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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)

INSIDE INFORMATION
ENTRY INTO OF THE EXCLUSIVE OPTION AGREEMENT WITH TAKEDA INTERNATIONAL

The Company is making this announcement in connection with the Exclusive Option 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. ENTRY INTO OF THE EXCLUSIVE OPTION AGREEMENT

The Board is pleased to announce that on June 14, 2024 (after trading hours), the Company, Ascentage HK, Ascentage GZ, Ascentage SZ and Takeda International entered into the Exclusive Option Agreement to grant Takeda International an exclusive option to enter into an exclusive license agreement for olverembatinib (HQP1351), an oral, potentially best-in-class third-generation BCR-ABL TKI, which is currently in development for CML and other hematological cancers. If exercised, the Option would allow Takeda International to license global rights to develop and commercialize olverembatinib in all territories outside of, among others, mainland China, Hong Kong, Macau and Taiwan, China.

Pursuant to the Exclusive Option Agreement, Ascentage shall be solely responsible for all clinical development of olverembatinib before the potential exercise of the Option. Ascentage will receive an option payment of US$100 million upon signing of the Exclusive Option Agreement and will be eligible for an option exercise fee and additional potential milestones of up to approximately US$1.2 billion and double-digit royalties on annual sales if Takeda International exercises the Option to license olverembatinib. Additionally, the Company is expected to receive a minority equity investment from Takeda International.

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

Information on Olverembatinib

Olverembatinib, the Company's core drug candidate developed for the treatment of drug-resistant CML and the Company's first approved product, has been granted Priority Review Designations and Breakthrough Therapy Designations by the Center for Drug Evaluation of China National Medical Products Administration. As at the date of this announcement, the drug has been included in the China 2022 National Reimbursement Drug List. Furthermore, olverembatinib has been granted an Orphan Drug Designation and a Fast Track Designation by the FDA, and an Orphan Designation by the European Medicines Agency of the European Union.

IMPLICATIONS UNDER THE LISTING RULES

As the Exclusive Option 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 Exclusive Option Agreement and the transactions contemplated thereunder do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

II. GENERAL INFORMATION

INFORMATION ON THE PARTIES TO THE EXCLUSIVE OPTION AGREEMENT

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.

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 nine 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. 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. The Company has been designated for multiple Major National R&D Projects, including five Major New Drug Projects, one New Drug Incubator status, four Innovative Drug Programs, and one Major Project for the Prevention and Treatment of Infectious Diseases. As at the date of this announcement, the Company has obtained a total of 16 Orphan Drug Designations from the FDA and one Orphan Designation from the European Medicines Agency of the European Union 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 SZ

Ascentage SZ 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 Takeda International

Takeda International is a company incorporated under the laws of Switzerland, and is a wholly owned subsidiary of Takeda Pharmaceutical Company Limited, Japan. It is a biopharmaceutical company principally engaged in the research, development and commercialization of pharmaceutical products.

Takeda International is focused on creating better health for people and a brighter future for the world. Takeda International aims to discover and deliver life-transforming treatments in its core therapeutic and business areas, including gastrointestinal and inflammation, rare diseases, plasma-derived therapies, oncology, neuroscience and vaccines. Together with its partners, Takeda International aims to improve the patient experience and advance a new frontier of treatment options through its dynamic and diverse pipeline. As a leading values-based, R&D-driven biopharmaceutical company headquartered in Japan, Takeda International is guided by its commitment to patients, its people and the planet. Takeda International's employees in approximately 80 countries and regions are driven by its purpose and are grounded in the values that have defined Takeda International for more than two centuries.

REASONS FOR AND BENEFITS OF THE ENTRY INTO OF THE EXCLUSIVE OPTION AGREEMENT

The Exclusive Option Agreement would allow Ascentage to leverage the global commercial expertise of an organization with a proven track record and global oncology footprint to potentially broaden the impact olverembatinib could have on patients in need around the world.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Exclusive Option Agreement and the transactions contemplated thereunder, are fair and reasonable and on normal commercial terms based on arm's length negotiations between the Company and Takeda International, and are in the interests of the Company and the Shareholders as a whole.

The milestone payments as contemplated above are subject to the exercise of the Option and fulfillment of certain milestone conditions, and the ultimate amount of milestone payments may vary. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

III. DEFINITIONS

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

"Ascentage"	collectively, the Company, Ascentage HK, Ascentage GZ and Ascentage SZ
"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 SZ"	Suzhou Ascentage Pharma 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
"Bcl-2"	B-cell lymphoma 2
"Bcl-2/Bcl-xL"	B-cell lymphoma 2/B-cell lymphoma extra-large; a member of the Bcl-2 family proteins, and acts as an anti-apoptotic protein by preventing the release of mitochondrial contents such as cytochrome c, which leads to caspase activation and ultimately, programmed cell death
"BCR-ABL"	a fusion gene formed by the ABL gene from chromosome 9 joining to the BCR gene on chromosome 22, which is found in most patients with chronic myelogenous leukemia (CML), and in some patients with acute lymphoblastic leukemia (ALL) or acute myelogenous leukemia (AML)
"Board"	the board of Directors
"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)
"CML"	chronic myeloid leukemia
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company, from time to time

"Exclusive Option Agreement"	the exclusive option agreement dated June 14, 2024 entered into among Ascentage and Takeda International in relation to, among other things, research, development, import, export, manufacture, usage, commercialization and exploitation of olverembatinib
"FDA"	the U.S. Food and Drug Administration
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"IAP"	inhibitors of apoptosis protein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Macau"	the Macau Special Administrative Region of the People's Republic of China
"MDM2"	Murine Double Minute 2
"Option"	the exclusive option granted by Ascentage to Takeda International to enter into an exclusive license agreement, pursuant to the terms of the Exclusive Option Agreement
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan, China
"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)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeda International"	Takeda Pharmaceuticals International AG, a company established under the laws of Switzerland
"TKI"	tyrosine kinase inhibitor

"US$"	United States Dollar(s), 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, June 14, 2024

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 and Dr. Lu Simon Dazhong as non-executive Directors, and Mr. Ye Changqing, Mr. Ren Wei and Dr. David Sidransky as independent non-executive Directors

* *For identification purpose only*