

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

MAJOR TRANSACTION IN RELATION TO THE ENTERING INTO THE PARTNERSHIP AGREEMENT

THE PARTNERSHIP AGREEMENT

Reference is made to the Company's announcement dated June 11, 2021, regarding the entering into a letter of intent by the Company, HZ Tailong, HZ Capital and HZ Hi-Tech Investment in relation to the establishment of the Fund.

The Board is pleased to announce that on July 12, 2021, HZ Tiger, HZ Tailong, HZ Industry Investment and HZ Hi-Tech Investment entered into the Partnership Agreement in relation to the formation of the Fund. The registered capital of the Fund shall be RMB20 billion, of which RMB0.2 billion shall be subscribed by HZ Tailong as the general partner, RMB9.8 billion will be subscribed by the HZ Tiger as a limited partner, RMB5 billion will be subscribed by HZ Industry Investment as a limited partner and RMB5 billion will be subscribed by HZ Hi-Tech Investment as a limited partner.

As the Company will not have control over the investment committee of the Fund, the Fund will be accounted for as an associate instead of a subsidiary of the Company and the financial results of the Fund will not be consolidated in the Group's consolidated financial statements.

The Fund shall focus on the investment in enterprises involved in hi-tech medical equipment, biopharmaceutical, medicare services, medicare informatization, digital therapeutics, intelligent manufacturing and nutrition and health industries.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Partnership Agreement is more than 25% but less than 100%, the Partnership Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Partnership Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting in respect of the Partnership Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) further details about the Partnership Agreement and the transactions contemplated thereunder; (ii) other information required to be disclosed under the Listing Rules; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before August 2, 2021.

As the Partnership Agreement is subject to the approval of the Shareholders at the EGM, the establishment of the Fund may or may not proceed. Shareholders and potential investors are reminded to exercise caution in dealing in the securities of the Company.

INTRODUCTION

Reference is made to the Company's announcement dated June 11, 2021, regarding the entering into a letter of intent by the Company, HZ Tailong, HZ Capital and HZ Hi-Tech Investment in relation to the establishment of the Fund.

The Board is pleased to announce that on July 12, 2021, HZ Tiger, HZ Tailong, HZ Industry Investment and HZ Hi-Tech Investment entered into the Partnership Agreement in relation to the formation of the Fund. The registered capital of the Fund shall be RMB20 billion, of which RMB0.2 billion shall be subscribed by HZ Tailong as the general partner, RMB9.8 billion shall be subscribed by HZ Tiger as a limited partner, RMB5 billion shall be subscribed by HZ Industry Investment as a limited partner and RMB5 billion shall be subscribed by HZ Hi-Tech Investment as a limited partner.

THE PARTNERSHIP AGREEMENT

The major terms of the Partnership Agreement are as follows:

Date: July 12, 2021

Parties:

- HZ Tiger (as a limited partner);
- HZ Tailong (as the general partner);
- HZ Industry Investment (as a limited partner); and
- HZ Hi-Tech Investment (as a limited partner)

Purpose: The Fund is established to invest in enterprises involved in hi-tech medical equipment, biopharmaceutical, medicare services, medicare informatization, digital therapeutics, intelligent manufacturing and nutrition and health industries.

Term: The approved operating period of the Fund shall be 20 years.

The actual operating period of the Fund shall be ten years commencing from the date of which first instalment of capital contributions are settled by all partners (the “**First Completion Date**”), which may be extended by the general partner pursuant to the terms of the Partnership Agreement.

The first five-year period shall be the investment period (the “**Investment Period**”) and the second five-year period shall be the exit period (the “**Exit Period**”). The general partner may extend the actual operating period for no more than two times, each time for no longer than one year. Any further extension thereafter shall be approved by all partners at the partners’ meeting (with the period extended by the general partner, collectively, the “**Extended Period**”).

Unless otherwise approved by the investment committee for the purpose to maintain or protect the Fund’s interests in any invested company or any other purpose as specified in the Partnership Agreement, no investment shall be made after the Investment Period.

Capital commitments: The registered capital of the Fund shall be RMB20 billion which shall be contributed by the Parties in the following proportion:

Party	Total capital commitment
HZ Tiger	RMB9.8 billion
HZ Tailong	RMB0.2 billion
HZ Industry Investment	RMB5 billion
HZ Hi-Tech Investment	RMB5 billion

Payment term: All partners of the Fund shall contribute their respective capital commitment in instalments in accordance with the payment notices to be given by the general partner from time to time. The general partner shall give payment notices to all partners at least ten Business Days prior to the proposed settlement day of the relevant capital contribution. The general partner shall only request for further capital contribution if and when, at any time, (i) not less than 70% of the total amount of paid-up capital has been utilised; or (ii) the fund available is not sufficient to implement an investment plan approved by the investment committee. For avoidance of doubt, the capital contribution to be made by each of HZ Industry Investment and HZ Hi-Tech Investment for a particular instalment shall be subject to the settlement by other partners in respect of their capital contributions for the relevant instalment.

The first instalment of the capital contribution to the Fund by all partners shall be 5% of their respective total capital commitment.

Partners' meeting:

The general partner and any limited partner(s) whose capital contribution is, separately or in aggregate, no less than 50% of the total paid-up capital on the date of relevant partners' meeting shall constitute the quorum of the meeting. Unless required by law or agreed by all partners, the following matters shall be determined by all partners at the partners' meeting:

- (1) investment in excess of the agreed investment limit;
- (2) withdrawal or transfer of partnership interest;
- (3) conversion of a general partner to a limited partner or vice versa;
- (4) appointment of new general partner;
- (5) distribution in kind;
- (6) change in the name or registered address of the Fund;
- (7) acceptance of new limited partner;
- (8) amendment(s) to the terms of references of the investment committee and the consultation committee; and
- (9) any other matters to be resolved by the partners' meeting pursuant to applicable laws, the Partnership Agreement or otherwise agreed by all partners.

Save for item (5) which shall be passed by all partners unanimously, all other matters shall be passed by the two-third of the total voting rights.

Management:

HZ Tailong shall act as the general partner and the manager of the Fund.

An investment committee shall be established for decision-making purpose in respect of the Fund's investments and relevant exits. The investment committee will comprise seven members. Each partner shall be entitled to nominate one member of the investment committee and the remaining three members of the investment committee shall be professionals nominated collectively by all limited partners. Resolutions of the investment committee shall be passed by at least five members.

A consultation committee shall also be established to consider and approve the related parties transaction specified in the Partnership Agreement. The consultation committee shall comprise of four members and each partner shall be entitled to nominate one member. Resolutions of the investment committee shall be passed by all members unanimously.

Management fees:

Manager of the Fund shall be entitled to receive management fees twice a year during the actual operating period on January 1 and July 1 respectively (or any other time the manager may elect). The management fees shall be calculated as follows:

- The annual management fees for the Investment Period shall be:
 - (1) 1.5% of the invested amount of direct investments; plus
 - (2) 1% of the invested amount in sub-funds.

For avoidance of doubt and for the purpose of calculation of management fees only, two-third of every instalment of capital contribution made by each partner shall be deemed as the investment amount of direct invested and the remaining one-third shall be deemed as the invested amount in sub-funds.

- The annual management fees for the Exit Period shall be:
 - (1) 0.75% of the remaining invested amount of direct investments which has not yet been realised; plus
 - (2) 0.5% of the remaining invested amount in any sub-funds which has not yet been realised.
- No management fee shall be charged during the Extended Period (if any).

Subject to applicable law, the Fund shall pay the management fees to the manager before paying other costs and expenses.

Investment portfolio:

The Fund shall apply its capital as follows:

- (a) not less than one-third (33.3%) of the capital shall be used to invest in selected market-oriented sub-funds in the biopharmaceutical industry;
- (b) not more than two-third (66.7%) of the capital shall be used in direct investments; and
- (c) during its actual operating period, the Fund shall accumulatively invest, directly or indirectly through sub-funds, not less than the aggregated capital contributed by HZ Industry Investment and HZ Hi-Tech Investment in companies/enterprises incorporated in Hangzhou City, among which, not less than the capital contributed by HZ Hi-Tech Investment within Hangzhou Hi-Tech Zone (Binjiang).

Profits sharing:

All incomes from investments, after deducting the Fund's management fees and other costs and expenses, shall be distributed in the following order:

1. repay the capital contribution made by each partner;
2. pay such amount represents an investment return rate of 8% per annum (simple interest) of the capital contribution to each partner; and
3. the remaining part (if any) shall be distributed as 20% to the general partner and 80% to all partners in proportion to their respective capital contribution.

Reporting:

The general partner shall report to all partners on the operation and financial conditions of the Fund in accordance with applicable laws and regulations, including:

- (a) provide quarterly report and unaudited financial statements within 20 Business Days after the end of relevant quarter;
- (b) provide interim report and unaudited financial statements within three months after the end of relevant six-month period; and
- (c) provide annual report and audited financial statements within four months after the end of relevant financial year.

Transfer of interest in the Fund:

A limited partner may, with the consent of the general partner and the approval of the partners' meeting, transfer all or part of its interests in the Fund.

The general partner may, with the approval of the partners' meeting, transfer all or part of its interests in the Fund. If the general partner transferred part of its interests in the Fund, the transferor and the transferee shall collectively be responsible for the duties of the general partner of the Fund. If the general partner transferred all of its interests in the Fund, the transferee shall become the general partner of the Fund.

Governing law and dispute resolutions:

The Partnership Agreement is governed by the PRC law.

Any dispute under the Partnership Agreement shall be resolved firstly by negotiation between the relevant Parties in good faith. If any dispute cannot be resolved within 30 days, any relevant Party shall be entitled to submit the case to the Hangzhou Arbitration Commission (杭州市仲裁委員會) for its determination.

Condition precedent:

The Partnership Agreement shall become effective upon the approval of the relevant resolution by the Shareholders at the EGM.

The capital commitments under the Partnership Agreement were determined by the Parties after arm's length negotiations, taking into account, among others, the prospects of medicare related industries and the financial conditions of the Group. The Company intends to fund its capital commitment partly by the Group's internal resources and partly by external financing. For avoidance of doubt, the Company does not intend to apply proceeds from its initial public offering of H Shares in Hong Kong in August 2020 (the "HKIPO") to the Fund. The Company intends to use the proceeds therefrom in the same manner and proportions as described in the prospectus issued by the Company in connection with the HKIPO.

As at the date of this announcement, the Fund has not yet been established and thus has not yet commenced operation. As the Company will not have control over the investment committee of the Fund, the Fund will be accounted for as an associate instead of a subsidiary of the Company and the financial results of the Fund will not be consolidated in the Group's consolidated financial statements.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE FUND

The Company is a leading China-based provider of comprehensive biopharmaceutical research and development services, focusing on the development of innovative and effective treatments. By investing in the Fund, the Company's strong investment and financing platform can be utilized to deepen in the biopharmaceutical field, promote the optimization of upstream and downstream industrial chain and in turn enhance the Company's core competitiveness. The Directors believe that such investment will be able to complement the Company's long term investment strategy.

The Directors considered the terms of the Partnership Agreement and the transactions contemplated thereunder, including the formation of the Fund, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors has material interests in the transaction(s) and is required to abstain from voting on the relevant Board resolutions.

INFORMATION OF THE PARTIES

Information of the Company, HZ Tiger and HZ Tailong

The Company is a leading China-based provider of comprehensive biopharmaceutical research and development services, with an expanding global presence and is principally engaged in the provision of one-stop and professional clinical research services for innovative drugs, medical devices and biotechnology related products to domestic and international enterprises engaged in providing innovative drugs and medical devices. The A shares of the Company are listed on the ChiNext market of the Shenzhen Stock Exchange (stock code: 300347) and the H shares of the Company are listed on the Hong Kong Stock Exchange (stock code: 3347).

HZ Tiger is a limited partnership incorporated in the PRC and an indirect wholly-owned subsidiary of the Company whose principal activity is investment management. HZ Tiger is a sophisticated investor. The general partner of HZ Tiger is Shanghai Tiger Medicine Technology Co., Ltd. (上海泰格醫藥科技有限公司), a wholly-owned subsidiary of the Company.

HZ Tailong is a limited partnership incorporated in the PRC and is principally engaged in provision of private equity investment fund management services and startup company investment fund management services. HZ Tiger is the limited partner holding 99% interest and Zhaotai (Zibo) Startup Investment Management Partnership (Limited Partnership)* (昭泰(淄博)創業投資管理合夥企業(有限合夥), "Zhaotai LP"), an Independent Third Party, is the general partner of HZ Tailong holding 1% interest.

Zhaotai LP is a limited partnership established in the PRC and is principally involved in startup investments (unlisted companies), equity investments with own capital or private funds, investment management and asset management. Zhaotai LP is owned by Mr. Liu Chunguang (劉春光) as to 99% and Mr. Liu Ge (劉革) as to 1%. Mr. Liu Chunguang and Mr. Liu Ge are general partner and the limited partner of Zhaotai LP, respectively and both are Independent Third Parties. Mr. Liu Chunguang has extensive experiences in the pharmaceutical industry and equity investment field. Since 2014, Mr. Liu Chunguang has been involved in various equity investment projects including (but not limiting to) Beijing Medical Development Co., Ltd.* (北醫仁智(北京)醫學科技發展有限公司), CANbridge Pharmaceuticals Inc. (北海康成製藥有限公司), Frontage Holdings Corporation (a company listed on the Hong Kong Stock Exchange, stock code: 1521), Shanghai Sanyou Medical Co., Ltd. (上海三友醫療器械股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 688085) and Simoon Record Pharma Information Consulting Co., Ltd. (北京思陸瑞科醫藥信息諮詢有限公司). Mr. Liu Chunguang has been the assistant to the general manager of the Company from September 2014 until he left the Group in August 2016.

Information of HZ Capital and HZ Industry Investment

HZ Capital is a company established on December 28, 2018 under the law of the PRC with limited liability and is wholly owned by the State-owned Assets Supervision and Administration Commission of Hangzhou City Hangzhou Municipal Government (杭州市人民政府國有資產監督管理委員會). HZ Capital is focusing on investments in biopharmaceutical, information technology and major equipment manufacturing industries and has invested in various local outstanding enterprises, including Huadong Medicine Co., Ltd. (華東醫藥股份有限公司), Hangzhou Hangyang Co., Ltd. (杭州杭氧股份有限公司), Hangzhou Steam Turbine Power Group Co., Ltd. (杭州汽輪動力集團有限公司), Xihu Electronics Group Co., Ltd. (西湖電子集團有限公司) and Hangzhou Huqingyu Tang Medicine Co., Ltd. (杭州胡慶餘堂藥業有限公司).

HZ Industry Investment is a wholly-owned subsidiary and an investment vehicle of HZ Capital.

Information of HZ Hi-Tech Investment

HZ Hi-Tech Investment is a company established under the law of the PRC with limited liability and is wholly owned by Hangzhou Binjiang District Finance Bureau (杭州市濱江區財政局). HZ Hi-Tech Investment is principally focusing on investments in Hi-tech industries in the areas of information technology, cloud serving, medical and healthcare, internet of things, cultural and creative and big data, etc.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, HZ Capital and HZ Hi-Tech Investment, their respective ultimate beneficial owner(s) and their respective associate(s) are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Partnership Agreement is more than 25% but less than 100%, the Partnership Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Partnership Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, no Shareholder has a material interest in respect of the Partnership Agreement and the transactions contemplated thereunder and therefore, no Shareholder is required to abstain from voting in the EGM.

A circular containing, among others, (i) further details about the Partnership Agreement and the transactions contemplated thereunder; (ii) other information required to be disclosed under the Listing Rules; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before August 2, 2021.

As the Partnership Agreement is subject to the approval of the Shareholders at the EGM, the establishment of the Fund may or may not proceed. Shareholders and potential investors are reminded to exercise caution in dealing in the securities of the Company.

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”	board of Directors;
“Business Day”	a day which is not a Saturday, a Sunday or a public holiday in the PRC;
“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 thereto under the Listing Rules and the word “connected” shall be construed accordingly;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, the Partnership Agreement and the transactions contemplated thereunder;
“Fund”	Hangzhou Tiger Biopharmaceutical Industry Fund Partnership (Limited Partnership)* (杭州泰格生物醫藥產業基金合夥企業(有限合夥)) (the final name of which is subject to the approval of the administrative department for industry and commerce), the limited liability partnership to be established in the PRC pursuant to the Partnership Agreement;

“Group”	the Company and its subsidiaries;
“H Shares”	the 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”	The Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HZ Capital”	Hangzhou State-owned Capital Investment and Operation Co., Ltd.* (杭州市國有資本投資運營有限公司);
“HZ Industry Investment”	Hangzhou Industry Investment Co., Ltd.* (杭州產業投資有限公司);
“HZ Tailong”	Hangzhou Tailong Venture Investment Partnership (Limited Partnership)* (杭州泰瓏創業投資合夥企業(有限合夥)), a limited partnership established in the PRC and a subsidiary of the Company;
“HZ Tiger”	Hangzhou Tiger Equity Investment Partnership (Limited Partnership)* (杭州泰格股權投資合夥企業(有限合夥)), a limited partnership established in the PRC and a wholly-owned subsidiary of the Company;
“HZ Hi-Tech Investment”	Hangzhou Hi-Tech Investment Co., Ltd.* (杭州高新創業投資有限公司);
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Parties”	the parties to the Partnership Agreement, means HZ Tiger, HZ Tailong, HZ Industry Investment and HZ Hi-Tech Investment, each one a “Party”;
“Partnership Agreement”	the partnership agreement dated July 12, 2021 entered into by the Parties in relation to the formation of the Fund;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, does not include Hong Kong, Macao Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;

“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares;
“Shareholder(s)”	the shareholder(s) of the Company, including the holders of A Share(s) and H Share(s);
“%”	per cent.

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

Hong Kong, July 12, 2021

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.

* *for identification purpose only*