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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)

FURTHER GRANT OF AWARDS UNDER THE 2018 RSU SCHEME AND THE 2021 RSU SCHEME

Reference is made to (i) the prospectus of Ascentage Pharma Group International (the “**Company**”, together with its subsidiaries, the “**Group**”) dated October 16, 2019 (the “**Prospectus**”); and (ii) the announcement of the Company dated February 2, 2021 (the “**Announcement**”) in relation to, among other things, the restricted share unit scheme adopted by the Company on July 6, 2018 (the “**2018 RSU Scheme**”) and the adoption of the 2021 RSU Scheme. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Prospectus and the Announcement.

FURTHER GRANT OF AWARDS UNDER THE 2018 RSU SCHEME

The Board announces that as of the date of this announcement, an aggregate of 1,237,884 RSUs (the “**2018 Awards**”), representing 1,237,884 Shares, have been granted under the 2018 RSU Scheme to 73 selected persons (the “**2018 Selected Persons**”) of the 2018 RSU Scheme (the “**2018 Further Grant**”), who are employees of the Group, among which 46,972 RSUs, representing 46,972 Shares, were granted to Dr. Yang Dajun (“**Dr. Yang**”), who is the executive Director and the chief executive officer of the Company, and 126,000 RSUs, representing 126,000 Shares, were granted to Dr. Zhai Yifan (“**Dr. Zhai**”), who is the chief medical officer and a substantial shareholder of the Company. Save as disclosed above, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the other 71 2018 Selected Persons are third parties independent of the Company and are not connected persons of the Company, and none of them is a director, chief executive or substantial shareholder of the Company or any of its subsidiaries, or an associate (as defined under the Listing Rules) of any of them as at the date of the 2018 Further Grant.

The underlying Shares of the 2018 Awards, being 1,237,884 Shares, represent approximately 0.43% of the total issued share capital of the Company as at the date of this announcement. Shares representing the maximum number of RSUs of the Company that may be granted under the 2018 RSU Scheme were issued and allotted to the RSU Holdco as the settlor of the 2018 RSU Scheme prior to the Listing. The 2018 Awards granted to the 2018 Selected Persons under the 2018 Further Grant would be satisfied by such Shares held by the RSU Holdco. As such, the 2018 Further Grant will not have any dilution effect on the interests of the existing public Shareholders.

Save for Dr. Yang, being a member of the Remuneration Committee, no other member of the Remuneration Committee has a material interest in the grant of 2018 Awards to Dr. Yang under the 2018 Further Grant and therefore none of them other than Dr. Yang abstained from voting on the relevant resolution of the Remuneration Committee. Save for Dr. Yang, no other Director has a material interest in the grant of 2018 Awards to Dr. Yang under the 2018 Further Grant and therefore none of them other than Dr. Yang abstained from voting on the relevant Board resolution.

The Directors (including the independent non-executive Directors) are of the view that the 2018 Further Grant is conducted on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The details of the 2018 Further Grant are set out as follows:

Date of the 2018 Further Grant: May 19, 2023

Purchase price (as defined under Rule 17.01A of the Listing Rules) of the 2018 Awards granted under the 2018 Further Grant: The 2018 Selected Persons are not required to pay any purchase price (as defined under Rule 17.01A of the Listing Rules) for the 2018 Awards granted under the 2018 Further Grant.

Closing price of the H Shares on the date of the 2018 Further Grant: HK\$19.28

Vesting of the RSUs: The 2018 Awards shall vest in accordance with the vesting criteria, conditions and time schedule as determined by the Board in its sole and absolute discretion with reference to, among other things, the location at which the abovementioned 2018 Selected Persons are based and the commencement date or duration of their employment. The Board has determined that the 2018 Awards granted under the 2018 Further Grant shall vest on the date of the 2018 Further Grant.

The vesting period of the abovementioned 2018 Awards is less than 12 months as the 2018 Further Grant is to reward the 2018 Selected Persons (including Dr. Yang and Dr. Zhai, being a Director and a senior management of the Company, respectively) who have demonstrated outstanding performance and who are core talents which the Group is eager to retain. Under the 2018 RSU Scheme, which was adopted before January 1, 2023 (being the effective date of the amended Chapter 17 of the Listing Rules), there are no restrictions prohibiting a vesting period of less than 12 months. In any event, the Directors and the remuneration committee of the Company are of the view that a vesting period of less than 12 months for the 2018 Awards granted under the 2018 Further Grant is appropriate and aligns with the purposes of the 2018 RSU Scheme as (i) it rewards the great contribution made by these individuals to the development and growth of the Group; (ii) it incentivizes these individuals to further provide essential input in the Group's strategic development in the long run; and (iii) it is in line with the remuneration policy of the Group.

Performance targets attached to the 2018 Awards granted under the 2018 Further Grant:

The vesting of the 2018 Awards granted under the 2018 Further Grant will be subject to the 2018 Selected Persons having obtained a satisfactory score as determined by the Board in their annual performance review.

Clawback mechanism:

Any unvested RSUs will automatically lapse immediately where, among other things, (i) the 2018 Selected Person's employment or service terminates for any reason; (ii) the 2018 Selected Person makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any other person over or in relation to any RSUs or any interests or benefits pursuant to the RSUs; (iii) the 2018 Selected Person fails, during the course of his employment, to devote the whole of his time and attention to the business of the Group or to use his best endeavours to develop the business and interests of the Group; or (iv) the 2018 Selected Person is in breach of his contract of employment with or any other obligation to the Group.

Financial assistance:

None of the members of the Group has provided any financial assistance to the 2018 Selected Persons to facilitate the purchase of shares of the Company under the 2018 RSU Scheme.

Number of Shares available for future grant under the 2018 RSU Scheme subsequent to the 2018 Further Grant:

2,084,978 Shares

Implications under the Listing Rules:

Dr. Yang, being the executive Director and the chief executive officer of the Company, and Dr. Zhai, being a substantial shareholder of the Company and the spouse of Dr. Yang, are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the 2018 Awards to each of Dr. Yang and Dr. Zhai under the 2018 Further Grant constitute connected transactions of the Company under Chapter 14A of the Listing Rules. However, (i) as no new Shares will be allotted and issued upon the vesting of such 2018 Awards granted to Dr. Yang under the 2018 Further Grant; and (ii) the grant of 2018 Awards to Dr. Yang under the 2018 Further Grant was made pursuant to his service contract with the Company and form part of his remuneration package thereunder, the grant of 2018 Awards to Dr. Yang under the 2018 Further Grant is exempt from the reporting, announcement and independent shareholders' approval requirements under Rules 14A.73(6) and Rule 14A.95 of the Listing Rules. Further, based on the closing price of HK\$19.28 as quoted on the Stock Exchange on May 19, 2023 (being the date of the abovementioned grant of RSUs to Dr. Zhai), the aggregate market value of the underlying Shares in relation to the RSUs granted to Dr. Zhai amounts to HK\$2,429,280. Given that all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the abovementioned aggregate market value are less than 0.1%, the abovementioned grant of RSUs to Dr. Zhai constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules, the abovementioned grant of RSUs to Dr. Zhai constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from the independent shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

FURTHER GRANT OF AWARDS UNDER THE 2021 RSU SCHEME

The Board announces that as of the date of this announcement, 1,528,514 RSUs (the “**2021 Awards**”), representing 1,528,514 Shares, have been granted under the 2021 RSU Scheme to 491 selected persons (the “**2021 Selected Persons**”) of the 2021 RSU Scheme (the “**2021 Further Grant**”), who are employees of the Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all of the 2021 Selected Persons are third parties independent of the Company and are not connected persons of the Company, and none of them is a director, chief executive or substantial shareholder of the Company or any of its subsidiaries, or an associate (as defined under the Listing Rules) of any of them as at the date of the 2021 Further Grant.

The 2021 Awards granted under the 2021 Further Grant would be satisfied by the allotment and issuance of Shares to the trustee of the 2021 RSU Scheme (the “**2021 Trustee**”) to be held by the 2021 Trustee for such purpose under the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on May 18, 2023 to allot, issue and deal with up to 20% of the then issued share capital of the Company, being the general mandate currently available to the Company.

The underlying Shares of the 2021 Awards to be granted to the 2021 Selected Persons under the 2021 Further Grant represent approximately 0.53% of the total issued share capital of the Company as at the date of this announcement, and approximately 0.53% of the enlarged total issued share capital of the Company (assuming there will be no change to the total issued share capital from the date of this announcement up to the exercise of the 2021 Awards granted to the 2021 Selected Persons under the 2021 Further Grant other than the abovementioned allotment and issuance of Shares by the Company to the 2021 Trustee).

The new Shares to be allotted and issued by the Company to the 2021 Trustee under the grant of 2021 Awards to the 2021 Selected Persons under the 2021 Further Grant will rank *pari passu* in all respects among themselves and with all the Shares in issue from time to time. Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, such new Shares.

The Directors (including the independent non-executive Directors) are of the view that the 2021 Further Grant is conducted on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The details of the 2021 Further Grant are set out as follows:

Date of the 2021 Further Grant:	May 19, 2023
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Purchase price (as defined under Rule 17.01A of the Listing Rules) of the 2021 Awards granted under the 2021 Further Grant:	The 2021 Selected Persons are not required to pay any purchase price (as defined under Rule 17.01A of the Listing Rules) for the 2021 Awards granted under the 2021 Further Grant.
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Closing price of the H Shares on the date of the 2021 Further Grant:	HK\$19.28
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Vesting of the RSUs:

The 2021 Awards shall vest in accordance with the vesting criteria, conditions and time schedule as determined by the Board in its sole and absolute discretion with reference to, among other things, the location at which the abovementioned 2021 Selected Persons are based and the commencement date or duration of their employment. The Board has determined that the 2021 Awards granted under the 2021 Further Grant shall vest on the date of the 2021 Further Grant.

The vesting period of the abovementioned 2021 Awards is less than 12 months as the 2021 Further Grant is to reward the 2021 Selected Persons who have demonstrated outstanding performance and who are core talents which the Group is eager to retain. Under the 2021 RSU Scheme, which was adopted before January 1, 2023 (being the effective date of the amended Chapter 17 of the Listing Rules), there are no restrictions prohibiting a vesting period of less than 12 months. In any event, the Directors are of the view that a vesting period of less than 12 months for the 2021 Awards granted under the 2021 Further Grant is appropriate and aligns with the purposes of the 2021 RSU Scheme as (i) it rewards the great contribution made by these employees to the development and growth of the Group; (ii) it incentivizes these employees to further provide essential input in the Group's strategic development in the long run; and (iii) it is in line with the remuneration policy of the Group.

Performance targets attached to the 2021 Awards granted under the 2021 Further Grant:

The vesting of the 2021 Awards granted under the 2021 Further Grant will be subject to the 2021 Selected Persons having obtained a satisfactory score as determined by the Board in their annual performance review.

Clawback mechanism:

Any unvested RSUs will automatically lapse immediately where, among other things, (i) the 2021 Selected Person's employment or service terminates for any reason; (ii) the 2021 Selected Person makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any other person over or in relation to any RSUs or any interests or benefits pursuant to the RSUs; (iii) the 2021 Selected Person fails, during the course of his employment, to devote the whole of his time and attention to the business of the Group or to use his best endeavours to develop the business and interests of the Group; or (iv) the 2021 Selected Person is in breach of his contract of employment with or any other obligation to the Group.

Financial assistance: None of the members of the Group has provided any financial assistance to the 2021 Selected Persons to facilitate the purchase of shares of the Company under the 2021 RSU Scheme.

Number of Shares available for future grant under the 2021 RSU Scheme subsequent to the 2021 Further Grant: 1,232,159 Shares

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

Suzhou, the PRC, May 29, 2023

As at the date of this announcement, the Board comprises Dr. Yang Dajun as chairman and executive Director, Dr. Wang Shaomeng and Dr. Lu Simon Dazhong as non-executive Directors, and Mr. Ye Changqing, Dr. Yin Zheng, Mr. Ren Wei and Dr. David Sidransky as independent non-executive Directors.