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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 2022 SHARE APPRECIATION INCENTIVE SCHEME**

This announcement is made by the Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (the “**Company**”) pursuant to Rule 13.09(2)(a) and Rule 13.10B of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)(as defined in the Listing Rules).

### **BACKGROUND**

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 adoption of the 2022 share appreciation incentive scheme of the Company (the “**2022 Share Appreciation Scheme**”). The 2022 Share Appreciation Scheme shall take effect upon the approval of the shareholders of the Company (the “**Shareholders**”) at the general meeting of the Company. A circular containing further details of the 2022 Share Appreciation Scheme will be despatched to the Shareholders as soon as practicable.

### **1. Proposed adoption of 2022 Share Appreciation Scheme**

A summary of the principal terms of the 2022 Share Appreciation Scheme is set out below.

Incentive Instrument:

Under the 2022 Share Appreciation Scheme, share appreciation rights are used as the incentive instrument. Each share appreciation right granted to the incentive participants (“**Incentive Participants**”) hereunder entitles him/her to obtain the gains from the appreciation (which is the excess of the market price over the exercise price on the exercise date) of one H share of the Company (“**H Share**”) on the exercise date during the effective period of the 2022 Share Appreciation Scheme, subject to the satisfaction of the effective conditions and effective arrangements. The gains will be paid by the Company in cash.

Effective date of the 2022 Share Appreciation Scheme:	The date on which the 2022 Share Appreciation Scheme is approved by the Shareholders at the general meeting of the Company
Validity period of the 2022 Share Appreciation Scheme:	From the date of grant of share appreciation rights to the date of completion of exercise of all share appreciation rights, which shall not be longer than ten (10) years
Incentive Participants:	Not more than 90 members of the senior-level management, core technicians or core business employees who have employment or labor service relationships with the Company's overseas subsidiaries. The above participants exclude any independent non-executive directors of the Company, Supervisors, the shareholders or the de-facto controllers who hold 5% or above of the shares (“shares”) of the listed company individually or jointly and their spouses, parents, children. The number of share appreciation rights to be granted to any Incentive Participants under the 2022 Share Appreciation Scheme will not exceed 1% of the total share capital of the Company at the time of submission of the 2022 Share Appreciation Scheme for consideration at the general meeting of the Company.
Limit of share appreciation rights to be granted:	Not more than 449,900 share appreciation rights, amounting to 0.0516% of the total share capital of the Company as at the date of this announcement.
Official date of grant:	As determined by the Board and informed to the Incentive Participants, which must be a trading day.
Conditions for the grant and exercise of the share appreciation rights:	<p>The Company may grant exercise rights of share appreciation rights to the Incentive Participants upon satisfaction of the following conditions by the Company and the Incentive Participants:</p> <p>(A) None of the following circumstances has occurred to the Company:</p> <ol style="list-style-type: none"> <li>1. issue of the Company's financial and accounting report for the most recent accounting year in which a certified public accountant gives an adverse opinion or indicates the inability to give an opinion;</li> <li>2. issue of the Company's financial internal control report for the most recent accounting year in which a certified public accountant gives an adverse opinion or indicates the inability to give an opinion;</li> </ol>

3. the Company has distributed profit in violation of the laws and regulations, articles of associations of the Company or public undertakings within the most recent 36 months after listing;
4. the implementation of the 2022 Share Appreciation Scheme is prohibited by the laws and regulations;
5. other circumstances as determined by the the China Securities Regulatory Commission (the “CSRC”); and

(B) None of the following circumstances has occurred to the Incentive Participant:

1. such Incentive Participants is deemed as an inappropriate candidate by the relevant stock exchange in the most recent 12 months;
2. such Incentive Participants is deemed as an inappropriate candidate by the CSRC or its agency authorities in the most recent 12 months;
3. such Incentive Participants has been imposed administrative penalties or is banned from the securities market by the CSRC or its agency authorities due to material non-compliance of laws and regulations in the most recent 12 months;
4. occurrence of circumstances under which such Incentive Participants is prohibited from acting as a director or member of the senior management of a company, as stipulated in the PRC Company Law;
5. such Incentive Participants is prohibited by the law from participating in share incentive scheme of listed companies; and
6. other circumstances as determined by the CSRC.

Exercise price:

The exercise price shall be the highest of the following:

1. the closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant;
2. the average closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange for five consecutive trading days prior to the date of grant; and
3. the par value of the H Share.

Performance-based conditions:

Under the 2022 Share Appreciation Scheme, the performance indicators of the Company for the three accounting years from 2022 to 2025 will be evaluated on an annual basis and the fulfilment of the performance indicators will be taken as the vesting condition for the Incentive Participants in respective years. The performance indicators for each year are as follows:

<b>Vesting Period</b>	<b>Performance indicators</b>
First vesting period	The growth rate of the net profits for 2022 is not less than 40.00% as compared with the net profits for 2021
Second vesting period	The growth rate of the net profits for 2023 is not less than 75.00% as compared with the net profits for 2021
Third vesting period	The growth rate of the net profits for 2024 is not less than 105.00% as compared with the net profits for 2021

Notes:

- (1) The above-mentioned “net profits” represents the audited net profits (net of non-recurring profits and losses) attributable to the shareholders of the listed company and is calculated on the basis of excluding the net profits of share-based payment expenses incurred by the Company in implementing the share incentive scheme and employee share ownership plan.
- (2) The above assessment objectives will not constitute the performance forecast and substantial commitment of the Company to investors.

The assessment of the Incentive Participants at individual level shall be conducted according to the Company's current requirements for remuneration and assessment which may affect the actual vesting amount for the respective year for such participant. The share appreciation rights that are not exercisable due to the unfulfillment of the vesting conditions shall not be vested and shall lapse automatically.

No Incentive Participants actually hold Shares or have any rights that Shareholders have, such as voting right, allotment and dividend right, dividend right. Incentive Participants shall not, without approval, dispose of share appreciation rights, including but not limited to by way of transfer, sale, exchange, mortgage, guarantee, and repayment of debts etc. Incentive Participants shall refrain from any act that may damage the interests of the Company, including gross misconduct, major decision-making errors leading to material losses of the Company, and violations of the aforesaid restrictions on the disposal of share appreciation rights; the Incentive Participants will not be entitled to share appreciation rights and gains thereon in whole or in part upon the occurrence of such acts, and the gains on share appreciation rights obtained on the exercise during this period shall be recoverable by the Company.

Exercise arrangements:

If the above performance conditions are met, the share appreciation rights granted to the Incentive Participants shall be exercised in accordance with the following principles:

	Vesting Date	Exercisable period	Exercise Percentage
First batch of exercise	15 months after the official date of grant	Within 15 months after the vesting date of the first batch of exercise	30%
Second batch of exercise	30 months after the official date of grant	Within 15 months after the vesting date of the second batch of exercise	30%
Third batch of exercise	45 months after the official date of grant	Within 15 months after the vesting date of the third batch of exercise	40%

Procedures for change of the  
2022 Share Appreciation  
Scheme:

1. If the Company intends to change the 2022 Share Appreciation Scheme before it is considered by the general meeting, such change is subject to the consideration and approval by the Board.
2. If the Company intends to change the 2022 Share Appreciation Scheme after it is considered and approved by the general meeting, such change shall be proposed to the general meeting for consideration and announced in a timely manner, but shall not include the following circumstances:
  - (1) Circumstances leading to accelerated exercise/early exercise;
  - (2) Circumstances leading to declined exercise price (exclusive of capitalization issue, bonus issue and rights issue).
3. Independent non-executive directors and the board of supervisors of the Company shall express independent opinions on whether the changed scheme is conducive to the development of the Company on an on-going basis and whether there is any obvious damage to the interests of the Company and Shareholders as a whole. The law firm shall express professional opinions on whether the changed scheme complies with the provisions of relevant laws and regulations and whether there is any obvious damage to the interests of the Company and Shareholders as a whole.

Procedures for termination of the  
2022 Share Appreciation  
Scheme:

1. If the Company intends to terminate the 2022 Share Appreciation Scheme before it is considered by the general meeting, such termination is subject to the consideration and approval by the Board.
2. If the Company intends to terminate the 2022 Share Appreciation Scheme after it is considered and approved by the general meeting, such termination is subject to the consideration and approval by the general meeting.
3. The law firm shall express professional opinions on whether the termination of incentive by the listed company complies with the provisions of relevant laws and regulations and whether there is any obvious damage to the interests of the listed company and shareholders as a whole.

## 2. Reasons for the adoption of the 2022 Share Appreciation Scheme

The purposes of the 2022 Share Appreciation Scheme are to further establish and improve the long-term incentive mechanism of the Company, attract and retain outstanding talents, fully motivate the employees of the Company and effectively integrate the interests of Shareholders and the Company and individual interests of the core team members so that all parties will make joint efforts for the long-term development of the Company.

## 3. Implications of the Listing Rules

Pursuant to the 2022 Share Appreciation Scheme, the Incentive Participants will be granted certain share appreciation rights. Each unit of share appreciation right is notionally linked to one H Share and represents the rights conferred to the relevant Incentive Participant to receive in cash stipulated earnings from the increase in market share price of the relevant H Share. However, no H Shares will actually be issued to any Incentive Participants. The 2022 Share Appreciation Scheme does not involve the grant of options over new Shares or other new securities issuable by the Company (or any of its subsidiaries) and therefore, it does not fall within the ambit of, and is not subject to, the regulations of Chapter 17 of the Listing Rules.

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.*

*This announcement was originally prepared in English. In the event of discrepancies between the Chinese and English version, the English version shall prevail.*