
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Ascletis Pharma Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Ascletis Pharma Inc.
歌禮製藥有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1672)

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Ascletis Pharma Inc. to be held at 11/F, Building 3, No. 371 Mingxing Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China on Monday, June 15, 2020 at 10:30 a.m., at which, among other things, the above proposals will be considered, is set out on pages 15 to 18 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (i.e. not later than 10:30 a.m. on Saturday, June 13, 2020) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

May 14, 2020

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RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 11/F, Building 3, No. 371 Mingxing Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China Monday, June 15, 2020 at 10:30 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company
“associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Company”	Ascleitis Pharma Inc., a company incorporated in the Cayman Islands with limited liability on February 25, 2014
“Companies Law”	the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Dr. Wu, Mrs. Wu, JJW12 Limited, Lakemont Holding LLC and the Lakemont 2018 GRAT, as a group, or any member of them
“Director(s)”	the director(s) of the Company
“Dr. Wu”	Dr. Jinzi Jason WU (吳勁梓), our Founder and the spouse of Mrs. Wu, chairman of the Board, chief executive officer, an executive Director of the Company, one of our Controlling Shareholders
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to 20% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	May 8, 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Mrs. Wu”	Mrs. Judy Hejingdao WU, an executive Director, one of our Controlling Shareholders and the spouse of Dr. Wu
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“RMB”	Renminbi Yuan, the lawful currency of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary shares of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended or supplemented from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

LETTER FROM THE BOARD



Ascletis Pharma Inc.

歌禮製藥有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1672)

Executive Directors:

Dr. Jinzi Jason WU (*Chairman and
Chief Executive Officer*)

Mrs. Judy Hejingdao WU (*Vice President*)

Independent Non-executive Directors:

Dr. Ru Rong JI

Dr. Yizhen WEI

Mr. Jiong GU

Ms. Lin HUA

Registered Office:

Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman KY1-9008
Cayman Islands

Corporate Headquarters:

12/F, Building 3
No. 371 Mingxing Road, HIPARK
Xiaoshan District
Hangzhou
Zhejiang Province
PRC

*Principal Place of Business
in Hong Kong:*

40th Floor, Sunlight Tower
No. 248 Queen's Road East
Wanchai
Hong Kong

May 14, 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed to seek approval of the Shareholders in respect of, among other matters, (i) the granting to the Directors the Issue Mandate and the Repurchase Mandate and (ii) the re-election of Directors.

LETTER FROM THE BOARD

GENERAL MANDATES

At the annual general meeting of the Company held on June 6, 2019, ordinary resolutions were passed to grant for director (i) a general unconditional mandate to allot, issue and deal in Shares not exceeding 20% of the aggregate number of Shares of the Company in issue at the date of the passing of the relevant resolution; (ii) a general unconditional mandate to repurchase Shares up to 10% of the aggregate number of Shares of the Company in issue at the date of the passing of the relevant resolution; and (iii) to extend the general mandate mentioned in (i) above by the addition of an amount representing the aggregate number of Shares of the Company repurchased by the Company pursuant to the mandate to repurchase Shares referred to (ii) above.

Such mandates will lapse at the conclusion of the AGM. In order to give the Company the flexibility to issue Shares and repurchase Shares if and when appropriate, ordinary resolutions will be proposed at the AGM to approve:

- (i) the granting of the Issue Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of such ordinary resolution (i.e. 221,267,200 Shares on the basis that the total number of issued Shares will remain unchanged on the date of the AGM);
- (ii) the granting of the Repurchase Mandate to the Directors to exercise all the powers of the Company to repurchase Shares with an aggregate number of not more than 10% of the aggregate number of the Shares in issue as at the date of passing of such ordinary resolution (i.e. 110,633,600 Shares, on the basis that the total number of issued Shares will remain unchanged on the date of the AGM); and
- (iii) the extension of the Issue Mandate by adding the total number of Shares repurchased by the Company since the granting of the Repurchase Mandate.

Each of the Issue Mandate and the Repurchase Mandate will remain in effect until the earliest of the following:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable laws or the Articles; or
- (iii) it is varied, revoked or renewed by an ordinary resolution of the Shareholders at a general meeting.

The Directors wish to state that they have no immediate plan to issue any Shares pursuant to the Issue Mandate or to repurchase any Shares pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the AGM.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 108(a) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, in relation to the resolution numbered 2 as set out in the notice of the AGM, Dr. Yizhen WEI and Ms. Lin HUA will retire by rotation at the AGM and, being eligible, offer themselves for re-election.

Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

SELECTION CRITERIA AND PROCEDURE FOR NOMINATION OF DIRECTORS

The Nomination Committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

Selection criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- (a) Reputation for integrity;
- (b) Accomplishment and experience;
- (c) Compliance with legal and regulatory requirements;
- (d) Commitment in respect of available time and relevant interest; and
- (e) Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

LETTER FROM THE BOARD

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's Articles and other applicable rules and regulations.

Nomination procedures

The procedures for the Nomination Committee to nominate candidates to the Board for directorship are as follows:

The secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members.

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

Pursuant to the Articles of Association of the Company, if a shareholder wishes to propose a person for election as a Director, such shareholder shall have given a notice in writing of the intention to propose that person for election as a Director and also a notice in writing by that person of his willingness to be elected shall be given to the Company at least seven (7) days before the date of general meeting. Such period for lodgment of the notices shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the company secretary of the Company.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

RECOMMENDATION OF THE NOMINATION COMMITTEE

The Nomination Committee has considered Dr. Yizhen WEI's extensive experience in medicine industry and, his working profile and other experience and factors as set out in his biographical details in Appendix II to this circular. The Nomination Committee is satisfied that Mr. Yizhen WEI has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

The Nomination Committee has considered Ms. Lin HUA's extensive experience in communication activities, her working profile and other experience and factors as set out in her biographical details in Appendix II to this circular. The Nomination Committee is satisfied that Ms. Lin HUA has the required character, integrity and experience to continuously fulfil her role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

Furthermore, Dr. Yizhen WEI and Ms. Lin HUA, being independent non-executive Directors eligible for re-election at the AGM, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. During their appointment, they have demonstrated their ability to provide an independent view to the Company's matters. The Nomination Committee is of the view that they are able to continue to fulfill their roles as independent non-executive Directors and thus recommends them to the Board for it to propose to Shareholders for re-election at the AGM.

ANNUAL GENERAL MEETING

Set out on pages 15 to 18 of this circular is a notice convening the AGM to consider and, if appropriate, to approve, among others, the ordinary resolutions relating to the proposals for the granting of the Issue Mandate and the Repurchase Mandate and re-election of Directors.

A form of proxy for use at the AGM is enclosed herewith. If you are not able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM (i.e. not later than 10:30 a.m. on Saturday, June 13, 2020) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the ordinary resolutions in relation to the granting of the Issue Mandate and the Repurchase Mandate, and the re-election of Directors to be proposed at the AGM are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

GENERAL

Your attention is also drawn to the appendices to this circular.

By order of the Board
Ascletis Pharma Inc.
歌禮製藥有限公司
Jinzi Jason WU
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the number of total issued Shares was 1,106,336,000 Shares of nominal value of US\$0.0001 each which have been fully paid. Subject to the passing of the resolution for repurchase of Shares and on the basis of no further new Shares will be issued or repurchased up to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 110,633,600 Shares, representing 10% of the total number of issued Shares as at the date of passing the relevant resolution for granting the Repurchase Mandate.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES OF SHARES

Any repurchase of securities of the Company would be funded entirely from the cash flow or working capital facilities available to the Company, and will, in any event be made out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands and the Listing Rules. Such funds include, but are not limited to, profits available for distribution. Purchases may only be effected out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorized by its Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorized by the Articles and subject to the provisions of the Companies Law, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position as compared with the position disclosed in the audited financial statements of the Company for the year ended December 31, 2019 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months up to the Latest Practicable Date were as follow:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2019		
May	6.89	5.80
June	6.70	6.03
July	6.23	4.91
August	5.00	3.66
September	3.92	3.38
October	3.84	2.90
November	5.15	3.26
December	3.74	2.93
2020		
January	4.60	2.80
February	6.50	3.68
March	3.99	2.64
April	3.09	2.70
May (up to and including the Latest Practicable Date)	2.78	2.68

7. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Cayman Islands.

8. CORE CONNECTED PERSON

No core connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. TAKEOVERS CODE AND MINIMUM PUBLIC SHAREHOLDING

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the Controlling Shareholders are interested in an aggregate of 599,532,078 Shares, representing 54.19% of the total number of Shares in issue. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the aggregate interest of the Controlling Shareholders would be increased to approximately 60.21% of the total number of Shares in issue. To the best knowledge and belief of the Directors, such increase would not give rise to any general offer obligation under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate and will not effect repurchases to such extent which would result in the number of Shares held by the public falling below the minimum public float requirement under the Listing Rules.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has repurchased a total of 14,349,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date, the details of which were as follows:

Date of buy-back	Number of Shares bought back	Highest price paid per Share <i>HK\$</i>	Lowest price paid per Share <i>HK\$</i>
28 November 2019	3,000,000	4.35	3.40
29 November 2019	3,000,000	3.40	3.26
2 December 2019	1,390,000	3.32	3.27
3 December 2019	1,752,000	3.58	3.24
4 December 2019	2,665,000	3.73	3.51
5 December 2019	1,593,000	3.62	3.49
6 December 2019	949,000	3.50	3.42

Save as disclosed above, the Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following set out the details of the Directors who retire and, being eligible, will offer themselves for re-election at the AGM pursuant to the Article 108(a) of the Articles.

1. Dr. Yizhen WEI

Dr. Yizhen WEI (魏以楨), aged 45, was appointed as an independent non-executive Director on April 27, 2018. Dr. Wei is primarily responsible for supervising and providing independent judgement to our Board.

Dr. Wei has over 18 years of experience in clinical medicine industry. Since December 1999, Dr. Wei has served several positions at Fuwai Hospital – China Academy of Medical Science (中國醫學科學院阜外醫院), including resident physician from December 1999 to September 2003, attending physician from September 2003 to July 2009 and consultant physician then. Dr. Wei was appointed as a medical appraisal expert of Beijing Medical Association (北京市醫學會) in December 2013. Dr. Wei has served as a member of the Cardiovascular Committee of the National Cardiovascular Disease Center since August 2016.

Dr. Wei received his bachelor's degree in clinical medicine in English (英文醫學) from China Medical University (中國醫科大學) in the PRC in July 1998 and his doctorate degree in Surgery from Chinese Academy of Medical Science & Peking Union Medical College (中國醫學科學院北京協和醫學院) in the PRC in January 2008.

Save as disclosed above, Dr. Wei does not have any relationship with any other Directors, senior management, substantial shareholders or Controlling Shareholders of the Company and has not held any other directorships in other listed public companies in the last three years. As at the Latest Practicable Date, Dr. Wei did not have any interests in Shares within the meaning of Part XV of the SFO.

Dr. Wei has entered into a letter of appointment with the Company for a term of three years, with effect from August 1, 2018, which may be terminated by not less than 3 months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Under the letter of appointment, Dr. Wei is entitled to a director's fee of RMB320,000.00 per annum.

2. Ms. Lin HUA

Ms. Lin HUA (華林), aged 46, was appointed as an independent non-executive Director on April 27, 2018. Ms. Hua is primarily responsible for supervising and providing independent judgement to our Board.

Since May 2016, Ms. Hua has served as the managing director of Beijing Highgrove Cultural Communication Co., Ltd. (北京海格羅府文化傳播有限公司), a company primarily conducted cultural communication activities including organizing exhibitions and introducing and marketing foreign brands into PRC, where she was mainly responsible for overall

management of its Greater China operations. From April 2010 to April 2016, Ms. Hua had worked for Yang Guang Xin Ye Real Property Co., Ltd. (陽光新業地產股份有限公司), a real estate development and management company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000608) and served as a vice president of commercial management department when she left. From May 2003 to March 2010, Ms. Hua worked at Verakin Group Company Ltd. (同景集團有限公司), a company primarily conducted real estate development, education, healthcare and tourism and served as board secretary and head of Beijing headquarter when she left. From October 2002 to April 2003, Ms. Hua served as an assistant to producer and program director at China Central Television. From September 1996 to June 2000, Ms. Hua worked at Daiko Pacific International Advertising Inc. (大廣太平洋國際廣告有限公司), an international advertising company, and she served as a creative director when she left.

Ms. Hua received her bachelor's degree in industrial design from Zhejiang University in July 1996 and her master degree in distributed computing system from the University of Greenwich in the U.K. in June 2002.

Save as disclosed above, Ms. Hua does not have any relationship with any other Directors, senior management, substantial shareholders or Controlling Shareholders of the Company and has not held any other directorships in other listed public companies in the last three years. As at the Latest Practicable Date, Ms. Hua did not have any interests in Shares within the meaning of Part XV of the SFO.

Ms. Hua has entered into a letter of appointment with the Company for a term of three years, with effect from August 1, 2018, which may be terminated by not less than 3 months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Under the letter of appointment, Ms. Hua is entitled to a director's fee of RMB320,000.00 per annum.

3. General

Save for the information set out in this section, there are no other matters that need to be brought to the attention of the Shareholders of the Company in respect of re-election of the retiring Directors and there is no other information relating to the retiring Directors that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



Ascletis Pharma Inc. **歌禮製藥有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1672)

NOTICE OF 2020 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of Ascletis Pharma Inc. (the “Company”) will be held at 11/F, Building 3, No. 371 Mingxing Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China on Monday, June 15, 2020 at 10:30 a.m. to transact the following businesses:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended December 31, 2019.
2.
 - i) To re-elect Dr. Yizhen WEI as a Director.
 - ii) To re-elect Ms. Lin HUA as a Director.
 - iii) To authorize the board of Directors to fix the remuneration of the Directors.
3. To re-appoint Ernst & Young as auditor and to authorize the board of Directors to fix its remuneration.

and to consider and, if thought fit, pass the following resolutions as ordinary resolution:

4. **“THAT:**
 - (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of US\$0.0001 each in the share capital of the Company (the “Shares”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) any adjustment of rights to subscribe for shares under options and warrants or a special authority granted by the shareholders of the Company; (iv) the exercise of any subscription rights which maybe granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company; shall not exceed 20% of the total number of Shares in issue as at the date of the passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing this resolution), and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and

NOTICE OF ANNUAL GENERAL MEETING

the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing this resolution), and the said approval shall be limited accordingly; and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the additional thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing this resolution).”

By order of the Board
Ascleitis Pharma Inc.
歌禮製藥有限公司
Jinzi Jason WU
Chairman

Hangzhou, the People’s Republic of China, May 14, 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. For the purpose of determining the identity of the shareholders entitled to attend and vote at the meeting, the register of members of the Company will be closed from Wednesday, June 10, 2020 to Monday, June 15, 2020, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, June 9, 2020.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting (i.e. not later than 10:30 a.m. on Saturday, June 13, 2020).
5. With respect to resolution numbered 2 of this notice, Dr. Yizhen WEI and Ms. Lin HUA shall retire from office of directorship and shall offer themselves for re-election in accordance with the Articles of the Company. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated May 14, 2020.
6. As the date of this notice, the Board of Directors of the Company comprises Dr. Jinzi Jason WU and Mrs. Judy Hejingdao WU, as executive Directors; and Dr. Ru Rong JI, Dr. Yizhen WEI, Mr. Jiong GU and Ms. Lin HUA, as independent non-executive Directors.