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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 THE CHANGE IN USE OF PROCEEDS FROM H SHARES OFFERING

References are made to the prospectus of Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (the “**Company**”) dated July 28, 2020 (the “**Prospectus**”) in relation to the net proceeds from global offering of the Company (the “**Global Offering**”), the announcement of the Company dated August 6, 2020 in relation to the offer price and allotment results of the Global Offering, the announcement of the Company dated August 31, 2020 in relation to the full exercise of the over-allotment option and the interim report of the Company for the six months ended June 30, 2021 (the “**2021 Interim Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Prospectus and the 2021 Interim Report.

The board of directors (the “**Board**”) of the Company hereby announces that at the twenty-second meeting of the fourth session of the Board convened on March 28, 2022, the Board considered and approved the proposal on change in use of proceeds from the Global Offering.

CHANGE IN USE OF NET PROCEEDS

As set out in the 2021 Interim Report, after deducting the underwriting commission and other estimated expenses payable by the Company in connection with the global offering of the Company, the total net proceeds of HK\$11,817.4 million from the issue of H Shares by the Company in its listing on the Stock Exchange consists of approximately HK\$10,251.0 million of net proceeds received prior to the exercise of the over-allotment option and the additional net proceeds of approximately HK\$1,566.4 million from the issue of over-allotment H Shares.

As at the date of this announcement, approximately HK\$4,585.0 million of the net proceeds has been utilized and approximately HK\$7,232.4 million has not been utilized. Details of the original allocation of net proceeds, the revised allocation of the net proceeds, the utilized net proceeds as at the date of this announcement and the expected timeline for utilizing the remaining unused net proceeds are set out as follows:

	Original use of proceeds as stated in the Prospectus ⁽¹⁾ <i>HK\$ million</i>	Revised use of proceeds <i>HK\$ million</i>	Actual use of proceeds as at the date of this announcement <i>HK\$ million</i>	Net proceeds unutilized as at the date of this announcement <i>HK\$ million</i>	Expected timeframe for utilizing the remaining unutilized net proceeds
approximately 15% 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	–	178.2	1,594.4	N/A
approximately 15% 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 <u>in overseas markets in both domestic and overseas markets</u>	–	1,594.4	N/A	N/A	36 to 48 months from the Listing
approximately 40% 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	–	–	4,727.0	N/A
approximately 40% to fund potential acquisitions of attractive overseas clinical CROs that are complementary to our existing businesses as part of our global expansion plan <u>attractive domestic and overseas clinical CROs that are complementary to our existing businesses as part of our growth strategies to 1) further strengthen and diversify our service offerings and 2) expand globally and increase capabilities in key markets</u>	–	4,727.0	N/A	N/A	36 to 60 months from the Listing

	Original use of proceeds as stated in the Prospectus ⁽¹⁾ <i>HK\$ million</i>	Revised use of proceeds <i>HK\$ million</i>	Actual use of proceeds as at the date of this announcement <i>HK\$ million</i>	Net proceeds unutilized as at the date of this announcement <i>HK\$ million</i>	Expected timeframe for utilizing the remaining unutilized net proceeds
approximately 20% 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) HK1,418.1 million (representing 60% of the net proceeds for investment purposes) in the PRC and HK\$945.4 million (representing 40% of the net proceeds for investment purposes) in overseas markets	2,363.5	–	2,066.8	296.7	N/A
approximately 20% to foster our biopharmaceutical R&D ecosystem by making minority investments in <u>domestic and overseas</u> companies with innovative business models and growth potential, such as biotech companies, healthcare IT companies, hospitals, medical device and diagnostic research companies.	–	296.7	N/A	N/A	36 to 48 months from the Listing
approximately 10% to repay certain of our outstanding borrowings as of May 31, 2020	1,181.7	N/A	1,181.7	–	–

	Original use of proceeds as stated in the Prospectus ⁽¹⁾ <i>HK\$ million</i>	Revised use of proceeds <i>HK\$ million</i>	Actual use of proceeds as at the date of this announcement <i>HK\$ million</i>	Net proceeds unutilized as at the date of this announcement <i>HK\$ million</i>	Expected timeframe for utilizing the remaining unutilized net proceeds
approximately 5% 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	N/A	409.9	181.0	12 to 36 months from the Listing
approximately 10% to working capital and general corporate purposes	1,181.7	N/A	748.4	433.3	–
Total	11,817.4	N/A	4,585.0	7,232.4	

Save as disclosed in the table above, there are no other changes in the intended use of unutilized net proceeds.

Reasons for and Benefits of Change in use of Net Proceeds

The planned use of proceeds from the Global 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.

This 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 in the near future. The Board considers that the proposed changes will help the Company better seize domestic market opportunities, which is in line with the future growth strategies of the Company; and assess overseas opportunities in a prudent manner while the ongoing COVID-19 pandemic continues to negatively affect cross-border travels.

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 change in the use of proceeds from H Shares offering is subject to the approval of the shareholders of the Company (the “**Shareholders**”) by way of an ordinary resolution at the general meeting of the Company. The Board has resolved at the twenty-second meeting of the fourth session of the Board convened on March 28, 2022, that an ordinary resolution to consider and approve the 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 forthcoming annual general meeting of the Company (the “**Annual General Meeting**”) in due course. A circular containing, among other things, the details of the resolution in respect of the change in use of proceeds from H Shares offering and a notice of Annual General Meeting will be despatched to the Shareholders in due course.

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

Hong Kong, March 28, 2022

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