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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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO FORMATION OF PARTNERSHIP**

### **FORMATION OF PARTNERSHIP**

On October 20, 2020, Tigermed Equity, a wholly-owned subsidiary of the Company, Walvax, and Qiaoxin Equity, as Limited Partners, entered into the Partnership Agreement with Huaijin Investment, as General Partner, in relation to the formation of the Partnership. The total capital contribution by all Partners under the Partnership Agreement shall be RMB832 million, of which Tigermed Equity shall contribute RMB600 million.

The objective of the Partnership is to invest in companies in the bio-pharmaceutical, bio-technology, medical health and related industries.

### **LISTING RULES IMPLICATION**

As the highest applicable percentage ratio in respect of the Company's investment in the Partnership exceeds 5% and is less than 25%, the entering into of the Partnership Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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## PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are summarized as follows:

Date	October 20, 2020
Parties	(i) Huaijin Investment (as General Partner); (ii) Tigermed Equity (as Limited Partner); (iii) Walvax (as Limited Partner); and (iv) Qiaoxin Equity (as Limited Partner)
Name of the Partnership	蘇州泰福懷謹創業投資合夥企業(有限合夥) (Suzhou Taifu Huaijin Venture Capital Partnership (Limited Partnership)*), final name registered with the Administration for Industry and Commerce shall prevail
Objective of the Partnership	Equity investment in companies in the bio-pharmaceutical, bio-technology, medical health and related industries
Capital Contribution	<p>The total capital contribution by the Partners under the Partnership Agreement shall be RMB832 million. Huaijin Investment, Tigermed Equity, Walvax and Qiaoxin Equity shall contribute RMB2 million, RMB600 million, RMB200 million, and RMB30 million, respectively.</p> <p>The capital contribution to be made by Tigermed Equity will be funded by the Group's internal resources.</p>
Term of the Partnership	The Partnership shall have a term of ten years from the first phase of capital contribution (the " <b>First Phase Contribution</b> ") closing date unless wound up or dissolved sooner in accordance with the provisions of the Partnership Agreement. The first four years of the Partnership shall be the investment period (the " <b>Investment Period</b> ") and the subsequent four years shall be the management period (the " <b>Management Period</b> "). The last two years will be the exit period (the " <b>Exit Period</b> "). Subject to the approval by the Consultation Committee, the Exit Period may be extended once for not more than one year per extension (the " <b>Extension</b> ").
Management of the Partnership	Huaijin Investment as the General Partner and Executive Partner of the Partnership, is responsible for the day-to-day operation and management of the Partnership. The Partners have agreed to appoint a Manager to provide investment management service.

Consultation Committee	<p>Consultation committee will comprise two members appointed by General Partner (the “<b>Consultation Committee</b>”). The Consultation Committee shall approve matters or make suggestion to General Partner regarding those should be discussed and approved by the Consultation Committee according to the Partnership Agreement. Without the approval of the Consultation Committee, the proportion of the Partnership’s investment in a single invested entity shall not exceed 15% of the total capital contribution subscribed by Partners at that time, except for the establishment of a special purpose company or sub-fund for the purpose of investment.</p>
Investment Committee	<p>Investment decisions of the Partnership shall be made by an investment committee (the “<b>Investment Committee</b>”) comprising three members all of whom will be appointed by the Manager. The Investment Committee will be responsible for reviewing and determining the investment plan. Any investment and exit shall be executed by the Executive Partner and has to be passed by voting of all members of the Investment Committee.</p>
Management Fee	<p>The Partnership shall pay annual management fees in an amount equal to 2% of the subscribed total capital contribution of the Partnership to the Manager during the Investment Period and Management Period. No management fees shall be paid during the Exit Period.</p>
Distribution of Profit and Asset	<p>Investment profit shall be distributed within three months after realization of the investment in the following order:</p> <ol style="list-style-type: none"> <li>(1) to all the Limited Partners according to their respective contributed capital portion until they recover all their contributed capital;</li> <li>(2) to the General Partner according to its contributed capital portion until it recovers all its contributed capital;</li> <li>(3) to all the Limited Partners according to their respective contributed capital portion until the cumulative amount received by all such Limited Partners reaches an amount equivalent to the threshold return calculated based on a single interest of 8% per annum on their contributed capital (the “<b>Threshold Return</b>”). The Threshold Return shall be calculated from the day immediately following each payment date of such partner’s contributed capital to the corresponding exited investment project to the date of such partner’s recovery of such portion of contributed capital;</li> <li>(4) to the General Partner until the cumulative amount received by the General Partner reaches an amount equivalent to the above Threshold Return divided by 80% then multiplied by 20%;</li> <li>(5) 80% of any remaining profit shall be distributed to the Limited Partners according to their respective contributed capital portion while 20% of any remaining profit shall be distributed to the General Partner.</li> </ol>

Although the General Partner should use its best endeavors to avoid distribution through non-cash methods prior to the dissolution of the Partnership, if the General Partner believes it is for the better interest of Partners as a whole, subject to the approval of the Partners' meeting, the Partnership may carry out distribution by way of distributing publicly tradable securities to Partners. After the liquidation of the Partnership, the General Partner may distribute securities with limited liquidity or any other non-cash assets.

Loss and Debt Sharing      The Limited Partners shall be liable for the debts of the Partnership up to the amount of their respective capital contribution. The General Partner shall have unlimited liability for the debts of the Partnership.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT**

Together with the advantage of the Company in the field of clinical pharmaceutical research, the Company will be able to broaden its investment channel and obtain investment returns through the investment in the Partnership. The cooperation will also improve the comprehensive service capacity of the Company and bring quality project reserve for the Company. The Directors believe that such investment complements the Company's investment strategy in biotechnology and related industries.

The terms of the Partnership Agreement, including the capital contribution by each of the Partners, were negotiated and achieved at arm's length basis, with reference to, among others, the capital requirements of the Partnership. The Directors are of the view that the terms of the Partnership Agreement are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY AND THE GROUP**

Tigermed Equity is a wholly-owned subsidiary of the Company principally engaged in investment management. The Company 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 Group is a leading China-based provider of comprehensive biopharmaceutical research and development services, with an expanding global presence.

## **INFORMATION ON THE OTHER PARTIES**

The Partnership is a limited partnership to be established under the law of the PRC. As it is to be established, neither financial information nor past performance of the Partnership is presented in this announcement.

Huaijin Investment is a limited partnership established in the PRC with limited liability and is principally engaged in the businesses of investment, investment management and asset management.

Walvax is a company incorporated in the PRC with limited liability and is principally engaged in the businesses of research and development of biochemical reagent; introduction, cooperation and development of biological projects; research and development of technical service for bio-technology related projects; import and export of biological product, biopharmaceuticals and related materials; import and export of technology.

Qiaoxin Equity is a limited partnership established in the PRC with limited liability and is principally engaged in the businesses of equity investment and related consulting service.

The Manager is a limited liability company registered in the PRC as a private equity fund manager under the China Securities Investment Fund Association (中國證券投資基金業協會). The Manager is principally engaged in fund management.

To the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, Huaijin Investment, Walvax, Qiaoxin Equity, the Manager and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Company's investment in the Partnership exceeds 5% and is less than 25%, the entering into of the Partnership Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Board”	the board of Directors
“China” or “PRC”	the People's Republic of China
“Company”	Hangzhou Tigermed Consulting Co., Ltd., a joint stock company incorporated in the PRC, the H shares (foreign listed shares with a par value of RMB1 each) of which are listed on the Stock Exchange with stock code: 3347, the A shares (domestic listed shares with a par value of RMB1 each) of which are listed on the Shenzhen Stock Exchange with stock code: 300347
“Directors”	the director(s) of the Company from time to time
“Executive Partner”	the executive partner of the Partnership, namely Huaijin Investment
“General Partner”	the general partner of the Partnership under the Partnership Agreement, namely Huaijin Investment
“Group”	the Company and its subsidiaries
“Huaijin Investment”	Suzhou Huaijin Investment Management Partnership (Limited Partnership)* (蘇州懷謹投資管理合夥企業(有限合夥))

“Limited Partner(s)”	the limited partners of the Partnership under the Partnership Agreement, namely Tigermed Equity, Walvax and Qiaoxin Equity
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Manager”	Shanghai TF Venture Capital Management Co., Ltd (上海泰甫創業投資管理有限公司)
“Partnership Agreement”	the partnership agreement dated October 20, 2020 and entered into by and between Tigermed Equity, Walvax, Qiaoxin Equity and Huaijin Investment, pursuant to which the Partnership will be established.
“Partnership”	the limited partnership to be established in the PRC pursuant to the terms of Partnership Agreement
“Partner(s)”	the General Partner and Limited Partners
“percentage ratio”	has the same meaning as ascribed to it under the Listing Rules
“Qiaoxin Equity”	Ningbo Qiaoxin Equity Investment Partnership (Limited Partnership)* (寧波喬欣股權投資合夥企業(有限合夥))
“RMB”	Renminbi, the lawful currency in the PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Tigermed Equity”	Hangzhou Tigermed Equity Investment Partnership (Limited Partnership)* (杭州泰格股權投資合夥企業(有限合夥)), a partnership with limited liability established in the PRC and a wholly-owned subsidiary of the Company
“Walvax”	Walvax Biotechnology Co., Ltd. (雲南沃森生物技術股份有限公司), a company listed on the Shenzhen Stock Exchange with stock code: 300142
“%”	per cent

\* For identification purpose only

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

Hong Kong, October 20, 2020

*As at the date of this announcement, the executive Directors of the Company 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.*