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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)

(1) DISCLOSEABLE TRANSACTIONS — SUBSCRIPTION OF COMMERCIAL PAPER AND STRUCTURED FINANCIAL PRODUCTS AND (2) SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2021 INTERIM REPORT

SUBSCRIPTION OF THE CITI FINANCIAL PRODUCTS

The Company subscribed for the Citi Financial Products over the course of March 2021 to June 2021.

LISTING RULES IMPLICATIONS

As the Citi Financial Products are accounted for as “financial assets at fair value through profit or loss” in the Company’s consolidated financial statements, they are regarded as “transactions “of the Company under Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Commercial Paper exceed 5% but are less than 25%, the subscription of the Commercial Paper constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Structured Financial Products are entered into with the same bank and are of similar nature, they constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Structured Financial Products (on an aggregated basis) exceed 5% but are less than 25%, the subscription of the Structured Financial Products constitutes discloseable transactions of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

At all relevant times, the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Citi Financial Products (on an aggregated basis) have at no time exceeded 25%.

BACKGROUND

Reference is made to (i) the Company's interim results announcement for the six months ended 30 June 2021 dated August 24, 2021 (the "**2021 Interim Results Announcement**"); and (ii) the interim report of the Company which was published on September 6, 2021 (the "**2021 Interim Report**"). The Company would like to provide further information in respect of its financial assets at fair value through profit or loss which comprised, among other things, the Citi Financial Products, which were subscribed by the Company over the course of March 2021 to June 2021.

SUBSCRIPTION OF THE COMMERCIAL PAPER

A summary of the principal terms of the Commercial Paper is set out as follows:

Date:	March 8, 2021
Parties:	(1) the Company (being the subscriber) (2) Citigroup Global Markets Limited (being the dealer) (3) CITIC Securities Finance MTN Co., Ltd. (being the issuer) (4) CITIC Securities Company Limited (being the guarantor)
Name of the product:	USD Zero Coupon Euro Commercial Paper
Type of product:	Fixed term commercial paper
Principal amount:	USD19,911,394.2
Discounted bid yield:	0.60% per annum
Date of maturity:	November 30, 2021
Redemption:	100.00% per annum

SUBSCRIPTION OF THE STRUCTURED FINANCIAL PRODUCTS

A summary of the principal terms of the Structured Financial Products is set out as follows:

Structured Financial Product 1

Date of subscription:	June 7, 2021
Parties:	(1) the Company (2) Citibank, N.A., Hong Kong Branch
Name of the product:	CNY Linked USD Structured Investment
Type of product:	principal-protected and short-term currency-linked structured investment
Principal amount:	USD5,000,000
Date of maturity:	July 9, 2021
Interest rate:	2.00% per annum
Early termination:	The Company may early terminate the Structured Financial Product 1 prior to the maturity date and the Company shall be entitled to the total amount it would receive under the Structured Financial Product 1 on such early termination date.

Structured Financial Product 2

Date of subscription:	June 10, 2021
Parties:	(1) the Company (2) Citibank, N.A., Hong Kong Branch
Name of the product:	CNY Linked USD Structured Investment
Type of product:	principal-protected and short-term currency-linked structured investment
Principal amount:	HK\$30,000,000

Date of maturity: July 15, 2021

Interest rate: 1.40% per annum

Early termination: The Company may early terminate the Structured Financial Product 2 prior to the maturity date and the Company shall be entitled to the total amount it would receive under the Structured Financial Product 2 on such early termination date.

Structured Financial Product 3

Date of subscription: June 28, 2021

Parties: (1) the Company
(2) Citibank, N.A., Hong Kong Branch

Name of the product: CNY Linked USD Structured Investment

Type of product: principal-protected and short-term currency-linked structured investment

Principal amount: HK\$30,000,000

Date of maturity: July 30, 2021

Interest rate: 1.18% per annum

Early termination: The Company may early terminate the Structured Financial Product 3 prior to the maturity date and the Company shall be entitled to the total amount it would receive under the Structured Financial Product 3 on such early termination date.

Structured Financial Product 4

Date of subscription: June 29, 2021

Parties: (1) the Company
(2) Citibank, N.A., Hong Kong Branch

Name of the product: Currency Linked Structured Investment

Type of product:	principal-protected and short-term currency-linked structured investment
Principal amount:	RMB49,000,000
Date of maturity:	July 30, 2021
Interest rate:	1.40% per annum
Early termination:	The Company has no right of early termination.

The principal amounts invested by the Company in the Citi Financial Products were determined by the Board having regard to the idle funds position of the Company from time to time and after taking into account the principal-protected nature of the abovementioned financial products which are subject to an insignificant risk of changes in value with a short maturity period. The subscription of the Citi Financial Products was funded by the Company with the net proceeds of the 2021 Placing.

INFORMATION ON THE PARTIES TO THE CITI FINANCIAL PRODUCTS

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.

Information on Citigroup Global Markets Limited

Citigroup Global Markets Limited a company registered under the laws of the United Kingdom, and is an indirect wholly-owned subsidiary of Citigroup, Inc. (listed on the New York Stock Exchange with stock code: C). Citigroup Global Markets Limited is principally engaged in the provision of institutional brokerage services, and it offers treasury, wealth management, and trade financing, as well as private, retail, and corporate banking services.

Information on Citibank, N.A., Hong Kong Branch

Citibank, N.A., Hong Kong Branch is a company organized under the laws of the United States of America with limited liability. Citibank, N.A., Hong Kong Branch is a branch of Citibank, N.A. which is an indirect wholly-owned subsidiary of Citigroup, Inc. (listed on the New York Stock Exchange with stock code: C). It operates as a bank and offers accounts, credit cards, mortgages, loans, insurance, wealth management, consumer banking and credit, securities brokerage, transaction, and online banking services.

Information on CITIC Securities Finance MTN Co., Ltd.

CITIC Securities Finance MTN Co., Ltd. is a BVI business company with limited liability incorporated in the British Virgin Islands, and it is an indirect wholly-owned subsidiary of CITIC Securities Company Limited. CITIC Securities Finance MTN Co., Ltd. is principally engaged in bond issuance.

Information on CITIC Securities Company Limited

CITIC Securities Company Limited is joint stock limited company established under the laws of the PRC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600030) and the H shares of which are listed on the Stock Exchange (stock code: 6030). The largest shareholder of CITIC Securities Company Limited is CITIC Group (中國中信集團公司) (a state-owned enterprise established in the PRC). CITIC Securities Company Limited is principally engaged in securities brokerage (for areas other than Shandong Province, Henan Province, Tiantai and Cangnan Counties of Zhejiang Province), securities investment consulting, financial advisory services related to securities trading and securities investment activities, securities underwriting and sponsorship, securities proprietary business, securities asset management, margin financing and securities lending, securities investment fund sales agency, provision of brokerage services to futures companies, distribution of financial products, and stock options market making.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Citigroup Global Markets Limited, Citibank, N.A., Hong Kong Branch, CITIC Securities Finance MTN Co., Ltd. and CITIC Securities Company Limited and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE CITI FINANCIAL PRODUCTS

As disclosed in the 2021 Interim Results Announcement and the 2021 Interim Report, as at June 30, 2021, only an approximate 2.64% of the net proceeds from the 2021 Placing have been utilized.

The Citi Financial Products provide a reasonable and effective way to manage the unutilized net proceeds from the 2021 Placing which are currently idle funds before the Company subsequently utilizes the same in accordance with the previously disclosed intended purposes as and when the clinical development or trials of the relevant product candidates progress over the course of 2021 and 2022. For the avoidance of doubt, there is no change in the intended use of the net proceeds from the 2021 Placing 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 from the 2021 Placing in accordance with such intended purposes depending on actual business needs.

The Company considers the Citi Financial Products to be principal-protected in nature and are short-term, the risk exposure in connection with the expected return of the Citi Financial Products is low, and the Company can enjoy a higher return on the unutilized net proceeds from the 2021 Placing when compared with depositing such idle funds in commercial banks as fixed term deposits prior to the actual planned utilization.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Citi Financial Products and the transactions contemplated thereunder are fair and reasonable and the subscription of the Citi Financial Products is in the interests of the Company and the Shareholders as a whole.

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As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Commercial Paper exceed 5% but are less than 25%, the subscription of the Commercial Paper constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Structured Financial Products are entered into with the same bank and are of similar nature, they constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Structured Financial Products (on an aggregated basis) exceed 5% but are less than 25%, the subscription of the Structured Financial Products constitutes discloseable transactions of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

At all relevant times, the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Citi Financial Products (on an aggregated basis) have at no time exceeded 25%.

“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
“Board”	the board of directors of the Company
“Citi Financial Products”	collectively, the Commercial Paper and the Structured Financial Products
“Commercial Paper”	USD Zero Coupon Euro Commercial Paper subscribed by the Company from Citigroup Global Markets Limited on March 8, 2021
“Company”	Ascentage Pharma Group International (亞盛醫藥集團) (Stock Code: 6855), an exempted company incorporated in the Cayman Islands with limited liability on November 17, 2017
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Structure Financial Product 1”	CNY Linked USD Structured Investment subscribed by the Company from Citibank, N.A., Hong Kong Branch on June 7, 2021
“Structure Financial Product 2”	CNY Linked USD Structured Investment subscribed by the Company from Citibank, N.A., Hong Kong Branch on June 10, 2021
“Structure Financial Product 3”	CNY Linked USD Structured Investment subscribed by the Company from Citibank, N.A., Hong Kong Branch on June 28, 2021
“Structure Financial Product 4”	Currency Linked Structured Investment subscribed by the Company from Citibank, N.A., Hong Kong Branch on June 29, 2021
“Structured Financial Products”	collectively, the Structured Financial Product 1, the Structured Financial Product 2, the Structured Financial Product 3 and the Structured Financial Product 4
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Suzhou, People’s Republic of China, September 10, 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.