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## HANGZHOU TIGERMED CONSULTING CO., LTD.

### 杭州泰格醫藥科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3347)

## PROPOSED ADOPTION OF THE A SHARE EMPLOYEE SHARE OWNERSHIP PLAN

The Board is pleased to announce that in order to establish and improve the benefit sharing mechanism between the Company and the employees, improve the corporate governance level, increase the employees' cohesion and the competitiveness of the Company, and promote the long-term, sustainable and stable development of the Company, the Company has formulated the Employee Share Ownership Plan in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China (the "**Securities Law**"), the Labor Contract Law of the People's Republic of China (the "**Labor Contract Law**"), the Guiding Opinions on the Pilot Implementation of Employee Share Ownership Plan by Listed Companies (the "**Guiding Opinions**"), the Guidance No.4 of Shenzhen Stock Exchange on Information Disclosure by Listed Companies – Employee Share Ownership Plans ("**Disclosure Guidance No.4**") and other relevant laws, regulations and regulatory documents, and the Articles of Association of Hangzhou Tigermed Consulting Co., Ltd. (the "**Articles of Association**").

The Plan will be in parallel with the Company's employee share ownership plan and other share award schemes that may be adopted.

The Plan is a discretionary employee share ownership plan of the Company and does not involve the grant of options to issue new Shares or any other new securities of the Company and does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules.

Pursuant to the relevant PRC laws and regulations, the Employee Share Ownership Plan proposed by the board of directors of a listed company is subject to the approval of the general meeting. The Board proposed to adopt the Plan and resolved to propose to the Shareholders to consider and approve the Plan at the forthcoming general meeting, and to authorize the Board to deal with matters relating to the Plan, including but not limited to the grant of Shares under the Employee Share Ownership Plan. Further information on the general meeting to be held for the Shareholders to consider and approve the Plan, a circular containing the full text of the Plan, and a notice of the general meeting will be despatched to the Shareholders in due course.

***Shareholders and potential investors should note that, the proposed Employee Share Ownership Plan may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.***

## **EMPLOYEE SHARE OWNERSHIP PLAN**

### **I. PURPOSE**

The Company has formulated the Plan in accordance with the Company Law, the Securities Law, the Labor Contract Law, the Guiding Opinions, the Disclosure Guidance No.4 and other relevant laws, administrative regulations, rules, regulatory documents and the Articles of Association. Employees of the Company participate in the Employee Share Ownership Plan on a voluntary, legal and compliant basis. The purpose of holding the Company's shares is to establish and improve the benefit sharing mechanism between the Company and the employees, improve the corporate governance level, increase the employees' cohesion and the competitiveness of the Company, and promote the long-term, sustainable and stable development of the Company.

The Plan will be in parallel with the Company's employee share ownership plan and other share award schemes that may be adopted. As the lock-up period of the shares under the A share employee share ownership plan adopted by the Company in 2018 has expired and the shares under such plan are being disposed of, the number of shares under such plan is fixed and the maximum fundraising amount cannot be increased, the Company is required to adopt the Plan to be able to grant further employee share incentives.

### **II. PARTICIPANTS OF THE EMPLOYEE SHARE OWNERSHIP PLAN AND THE BASIS FOR DETERMINING THE ELIGIBILITY OF PARTICIPANTS**

The participants of the Employee Share Ownership Plan are the core technical (business) personnel of the Company and its wholly-owned subsidiaries. The participants work in the Company or its subsidiaries and enter into labor contracts or employment contracts with the Company (including its subsidiaries). The total number of participants shall not exceed 50. Details regarding the number of participants and the list of participants will be shortlisted by the Company and determined according to the actual subscription among the employees. All of the Directors, Supervisors, senior management, chief executives, substantial Shareholders of the Company or any of their respective associates (as defined in Rule 14A.06(2) of the Listing Rules) shall not participate in the Plan.

The actual number of units held by the ultimate participants of the Employee Share Ownership Plan (the "**Holders**") shall be subject to the number corresponding to the amount of capital contributions ultimately made by the employees. The list of participants shall be determined by the Board and verified by the Supervisory Committee. The lawyers engaged by the Company shall express clear opinions on the legality and compliance of the participants.

### **III. SOURCE OF FUNDS, SHARES AND SIZE OF THE EMPLOYEE SHARE OWNERSHIP PLAN**

The source of funds of the Employee Share Ownership Plan shall be the legitimate remuneration of its Holders, self-raised funds and other methods permitted by laws and regulations. The Company is not involved in any provision of financial assistance or provision of loan guarantee to the Holders. The total amount of funds to be raised under the Plan shall be no less than RMB10 million and no more than RMB15 million, which shall be divided into a maximum of 15 million units to be subscribed at RMB1.00 each under the portion of employee self-raised funds. After the implementation of the Plan, the total number of shares held under all valid employee share ownership plans of the Company shall not exceed 10% of the total share capital of the Company, and the total number of shares corresponding to the entitlements of a single holder shall not exceed 1% of the total share capital of the Company, and the Company will also ensure sufficient public float at all times. Holders shall pay the subscription funds in accordance with the relevant agreements. If the subscription funds of the Holders are not paid in full on time, the corresponding subscription rights shall lapse automatically. Other eligible participants may apply for the units to be subscribed. If the number of units applied for subscription are more than the number of units forfeited, the Management Committee shall determine the persons and the number of units to be subscribed.

The source of the underlying shares involved in the Plan shall be from the repurchase of the Company's treasury shares on the secondary market by the Company based on the authorization granted at the 2018 fourth extraordinary general meeting held on November 29, 2018. Upon consideration and approval of the Employee Share Ownership Plan at the general meeting, the number of shares of the Company to be held by way of non-trade transfer will not exceed 300,000 shares, representing no more than 0.04% of the total A share capital of the Company. The transfer price is the average trading price of the shares repurchased by the Company of RMB44.25 per share, and the total amount of funds shall not exceed RMB15 million. Based on the Company's operating conditions and industry development, the Company determined the price of the repurchase of shares under the Employee Share Ownership Plan after taking into account the reasonable costs required for the implementation of the Employee Share Ownership Plan and the purpose of the incentives. Such pricing is reasonable without prejudice to the interests of the Company and all the Shareholders.

The transfer of the underlying shares from the Company's treasury shares to the special account of the A share employee share ownership plan established by the Company in connection with the Plan shall be completed within 6 months after the Plan is considered and approved by the Shareholders at the general meeting to be held. There are still uncertainties regarding the transfer of the final underlying shares. The final number of shares held is subject to the actual implementation. The Company will make an announcement in a timely manner. The total number of shares held by the Employee Share Ownership Plan does not include the shares acquired by the employees before the initial public offering of the Company, the shares acquired through self-purchase in the secondary market and the shares acquired through equity incentives. Individual income tax payable by employees due to the implementation of the Employee Share Ownership Plan shall be borne by the employees themselves.

#### **IV. TERM AND LOCK-UP PERIOD OF THE EMPLOYEE SHARE OWNERSHIP PLAN**

The term of the Plan shall be 36 months commencing from the date on which the Plan is considered and approved at the general meeting and the Company announces that last batch of the underlying shares has been registered under the name of the Plan. Upon the expiry of the lock-up period of the Plan, if the assets of the Employee Share Ownership Plan are all monetary assets, the Plan may be terminated in advance. Upon the expiry of the term of the Plan, the Employee Share Ownership Plan shall be terminated automatically, liquidated and distributed according to the number of units held by the Holders. In the event that the shares of the Company held by the Employee Share Ownership Plan cannot be fully disposed of before the expiry of the term due to suspension of trading of the Company's shares or short window period, the term of the Plan may be extended with the consent of the Holders representing more half of the units held at the Holders' meeting and the consent of the Board. Within two months before the expiry of the term of the Plan, the term of the Plan may be extended upon the consent of the Holders attending the Holders' meeting representing more than half of the units held, which will be submitted to the Board for consideration.

The lock-up period of the Employee Share Ownership Plan shall be 12 months, and the lock-up period of the underlying shares shall commence from the date on which the Company announces that the last batch of the underlying shares has been registered under the name of the Employee Share Ownership Plan, during which the Holders shall not sell any shares under the Plan. Shares derived from the Company's any distribution of shares and dividends and capitalization issue shall also be subject to the above lock-up arrangements.

#### **V. MEASURES FOR DISPOSAL OF INTERESTS UNDER THE EMPLOYEE SHARE OWNERSHIP PLAN**

During the term of the Plan, except under special circumstances, the units of the Plan held by the Holders shall not be transferred, withdrawn or used as pledge or charge, guarantee or repayment of debts.

During the term, in the event that: (1) the Holder's position in the Company (including its subsidiaries) changes; (2) the Holder loses his/her ability to work; (3) the Holder has to retire upon reaching the retirement age prescribed by the State; or (4) other circumstances as determined by the Management Committee, the rights and interests of the Employee Share Ownership Plan held by it shall not be changed. In the event of death of the Holder during the term, the rights and interests of the Holder in the Employee Share Ownership Plan shall remain unchanged, and shall continue to be enjoyed by their lawful successors, without any restrictions of whether he/she is an employee of the Company.

During the term of the Plan, the Holders' units shall be mandatorily transferred in the following circumstances when: (1) the Holder is subject to criminal liabilities according to the law if he/she is in violation of the laws and regulations; (2) the Holder unilaterally terminates the labor contract; (3) upon expiry of the labor contract of the Holder, the Holder personally decides not to renew the labor contract; or (4) the Company cancels or terminates the labor contract or employment contract (including dismissal or removal by the Company) as the Holder fails to comply with the provisions of the Company's rules and regulations such as labor contract, confidentiality and unfair competition agreement and employee handbook, or fails to pass the Company's appraisal. During the term of the Employee Share Ownership Plan, in the event of mandatory transfer of units, the Management Committee shall determine the transferee of such units. The transfer price shall be the cost of capital contribution corresponding to the units subscribed by such employee. If no transferee is eligible for participating in the Employee Share Ownership Plan, the holders participating in the Employee Share Ownership Plan shall be entitled to the same collectively. Other matters not covered shall be decided by the Management Committee in accordance with relevant provisions of laws and regulations.

## **VI. RESTRICTIONS ON DISPOSAL OF SHARES UNDER THE EMPLOYEE SHARE OWNERSHIP PLAN**

The Plan shall not deal in shares of the Company during the following periods:

- (1) within 30 days prior to the announcement of regular reports of the Company, or from 30 days prior to the original date of announcement to the final date of announcement if the date of announcement is postponed due to special reasons;
- (2) within 10 days before the release of results forecasts or preliminary results announcements;
- (3) from the date of any material event that may have a material impact on the trading price of the Company's shares or during the process of decision making until two trading days after the disclosure of the same in accordance with the law;
- (4) other circumstances as stipulated by the China Securities Regulatory Commission and the stock exchanges; or
- (5) other circumstances stipulated by laws and regulations that prohibit trading of the Company's shares.

All relevant parties in the Employee Share Ownership Plan must strictly abide by the market trading rules and comply with the requirement that no shares can be traded during the information sensitive period. All parties must not exploit the Employee Share Ownership Plan for insider dealing, market manipulation and other security frauds.

## **VII. MANAGEMENT MODEL OF THE EMPLOYEE SHARE OWNERSHIP PLAN**

The internal management authority of the Plan is the Holders' meeting, and the Management Committee is formed upon election at the Holders' meeting. The Management Committee, comprising three members, is responsible for supervising the daily management of the Employee Share Ownership Plan and exercising the rights of the Shareholders and other functions on behalf of the Employee Share Ownership Plan, and is entitled to exercise the voting rights of shares under the Plan, including the exercise of voting rights of the shares of the Plan on behalf of the Holders. During the term of the Employee Share Ownership Plan, the Holders are entitled to attend the Holders' meeting and exercise their voting rights corresponding to the number of shares held with respect to the matters to be considered. Upon the expiry of the lock-up period, a meeting of the Management Committee will be held to consider the disposal of shares and determine the disposal proposal pursuant to the terms of the Employee Share Ownership Plan. Upon consideration and approval of the proposal, the manager will implement the reduction of shareholding in accordance with domestic laws and regulations.

The Board of the Company is responsible for formulating and amending the Plan, and handling other relevant matters of the Plan within the scope authorized by the general meeting.

If an appropriate asset management agency is appointed to manage the Plan after its establishment, the Company will make an announcement in a timely manner. If the Company does not entrust an asset management agency eventually, the Plan shall be managed by the Company itself. The assets of the Employee Share Ownership Plan are independent of the Company's existing assets and the Company shall not entrust the transfer of the assets of the Employee Share Ownership Plan to its existing assets. Assets and gains obtained from the management, use of the Employee Share Ownership Plan or otherwise shall be transferred to the assets of the Employee Share Ownership Plan. The participants of the Employee Share Ownership Plan shall bear their own profits, losses and financial risks, and shall have the same rights as other investors.

## **VIII. DISTRIBUTION OF RIGHTS AND INTERESTS DURING THE TERM OF THE EMPLOYEE SHARE OWNERSHIP PLAN**

During the lock-up period, the Holders shall not require the distribution of rights and interests of the Employee Share Ownership Plan.

During the lock-up period, in the event of capitalization issue and bonus issue by the Company, the newly acquired shares shall be locked up together and shall not be sold in the secondary market or otherwise transferred, and the unlocking date of such shares shall be the same as the corresponding shares. During the term of the Employee Share Ownership Plan, in the event of distribution of dividends by the Company, the cash dividends received by the Employee Share Ownership Plan from holding the Company's shares will not be distributed during the term of the Employee Share Ownership Plan.



## DIRECTORS' CONFIRMATION

The Board considers that the terms of the Employee Share Ownership Plan are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has abstained from voting on the relevant Board resolutions due to their participation in the Plan. None of the Directors has a material interest in the Employee Share Ownership Plan.

## LISTING RULES IMPLICATIONS

The Plan is a discretionary employee share ownership plan of the Company and does not involve the grant of options to issue new Shares or any other new securities of the Company and does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules.

The Directors, Supervisors, chief executives, substantial Shareholders of the Company or any of their respective associates (as defined under Rule 14A.06(2) of the Listing Rules) will not participate in the Plan, and the grant under the Plan will not constitute a connected transaction of the Company.

## GENERAL MEETING AND CIRCULAR

The Board proposed to adopt the Plan and resolved to propose to the Shareholders to approve the Plan at the general meeting to be held, and to authorize the Board to deal with matters relating to the Plan, including but not limited to the grant of Shares under the Employee Share Ownership Plan. Further information on the forthcoming general meeting for the Shareholders to consider and approve the Plan, a circular containing the full text of the Plan, and a notice of the general meeting will be despatched to the Shareholders in due course.

***Shareholders and potential investors should note that, the proposed Employee Share Ownership Plan may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.***

## DEFINITIONS

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

“A Shares”	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi and are listed for trading on the Shenzhen Stock Exchange
“Board”	the board of the Directors of the Company
“Company”	Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司), the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300347) and the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 03347)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the directors of the Company
“Employee Share Ownership Plan” or “Plan”	the 2020 A Share Employee Share Ownership Plan (Draft) of Hangzhou Tigermed Consulting Co., Ltd. to be proposed for adoption by the Company at the general meeting
“H Shares”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong Dollars and are to be listed on the Hong Kong Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Management Committee”	the management committee of the Plan is formed upon election at the Holders’ meeting to perform the daily management duties of the Employee Share Ownership Plan in accordance with the provisions of the Plan
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company, including the holders of A Share(s) and H Share(s)
“Supervisor(s)”	the supervisors of the Company
“underlying shares”	the A Shares of the Company held under Employee Share Ownership Plan
“%”	per cent

By order of the Board  
**Hangzhou Tigermed Consulting Co., Ltd.**  
**Ye Xiaoping**  
*Chairman*

Hong Kong, November 30, 2020

*As at the date of this announcement, the executive Directors are Dr. Ye Xiaoping, Ms. Cao Xiaochun and Ms. Yin Zhuan; the independent non-executive Directors are Mr. Zheng Bijun, Dr. Yang Bo and Mr. Liu Kai Yu Kenneth.*