listing Rules. Therefore, the Warrant and the Warrant Shares (to be issued upon exercise of the Warrants) will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

SPECIFIC MANDATE AND THE EGM

The Company will seek the approval of the Specific Mandate from the Shareholders at the EGM to issue the Warrants and the Warrant Shares upon the exercise thereof. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving, among other things, the issue of the Warrants and the Warrant Shares upon exercise thereof. To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the issue of Warrants, and accordingly, no Shareholders will be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) further details of the issue of the Warrants and the Warrant Shares upon exercise thereof; (ii) a notice convening the EGM; and (iii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before July 31, 2021.

V. GENERAL INFORMATION

INFORMATION ON THE PARTIES TO THE HQP1351 COLLABORATION AND LICENSE AGREEMENT, THE APG-2575 COMBINATION THERAPY STRATEGIC COLLABORATION AND CLINICAL TRIAL AGREEMENT, THE SHARE SUBSCRIPTION AGREEMENT AND THE WARRANT SUBSCRIPTION DEED

Information on the Company

The Company is a globally focused biopharmaceutical company engaged in developing novel therapies for cancers, chronic hepatitis B, and age-related diseases. On October 28, 2019, the shares of the Company were listed on the Main Board of the Stock Exchange with the stock code: 6855. HK.

The Company focuses on developing therapeutics that inhibit protein-protein interactions to restore apoptosis, or programmed cell death. The Company has built a pipeline of eight clinical drug candidates, including novel, highly potent Bcl-2, and dual Bcl-2/Bcl-xL inhibitors, as well as candidates aimed at IAP and MDM2-p53 pathways, and next-generation tyrosine kinase inhibitors (TKIs). The Company is also the only company in the world with active clinical programs targeting all three known classes of key apoptosis regulators. The Company is conducting more than 40 Phase I/II clinical trials in the US, Australia, Europe, and China. As at the date of this announcement, the Company has obtained a total of 11 Orphan Drug Designations from the FDA for four of the Company's investigational drug candidates.

Information on Ascentage HK

Ascentage HK is a limited liability company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding and business development.

Information on Ascentage GZ

Ascentage GZ is a company with limited liability established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in clinical development.

Information on Ascentage Suzhou

Ascentage Suzhou is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in medical research and development.

Information on Innovent

Innovent is a global biopharmaceutical company. Innovent's mission is to create a world-class biopharmaceutical company that develops and commercialises high quality drugs that are affordable to ordinary people. Innovent is committed to innovation in drug development and has complied with global quality standards for every aspect of the Innovent's business and operations. To capitalise on the tremendous market opportunity both in China and beyond, Innovent and its subsidiaries have developed a fully-integrated multi-functional platform consisting of advanced research, discover, development, manufacturing and commercialisation capabilities. These capabilities have enabled Innovent and its subsidiaries to build a robust pipeline of innovative and commercially promising monoclonal antibodies and other drug assets in the fields of oncology, ophthalmology, autoimmune and metabolic diseases etc. Innovent controls Innovent Suzhou, which is a company with limited liability established under the laws of the PRC and principally engaged in the research and development and sales of drugs.

The shares of Innovent were listed on the Main Board of the Stock Exchange on October 31, 2018 in accordance with Chapter 18A of the Listing Rules (Stock Code: 1801).

REASONS FOR AND BENEFITS OF THE ENTRY INTO OF THE SHARE SUBSCRIPTION AGREEMENT AND THE WARRANT SUBSCRIPTION DEED

The strategic equity investment in the Company by Innovent by way of Share Subscription and Warrant Subscription signifies Innovent's recognition of the Company's research and development capabilities, as well as the Company's growth potential. The equity investment is also expected to provide further financial support to the Company's global clinical development programs. In addition, in view of the strategic collaboration relationship between the Company and Innovent, the Share Subscription and Warrant Subscription allows Innovent to further share the Company's prospects, whereby strengthening the business cooperation between the two groups. Besides, the issuance of the Warrants will not have immediate impact on the cash flow of the Company and is without immediate dilution of the shareholdings of the existing Shareholders, and if the subscription rights attaching to the Warrants are exercised, it will benefit the long term business diversification development of the Company by broadening the capital base of the Company.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of each of the HQP1351 Collaboration and License Agreement, the APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement, the Share Subscription Agreement and the Warrant Subscription Deed, as well as the transactions contemplated thereunder, are fair and reasonable and on normal commercial terms based on arm's length negotiations between the Company and Innovent, and are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Proceeds from the Share Subscription

Assuming all the 8,823,863 Subscription Shares are subscribed for in full, upon the Share Subscription Completion, the gross proceeds to be raised from the Share Subscription will be HK\$388.25 million (being approximately US\$50 million) and the net proceeds (after deducting all applicable costs and expenses) arising from the Share Subscription are estimated to be approximately HK\$388.06 million (being approximately US\$49.98 million). On this basis, the net price per Subscription Share will be approximately HK\$43.98.

The net proceeds from the Share Subscription will be used in the following manner:

- (i) approximately 30% will be used for the development and commercialization of the Company's Core Product, HQP1351; and
- (ii) approximately 70% will be used for the development of the Company's key product candidate, APG-2575.

Proceeds from the Warrant Subscription

Assuming all the 6,787,587 Warrants are exercised, the gross proceeds to be raised from the Warrant Subscription will be approximately HK\$388.25 million (being approximately US\$50 million) and the net proceeds (after deducting all applicable costs and expenses) arising from the Warrant Subscription are estimated to be approximately HK\$388.06 million (being approximately US\$49.98 million). On this basis, the net price per Warrant Share will be approximately HK\$57.17.

The net proceeds from the Warrant Subscription will be used for the development and commercialization of the product candidates in the Company's pipeline. Since the amount of proceeds that may be raised will depend on the exercise of the subscription rights attaching to the Warrants and the price of the Shares, which may be out of control of the Company, the proceeds that will actually be raised therefrom may not match with the Company's capital requirements. The Company shall review its business plan from time to time and shall not rule out the possibility of alternative fund raising methods should the subscription rights attaching to the Warrants not exercised in full or the Warrant Exercise Price of the Warrants not reach expected levels and the net proceeds not match the future capital needs of the Company.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately following the Share Subscription Completion (assuming there is no change in the issued share capital of the Company between the date of this announcement and the Share Subscription Completion); (iii) immediately following the full exercise of the subscription rights attaching to the Warrants (assuming there is no change in the issued share capital of the Company between the date of this announcement and the date on which such subscription rights are exercised in full); and (iv) immediately following the Share Subscription Completion and the full exercise of the subscription rights attaching to the Warrants (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the Share Subscription Completion as well as the date on which such subscription rights are exercised in full) are set out below.

Shareholder	As at the date of this announcement		Immediately following the Share Subscription Completion		Immediately following the full exercise of the Warrants		Immediately following the Share Subscription Completion and the full exercise of the Warrants	
	<i>Approximate percentage of</i>		<i>Approximate percentage of</i>		<i>Approximate percentage of</i>		<i>Approximate percentage of</i>	
	<i>Number of Shares held</i>	<i>total Shares in issue</i>	<i>Number of Shares held</i>	<i>total Shares in issue</i>	<i>Number of Shares held</i>	<i>total Shares in issue</i>	<i>Number of Shares held</i>	<i>total Shares in issue</i>
Substantial Shareholders								
— Founders SPV ⁽¹⁾⁽³⁾	67,204,967	26.48%	67,204,967	25.59%	67,204,967	25.79%	67,204,967	24.95%
— Dr. Zhai SPV ⁽²⁾⁽³⁾	67,204,967	26.48%	67,204,967	25.59%	67,204,967	25.79%	67,204,967	24.95%
— Dr. Yang ⁽¹⁾⁽³⁾	67,204,967	26.48%	67,204,967	25.59%	67,204,967	25.79%	67,204,967	24.95%
— Dr. Wang ⁽¹⁾⁽³⁾	67,204,967	26.48%	67,204,967	25.59%	67,204,967	25.79%	67,204,967	24.95%
— Dr. Guo ⁽¹⁾⁽³⁾	67,204,967	26.48%	67,204,967	25.59%	67,204,967	25.79%	67,204,967	24.95%
— Dr. Zhai ⁽²⁾⁽³⁾	67,204,967	26.48%	67,204,967	25.59%	67,204,967	25.79%	67,204,967	24.95%
Innovent	—	—	8,823,863	3.36%	6,787,587	2.60%	15,611,450	5.79%
Other Shareholders	<u>186,594,359</u>	<u>73.52%</u>	<u>186,594,359</u>	<u>71.05%</u>	<u>186,594,359</u>	<u>71.61%</u>	<u>186,594,359</u>	<u>69.26%</u>
Total	<u><u>253,799,326</u></u>	<u><u>100.00%</u></u>	<u><u>262,623,189</u></u>	<u><u>100.00%</u></u>	<u><u>260,586,913</u></u>	<u><u>100.00%</u></u>	<u><u>269,410,776</u></u>	<u><u>100.00%</u></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 26.48% shareholding interest in the Company as at the date of this announcement and (i) an aggregate of approximately 25.59% shareholding interest in the Company immediately following the Share Subscription Completion; (ii) an aggregate of approximately 25.79% shareholding interest in the Company immediately following the full exercise of the Warrants; and (iii) an aggregate of approximately 24.95% shareholding interest in the Company immediately following the Share Subscription Completion and the full exercise of the Warrants.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The 2020 Placing

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 2020 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 as at the date of this announcement, the Company has fully utilized the net proceeds in accordance with such intended purposes.

The table below sets out the planned applications of the net proceeds from the 2020 Placing and the actual usage up to June 30, 2021:

Use of proceeds		Planned allocation of net proceeds (HK\$ million)	Planned allocation of net proceeds (RMB million)	Utilized amount (as at June 30, 2021) (RMB million)
Clinical development for other pipeline products, such as APG-2575, APG-115, APG- 1387 and APG-1252	60%	413.5	345.0	345.0
Registration, trial production and marketing of the Core Product, HQP1351	20%	138.0	115.0	115.0
Ongoing and planned clinical trials of APG-2575	20%	138.0	115.0	115.0
Total	<u>100%</u>	<u>689.5</u>	<u>575.0</u>	<u>575.0</u>

Notes:

- (1) The sum of the data may not add up to the total due to rounding.
- (2) Net proceeds from the 2020 Placing were received in Hong Kong dollars and translated to RMB at the exchange rate of June 30, 2021 for application planning. The plan was adjusted slightly due to the fluctuation of the exchange rate since the 2020 Placing.

The 2021 Placing

The closing of the placing and subscription of 26,500,000 Shares at a price of HK\$44.20 each pursuant to the 2021 Placing Agreement took place on February 11, 2021. The net proceeds (after the deduction of all applicable costs and expenses) raised from the Placing were approximately HK\$1,153.64 million. There was no change in the intended use of the net proceeds as previously disclosed in the relevant announcement of the Company dated February 3, 2021 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 2021 Placing and the actual usage up to June 30, 2021.

Use of proceeds		Planned allocation of net proceeds (HK\$ million)	Planned allocation of net proceeds (RMB million)	Utilized amount (as at June 30, 2021) (RMB million)	Expected
					timeline for utilizing the remaining balance of net proceeds from the 2021 Placing
Clinical development of the key product candidate, APG-2575	50%	576.8	480.0	15.0	December 31, 2022
Registrational trials for full approval and the commercialization of the Core Product, HQP1351	20%	230.7	192.0	6.7	December 31, 2022
Clinical development for other pipeline products such as 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)	20%	230.7	192.0	3.3	December 31, 2022
General corporate purposes	10%	115.4	96.0	0.3	December 31, 2022
Total	<u>100%</u>	<u>1,153.6</u>	<u>960.0</u>	<u>25.3</u>	

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 2021 Placing were received in Hong Kong dollars and translated to RMB at the exchange rate of June 30, 2021 for application planning. The plan was adjusted slightly due to the fluctuation of the exchange rate since the 2021 Placing

As the Share Subscription Completion and the Warrant Subscription Completion are subject to the satisfaction or, if applicable, waiver of the Share Subscription Conditions Precedent and the Warrant Subscription Conditions Precedent, respectively, the Share Subscription and the Warrant Subscription may or may not proceed. In addition, the Share Subscription and the Warrant Subscription are not inter-conditional. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

Cautionary Statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that we will be able to obtain further approval for, or ultimately market, HQP1351 and APG-2575 successfully.

VI. DEFINITIONS

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

“2018 RSU Scheme”	the restricted share unit scheme adopted by the Company on July 6, 2018 as amended from time to time
“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 Securities (Asia Pacific) Limited dated July 8, 2020 in relation to the 2020 Placing
“2021 Placing”	the placing and subscription of 26,500,000 Shares at a price of HK\$44.20 each pursuant to the terms and conditions of the 2021 Placing Agreement

“2021 Placing Agreement”	the placing and subscription agreement entered into among the Company, the Founders SPV, J.P. Morgan Securities (Asia Pacific) Limited and China International Capital Corporation Hong Kong Securities Limited dated February 3, 2021 in relation to the 2021 Placing
“2021 RSU Scheme”	the restricted share unit scheme adopted by the Company on February 2, 2021 as amended from time to time
“APG-2575”	the chemical compound designated as APG-2575, including any salt, metabolite, active pro-drug, isomer, tautomer, hydrate and polymorph or optically active form of any of the foregoing compounds
“APG-2575 Combination Therapy Strategic Collaboration and Clinical Trial Agreement”	the combination therapy strategic collaboration and clinical trial agreement dated July 14, 2021 entered into between Ascentage Suzhou and Innovent Suzhou in relation to, among other things, the Combination Therapy Studies
“Ascentage”	collectively, Ascentage HK and Ascentage GZ
“Ascentage GZ”	Guangzhou Healthquest Pharma Co. Ltd.* (廣州順健生物醫藥科技有限公司), a company established under the laws of the PRC with limited liability and an indirect-wholly owned subsidiary of the Company
“Ascentage HK”	Ascentage Pharma Group Corp Limited (亞盛醫藥集團(香港)有限公司), a limited liability company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company
“Ascentage Suzhou”	Suzhou Yasheng Pharmaceutical Co., Ltd.* (蘇州亞盛藥業有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Day”	a day (except a Saturday, a Sunday or a public holiday) on which banks in Hong Kong and the PRC are open for business throughout their normal business hours

“CD20 Antibody”	Innovent Suzhou’s proprietary therapeutic antibody HALPRYZA® (rituximab injection) targeting B Cell lymphoma
“CD47 Antibody”	Innovent Suzhou’s proprietary therapeutic antibody IBI188 (letaplimab) targeting Myelodysplastic Syndrome (MDS) and AML
“CDE”	the Center for Drug Evaluation of the NMPA
“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
“COVID-19”	novel coronavirus pneumonia COVID-19
“Director(s)”	the director(s) of the Company, from time to time
“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”	Dr. Zhai Yifan, the chief medical officer of the Company, a Substantial Shareholder, and spouse of Dr. Yang

“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
“EGM”	the extraordinary general meeting to be convened for the purpose of considering and, if thought fit, approving, among other things, the issue of the Warrants and the Warrant Shares upon exercise thereof
“FDA”	the U.S. Food and Drug Administration
“Field”	the treatment, palliation, diagnosis or prevention of human and veterinary oncology diseases
“First Commercial Sale”	the first sale of HQP1351 by Innovent Suzhou or its sublicensees to an unrelated third party in the Licensed Territory after the regulatory approval of HQP1351 has been granted in the Licensed Territory
“Founders SPV”	Ascentage Limited, a company incorporated in BVI with limited liability which is owned by Dr. Yang (for himself and as settlor of the Dajun 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 Controlling Shareholder
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on May 10, 2021 to allot, issue and deal with up to 20% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“HQP1351”	any pharmaceutical preparation (including any form or dosage form of a pharmaceutical composition or preparation) in finished form labeled and packaged for (i) sale, (ii) distribution, or (iii) samples, comprising HQP1351 (whether as sole active ingredient or in combination with one or more other active ingredients), including all future formulations, dosage forms and delivery modes
“HQP1351 Collaboration and License Agreement”	the collaboration and license agreement dated July 14, 2021 entered into among Ascentage and Innovent Suzhou in relation to, among other things, the development and commercialization of HQP1351
“Innovent”	Innovent Biologics, Inc. (信達生物製藥), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1801)
“Innovent Suzhou”	Innovent Biologics (Suzhou) Co., Ltd. (信達生物製藥(蘇州)有限公司), a company with limited liability established under the laws of the PRC and controlled by Innovent
“Licensed Territory”	the PRC, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on October 28, 2019
“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
“NDA”	means a new drug application or marketing authorization application (not including pricing and reimbursement approval) filed with the NMPA or an analogous application or filing with any analogous regulatory authority in the Licensed Territory under any analogous law, which application is required for regulatory approval of HQP1351 in the Field in such country or jurisdiction

“NMPA”	the National Medical Products Administration of the PRC (國家藥品監督管理局), or any successor agency with a similar scope of responsibility regarding the regulation of human pharmaceutical products in the PRC
“Post-IPO Share Option Scheme”	the post-IPO share option scheme adopted by the Company on September 28, 2019 as amended from time to time
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China, and Taiwan
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on July 13, 2018 as amended from time to time
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“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)
“Share Subscription”	the subscription of the Subscription Shares by Innovent pursuant to the Share Subscription Agreement
“Share Subscription Agreement”	the share subscription agreement dated July 14, 2021 entered into between the Company and Innovent in relation to the Share Subscription
“Share Subscription Completion”	completion of the Share Subscription pursuant to the Share Subscription Agreement
“Share Subscription Conditions Precedent”	the conditions precedent to the Share Subscription
“Specific Mandate”	a specific mandate to be sought from Shareholders at the EGM to authorize the Directors to allot and issue the Warrant and the Warrant Shares upon exercise thereof pursuant to the Warrant Subscription Deed
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Price”	HK\$44.00 per Subscription Share
“Subscription Shares”	8,823,863 new Shares to be issued by the Company under the General Mandate and to be subscribed by Innovent pursuant to the Share Subscription Agreement
“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
“US\$”	United States Dollar(s), the lawful currency of the United States of America
“Valid Claim”	a claim of (i) an issued patent (in any jurisdiction) that has not expired, lapsed, been permanently cancelled or abandoned, or been dedicated to the public, disclaimed, or held unenforceable, invalid, revoked or cancelled by a court or administrative agency of competent jurisdiction in an order or decision from which no appeal has been or can be taken; or (ii) a pending patent application of a patent that has not been finally abandoned or declared unpatentable by an administrative agency of competent jurisdiction (and from which no further appeal can be taken)
“Warrants”	the 6,787,587 unlisted warrants, each conferring to Innovent the right to subscribe for one (1) new Share at the Warrant Exercise Price during the period commencing on the date of issuance of the Warrants and ending on the date that is 24 months after the date of issuance of the Warrants, in accordance with the terms and conditions of the Warrant Subscription Deed
“Warrant Exercise Price”	the exercise price per Warrant at which the holder of each Warrant may subscribe for a Warrant Share
“Warrant Share(s)”	up to initially 6,787,587 new Shares (subject to adjustment) to be allotted and issued upon exercise of the subscription rights attaching to the Warrants
“Warrant Subscription”	the subscription of the Warrants by Innovent pursuant to the Warrant Subscription Deed

“Warrant Subscription Completion”	the completion of the Warrant Subscription pursuant to the Warrant Subscription Deed
“Warrant Subscription Conditions Precedent”	the conditions precedent to the Warrant Subscription
“Warrant Subscription Deed”	the warrant subscription deed dated July 14, 2021 entered into between the Company and Innovent in relation to the Warrant Subscription
“%”	per cent

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

Suzhou, People’s Republic of China, July 14, 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

For the purpose of this announcement, unless otherwise stated, the conversion of US\$ into HK\$ is calculated by using an exchange rate of US\$1.00 equal to HK\$7.765. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

* *For identification purposes only*