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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)**

## **ANNOUNCEMENT ON FURTHER CHANGE IN USE OF PROCEEDS FROM THE H SHARES OFFERING**

References are made to (i) the prospectus of Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) dated July 28, 2020 (the “**Prospectus**”) in relation to the net proceeds from global offering of the Company (the “**Global Offering**” or “**H Shares Offering**”); (ii) the announcement of the Company dated August 6, 2020 in relation to the offer price and allotment results of the Global Offering; (iii) the announcement of the Company dated August 31, 2020 in relation to the full exercise of the over-allotment option; (iv) the announcement dated March 28, 2022 and the circular dated April 28, 2022 of the Company in relation to the change in use of net proceeds from H Shares Offering (the “**Announcement on First Change in Use of Proceeds**”); and (v) the annual report of the Company for the year ended December 31, 2023 (the “**2023 Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Prospectus, the Announcement on First Change in Use of Proceeds and the 2023 Annual Report.

### **USE OF PROCEEDS AS DISCLOSED IN THE PROSPECTUS AND AS AMENDED BY THE ANNOUNCEMENT ON FIRST CHANGE IN USE OF PROCEEDS**

As set out in the 2023 Annual Report, after deducting the underwriting commission and other estimated expenses payable by the Company in connection with the Global Offering, the total net proceeds from the issue of H Shares by the Company in its listing on the Stock Exchange amounted to HK\$11,817.4 million. The original use of net proceeds from the issue of H Shares by the Company in its listing is disclosed in the section of “**FUTURE PLANS AND USE OF PROCEEDS**” in the Prospectus.

As mentioned in the Announcement on First Change in Use of Proceeds, the Company announced certain changes in use of the net proceeds which remained unutilized as of March 28, 2022 amounting to approximately HK\$7,232.4 million as follows:

- (i) approximately HK\$1,594.4 million or approximately 15% of the net proceeds shall be utilized to organically expand and enhance our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in both domestic and overseas markets;
- (ii) approximately HK\$4,727.0 million or approximately 40% of the net proceeds shall be utilized to fund potential acquisitions of attractive domestic and overseas clinical Contract Research Organizations (CROs) that are complementary to our existing businesses as part of our global expansion plan to 1) further strengthen and diversify our service offerings; and 2) expand globally and increase capabilities in key markets;
- (iii) approximately HK\$296.7 million or approximately 20% of the net proceeds shall be utilized to foster our biopharmaceutical R&D ecosystem by making minority investments in domestic and overseas companies with innovative business models and growth potential, such as biotech companies, healthcare IT companies, hospitals, medical device and diagnostic research companies;
- (iv) approximately HK\$181 million or approximately 5% of the net proceeds shall be utilized to develop advanced technologies to enhance the quality and efficiency of our comprehensive service offerings, such as cloud-based virtual clinical trial platforms and laboratory automation, medical data platforms and site management capabilities, through recruiting qualified technical and scientific professionals and undertaking specific R&D projects; and
- (v) approximately HK\$433.3 million or approximately 10% of the net proceeds shall be utilized for working capital and general corporate purposes.

## **FURTHER CHANGE IN USE OF PROCEEDS FROM THE H SHARES OFFERING**

The board of directors (the “**Board**”) of the Company hereby announces that at the tenth meeting of the fifth session of the Board convened on August 28, 2024, the Board considered and approved the proposal on further change in use of net proceeds from the H Shares Offering (the “**Further Change in Use of Proceeds from the H Shares Offering**”).

As of the date of this announcement, approximately HK\$4,917.7 million of the net proceeds remained unutilized. Taking into consideration of the reasons set out in the paragraphs headed "REASONS FOR AND BENEFITS OF FURTHER CHANGE IN USE OF NET PROCEEDS FROM THE H SHARES OFFERING" below, the Board has resolved to reallocate approximately 20% of the net proceeds in the amount of HK\$2,363.4 million which was originally allocated to “fund potential acquisitions of attractive domestic and overseas clinical CROs that are complementary to our existing businesses, as part of our global expansion plans, to 1) further strengthen and diversify our service offerings; and 2) expand globally and increase capabilities in key markets” to the following usage:

- (i) approximately HK\$590.92 million or 5% of the net proceeds for organic expansion and enhancement of our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in both domestic and overseas markets;
- (ii) approximately HK\$1,181.70 million or 10% of the net proceeds for repaying certain of our outstanding borrowings as of June 30, 2024; and
- (iii) approximately HK\$590.85 million or 5% of the net proceeds for working capital and general corporate purposes.

Set out below are the details of the original allocation of the net proceeds from the H Shares Offering, the allocation of the net proceeds as amended by the Announcement on First Change in Use of Proceeds, the utilized net proceeds as at the date of this announcement, the unutilized net proceeds as at the date of this announcement, the balance of the unutilized net proceeds following the Further Change in Use of Proceeds from the H Shares Offering and the expected timeline for utilizing the remaining unutilized net proceeds:

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Net proceeds utilized as at the date of this announcement	Net proceeds unutilized as at the date of this announcement	Balance of unutilized net proceeds after Further Change in Use of Proceeds from H Shares Offering	Expected timeframe for utilizing the remaining unutilized net proceeds
	<i>Approximate HK\$ million</i>	<i>Approximate percentage</i>	<i>Approximate HK\$ million</i>	<i>Approximate percentage</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	
to organically expand and enhance our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in overseas markets	1,772.6	15%	-	-	-	-	-	N/A
to organically expand and enhance our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in both domestic and overseas markets	-	-	1,594.4	15%	1,471.5	122.9	713.82	60 months from the date of approval by the extraordinary general meeting of the Company (the "EGM")
to fund potential acquisitions of attractive overseas clinical CROs that are complementary to our existing businesses as part of our global expansion plan	4,727.0	40%	-	-	-	-	-	N/A
to fund potential acquisitions of attractive domestic and overseas clinical CROs that are complementary to our existing businesses as part of our global expansion plan to 1) further strengthen and diversify our service offerings and 2) expand globally and increase capabilities in key markets	-	-	4,727.0	40%	365.5	4,361.5	1,998.0	60 months from the date of approval by the EGM

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Net proceeds utilized as at the date of this announcement	Net proceeds unutilized as at the date of this announcement	Balance of unutilized net proceeds after Further Change in Use of Proceeds from H Shares Offering	Expected timeframe for utilizing the remaining unutilized net proceeds
	<i>Approximate HK\$ million</i>	<i>Approximate percentage</i>	<i>Approximate HK\$ million</i>	<i>Approximate percentage</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	
to foster our biopharmaceutical R&D ecosystem by making minority investments in companies with innovative business models and growth potential, such as biotech companies, healthcare IT companies, hospitals, medical device and diagnostic research companies (including (i) HK\$1,418.1 million (representing 60% of the net proceeds for investment purposes) in the PRC and (ii) HK\$945.4 million (representing 40% of the net proceeds for investment purposes) in overseas markets)	2,363.5	20%	-	-	-	-	-	N/A
to foster our biopharmaceutical R&D ecosystem by making minority investments in domestic and overseas companies with innovative business models and growth potential, such as biotech companies, healthcare IT companies, hospitals, medical device and diagnostic research companies	-	-	296.7	20%	296.7	-	-	N/A
to repay certain of our outstanding borrowings as of May 31, 2020	1,181.7	10%	1,181.7	10%	1,181.7	-	-	N/A
to repay certain of our outstanding borrowings as of June 30, 2024	-	-	-	-	-	-	1,181.7	60 months from the date of approval by the EGM

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Net proceeds utilized as at the date of this announcement	Net proceeds unutilized as at the date of this announcement	Balance of unutilized net proceeds after Further Change in Use of Proceeds from H Shares Offering	Expected timeframe for utilizing the remaining unutilized net proceeds
	<i>Approximate HK\$ million</i>	<i>Approximate percentage</i>	<i>Approximate HK\$ million</i>	<i>Approximate percentage</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	<i>Approximate HK\$ million</i>	
to develop advanced technologies to enhance the quality and efficiency of our comprehensive service offerings, such as cloud-based virtual clinical trial platforms and laboratory automation, medical data platforms and site management capabilities, through recruiting qualified technical and scientific professionals and undertaking specific R&D projects	590.9	5%	590.9	5%	590.9	-	-	N/A
to working capital and general corporate purposes	1,181.7	10%	1,181.7	10%	748.4	433.3	1,024.15	60 months from the date of approval by the EGM
<b>Total</b>	<b>11,817.4</b>	<b>100%</b>	<b>9,572.4</b>	<b>100%</b>	<b>4,654.7</b>	<b>4,917.7</b>	<b>4,917.7</b>	

Save as disclosed in this announcement, there are no other changes in the use of remaining unutilized net proceeds.

## **REASONS FOR AND BENEFITS OF FURTHER CHANGE IN USE OF NET PROCEEDS FROM THE H SHARES OFFERING**

The planned use of proceeds from H Shares Offering as disclosed in the Prospectus was based on the best estimation made by the Group in relation to the then prevailing and future market conditions as at the latest practicable date of the Prospectus. In this connection, the Board evaluates the trends with the global and local economic conditions from time to time to determine the most effective and efficient use of the net proceeds.

Further Change in Use of Proceeds from H Shares Offering will enable the Company to better allocate its financial resources to opportunities that could drive sustainable growth for the Group and deliver returns to shareholders of the Company (the “**Shareholders**”) in the near future. The Board is of the view that Further Change in the Use of Proceeds from H Shares Offering, and the reallocation of the net proceeds for (i) the expansion and enhancement of clinical trial solutions and clinical-related services; (ii) the repayment of bank loans, which can increase the efficiency of the use of funds, reduce finance costs and increase the level of net profit margins; and (iii) working capital and general corporate purposes, which will enhance the Group's financial management flexibility. The Board confirms that there is no material change in the business nature of the Company as set out in the Prospectus, and considers that the above changes in use of net proceeds are in the best interests of the Company and its Shareholders as a whole.

## **OTHER MATTERS**

According to the articles of association of the Company and the relevant laws and regulations, the proposed Further Change in Use of Proceeds from H Shares Offering is subject to the approval of the Shareholders by way of an ordinary resolution at the general meeting of the Company. The Board has resolved at the tenth meeting of the fifth session of the Board convened on August 28, 2024, that an ordinary resolution to consider and approve the Further Change in Use of Proceeds from H Shares Offering and to permit the Board to authorize the Company’s management to do such related matters will be proposed at the EGM in due course. A circular containing, among other things, the details of the resolution in respect of the Further Change in Use of Proceeds from H Shares Offering and a notice of EGM will be published on the websites of the Company and the Stock Exchange in due course.

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

Hong Kong, August 28, 2024

*As at the date of this announcement, the executive Directors are Dr. Ye Xiaoping, Ms. Cao Xiaochun, Mr. Wu Hao and Mr. Wen Zengyu; the independent non-executive Directors are Mr. Liu Kai Yu Kenneth, Mr. Yuan Huagang and Ms. Liu Yuwen.*