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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult the registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hangzhou Tigermed Consulting Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, registered dealer in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.



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)

- (1) ANNUAL REPORT FOR 2021;
- (2) REPORT OF THE BOARD FOR 2021;
- (3) REPORT OF THE SUPERVISORY COMMITTEE FOR 2021;
- (4) PROFIT DISTRIBUTION PLAN FOR 2021;
- (5) FINAL FINANCIAL REPORT FOR 2021;
- (6) APPOINTMENT OF DOMESTIC AND OVERSEAS AUDITORS OF THE COMPANY FOR 2022;
- (7) PROPOSED APPLICATION TO THE BANK FOR THE INTEGRATED CREDIT FACILITY;
- (8) PROPOSED PURCHASE OF SHORT-TERM BANK PRINCIPAL-GUARANTEED WEALTH MANAGEMENT PRODUCTS WITH SELF-OWNED IDLE FUNDS;
- (9) PROPOSED CHANGE IN USE OF PROCEEDS FROM H SHARES OFFERING;
- (10) PROPOSED ADOPTION OF THE EMPLOYEE SHARE OWNERSHIP PLAN AND ITS SUMMARY;
- (11) PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE EMPLOYEE SHARE OWNERSHIP PLAN;
- (12) PROPOSED AUTHORIZATION FOR THE BOARD TO HANDLE MATTERS IN RELATION TO THE EMPLOYEE SHARE OWNERSHIP PLAN;
- (13) PROPOSED ADOPTION OF THE 2022 SHARE APPRECIATION SCHEME;
- (14) PROPOSED AUTHORIZATION FOR THE BOARD TO HANDLE MATTERS IN RELATION TO THE 2022 SHARE APPRECIATION SCHEME;
- (15) PROPOSED PARTIAL REPURCHASE AND CANCELLATION OF THE 2019 RESTRICTED A SHARES;
- (16) PROPOSED CHANGE OF THE REGISTERED CAPITAL OF THE COMPANY;
- (17) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (18) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD FOR THE ISSUANCE OF H SHARES;
- (19) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO REPURCHASE H SHARES;
- AND
- (20) NOTICE OF 2021 ANNUAL GENERAL MEETING AND NOTICE OF THE 2022 FIRST H SHARE CLASS MEETING

All capitalised terms used in this circular have the meanings set out in the section headed "Definitions" of this circular. A letter from the Board is set out on pages 5 to 46 of this circular.

The Company will convene the AGM at 10:00 a.m. and H Share Class Meeting after the conclusion of AGM and the A Share Class Meeting, or any adjournment thereof, on Friday, May 20, 2022 at the Meeting Room, 18/F, Shengda Science Park Tower A, No. 19 Jugong Road, Binjiang District, Hangzhou, the PRC. The Notice of the AGM is set out on pages 176 to 178 of this circular and the Notice of H Share Class Meeting is set out on pages 179 to 180 of this circular.

The forms of proxy for use at the AGM and the H Share Class Meeting respectively were published on the website of the Stock Exchange at <http://www.hkexnews.hk> on April 28, 2022. If you intend to appoint a proxy to attend the AGM and/or H Share Class Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM and/or H Share Class Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the AGM and/or H Share Class Meeting and voting in person if you so wish.

April 28, 2022

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix I (A) – Report of the Board for 2021	47
Appendix I (B) – Duty Report of Independent Directors for 2021	62
Appendix II – Report of the Supervisory Committee for 2021	74
Appendix III – Final Financial Report for 2021	80
Appendix IV – Employee Share Ownership Plan	90
Appendix V – Administrative Measures for the Employee Share Ownership Plan	125
Appendix VI – 2022 Share Appreciation Scheme	149
Appendix VII – Explanatory Statement	172
Notice of 2021 Annual General Meeting	176
Notice of the 2022 First H Share Class Meeting	179

DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:

“2022 Share Appreciation Scheme”	the 2022 H Share Appreciation Incentive Scheme of Hangzhou Tigermed Consulting Co., Ltd. (Draft) to be proposed for adoption by the Company at the AGM;
“Administrative Measures for the Employee Share Ownership Plan”	the Administrative Measures for the 2022 A Share Employee Share Ownership Plan of Hangzhou Tigermed Consulting Co., Ltd. (revised draft) to be proposed for adoption by the Company at the AGM;
“A Share(s)”	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited in Renminbi and are listed for trading on Shenzhen Stock Exchange;
“A Share Class Meeting”	the A Share Class Meeting of the Company to be held on Friday, May 20, 2022 at the Meeting Room, 18/F, Shengda Science Park Tower A, No. 19 Jugong Road, Binjiang District, Hangzhou, the PRC after the conclusion of AGM, or any adjournment thereof;
“AGM”	the annual general meeting or any adjournment thereof of the Company to be held at 10:00 a.m. on Friday, May 20, 2022 at the Meeting Room, 18/F, Shengda Science Park Tower A, No. 19 Jugong Road, Binjiang District, Hangzhou, the PRC;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board”	the board of Directors of the Company;
“Class Meetings”	the A Share Class Meeting and H Share Class Meeting;
“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 Stock Exchange (stock code: 3347);
“Company Law”	Company Law of the People’s Republic of China;

DEFINITIONS

“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules;
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the directors of the Company;
“Employee Share Ownership Plan”	the 2022 A Share Employee Share Ownership Plan (Revised Draft) of Hangzhou Tigermed Consulting Co., Ltd. to be proposed for adoption by the Company at the AGM;
“Global Offering”	the global offering of the Company;
“Group”	the Company and its subsidiaries;
“H Share(s)”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong Dollars and are listed on the Stock Exchange;
“H Share Class Meeting”	the H Share Class Meeting of the Company to be held on Friday, May 20, 2022 at the Meeting Room, 18/F, Shengda Science Park Tower A, No. 19 Jugong Road, Binjiang District, Hangzhou, the PRC, after the conclusion of AGM and the A Share Class Meeting, or any adjournment thereof;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Incentive Scheme (Draft)”	2019 Restricted Share Incentive Scheme (Draft) of Hangzhou Tigermed Consulting Co., Ltd.;
“Independent non-executive Directors”	the independent non-executive Directors of the Company;
“Latest Practicable Date”	April 26, 2022, being the latest practicable date before the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Management Committee”	the management committee of the Employee Share Ownership Plan is formed upon election at the Holders’ meeting to perform the daily management duties of the Employee Share Ownership Plan in accordance with the provisions of the Employee Share Ownership Plan;
“Mandatory Provisions”	the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》);
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Prospectus”	the prospectus issued by the Company dated July 28, 2020;
“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the Board;
“Reporting Period”, “This Year”	for the year ended December 31, 2021;
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution(s) approving the repurchase mandate at the AGM and Class Meetings, (i) the grant of a conditional general mandate to the Board to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value of not exceeding 10% of the aggregate nominal value of H Shares in issue as at the date of passing of such special resolution(s); and (ii) the authorization to the Board to do all such deeds, acts, matters and things necessary or desirable for the purpose of or in connection with the exercise of the general mandate to repurchase H Shares, including, among others, to amend the Articles of Association and to cancel the H Shares repurchased upon the exercise of such general mandate;
“Reserved Shares”	the reserved Shares of 50,000 A Shares of the Company held under Employee Share Ownership Plan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SAFE”	State Administration of Foreign Exchange of the PRC;

DEFINITIONS

“Securities Law”	Securities Law of the People’s Republic of China;
“Share(s)”	ordinary shares 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);
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange (SZSE);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisory Committee”	the supervisory committee of the Company;
“%”	percentage.

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. Ye Xiaoping (*Chairman*)
Ms. Cao Xiaochun
Ms. Yin Zhuan
Mr. Wu Hao

Independent Non-executive Directors:

Mr. Zheng Bijun
Dr. Yang Bo
Mr. Liu Kai Yu Kenneth

Registered Office:

Room 2001-2010
20/F, Block 8
No. 19 Jugong Road
Xixing Sub-District
Binjiang District
Hangzhou, the PRC
Postal Code: 310051

Principal Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Hong Kong, April 28, 2022

To the Shareholders

Dear Sir or Madam,

- (1) ANNUAL REPORT FOR 2021;
- (2) REPORT OF THE BOARD FOR 2021;
- (3) REPORT OF THE SUPERVISORY COMMITTEE FOR 2021;
- (4) PROFIT DISTRIBUTION PLAN FOR 2021;
- (5) FINAL FINANCIAL REPORT FOR 2021;
- (6) APPOINTMENT OF DOMESTIC AND OVERSEAS AUDITORS OF THE COMPANY FOR 2022;
- (7) PROPOSED APPLICATION TO THE BANK FOR THE INTEGRATED CREDIT FACILITY;
- (8) PROPOSED PURCHASE OF SHORT-TERM BANK PRINCIPAL-GUARANTEED WEALTH MANAGEMENT PRODUCTS WITH SELF-OWNED IDLE FUNDS;
- (9) PROPOSED CHANGE IN USE OF PROCEEDS FROM H SHARES OFFERING;
- (10) PROPOSED ADOPTION OF THE EMPLOYEE SHARE OWNERSHIP PLAN AND ITS SUMMARY;
- (11) PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE EMPLOYEE SHARE OWNERSHIP PLAN;
- (12) PROPOSED AUTHORIZATION FOR THE BOARD TO HANDLE MATTERS IN RELATION TO THE EMPLOYEE SHARE OWNERSHIP PLAN;

LETTER FROM THE BOARD

- (13) PROPOSED ADOPTION OF THE 2022 SHARE APPRECIATION SCHEME;
- (14) PROPOSED AUTHORIZATION FOR THE BOARD TO HANDLE MATTERS IN RELATION TO THE 2022 SHARE APPRECIATION SCHEME;
- (15) PROPOSED PARTIAL REPURCHASE AND CANCELLATION OF THE 2019 RESTRICTED A SHARES;
- (16) PROPOSED CHANGE OF THE REGISTERED CAPITAL OF THE COMPANY;
- (17) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (18) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD FOR THE ISSUANCE OF H SHARES;
- (19) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO REPURCHASE H SHARES;
- AND
- (20) NOTICE OF 2021 ANNUAL GENERAL MEETING AND NOTICE OF THE 2022 FIRST H SHARE CLASS MEETING

INTRODUCTION

The purpose of this circular, of which this letter forms a part, is to give you the information about certain proposals to be considered at the AGM and the H Share Class Meeting and set out in the notice of the AGM and the notice of H Share Class Meeting, and to provide you with all reasonable and necessary information to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed on the AGM and the H Share Class Meeting.

At the AGM, the following resolutions will be proposed to consider and approve:

Ordinary Resolutions

- (1) Annual Report for 2021;
- (2) Report of the Board for 2021;
- (3) Report of the Supervisory Committee for 2021;
- (4) Profit Distribution Plan for 2021;
- (5) Final Financial Report for 2021;
- (6) Appointment of Domestic and Overseas Auditors of the Company for 2022;
- (7) Proposed Application to the Bank for the Integrated Credit Facility;
- (8) Proposed Purchase of Short-Term Bank Principal-Guaranteed Wealth Management Products with Self-owned Idle Funds; and
- (9) Proposed Change in Use of Proceeds from H Shares offering;

LETTER FROM THE BOARD

- (10) Proposed adoption of the Employee Share Ownership Plan and its summary;
- (11) Proposed adoption of the Administrative Measures for the Employee Share Ownership Plan;
- (12) Proposed authorization for the Board to handle matters in relation to the Employee Share Ownership Plan;

Special Resolutions

- (13) Proposed adoption of the 2022 Share Appreciation Scheme;
- (14) Proposed authorization for the Board to handle matters in relation to the 2022 Share Appreciation Scheme;
- (15) Proposed Partial Repurchase and Cancellation of the 2019 Restricted A Shares;
- (16) Proposed Change of the Registered Capital of the Company;
- (17) Proposed Amendments to the Articles of Association;
- (18) Proposed Grant of General Mandate to the Board for the Issuance of H Shares; and
- (19) Proposed Grant of General Mandate to the Board to Repurchase H Shares.

At the H Share Class Meeting, the following resolutions will be proposed to consider and approve:

Special Resolutions

- (1) Proposed Partial Repurchase and Cancellation of the 2019 Restricted A Shares;
- (2) Proposed Change of the Registered Capital of the Company; and
- (3) Proposed Grant of General Mandate to the Board to Repurchase H Shares.

I. Annual Report for 2021

An ordinary resolution will be proposed at the AGM to consider and approve Annual Report for 2021, summary of Annual Report for 2021 and announcement on annual results of the Company for the year ended December 31, 2021 published or to be published on the website of the Stock Exchange and the website of Shenzhen Stock Exchange.

LETTER FROM THE BOARD

II. Report of the Board for 2021

An ordinary resolution will be proposed at the AGM to consider and approve the Report of the Board for the year ended December 31, 2021, the full text of which is set out in Appendix I(A) of this circular.

The duty report of independent non-executive Directors for 2021 will be submitted to the AGM for review, but no resolution is required to be made at the AGM. Details of the report are set out in Appendix I(B) of this circular for Shareholders' reference.

III. Report of the Supervisory Committee for 2021

An ordinary resolution will be proposed at the AGM to consider and approve the Report of the Supervisory Committee for the year ended December 31, 2021, the full text of which is set out in Appendix II of this circular.

IV. Profit Distribution Plan for 2021

An ordinary resolution will be proposed at the AGM to consider and approve Profit Distribution Plan for 2021.

Reference is made to the annual result announcement for the year ended December 31, 2021 of the Company dated March 28, 2022 in relation to the proposed distribution of dividends for the year ended December 31, 2021 at RMB5 for every ten Shares (inclusive of tax), totaling approximately RMB433.19 million (inclusive of tax). The above proposal is subject to the conditions set out in this circular.

Considering that the Company's business continues to develop, and its income from main operations maintains steady growth, profits and operating cash flow grow simultaneously, according to the guidance of the CSRC to encourage listed companies to pay cash dividends, and to provide investors with stable and reasonable returns, on the premise of complying with the principle of profit distribution and ensuring the normal operation and long-term development of the Company, in order to better balance the immediate and long-term interests of Shareholders, in accordance with the relevant provisions of the Company Law of the People's Republic of China and the Articles of Association, the following distributions are now proposed:

The Company intends to use the total Share capital on the record date when the 2021 equity distribution plan will be implemented in the future, deducting the share capital of the Company for the Company's repurchase of shares held by the special account as base, and distribute cash dividends to all Shareholders at RMB5 (inclusive of tax) for every ten Shares, with no bonus Shares distributed, and the remaining undistributed profits will be carried forward for distribution in subsequent years. No capitalisation of capital reserve will be made by the Company to all Shareholders. As of the date of this circular, the Company's special account for Share repurchase securities holds 6,052,250 of the Company's Shares. Calculated

LETTER FROM THE BOARD

based on 866,386,114 Shares, being the Company's total Share capital of 872,438,364 Shares minus 6,052,250 repurchased Shares, the total amount of cash dividends is RMB433,193,057.00 (inclusive of tax). The Company will also pay a cash dividend on a pro rata basis (i.e. RMB0.5 per Share) to Shareholders holding odd Shares.

According to the Rules for Share Repurchases by Listed Companies, the amount for repurchased Shares implemented by the Company in 2021 of RMB499,948,805.37 was treated as cash dividend, and the actual cash dividend to be distributed by the Company in 2021 totaled RMB933,141,862.37 (including the amount for repurchased Shares implemented in 2021).

If this proposal is approved at the AGM, dividends will be paid to Shareholders of H Shares listed on the register of members of the Company after the close of the market on the record date, Thursday, May 26, 2022. The register of members of the H Shares of the Company will be closed from Thursday, May 26, 2022 to Monday, May 30, 2022, both days inclusive, during which period no transfer of H Shares shall be effected. For the H Shareholders of the Company who wish to receive the final dividend but have not yet registered the transfer documents, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration on or before 4:30 p.m. on Wednesday, May 25, 2022.

Dividends are denominated and declared in RMB, payable in RMB to Shareholders of A Shares, and HK dollars to Shareholders of H Shares. The actual amount declared in HK dollars is converted based on the average of the central parity rate of RMB against HK dollars announced by the People's Bank of China for the five business days preceding the date of the AGM. After the Company's Profit Distribution Plan for 2021 is considered and approved by the AGM, dividends will be distributed on or around June 20, 2022.

In accordance with the provisions of the Enterprise Income Tax Law of the PRC (the "**EIT law**") and its implementing rules and the requirements under the Notice on the Issues Concerning Withholding the Enterprises Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), non-resident enterprises shall be subject to an applicable tax rate of 10% on its profits generated within the PRC. As such, any H Shares registered in the name of non-individual enterprise, including HKSCC Nominees Limited, other nominees or trustees, or other organizations and groups, shall be deemed to be H Shares held by non-resident enterprise shareholder(s) (as defined in the EIT Law). The Company, after withholding and paying the 10% enterprise income tax, shall distribute dividends to those non-resident enterprise shareholders.

According to "The Notice on the Issues Concerning the Collection and Administration of Individual Income Tax Following the Repeal of Guo Shui Fa (1993) No. 045" (《關於國稅發(1993)045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the State Administration of Taxation of the PRC on June 28, 2011 (the "**Notice**"), when non-foreign invested enterprises

LETTER FROM THE BOARD

of the mainland which are listed in Hong Kong distribute dividends to their overseas residential individual shareholders, the individual shareholders in general will be subject to a withholding tax rate of 10%. However, the income tax rate of each overseas residential individual shareholder shall be different depending on the tax treaties between their residing countries and the PRC. As such, when the dividends are to be distributed to the individual holders of H Shares whose names appeared on the H Shares register of members of the Company on the record date, the Company generally withholds 10% of the final dividends as individual income tax unless otherwise specified by the relevant tax regulations, tax treaties or notices. The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

Profit Distribution to Investors of SZ Northbound Trading

For investors of Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the Shenzhen Stock Exchange (the “**SZ Northbound Trading**”), their dividends will be distributed in RMB by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of SZ Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of SZ Northbound Trading will be the same as those for the holders of A Shares. Please refer to the announcement of the Company that will be published on the websites of the Shenzhen Stock Exchange and on the Stock Exchange as overseas regulatory announcement (in Chinese only) relating to arrangements for dividend distribution to the holders of A Shares for details.

Profit Distribution to Investors of Southbound Trading

For investors of the Shanghai Stock Exchange and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Stock Exchange (the “**Southbound Trading**”), the cash dividends will be paid in RMB. The record date and the date of distribution of dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares of the Company.

Shanghai-Hong Kong Stock Connect: Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》), for dividends received by domestic individual investors from

LETTER FROM THE BOARD

investing in H Shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shenzhen-Hong Kong Stock Connect: Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shareholders are suggested to consult their tax consultants regarding the tax impacts in the PRC, Hong Kong and other countries (regions) for holding and selling the Shares.

V. Final Financial Report for 2021

An ordinary resolution will be proposed at the AGM to consider and approve the Final Financial Report for the year ended December 31, 2021, the full text of which is set out in Appendix III of this circular.

VI. Appointment of Domestic and Overseas Auditors of the Company for 2022

The Board recommends that BDO China Shu Lun Pan Certified Public Accountants LLP be re-appointed as the Company's domestic auditor for 2022, and BDO Limited be re-appointed as the Company's overseas auditor for 2022. Until the conclusion of the next annual general meeting of the Company to be held in 2023, they will provide annual audit reports and interim external review reports on the financial statements of the Group, and provide other professional services according to regulatory requirements and the Company's actual business development needs.

An ordinary resolution will be proposed at the AGM to consider and approve the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's domestic auditor for 2022 and BDO Limited be re-appointed as the Company's overseas auditor for 2022.

LETTER FROM THE BOARD

VII. Proposed Application to the Bank for the Integrated Credit Facility

To supplement the Company's 2022 liquidity needs, the Company intends to apply to the bank for an integrated credit facility of no more than RMB10 billion.

The Company proposes to the Shareholders at the AGM to authorize the legal representative to sign contracts, agreements and other legal documents related to the above-mentioned matters within the scope of the above-mentioned limit and to handle other matters related to the integrated credit facility.

An ordinary resolution will be proposed at the AGM to consider and approve the application for a comprehensive line of credit to the bank, which will not take effect until approval has been obtained from the Shareholders.

VIII. Proposed Purchase of Short-Term Bank Principal-Guaranteed Wealth Management Products with Self-owned Idle Funds

The Company intends to purchase short-term bank principal-guaranteed wealth management products with self-owned idle funds of no more than RMB2 billion. Within the above quota, the funds can be used on a rolling basis within one year. No proceeds raised from the Global Offering will be used to purchase such wealth management products.

An ordinary resolution will be proposed at the AGM to consider and approve the proposed purchase of short-term bank principal-guaranteed wealth management products with self-owned idle funds, which will not take effect until approval has been obtained from the Shareholders.

IX. Proposed Change in Use of Proceeds from H Shares offering

Reference is made to the announcement of the Company dated March 28, 2022 in relation to, among others, the proposed change in use of proceeds from H Shares offering.

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, 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.

LETTER FROM THE BOARD

As at the date of this circular, 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 circular 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 circular <i>HK\$ million</i>	Net proceeds unutilized as at the date of this circular <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 in overseas markets <u>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

LETTER FROM THE BOARD

	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 circular <i>HK\$ million</i>	Net proceeds unutilized as at the date of this circular <i>HK\$ million</i>	Expected timeframe for utilizing the remaining unutilized net proceeds
approximately 40% to fund potential acquisitions of attractive overseas clinical CROs that are complementary to our existing businesses <u>attractive domestic and overseas clinical CROs that are complementary to our existing businesses</u> as part of our global expansion plan <u>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
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) 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	–	2,066.8	296.7	N/A

LETTER FROM THE BOARD

	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 circular <i>HK\$ million</i>	Net proceeds unutilized as at the date of this circular <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 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	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	–	–
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% for working capital and general corporate purposes	1,181.7	N/A	784.4	433.3	–
Total	11,817.4	N/A	4,585.0	7,232.4	

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

LETTER FROM THE BOARD

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.

An ordinary resolution will be proposed at the AGM to consider and approve the proposed change in use of proceeds from H Shares offering.

X. Proposed Adoption of the Employee Share Ownership Plan and Its Summary

Reference is made to the announcements of the Company dated March 28, 2022 and April 1, 2022 in relation to, among others, the proposed adoption of the Employee Share Ownership Plan.

1. Purpose

The Company has formulated the Employee Share Ownership Plan in accordance with the Company Law, the Securities Law, the Guiding Opinions on the Pilot Implementation of Employee Share Ownership Plan by Listed Companies (the “**Guiding Opinions**”), the Guidance No. 2 of Shenzhen Stock Exchange on Self-regulatory by Listed Companies – the Standardized Operation of Listed Companies on the Growth Enterprise Market, the Guidance No.4 of Shenzhen Stock Exchange on Information Disclosure by Listed Companies – Employee Share Ownership Plans and other relevant laws, administrative regulations, rules, regulatory documents and the Articles of Association. Employees of the Company shall participate in the Employee Share Ownership Plan on a voluntary, legal and compliant basis. The purpose of holding the Company’s shares is to establish and further improve the benefit sharing mechanism between the Company and the employees, enhance the corporate governance level, increase the employees’ cohesion and the core competitiveness of the Company, promote the long-term, sustainable and stable development of the Company, and maximize the value of the Company and the Shareholders.

LETTER FROM THE BOARD

The Employee Share Ownership Plan comprises two sub-plans, namely Tigermed A Share Employee Share Ownership Plan No.1 and Tigermed A Share Employee Share Ownership Plan No.2. The Employee Share Ownership Plan will be in parallel with the Company's other employee share ownership plan(s) and share award scheme(s) that may be adopted.

2. Participants of the Employee Share Ownership Plan and the Basis for Determining the Eligibility of Participants

The participants of the Employee Share Ownership Plan are core personnel of the Company and its wholly-owned subsidiaries, who have entered into labour contracts or employment contracts with the Company and its wholly-owned subsidiaries, i.e. the directors (excluding independent directors), supervisors, senior management and core technical (business) personnel) of the Group. The total number of first batch of participants shall not exceed 782. Details regarding the number of participants and the list of participants will be shortlisted by the Company and determined according to the actual subscription among the employees. A total number of three (3) directors, supervisors and senior management of the Group shall participate in the Employee Share Ownership Plan subject to actual subscription.

The total amount of funds to be raised under the Employee Share Ownership Plan shall not be more than RMB266.28 million, divided into "units" for subscription and holding, and each unit is RMB1.0, the maximum number of units under the Employee Share Ownership Plan shall not exceed 266.28 million units. The actual number of units held by the ultimate holders of the Employee Share Ownership Plan (the "**Holders**") shall be subject to the number corresponding to the amount of capital contributions ultimately made by the employees. The list of participants shall be determined by the Board. The lawyers engaged by the Company shall express clear opinions on the legality and compliance of the participants.

LETTER FROM THE BOARD

The number of units and proportion to be held by the Holders are as follows:

Name of Holders	Number of units (10 thousand)	Proportion of the Employee Share Ownership Plan (%)	Percentage of shareholding in the Company (%)
Mr. Wu Hao (executive Director and co-president of the Company), Mr. Wu Baolin (Supervisor) and Ms. Li Xiaori (secretary to the Board)	688.78	2.5867%	0.0107%
Core technical (business) personnel of the Group	25,570.00	96.0275%	0.3971%
Reserved Shares	369.00	1.3858%	0.0057%
Total	26,628.00	100%	0.4136%

Note: The final number of units in the Employee Share Ownership Plan to be subscribed for by a participant is subject to his/her final amount of contribution.

3. Source of Funds, Shares and Size of the Employee Share Ownership Plan

The source of funds of the Employee Share Ownership Plan shall be the legitimate remuneration of employees of the Company, their self-raised funds and other methods permitted by laws and regulations. The Company is not involved in any provision of financial assistance or provision of loan guarantee to the Holders. The total amount of funds to be raised under the Employee Share Ownership Plan shall be no more than RMB266,280,000, to be subscribed and hold at one unit each, and each unit is RMB1.0, the maximum number of units under the Employee Share Ownership Plan shall not exceed 266.28 million units. After the implementation of the Employee Share Ownership Plan, the total number of shares held under all valid employee share ownership plans of the Company shall not exceed 10% of the total share capital of the Company, and the total number of shares corresponding to the entitlements of a single holder shall not exceed 1% of the total share capital of the Company, and the Company will also ensure sufficient public float at all times. Holders shall pay the subscription funds in accordance with the relevant agreements. If the subscription funds of the Holders are not paid in full on time, the corresponding subscription rights shall lapse automatically. Other eligible participants may apply for the units to be subscribed. If the number of units applied for subscription are more than the number of units forfeited, the Management Committee shall determine the persons and the number of units to be subscribed.

LETTER FROM THE BOARD

The source of the underlying Shares involved in the Employee Share Ownership Plan shall be from the repurchase of the Company's A Shares on the secondary market by the Company based on the authorization granted at the eighteenth meeting of the fourth session of the Board held on August 25, 2021 and the twenty-first meeting of the fourth session of the Board held on November 2, 2021. Upon consideration and approval of the Employee Share Ownership Plan at the forthcoming annual general meeting, the number of Shares of the Company to be held by way of non-trade transfer will not exceed 3,608,100 Shares, representing no more than 0.4136% of the total A Share capital of the Company, among which, 3,558,100 shares were units of shares granted firstly, 50,000 shares were Reserved Shares, representing 1.3858% of the total Shares of the Employee Share Ownership Plan. The transfer price is RMB73.80 per Share, representing 78.78% of the average trading price of RMB93.68 per Share for 20 trading days prior to the Employee Share Ownership Plan and the total amount of funds shall not exceed RMB24.5 million. Based on the Company's operating conditions and industry development, the Company determined the price of the repurchase of shares under the Employee Share Ownership Plan after taking into account the reasonable costs required for the implementation of the Employee Share Ownership Plan and the purpose of the incentives. Such pricing is reasonable without prejudice to the interests of the Company and all the Shareholders.

The transfer of the underlying Shares from the Company's treasury shares to the special account of the Employee Share Ownership Plan established by the Company in connection with the Employee Share Ownership Plan shall be completed within 6 months after the Employee Share Ownership Plan is considered and approved by the Shareholders at the forthcoming annual general meeting. There are still uncertainties regarding the transfer of the underlying Shares. The final number of Shares held is subject to the actual implementation. The Company will make an announcement as and when appropriate. The total number of Shares held by the Employee Share Ownership Plan does not include the Shares acquired by the employees before the initial public offering of the Company, the Shares acquired through self-purchase in the secondary market and the shares acquired through equity incentives. Tax payable by employees due to the implementation of the Employee Share Ownership Plan shall be borne by the employees themselves.

4. Term and Lock-Up Period of the Employee Share Ownership Plan

The term of the Employee Share Ownership Plan is ten (10) years commencing from the date on which the Company announces that last batch of the underlying Shares have been registered under the name of the Holders of the Employee Share Ownership Plan until the expiry of the Employee Share Ownership Plan. Upon the expiry of the lock-up period of the Employee Share Ownership Plan, if the assets of the Employee Share Ownership Plan are all monetary assets, the Employee Share Ownership Plan may be terminated in advance with the consent of the Holders representing more than two-thirds of the units held at the Holders' meeting and the approval by the Board. Upon the expiry

LETTER FROM THE BOARD

of the lock-up period and before the expiry of the term of the Employee Share Ownership Plan, the Employee Share Ownership Plan may be terminated in advance when all shares of the Company have been sold.

In the event that the Shares held by the Employee Share Ownership Plan cannot be fully disposed of before the expiry of the term due to suspension of trading of the Shares or short window period, the term of the Employee Share Ownership Plan may be extended with the consent of the Holders representing more than half of the units held at the Holders' meeting and the approval by the Board.

The Employee Share Ownership Plan shall terminate if there is no valid extension upon expiry of the term. Within two months before the expiry of the term of the Employee Share Ownership Plan, the term of the Employee Share Ownership Plan may be extended upon the consent of the Holders attending the Holders' meeting representing more than two-thirds of the units held, which will be submitted to the Board for consideration and approval. The term of the Employee Share Ownership Plan shall end upon the expiry of the extension of the Plan.

The lock-up period of the Employee Share Ownership Plan shall be as follows:

- (a) the lock-up period of the first batch of the underlying Shares, comprising 30% of the total Shares of the Employee Share Ownership Plan, shall be 12 months commencing from the date on which the Company announces that the last batch of the underlying Shares has been registered under the name of the Employee Share Ownership Plan, during which the Holders shall not sell any Shares under the Employee Share Ownership Plan;
- (b) the lock-up period of the second batch of the underlying Shares, comprising 30% of the total Shares of the Employee Share Ownership Plan, shall be 24 months commencing from the date on which the Company announces that the last batch of the underlying Shares has been registered under the name of the Employee Share Ownership Plan, during which the Holders shall not sell any Shares under the Employee Share Ownership Plan; and
- (c) the lock-up period of the third batch of the underlying Shares, comprising 40% of the total Shares of the Employee Share Ownership Plan, shall be 36 months commencing from the date on which the Company announces that the last batch of the underlying Shares has been registered under the name of the Employee Share Ownership Plan, during which the Holders shall not sell any Shares under the Employee Share Ownership Plan.

Shares derived from the Company's any distribution of Shares and dividends and capitalization issue shall also be subject to the above lock-up arrangements.

LETTER FROM THE BOARD

Participants have also undertaken the following additional lock-up period of the Employee Share Ownership Plan voluntarily:

- (a) All Holders have undertaken not to allocate the interests of the Shares in any form, which have satisfied the unlocked conditions, within three (3) months from the date of expiration of the lock-up period voluntarily; and
- (b) Upon the expiry of the additional lock-up period and prior the expiration of the term of the Employee Share Ownership Plan, the Employee Share Ownership Plan shall decide whether to dispose the Shares in accordance with the arrangements of the Employee Share Ownership Plan and the prevailing market conditions.

The Employee Share Ownership Plan involves three stages for appraisal of unlocking the underlying Shares, each unlock stage is subject to the performance targets of the Company in corresponding year with details as follows:

Year of assessment	Target of performance assessment
2022	The growth rate of net profit in 2022 shall be no less than 40.00% as compared to the net profit in 2021
2023	The growth rate of net profit in 2023 shall be no less than 75.00% as compared to the net profit in 2021
2024	The growth rate of net profit in 2024 shall be no less than 105.00% as compared to the net profit in 2021

Notes:

- (1) The above net profit refers to the audited net profit attributable to Shareholders after deducting non-recurring profit or loss, and the calculation is based on the net profit excluding the share-based payment expenses arising from the implementation of the equity incentive plan and employee share ownership plan of the Company.
- (2) The above assessment targets do not constitute performance forecasts or material commitments of the Company to investors.

If the Company does not meet the performance appraisal requirements at company level in a given year, the unlockable underlying Shares corresponding to the entitlements under the share ownership plans held by all Holders in that year shall not unlock, and the corresponding interests shall not be exercised. The units in the Share Ownership Plan that cannot be unlocked in that year shall be recalled by the Management Committee of the Employee Share Ownership Plan. The recovery price is the original capital contribution of the underlying Shares corresponding to the units.

LETTER FROM THE BOARD

The unlock of the underlying Shares under the Employee Share Ownership Plan is also subject to satisfaction of the performance evaluation of the relevant Holders of the Employee Share Ownership Plan, which shall be led and organized by the Remuneration and Evaluation Committee and shall be carried out in accordance with the relevant regulations of the Company.

During the term of the Employee Share Ownership Plan, the Management Committee shall have the right to recall the unlocked Shares of the Employee Share Ownership Plan of the Holder(s) whose performance does not meet the requirements of performance evaluation after the expiration of the relevant lock-up period and such Shares recalled will be reallocated to Reserved Shares according to the authorization of the Holders' meeting. The recovery price shall be returned to the Holders in accordance with the capital contribution made by the Holders corresponding to the units subscribed by such Holder. The Management Committee shall have the right to carry out internal re-distribution of the recalled Shares.

5. Measures for Disposal of Interests under the Employee Share Ownership Plan

During the term of the Employee Share Ownership Plan, except under special circumstances, the units of the Employee Share Ownership Plan held by the Holders shall not be transferred, withdrawn or used as pledge or charge, guarantee or repayment of debts.

During the term, in the event that: (1) the Holder's position in the Company (including its subsidiaries) changes; (2) the Holder loses his/her ability to work; (3) the Holder has to retire upon reaching the retirement age prescribed by the PRC; or (4) other circumstances as determined by the Management Committee, the rights and interests of the Employee Share Ownership Plan held by it shall not be changed. In the event of death of the Holder during the term, the rights and interests of the Holder in the Employee Share Ownership Plan shall remain unchanged, and shall continue to be enjoyed by their lawful successors, without any restrictions of whether he/she is an employee of the Company.

During the term of the Employee Share Ownership Plan, the Holders' unit shall be mandatorily transferred in the following circumstances when: (1) the Holder is subject to criminal liabilities according to the law if he/she is in violation of the laws and regulations; (2) the Holder unilaterally terminates the labor contract; (3) upon expiry of the labor contract of the Holder, the Holder personally decides not to renew the labor contract; (4) upon expiry of the labor contract of the Holder, the Company or its wholly-owned subsidiaries decide not to renew the labor contract; or (5) the Company cancels or terminates the labor contract or employment contract (including dismissal or removal by the Company) as the Holder fails to comply with the provisions of the Company's rules and regulations such as labor contract, confidentiality and unfair competition agreement and employee handbook, or fails to pass the Company's appraisal.

LETTER FROM THE BOARD

During the term of the Employee Share Ownership Plan, in the event of mandatory transfer of units, all the unlocked units held by the relevant Holder shall be recalled by the Management Committee mandatorily and reallocated to Reserved Shares or disposed of the corresponding Shares upon the expiry of the lock-up period, the proceeds of which belong to the Company. The Company will return (i) the proceeds from such disposal or (ii) the capital contribution made by the Holders to the participant, whichever is lower.

6. Restrictions on Dealing in Shares under the Employee Share Ownership Plan

The Holders shall not deal in Shares under the Employee Share Ownership Plan during the following periods:

- (1) within 30 days prior to the announcement of annual reports and interim reports of the Company, or from 30 days prior to the original date of announcement to the final date of announcement if the date of announcement is postponed due to special reasons;
- (2) within 10 days before the release of quarterly reports or results forecasts or preliminary results announcements;
- (3) from the date of any material event that may have a material impact on the trading price of the Company's shares or during the process of decision making until the day of the disclosure of the same in accordance with the law;
- (4) other circumstances as stipulated by the CSRC and the stock exchanges; or
- (5) other circumstances stipulated by laws and regulations that prohibit trading of the Company's Shares.

All relevant parties in the Employee Share Ownership Plan must strictly abide by the market trading rules and comply with the requirement that no Shares can be traded during the information sensitive period. All parties must not exploit the Employee Share Ownership Plan for insider dealing, market manipulation and other security frauds.

7. Management Model of the Employee Share Ownership Plan

The internal management authority of the Employee Share Ownership Plan is the Holders' meeting, and the Management Committee is formed upon election at the Holders' meeting. The Management Committee, comprising three members, is responsible for supervising the daily management of the Employee Share Ownership Plan and exercising the rights of the Shareholders and other functions on behalf of the Employee Share Ownership Plan, including the exercise of voting rights of the Shares of the Employee Share Ownership Plan on behalf of the Holders. During the term of the Employee Share Ownership Plan, the Holders are entitled to attend the Holders' meeting and exercise their voting rights corresponding to the number of Shares held with respect

LETTER FROM THE BOARD

to the matters to be considered. Upon the expiry of the lock-up period, a meeting of the Management Committee will be held to consider the disposal of Shares and determine the disposal proposal pursuant to the terms of the Employee Share Ownership Plan. Upon consideration and approval of the proposal, the manager will implement the reduction of shareholding in accordance with domestic laws and regulations.

The Board is responsible for formulating and amending the draft Employee Share Ownership Plan, and handling other relevant matters of the Employee Share Ownership Plan within the scope authorized by the general meeting.

If an appropriate asset management agency is appointed to manage the Employee Share Ownership Plan after its establishment, the Company will make an announcement in a timely manner. If the Company does not entrust an asset management agency eventually, the Employee Share Ownership Plan shall be managed by the Company itself. The assets of the Employee Share Ownership Plan are independent of the Company's existing assets and the Company shall not entrust the transfer of the assets of the Employee Share Ownership Plan to its existing assets. Assets and gains obtained from the management, use of the Employee Share Ownership Plan or otherwise shall be transferred to the assets of the Employee Share Ownership Plan. The Holders of the Employee Share Ownership Plan shall bear their own profits, losses and financial risks, and shall have the same rights as other investors.

During the term of the Employee Share Ownership Plan, changes to the Employee Share Ownership Plan shall be implemented upon the consent of the Holders representing more than two-thirds of the units held at the Holders' meeting and the approval by the Board.

8. Distribution of Rights and Interests during the term of the Employee Share Ownership Plan

During the lock-up period, the Holders shall not require the distribution of rights and interests of the Employee Share Ownership Plan.

During the lock-up period, in the event of capitalization issue and bonus issue by the Company, the newly acquired shares shall be locked up together and shall not be sold in the secondary market or otherwise transferred, and the unlocking date of such Shares shall be the same as the corresponding Shares. During the lock-up period of the Employee Share Ownership Plan, in the event of distribution of dividends by the Company, the cash dividends received by the Employee Share Ownership Plan from holding the Shares shall be considered as monetary assets of the Employee Share Ownership Plan and will not be distributed, and the distribution shall be determined by the Management Committee after the end of relevant lock-up period.

LETTER FROM THE BOARD

Directors' Confirmation

The Board considers that the terms of the Employee Share Ownership Plan are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Mr. Wu Hao, being a participant of the Employee Share Ownership Plan and an executive Director, is considered to have material interest in the Employee Share Ownership Plan and has abstained from voting on relevant Board resolutions due to conflict of interests with the Employee Share Ownership Plan. Save as disclosed above, none of the Directors has abstained from voting on the relevant Board resolutions due to their participation in the Employee Share Ownership Plan. Save as disclosed above, none of the Directors has a material interest in the Employee Share Ownership Plan.

Listing Rules Implications

The Employee Share Ownership Plan is a discretionary employee share ownership plan of the Company and does not involve the grant of options to issue new Shares or any other new securities of the Company and does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules.

The Company will continue to evaluate whether the Employee Share Ownership Plan will constitute a connected transaction under Chapter 14A of the Listing Rules and will abide by the applicable requirements when appropriate (including the requirements for resolutions involved connected transactions requiring abstain from voting). The Company will also make sure that it will comply with the public float requirement under the Listing Rules.

Details of the Employee Share Ownership Plan are set out in Appendix IV to this circular.

The proposed adoption of the Employee Share Ownership Plan has been considered and approved by the Board and is subject to approval by the Shareholders at the AGM by way of ordinary resolution.

XI. Proposed Adoption of the Administrative Measures for the Employee Share Ownership Plan

In order to ensure the smooth implementation of the Employee Share Ownership Plan of the Company and ensure the effective implementation of the Employee Share Ownership Plan, the Board has formulated the Administrative Measures for the Employee Share Ownership Plan in accordance with the provisions and requirements of laws, regulations and regulatory documents such as the Guiding Opinions.

Details of the Administrative Measures for the Employee Share Ownership Plan are set out in Appendix V to this circular.

The proposed adoption of the Administrative Measures for the Employee Share Ownership Plan has been considered and approved by the Board and is subject to the approval of the Shareholders at the AGM by way of ordinary resolution.

LETTER FROM THE BOARD

XII. Proposed Authorization for the Board to Handle Matters in Relation to the Employee Share Ownership Plan

In order to implement the Employee Share Ownership Plan of the Company, the Board of the Company has agreed to propose at the AGM authorization for the Board to handle matters in relation to the Employee Share Ownership Plan, including but not limited to the following:

1. The Board is authorized to handle the implementation, change and termination of the Employee Share Ownership Plan, including but not limited to formulating the relevant agreement documents relating to the Employee Share Ownership Plan, removing the qualification of the Holders, handling the succession matters of deceased Holders, and signing all legal documents relating to the implementation, change and termination of the Employee Share Ownership Plan in accordance with the provisions of the Employee Share Ownership Plan;
2. The Board is authorized to decide on the extension of term of the Employee Share Ownership Plan;
3. The Board is authorized to handle all matters in relation to the lock-up and unlocking of shares purchased under the Employee Share Ownership Plan (if necessary);
4. The Board is authorized to elect, appoint and change the asset management agency of the Employee Share Ownership Plan and sign relevant agreements (if necessary);
5. The Board is authorized to make corresponding adjustments to the Employee Share Ownership Plan accordingly in the event of any adjustments to the relevant laws, regulations or policies;
6. The Board is authorized to handle other matters in relation to the Employee Share Ownership Plan within the scope permitted by laws, regulations, relevant regulatory documents and the Articles of Association, except for the rights to be exercised by the general meeting as expressly stipulated in the relevant documents.

The above authorization shall be valid from the date of approval at the AGM to the date of completion of the implementation of the Employee Share Ownership Plan.

The proposed authorization for the Board to handle matters in relation to the Employee Share Ownership Plan has been considered and approved by the Board and is subject to the approval of the Shareholders at the AGM by way of ordinary resolution.

XIII. Proposed Adoption of 2022 Share Appreciation Scheme

Reference is made to the announcement of the Company dated March 28, 2022 in relation to, among others, the adoption of the 2022 Share Appreciation Scheme by the Board on March 28, 2022.

LETTER FROM THE BOARD

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 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 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.

LETTER FROM THE BOARD

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 circular.
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">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;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;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 CSRC; and

LETTER FROM THE BOARD

(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 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.

LETTER FROM THE BOARD

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:

Vesting Period	Performance indicators
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.

LETTER FROM THE BOARD

No Incentive Participants actually hold Shares or have any rights that Shareholders have, such as voting right, allotment and 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%

LETTER FROM THE BOARD

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 Supervisory Committee 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.

LETTER FROM THE BOARD

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.

Details of the 2022 Share Appreciation Scheme are set out in Appendix VI to this circular.

The proposed adoption of 2022 Share Appreciation Incentive Scheme is subject to approval of the Shareholders at the AGM by way of special resolution.

XIV. Proposed Authorization for the Board to Handle Matters in Relation to the 2022 Share Appreciation Scheme

In order to implement the 2022 Share Appreciation Scheme of the Company, it was agreed that the Board of the Company shall submit a request at the AGM for authorizing the Board to handle matters in relation to the 2022 Share Appreciation Scheme, including but not limited to the following:

1. The Board be authorized to determine the date of granting the 2022 Share Appreciation Scheme;

LETTER FROM THE BOARD

2. The Board be authorized to adjust the number of underlying shares accordingly pursuant to the stipulations under the 2022 Share Appreciation Scheme in the event of the Company's conversion of capital reserves into share capital, distribution of stock dividends, stock split or drawing back, share placement, dividend payment, etc.;
3. The Board be authorized to adjust the grant price/exercise price accordingly pursuant to the stipulations under the 2022 Share Appreciation Scheme in the event of the Company's conversion of capital reserves into share capital, distribution of stock dividends, stock splits or drawing back, share placement, dividend payment, etc.;
4. The Board be authorized to grant stock appreciation rights to the Incentive Participants when the Incentive Participants meet the requirements, and to handle all the matters necessary for granting the stock appreciation rights, including signing stock incentive related agreements with the Incentive Participants;
5. The Board be authorized to check and confirm the qualifications and requirements of the Incentive Participants to exercise the rights, and to delegate such rights to the Remuneration and Evaluation Committee for exercise;
6. The Board be authorized to decide whether the Incentive Participants can exercise the rights;
7. The Board be authorized to handle all matters necessary for the Incentive Participants to exercise the rights, including but not limited to filing an application with the stock exchange for exercising the rights, and applying to the registration and clearing company for handling relevant registration and settlement business, etc.;
8. The Board be authorized to handle matters in relation to the stock appreciation rights not yet exercised;
9. The Board be authorized to modify and terminate the scheme pursuant to the stipulations under the 2022 Share Appreciation Scheme, including but not limited to disqualifying the Incentive Participants from exercising the rights, cancelling the stock appreciation rights not yet exercised by the Incentive Participants, and handling matters in relation to succession to the stock appreciation rights not yet exercised by the deceased Incentive Participants;
10. The Board be authorized to manage the 2022 Share Appreciation Scheme, and to formulate or amend the rules for the management and implementation of the 2022 Share Appreciation Scheme from time to time, subject to such rules being consistent with the terms of the 2022 Share Appreciation Scheme. Nevertheless, if laws,

LETTER FROM THE BOARD

regulations or relevant regulatory authorities require such amendments to be approved at the general meeting or/and by the relevant regulatory authorities, such amendments by the Board must be approved accordingly;

11. The Board be authorized to carry out such other matters as necessary for the 2022 Share Appreciation Scheme, other than those rights required to be exercised by the general meeting as expressly specified in the relevant documents;
12. The Board be authorized to go through the examination, registration, filing, approval and consent procedures with the relevant governments and offices for the 2022 Share Appreciation Scheme; to sign, execute, amend and complete the documents submitted to the relevant governments, offices, organizations and individuals; and to do all acts it deems necessary, fit or proper in connection with the 2022 Share Appreciation Scheme.

It was agreed that the duration of the authorization for the Board submitted at the Company's AGM shall be the same as the validity period of the 2022 Share Appreciation Scheme.

The aforesaid authorized matters may be directly executed by the Chairman of the Board or by an appropriate person authorized by him or her on behalf of the Board, other than those matters that are clearly stipulated by laws, administrative regulations, rules of the CSRC, normative documents, 2022 Share Appreciation Incentive Scheme (draft) or the Company's Articles of Association to be approved by the Board by way of resolutions.

The proposed authorization for the Board to handle matters in relation to the 2022 Share Appreciation Scheme has been considered and approved by the Board and is subject to the approval of the Shareholders at the AGM by way of special resolution.

XV. Proposed Partial Repurchase and Cancellation of the 2019 Restricted A Shares

Reference is made to the announcement of the Company dated March 28, 2022 in relation to, among others, the Proposed Partial Repurchase and Cancellation of the 2019 Restricted A Shares. The Resolution on the Partial Repurchase and Cancellation of the 2019 Restricted Shares was approved at the twenty-second meeting of the fourth session of the Board and the fifteenth meeting of the fourth session of the Supervisory Committee convened on March 28, 2022, pursuant to which, the Company will (i) repurchase and cancel a total of 14,563 restricted Shares granted but not yet unlocked to three incentive participants who have resigned and not met the incentive conditions; (ii) repurchase and cancel 2,965 restricted Shares granted but not yet unlocked to one incentive participant who is unable to meet the individual performance appraisal of the previous year; and (iii) repurchase and cancel 2,616 restricted Shares granted but not yet unlocked to one incentive participant whose personal circumstances has changed and determined by the Board. Five incentive participants under the 2019 Restricted Share Incentive Scheme of the Company are no longer qualified for the incentives. In accordance with the Administrative Measures on Share Incentives of Listed Companies and

LETTER FROM THE BOARD

the 2019 Restricted Share Incentive Scheme (Draft) of Hangzhou Tigermed Consulting Co., Ltd., the Company intends to repurchase and cancel a total of 20,144 restricted Shares granted but not yet unlocked to the above five incentive participants. The repurchase price of the first grant under the 2019 Restricted Share Incentive Scheme of the Company is RMB26.55 per Share and the repurchase price of reserved portion under the 2019 Restricted Share Incentive Scheme of the Company is RMB31.46 per Share. The relevant matters are described as follows:

I. Reasons for, Number of, Price of and Source of Funds for the Partial Repurchase and Cancellation of the Restricted Shares

1. Reasons for the Partial Repurchase and Cancellation of the Restricted Shares

As of the date of the twenty-second meeting of the fourth session of the Board of the Company, three incentive participants resigned due to personal reasons. According to the provisions of Chapter 13 “Handling Unusual Changes to the Company/Incentive Participants” under the Incentive Scheme (Draft), where an incentive participant leaves the Company due to resignation, expiry of labour contract or dismissal, the Board may decide that the restricted Shares granted to the incentive participants but not yet unlocked under such scheme shall not be released from the selling restrictions and shall be repurchased and cancelled by the Company.

The individual performance appraisal of the previous year of one incentive participant is D. According to the provisions of Chapter 8 “The conditions of the grant, unlock of the Restricted Shares” under the Incentive Scheme (Draft), where the personal performance appraisal result is D/E in the year corresponding to the period of release from the selling restrictions, the Company shall not release the restricted Shares granted but not yet unlocked for the current year from the selling restrictions and shall be repurchased and cancelled by the Company according to the grant price in accordance with the rules of the Incentive Scheme (Draft).

There is a change of one incentive participant due to personal circumstances. According to the provisions of Chapter 13 “Handling Unusual Changes to the Company/Incentive Participants” under the Incentive Scheme (Draft), the Board shall determine other unspecified circumstances and the way to handle. As determined by the Board, 2,616 restricted Shares granted but not yet unlocked shall be repurchased and cancelled by the Company.

According to the resolution of the 2019 second extraordinary general meeting of the Company and the Incentive Scheme (Draft), among the incentive participants whose restricted Shares are to be repurchased and cancelled, the Company shall repurchase the restricted Shares granted to two of the incentive participants who is the object in the first grant of the 2019 Restricted Share Incentive Scheme but not yet unlocked at the repurchase price of RMB26.55 per Share as adjusted after the completion of the 2018 equity distribution plan, while the Company shall repurchase the restricted Shares granted

LETTER FROM THE BOARD

to three of the incentive participants who are the objects of reserved portion under the 2019 Restricted Share Incentive Scheme but not yet unlocked at the reserved portion grant price of the 2019 Restricted Share Incentive Scheme of RMB31.46 per Share.

2. *Number and Price of the Restricted Shares subject to the Repurchase and Cancellation*

According to the *Resolution on the Partial Repurchase and Cancellation of the 2019 Restricted Shares* considered and approved at the twenty-second meeting of the fourth session of the Board of the Company, the Incentive Scheme (Draft) and as confirmed by the Company and verified by the legal advisors, 20,144 restricted Shares have been granted to five incentive participants but not yet unlocked, and the number of restricted Shares to be repurchased and cancelled is 20,144 Shares. The Company shall repurchase the restricted Shares granted to two of the incentive participants but not yet unlocked at the repurchase price of RMB26.55 per Share, while the Company shall repurchase the restricted Shares granted to three of the resigned incentive participants who are the objects of the reserved portion under the 2019 Restricted Share Incentive Scheme but not yet unlocked at the reserved portion grant price of the 2019 Restricted Share Incentive Scheme of RMB31.46 per Share.

3. *Source of funds for the Repurchase and Cancellation of the Restricted Shares*

All funds used by the Company for the repurchase are self-owned funds of the Company.

II. *Changes of the Share Capital Structure of the Company after the Repurchase and Cancellation*

Nature of Shares	Before the change		Change	After the change	
	Number of shares (Share)	Proportion (%)		Number of shares (Share)	Proportion %
I. Circulating Shares subject to selling restrictions	186,000,256	21.32	-20,144	185,980,112	21.32
Locked Shares held by senior management	183,522,986	21.04	0	183,522,986	21.04
Restricted Shares under the incentive scheme	2,477,270	0.28	-20,144	2,457,126	0.28
II. Circulating Shares not subject to selling restrictions	686,438,108	78.68	0	686,438,108	78.68
RMB ordinary Shares (A Shares)	563,313,308	64.57	0	563,313,308	64.57
Overseas-listed foreign Shares (H Shares)	123,124,800	14.11	0	123,124,800	14.11
III. Total number of Shares	872,438,364	100	-20,144	872,418,220	100

Note: Any discrepancies in the above table between totals and sums of figures listed are due to rounding.

LETTER FROM THE BOARD

III. Effect of the Repurchase and Cancellation on the Company

The repurchase and cancellation will not have any material impact on the financial position and operating results of the Company without prejudice to the interests of the Company and its Shareholders. The management of the Company will continue to work diligently and strive to create value for the Shareholders.

IV. Opinions of Independent Non-Executive Directors

The independent non-executive Directors unanimously agreed that the Company shall repurchase and cancel the restricted Shares granted to five incentive participants which have not yet unlocked in accordance with the relevant provisions of the *Administrative Measures on Share Incentives of Listed Companies* (the “**Administrative Measures**”) and the *Incentive Scheme* (Draft). The partial repurchase and cancellation of the restricted Shares by the Company are in compliance with the relevant requirements of the Company Law, the Administrative Measures and other laws and regulations. The procedures of consideration and approval are legal and compliant, and will not have any material impact on the financial position and operating results of the Company, nor prejudice the interests of the Company and the Shareholders.

V. Opinions of Supervisory Committee

Upon verification, the Supervisory Committee is of the view that, as of the date of the meeting, (i) three incentive participants who have resigned were no longer qualified for the incentives, and a total of 14,563 restricted Shares granted to them which have not been released from selling restrictions shall be repurchased and cancelled; (ii) one incentive participant is unable to meet the individual performance appraisal of the previous year and 2,965 restricted Shares granted to him which have not been released from selling restrictions shall be repurchased and cancelled; and (iii) one incentive participant whose personal circumstances has changed and determined by the Board and 2,616 restricted Shares granted to him which have not been released from selling restrictions shall be repurchased and cancelled. In accordance with the relevant provisions of the *Incentive Scheme* (Draft) and the authorisation of the 2019 first extraordinary general meeting of the Company, the Board considered that the procedures for the partial repurchase and cancellation of the restricted Shares are in compliance with the laws and regulations and the relevant provisions of the Incentive Scheme (Draft). Therefore, the Supervisory Committee unanimously agreed with the Board to proceed with the matters in relation to the partial repurchase and cancellation of the restricted Shares.

LETTER FROM THE BOARD

VI. Conclusion of the Legal Opinion

Jia Yuan Law Offices are of the view that the repurchase and cancellation has obtained the necessary authorisation and approval at the current stage, which is in compliance with the relevant provisions of the Administrative Measures and the Incentive Scheme (Draft). The repurchase and cancellation is subject to the approval at the general meeting of the Company. The reasons for, number of and price of the repurchase and cancellation are in compliance with the relevant provisions of the Administrative Measures and the Incentive Scheme (Draft) and are legal and valid.

The resolution on the partial repurchase and cancellation of the restricted Shares is subject to the approval at the AGM and the Class Meetings by way of special resolution.

XVI. Proposed Change of the Registered Capital of the Company

Reference is made to the announcement of the Company dated March 28, 2022 in relation to, among others, the proposed change of the registered capital of the Company. Given that the five incentive participants under the 2019 Restricted Share Incentive Scheme of the Company are no longer qualified for the incentives, the Company shall repurchase and cancel 20,144 restricted Shares granted to the aforesaid incentive participants but not yet unlocked. Pursuant to the relevant requirements of the Company Law and the Articles of Association, the registered capital of the Company and the total number of Shares of the Company shall be changed as a result of the aforesaid matters. The total number of Shares of the Company will be changed from 872,438,364 Shares to 872,418,220 Shares and the registered capital of the Company will be changed from RMB872,438,364 to RMB872,418,220. As a result of the changes of the registered capital of the Company above, the Board proposed to change the registered capital of the Company from RMB872,438,364 (divided into 872,438,364 Shares) to RMB872,418,220 (divided into 872,418,220 Shares).

The proposed change of the registered capital of the Company is subject to approval of the Shareholders at the AGM and the Class Meetings by way of special resolution.

LETTER FROM THE BOARD

XVII. Proposed Amendments to the Articles of Association

Reference is made to the announcement of the Company dated March 28, 2022 in relation to, among others, the proposed amendments to the Articles of Association. In view of the fact that the registered capital of the Company and the total number of Shares shall be changed as a result of the aforesaid repurchase and cancellation of the Company's restricted A Shares and at the request of the Administration for Market Regulation for Zhejiang Province (being the registered place of the Company), the Board proposed to make the following amendments to the relevant provisions of the Articles of Association:

No.	Original articles	Amended articles
1	Article 2 The Company was incorporated as a joint stock limited company according to the Company Law, other PRC laws and administrative regulations through the overall change of Hangzhou Tigermed Limited. The Company was approved by Hangzhou Foreign Trade and Economic Cooperation Bureau by the Administrative License Decision of Change of Hangzhou Tigermed Limited (Hang Zhou Jing Mao Wai Fu Xu [2010] No. 276) and established with the way of sponsor, as well as registered with and has received the business license of the Company from the Administration for Industry and Commerce of Shanghai on November 4, 2010. The Unified Social Credit Number is 9133000076823762XE.	Article 2 The Company was incorporated as a joint stock limited company according to the Company Law, other PRC laws and administrative regulations through the overall change of Hangzhou Tigermed Limited. The Company was approved by Hangzhou Foreign Trade and Economic Cooperation Bureau by the Administrative License Decision of Change of Hangzhou Tigermed Limited (Hang Zhou Jing Mao Wai Fu Xu [2010] No. 276) and established with the way of sponsor, as well as registered with and has received the business license of the Company from the Administration for <u>Market Regulation of Zhejiang Province</u> Industry and Commerce of Shanghai on November 4, 2010. The Unified Social Credit Number is 9133000076823762XE.
2	Article 6 The registered capital of the Company is RMB872.438364 million.	Article 6 The registered capital of the Company is RMB872.438364 <u>872.418220</u> million.
3	Article 22 The Company was approved by the CSRC on July 3, 2012 to conduct initial public offering of 13.40 million RMB ordinary shares (hereinafter referred to as the "A Shares").	Article 22 The Company was approved by the CSRC on July 3, 2012 to conduct initial public offering of 13.40 million RMB ordinary shares (hereinafter referred to as the "A Shares").

LETTER FROM THE BOARD

No.	Original articles	Amended articles
	The total number of shares of the Company is 872.438364 million, all being ordinary shares, including 749,313,564 shares held by shareholders of domestic listed domestic shares (A Shares), accounting for about 85.89% of the total share capital of the Company; 123,124,800 shares held by overseas listed foreign shares (H Shares) shareholders, accounting for approximately 14.11% of the total share capital of the Company.	The total number of shares of the Company is 872.438364 <u>872.418220</u> million, all being ordinary shares, including 749,313,564 <u>749,293,420</u> shares held by shareholders of domestic listed domestic shares (A Shares), accounting for about 85.89% of the total share capital of the Company; 123,124,800 shares held by overseas listed foreign shares (H Shares) shareholders, accounting for approximately 14.11% of the total share capital of the Company.

Save for the proposed amendments, other provisions of the Articles of Association shall remain unchanged. The proposed amendments to the Articles of Association are prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders at the AGM by way of special resolution. The Board has resolved to propose a resolution at the AGM to authorise the Board to delegate the management of the Company to handle the approval and filing procedures with relevant regulatory authorities involved in such amendments, and to make adjustments to the wordings of such amendments to the Articles of Association according to opinions of the regulatory authorities.

LETTER FROM THE BOARD

XVIII. Proposed Grant of General Mandate to the Board for the Issuance of H Shares

To guarantee the flexibility and the rights to handle the issuance of new H Shares for the Board, the Company proposed to grant a general mandate to the Board to allot, issue and deal with H Shares which, each of them, shall not exceed 20% of the aggregate number of the H Shares in issue of the Company at the date of the passing of this resolution. As at the Latest Practicable Date, the issued share capital of the Company comprises 749,313,564 A Shares and 123,124,800 H Shares. Upon the passing of the resolution of the grant of general mandate to issue H Shares, and on the basis that no further H Shares are issued before holding the AGM, the Company may issue a maximum of 24,624,960 H Shares.

Details of the general mandate proposed to be granted to the Board are as follows:

- (1) the Board be granted an unconditional general mandate to issue, allot and deal with additional H Shares in the capital of the Company and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
 - (a) such mandate shall not exceed beyond the Relevant Period save that the Board may during the Relevant Period (as defined below) make or grant offers, agreements, or options which might require the exercise of such powers after the end of the Relevant Period;
 - (b) the aggregate number of H Shares allotted or granted conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board shall not exceed 20% of the aggregate number of H Shares in issue as at the date of the passing of this resolution; and
 - (c) the Board will only exercise its power under such mandate in accordance with the Company Law and the Listing Rules (may be amended from time to time) and only if all necessary approvals from the CSRC and/or relevant PRC government authorities are obtained;

For the purpose of this resolution:

“H Shares” means the overseas listed foreign Shares in the Share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD;

“Relevant Period” means the period from the passing of the resolution until the earliest of:

- (A) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (B) the expiration of the 12-month period following the passing of this resolution;
or

LETTER FROM THE BOARD

- (C) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting; and
- (2) subject to the Board resolving to issue H Shares pursuant to subparagraph (1) of this resolution, the Board be authorized to:
 - (a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including, without limitation determining, the time and place of issuance, making all necessary applications to the relevant authorities, entering into an underwriting agreement (or any other agreement);
 - (b) determine the use of proceeds and make all necessary filings and registrations with the relevant PRC, Hong Kong and other authorities; and
 - (c) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, to register the increase of capital with the relevant authorities in the PRC and to make such amendments to the articles of association of the Company as it thinks fit so as to reflect the increase and any other changes in the registered capital of the Company.

The proposed grant of general mandate for the issuance of H Shares is subject to approval of the Shareholders at the AGM by way of special resolution.

XIX. Proposed Grant of General Mandate to the Board to Repurchase H Shares

In order to provide flexibility to the Directors in any event that it becomes desirable to repurchase H Shares, approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Board. In accordance with the requirements under the Company Law, the Mandatory Provisions and the Articles of Association, the Company is required to convene the AGM and Class Meetings to seek the aforesaid approval from the Shareholders. At each of the meetings, special resolution(s) will be proposed for the relevant Shareholders to consider and, if thought fit, to approve, among other things, (i) the grant of a conditional general mandate to the Directors to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value of not exceeding 10% of the aggregate nominal value of H Shares in issue as at the date of passing of such special resolution(s); and (ii) the authorization to the Directors to do all such deeds, acts, matters and things necessary or desirable for the purpose of or in connection with the exercise of the general mandate to repurchase H Shares, including, among others, to amend the Articles of Association and to cancel the H Shares repurchased upon the exercise of such general mandate.

LETTER FROM THE BOARD

The Repurchase Mandate will be conditional upon (a) the special resolution(s) for approving the grant of the Repurchase Mandate being passed at each of the AGM and Class Meetings; and (b) the approvals of and/or filings with SAFE (or its successor authority) and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company, if appropriate. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate will expire on the earlier of (a) the conclusion of the next annual general meeting of the Company; or (b) the expiry of a period of twelve months following the passing of the relevant resolution(s) at the AGM and Class Meetings; or (c) the date on which the authority conferred by the special resolution(s) is revoked or varied by a special resolution of the Shareholders in a general meeting or by special resolutions of H Shareholders or A Shareholders at their respective Class Meeting.

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue as at the date of passing of the special resolution(s) approving the Repurchase Mandate at the AGM and Class Meetings.

The Repurchase Mandate shall not be exercisable at any time after inside information has come to the Company's knowledge until the information is made publicly available.

The Repurchase Mandate shall not be exercisable by the Company during the period of one month immediately preceding the earlier of:

- (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in Appendix VII to this circular.

The proposed grant of general mandate to repurchase H Shares is subject to approval of the Shareholders at the AGM and Class Meetings by way of special resolution.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

In order to qualify for the entitlement to attend and vote at the AGM and H Share Class Meeting, the register of members of the Company will be closed from Tuesday, May 17, 2022 to Friday, May 20, 2022, both days inclusive, during which period no transfer of H Shares shall be effected. The record date of the entitlement to attend and vote at the AGM and H Share Class Meeting will be Tuesday, May 17, 2022. In order to qualify for the entitlement to attend and vote at the AGM and H Share Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, May 16, 2022.

AGM AND H SHARE CLASS MEETING

The AGM will be held at 10:00 a.m. on Friday, May 20, 2022 at the Meeting Room, 18/F, Shengda Science Park Tower A, No. 19 Jugong Road, Binjiang District, Hangzhou, the PRC. The H Share Class Meeting will be held after the conclusion of AGM and the A Share Class Meeting, or any adjournment thereof, on Friday, May 20, 2022 at the Meeting Room, 18/F, Shengda Science Park Tower A, No. 19 Jugong Road, Binjiang District, Hangzhou, the PRC. The Company has already sent the notice of the AGM, the notice of the H Share Class Meeting and the forms of proxy for use at the AGM and the H Share Class Meeting to Shareholders on April 28, 2022. The aforesaid documents are also published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.tigermedgrp.com).

No Shareholder has a material interest in any resolution proposed at the AGM and H Share Class Meeting and is required to abstain from voting at the AGM and H Share Class Meeting.

Mr. Wu Hao, being a participant of the Employee Share Ownership Plan and an executive Director, is considered to have material interest in the Employee Share Ownership Plan and has abstained from voting on relevant Board resolutions due to conflict of interests with the Employee Share Ownership Plan. Save as mentioned above, no director has a material interest in any of the resolutions to be proposed at the AGM and H Share Class Meeting.

RECOMMENDATION

The Board believes that all the proposals set out in the notice of the AGM and the notice of H Share Class Meeting for Shareholders' consideration and approval are in the best interests of the Company and the Shareholders. Therefore, the Board recommends that Shareholders shall vote in favor of all the resolutions to be proposed at the AGM and H Share Class Meeting.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

VOTING BY POLL AT THE AGM AND H SHARE CLASS MEETING

Voting on all the resolutions to be proposed at the AGM and the H Share Class Meeting will be taken by poll in accordance with the Rule 13.39(4) of the Listing Rules.

In the event of any discrepancy between the English translation and the Chinese version of this circular, the Chinese version shall prevail.

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

Hangzhou Tigermed Consulting Co., Ltd.**Report of the Board for 2021**

In 2021, the Board of Hangzhou Tigermed Consulting Co., Ltd. (the “**Company**”), in strict accordance with the Company Law, the Securities Law, the GEM Stock Listing Rules of Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other laws and regulations as well as the Articles of Association, the Rules of Procedure of the Board and other rules and regulations, earnestly implemented the resolutions passed by the general meeting of shareholders, diligently and conscientiously performed duties, scientifically made decisions, and actively promoted the development of the Company’s various businesses. In accordance with the Company’s established development direction, the Board worked hard to advance various tasks and made various businesses develop smoothly.

The main work of the Board in 2021 is reported as follows:

I. CONVENING OF MEETINGS OF THE BOARD

During the Reporting Period, the Board convened 11 meetings, details of which are set out below:

Convening Date	Meeting Name	Meeting Agenda
January 14, 2021	Tenth meeting of the fourth session of the Board	1. Resolution on the Non-trading Transfer of Shares from the Special Account for Share Repurchase to the Special Account for 2020 A Share Employee Share Ownership Plan;
		2. Resolution on the Selection of Capital Management Organization for 2020 A Share Employee Share Ownership Plan.
March 9, 2021	Eleventh meeting of the fourth session of the Board	1. Resolution on Adoption of Share Option Scheme of Subsidiary;
		2. Resolution on Change of the Company’s Principal Place of Business in Hong Kong;
		3. Resolution on Convening the Second Extraordinary General Meeting of the Company in 2021.

Convening Date	Meeting Name	Meeting Agenda
March 29, 2021	Twelfth meeting of the fourth session of the Board	<ol style="list-style-type: none">1. Resolution on the Full Text and Summary of the 2020 Annual Report and 2020 Annual Results Announcement of the Company;2. Resolution on the Work Report of the General Manager of the Company for 2020;3. Resolution on the Work Report of the Board of the Company for 2020;4. Resolution on the Company's Profit Distribution Plan for 2020;5. Resolution on the Company's Final Financial Report for 2020;6. Resolution on the Company's Internal Control Self-evaluation Report for 2019;7. Resolution on the Company's Special Statement on Capital Occupation by Controlling Shareholders and Other Related Parties;8. Resolution on the Appointment of Auditors of the Company for 2021;9. Resolution on the Confirmation of Routine Related Party Transactions in 2020;10. Resolution on the Application to the Bank for the Integrated Credit Facility;11. Resolution on the Purchase of Short-Term Bank Principal-Guaranteed Wealth Management Products with Self-Owned Idle Funds;12. Resolution on the Changes in Accounting Policies;

Convening Date	Meeting Name	Meeting Agenda
		13. Resolution on the Partial Repurchase and Cancellation of the 2019 Restricted Shares;
		14. Resolution on Change of the Company's Registered Capital;
		15. Resolution on Amendments to the Articles of Association;
		16. Resolution on Participation in Investment in Boyuan Second Tranche RMB Fund;
		17. Resolution on Participation in Investment in Fuqing Qisheng IV Investment Partnership (Limited Partnership);
		18. Resolution on Participation in Investment in Shanghai Lingang Life Blue Bay Fund;
		19. Resolution on Participation in Investment in Hankang Biomedical RMB Fund;
		20. Resolution on Jointly Initiating and Establishing Ruihua-Tiger Fund with Jiangsu Ruihua Entrepreneurship Investment Management Limited;
		21. Resolution on the Company's 2020 Sustainability Report and Environmental, Social and Corporate Governance Report;
		22. Resolution on the Proposal to Convene the Company's 2020 Annual General Meeting, A Share Class Meeting and H Share Class Meeting.

Convening Date	Meeting Name	Meeting Agenda
April 28, 2021	Thirteenth meeting of the fourth session of the Board	<ol style="list-style-type: none"> 1. Resolution on the Company's 2021 First Quarterly Report; 2. Resolution on the Achievement of Releasing Restricted Conditions in the First Restriction Period for the Reserved Grant under the Restricted Share Incentive Scheme for 2019; 3. Terms of Reference of the Company's Environmental, Social and Corporate Governance Management Committee.
June 8, 2021	Fourteenth meeting of the fourth session of the Board	<ol style="list-style-type: none"> 1. Resolution on the Achievement of Releasing Restricted Conditions in the Second Restriction Period for the First Grant under the Restricted Share Incentive Scheme for 2019.
July 12, 2021	Fifteenth meeting of the fourth session of the Board	<ol style="list-style-type: none"> 1. Resolution on the Establishment of a Biomedical Industry Fund; 2. Resolution on Amendments to the Articles of Association; 3. Resolution on Convening the Third Extraordinary General Meeting of the Company in 2021.
July 21, 2021	Sixteenth meeting of the fourth session of the Board	<ol style="list-style-type: none"> 1. Resolution on the Change of Joint Company Secretary and Hong Kong Process Agent Appointed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies Ordinance of Hong Kong; 2. Resolution on Amendments to the Articles of Association;

Convening Date	Meeting Name	Meeting Agenda
		<ol style="list-style-type: none"> 3. Resolution on Amending the Rules of Procedure of the General Meeting of Shareholders of the Company; 4. Resolution on Amending the Rules of Procedure of the Board of Directors of the Company.
August 10, 2021	Seventeenth meeting of the fourth session of the Board	<ol style="list-style-type: none"> 1. Resolution on the Appointment of Co-President of the Company.
August 25, 2021	Eighteenth meeting of the fourth session of the Board	<ol style="list-style-type: none"> 1. Resolution on the Full Text and Summary of the 2021 Interim Report and 2021 Interim Results Announcement of the Company; 2. Resolution on the Plan for Repurchase of Company's Shares; <ol style="list-style-type: none"> 2.01. Purpose and use of share repurchase 2.02. Method of share repurchase 2.03. Price or price range and pricing principle of share repurchase 2.04. Total amount and source of funds for share repurchase 2.05. Type, quantity and proportion of shares repurchased in the total share capital 2.06. Implementation period of share repurchase 2.07. Validity Period of the Resolution 2.08. Specific authorization for this share repurchase 3. Resolution on Initiating and Establishing US Dollar Investment Fund TG Sino-Dragon Fund II L.P.;

Convening Date	Meeting Name	Meeting Agenda
		<ol style="list-style-type: none"> 4. Resolution on the Partial Repurchase and Cancellation of the 2019 Restricted Shares; 5. Resolution on Change of the Company's Registered Capital; 6. Resolution on Amendments to the Articles of Association; 7. Resolution on Convening the Company's Fourth Extraordinary General Meeting of Shareholders in 2021, the Second A Share Class Meeting in 2021 and the Second H Share Class Meeting in 2021.
September 17, 2021	Nineteenth meeting of the fourth session of the Board	<ol style="list-style-type: none"> 1. Resolution on Amendments to the Articles of Association; 2. Resolution on the Election of the Company's Directors and Members of Special Committees of the Board of Directors; 3. Resolution on the Appointment of the Chief Financial Officer of the Company; 4. Resolution on the Appointment of the Secretary to the Board and the Securities Affairs Representative of the Company; 5. Resolution on Convening the Fifth Extraordinary General Meeting of the Company in 2021.
October 22, 2021	Twentieth meeting of the fourth session of the Board	<ol style="list-style-type: none"> 1. Resolution on the Company's 2021 Third Quarterly Report.

II. PERFORMANCE OF DUTIES BY THE SPECIAL COMMITTEES OF THE BOARD

Name of committee	Members	Number of meetings held	Date of convening	Agenda	Important Opinions and suggestions put forward	Other performance of duties	Details of objections (if any)
Audit Committee of the 4th Session of the Board	Liu Kai Yu Kenneth, Zheng Bijun, Yang Bo	3	March 26, 2021	1.To review the Company's Annual Report for 2020; 2.to review the Group Management Proposal of the Company's external auditor as of December 31, 2020; 3.to review the 2021 Annual Audit Plan of the Company's Internal Audit Department; 4.to review the appointment of the Company's audit firm for 2021	The Audit Committee reviewed the matters for consideration in strict accordance with the Work Rules of the Audit Committee and relevant provisions of laws and regulations, had full communication with the audit firm, and unanimously agreed to the proposals involved.	None	None
			August 24, 2021	1.To review the Company's Interim Report for 2021; 2.to review the work of the Company's Internal Control and Internal Audit Department for the first half of 2021 and its audit plan for the third quarter		None	None
			December 27, 2021	1.To review the initial communication letter between the Company's external auditor and the management; 2.to review the work of the Company's Internal Control and Internal Audit Department for the second half of 2021 and its audit plan for 2022		None	None

Name of committee	Members	Number of meetings held	Date of convening	Agenda	Important Opinions and suggestions put forward	Other performance of duties	Details of objections (if any)
Remuneration and Evaluation Committee of the 4th Session of the Board	Zheng Bijun, Liu Kai Yu Kenneth, Cao Xiaochun	1	January 12, 2021	1.To review the Proposal on the Non-trading Transfer of Shares from the Special Account for Share Repurchase to the Special Account for 2020 A Share Employee Share Ownership Plan	The Remuneration and Evaluation Committee checked and reviewed the matters for consideration in strict accordance with the Work Rules of the Remuneration and Evaluation Committee and relevant provisions of laws and regulations, and unanimously agreed to the relevant proposal.	None	None
Nomination Committee of the 4th Session of the Board	Yang Bo, Zhuan Yin, Liu Kai Yu Kenneth	2	August 6, 2021	1.To review the Proposal on the Appointment of Co-President of the Company	The Nomination Committee carefully reviewed the qualifications of the candidate and unanimously agreed to the relevant proposal.	None	None
			September 14, 2021	1.To review the Proposal on the Election of the Company's Directors and Members of Special Committees of the Board of Directors; 2.to review the Proposal on the Appointment of the Chief Financial Officer of the Company; 3.to review the Proposal on the Appointment of the Secretary to the Board and the Securities Affairs Representative of the Company		None	None

Name of committee	Members	Number of meetings held	Date of convening	Agenda	Important Opinions and suggestions put forward	Other performance of duties	Details of objections (if any)
Strategy Development Committee of the 4th Session of the Board	Ye Xiaoping, Yang Bo, Zheng Bijun	1	July 8, 2021	1.To review the Proposal on the Establishment of a Biomedical Industry Fund	The Strategy Development Committee checked and reviewed the matters for consideration in strict accordance with the Work Rules of the Strategy Development Committee and relevant provisions of laws and regulations, and unanimously agreed to the relevant proposal.	None	None

III. ATTENDANCE OF THE MEMBERS OF THE BOARD

Name of director	Number of board meetings to be attended during the Reporting Period	Number of board meetings attended in person	Number of board meetings attended by proxy	Number of absences from board meetings
Ye Xiaoping	11	11	0	0
Cao Xiaochun	11	11	0	0
Zhuan Yin	11	11	0	0
Wu Hao	1	1	0	0
Yang Bo	11	11	0	0
Zheng Bijun	11	11	0	0
Liu Kai Yu Kenneth	11	11	0	0

IV. ANALYSIS OF PRINCIPAL BUSINESS

During the Reporting Period, the Company's main business revenue was RMB5,187,366,700, a year-on-year increase of 63.32% from RMB3,176,233,900 in the same period of the previous year. Specifically, the revenue from clinical trial solutions reached RMB2,993,651,700, a year-on-year increase of 97.05% from RMB1,519,215,300 in the same period of the previous year; the revenue from clinical-related and laboratory services was RMB2,193,715,000, a year-on-year increase of 32.39% from RMB1,657,018,600 in the same period of the previous year. The net profit attributable to the parent company was RMB2,874,163,000, a year-on-year increase of 64.26% from RMB1,749,774,800 in the same period of the previous year.

During the Reporting Period, the Company's main business revenue was RMB5,187,366,700, a year-on-year increase of 63.32% from RMB3,176,233,900 in the same period of the previous year. Specifically, the revenue from clinical trial solutions reached RMB2,993,651,700, a year-on-year increase of 97.05% from RMB1,519,215,300 in the same period of the previous year; the revenue from clinical-related and laboratory services was RMB2,193,715,000, a year-on-year increase of 32.39% from RMB1,657,018,600 in the same period of the previous year. The increase in main business revenue was mainly due to the increase in customer demand and the further recovery of the economy from the COVID-19 pandemic.

Geographically, the Company's main business revenue generated in the PRC amounted to RMB2,740,713,300, a year-on-year increase of 44.17% from RMB1,901,091,900 in the same period of the previous year, which was due to the robust year-on-year growth in domestic operations that were negatively affected by the COVID-19 pandemic in 2020 (including clinical operations, site management, patient recruitment, and laboratory services).

The Company's overseas main business revenue was RMB2,446,653,400, a year-on-year increase of 91.87% from RMB1,275,141,900 in the same period of the previous year. The increase in overseas revenue was mainly driven by COVID-19 related MRCTs during the second half of 2021. Increase in customer demand for other MRCTs also contributed to the growth of overseas revenue.

1. Clinical Trial Solutions ("CTS")

During the Reporting Period, the revenue from the CTS segment was RMB2,993,651,700, a year-on-year increase of 97.05% from RMB1,519,215,300 in the same period of the previous year. This segment primarily benefited from the further recovery of the economy from the COVID-19 pandemic and the increase in customer demand for domestic and overseas clinical trials and MRCTs (including clinical trials for COVID-19 vaccines and therapies). As a result, the revenue from the CTS segment increased steadily. Meanwhile, the Company's revenue from medical registration, scientific affairs, medical translation and pharmacovigilance services was also on the rise.

As at December 31, 2021, the Company had 567 ongoing drug clinical research projects, up from 389 as at December 31, 2020. Set out below is a breakdown of ongoing drug clinical research projects by phase:

Project phase	As at the end of the year/period		
	December 31, 2020	June 30, 2021	December 31, 2021
Phase I (including PK studies)	150	193	231
Phase II	66	85	106
Phase III	117	137	148
Phase IV	28	39	37
Others	28	37	45
Total	389	491	567

Note: Others primarily consist of investigator-initiated studies and real-world studies

As at December 31, 2021, the Company had 385 ongoing drug clinical research projects in the PRC and 182 projects overseas, of which 132 were single region trials (in South Korea, Australia, the United States, etc.) and 50 were MRCTs being conducted in Asia Pacific, North America, Europe, Africa and Latin America covering therapeutic areas including oncology, vaccines, central nervous system, cardiovascular and rare diseases. Set out below is a breakdown of ongoing drug clinical research projects by geographic region:

Region	As at the end of the year/period		
	December 31, 2020	June 30, 2021	December 31, 2021
Single Region			
PRC	274	351	385
Overseas	95	111	132
MRCTs	20	29	50
Total	389	491	567

During the Reporting Period, the Company's medical device clinical research team further expanded its presence in emerging areas such as digital health and medical robots. The team initiated multiple real-world device studies in Hainan Boao Lecheng Pilot Zone of International Medical Tourism and expanded the Company's service offerings by launching medical device regulatory consulting services. The Company's medical device testing lab started to offer biological evaluation services for Class III devices and expanded its testing capabilities to cover ophthalmology devices. The Company had 341 ongoing medical device projects, including medical device and IVD clinical trials, medical monitoring, clinical trial design, and medical writing. The medical device clinical research team assisted in obtaining marketing approvals for 3 innovative medical devices and 2 AI medical software.

The Company strengthened the construction of its pharmacovigilance team to offer comprehensive services across the life cycle of drug development and provide the global pharmaceutical and medical device industries with clinical research and post-marketing pharmacovigilance and drug safety monitoring solutions, including the establishment of pharmacovigilance system, handling of case reports, risk management plan, regular drug safety reports, etc.

For real-world studies, we rely on the Company's clinical trial operation capabilities, leverage its innovative technologies and rich experience and follow NMPA regulations and guidelines on real-world studies to provide customers with high-quality one-stop services, including retrospective/prospective real-world studies, post-marketing drug safety monitoring, investigator-initiated studies, real-world patient management and other integrated solutions that facilitate the life cycle management of drugs. During the Reporting Period, the real-world evaluation team initiated more than 20 real-world studies for drugs and medical devices. The Company had completed 74 bioequivalence projects, and had 161 ongoing bioequivalence projects.

The Company's medical registration and medical translation services, which can meet the needs of customers for high-quality and efficient services, maintained a robust growth. The Company's medical registration team saw their new IND projects increase by 59% year-on-year and new FDA-related IND projects increase by 417% year-on-year, which indicate that customers have strong interest in early-stage clinical trials in both China and the United States. The Company's medical translation services are to provide professional translation services with a focus on life sciences. The Company has more than 20 years of experience in translation services, owns a self-developed translation management system, has obtained national ISO 9001, ISO 17100 and ISO 27001 certifications, and offers translation services covering medical devices, in vitro diagnostic reagents, drugs, animal protection, vaccines, health & nutrition products and other related fields.

The Company will provide comprehensive CTS services to meet the clinical trial needs of customers, continue to increase investment in the R&D of new technologies, and further expand the scope of services and improve the service efficiency. The Company launched an in-house Risk-Based Quality Management ("RBQM") system, the first of its kind in China, and rolled out an integrated and digital clinical trial platform—Tailinyan (泰臨研), which integrates Clinical Trial Management System ("CTMS"), Electronic Data Capture ("EDC") system, e-Source Record ("ESR"), Clinical Trial Remote Monitoring ("CTRM") system, Electronic Trial Master File ("eTMF"), E-Site and RBQM system. The Tailinyan platform significantly improves the efficiency of CTS services, enables the Company to better communicate with customers, investigators, patients, and other participants in clinical trials, and provides greater flexibility for clinical monitoring.

2. Clinical-related and Laboratory Services (“CRLS”)

During the Reporting Period, the Company’s revenue from the CRLS segment amounted to RMB2,193,715,000, a year-on-year increase of 32.39% from RMB1,657,018,600 in the same period of the previous year. The increase was primarily due to the increase in revenue from laboratory services, site management and patient recruitment services, and Data Management and Statistical Analysis (“DMSA”) services.

As the COVID-19 pandemic was generally under control in China and gradually improved in North America following massive COVID-19 vaccination campaigns, the Company’s laboratory services saw a further recovery. As such, the laboratory services team undertook more projects and quickly resumed the projects that were delayed due to the pandemic, thus leading to a substantial year-on-year growth in the revenue from laboratory services. Relevant acquisitions made by Frontage also contributed to the year-on-year increase in revenue from laboratory services.

The number of laboratory services projects being carried out by Frontage increased from 2,029 at the end of the previous year to 2,516 at the end of the Reporting Period. During the Reporting Period, Frontage continued to scale up and enhance laboratory service capacity in North America and China. In February 2021, Frontage added more than 6,200 sq.m. of lab space in Lingang, Shanghai to increase the capacity of large molecule bioanalytical, central lab and DMPK services. In April 2021, construction of the new safety and toxicity center in Suzhou started, and was basically completed by the end of the year. In the same month, Frontage US launched radioactive human absorption, metabolism and excretion (“hAME”) services. In July 2021, the construction and installation works of a new lab of 6,600 sq.m. in Pennsylvania were completed, and the lab has been officially put into use. In December 2021, the construction and installation works of the central lab in Shanghai were completed, and the lab has started to provide related services. In the same month, Frontage’s subsidiary Acme Biopharma set up a new drug discovery lab of 1,660 sq.m. with 10 cGLP pharmaceutical chemistry labs.

Frontage made three bolt-on acquisitions to expand the scope and geographical coverage of laboratory services. In April 2021, Frontage acquired the genomics business of Ocean Ridge Biosciences, Inc., which is based in Florida, the United States, to expand its capacity and capabilities in genomics services. In June 2021, Frontage announced the acquisition of Quintara Discovery, Inc., a San Francisco-based company, to expand its capacity and capabilities in the field of drug discovery and increase its client base, service capacity and business presence on the west coast of the United States. In September 2021, Frontage announced the acquisition of 70% equity interest in Wuhan Heyan Biotech to bolster its presence in target-based in vitro pharmacodynamic screening and early pharmacological pharmacodynamic evaluation services in early drug discovery.

As of the end of the Reporting Period, Frontage’s bioanalytical lab in China had passed NMPA inspections for more than 110 times, and passed FDA inspections for more than 50 times.

In 2020, site management and patient recruitment services were severely affected by the COVID-19 outbreak. With the effective control of COVID-19 in China, most hospitals and clinical sites resumed operations during the Reporting Period. Although some of them were not at their full capacity and some clinical trial subjects were still hesitant to participate in clinical trials, the Company's team was able to recruit more patients for clinical trials. As a result, the revenue from site management and patient recruitment services increased significantly during the Reporting Period.

The number of site management projects being carried out by the Company increased from 1,180 at the end of the previous year to 1,432 at the end of the Reporting Period. In 2021, the site management team completed 203 projects, and collaborated with 1,267 hospitals and clinical trial centers in 147 cities across China with over 2,700 professional Clinical Research Coordinators ("CRC").

During the Reporting Period, the Company's DMSA team continued to receive orders from existing customers and acquired new customers from domestic and overseas markets, leading to a steady growth in revenue from DMSA services. There were 743 ongoing DMSA projects, of which 485 were being conducted by the team based in China and 258 by the overseas team. The number of DMSA customers increased from 116 at the end of the previous year to 163 at the end of the Reporting Period. The Company had a team of more than 800 professionals based in China, South Korea, the United States and India with seamless collaboration. The team supported the successful approval of new drugs by providing a full suite of DMSA services in the process of clinical trials, Integrated Summary of Safety (ISS) and Integrated Summary of Efficacy (ISE).

The proportion of overseas revenue from DMSA and laboratory service was significantly higher than that of revenue generated in China, and most of the overseas revenue was denominated in USD. As a result, the significant appreciation of RMB against USD compared with the same period of the previous year had a certain negative impact on the overseas revenue.

V. KEY TASKS OF THE BOARD IN 2022

1. The Board will continue to enhance standard operation and governance of the Company, further improve relevant regulations and system for the Company, and optimize governance structure of the Company, so as to strengthen the development of internal control system, and adhere to running the enterprise by laws. The Board will facilitate training of Directors' ability to perform their duties to make the Company's decision-making more scientific and efficient, keep improving risk prevention system to ensure sound, stable and sustainable development for the Company.
2. The Board will present satisfactory performance in information disclosure. The Board of the Company will continue to perform their obligations in information disclosure to make operation of the Company more standard and transparent in strict accordance with laws and regulations in Company Law, Securities Law, Rules

Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as requirements in Articles of Association.

3. The Board will continue to increase comprehensive competitiveness of the Company, and develop relevant work plan based on overall market environment and strategic development goal of the Company to ensure that all work proceed smoothly, and realize health and sustainable development for the Company.

Board of Directors of Hangzhou Tigermed Consulting Co., Ltd.
March 29, 2022

Hangzhou Tigermed Consulting Co., Ltd.

Duty Report of Independent Directors for 2021

As an independent Director of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as the “**Company**”), I have strictly complied with relevant laws, regulations, bylaws and requirements of normative documents such as Company Law of the People’s Republic of China, No. 2 Self-regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange – Standardized Operation of Companies Listed on GEM (Growth Enterprise Market), Code of Corporate Governance for Listed Companies, Rules for Independent Directors of Listed Companies, Articles of Association, Company’s Independent Director System, etc. during my term of office, and actively participated in the affairs of the Company and performed duties objectively, impartially and independently in line with the principle of safeguarding the interests of the Company and Shareholders, especially the minority Shareholders.

My work this year is as follows:

I. ATTENDANCE AT BOARD MEETINGS OF THE COMPANY THIS YEAR

I attended every Board meeting of the Company this year. The Board meeting and AGM convened by the Company this year should comply with legal procedures, which are legal and effective. My attendance at Board meetings this year is as follows:

Independent Director	Should attend the board meeting	Attend in person the board meeting	Attend by proxy the board meeting	Absence from the board meeting	Whether failed to attend the board meeting in person for two consecutive times
Zheng Bijun (鄭碧筠)	11	11	0	0	No

1. I have voted in favor of the relevant proposals reviewed at each Board meeting.
2. No absence; no attendance by proxy.

II. THE SITUATION OF INDEPENDENT OPINIONS GIVEN

Date	Item	Opinion Type
March 30, 2021	Independent Opinion on the Occupying Capital by Controlling Shareholders and Other Related Parties and Company's External Guarantee	Agree
March 30, 2021	Independent Opinion on the Company's Internal Control Self-evaluation Report for 2020	Agree
March 30, 2021	Independent Opinion on the Appointment of the Company's Auditor for 2021	Agree
March 30, 2021	Independent Opinion on the Profit Distribution Plan of the Company for 2020	Agree
March 30, 2021	Independent Opinion on the Confirmation of Routine Related Party Transactions in 2020	Agree
March 30, 2021	Independent Opinion on the Changes in Accounting Policies	Agree
March 30, 2021	Independent Opinion on the Partial Repurchase and Cancellation of the 2019 Restricted Shares	Agree
April 29, 2021	Independent Opinion on the Achievement of Releasing Restricted Conditions in the First Restriction Period for the Reserved Grant under the Restricted Share Incentive Scheme for 2019	Agree
June 9, 2021	Independent Opinion on the Achievement of Releasing Restricted Conditions in the Second Restriction Period for the First Grant under the Restricted Share Incentive Scheme for 2019	Agree
July 13, 2021	Independent Opinion on the Initiation and Establishment of A Biomedical Industry Fund	Agree
August 11, 2021	Independent Opinion on the Appointment of Co-president of the Company	Agree

Date	Item	Opinion Type
August 26, 2021	The Special Statement and Independent Opinion on the Occupying Company's Capital by Controlling Shareholders and other Related Parties and Company's External Guarantee	Agree
August 26, 2021	Independent Opinion on the Plan for Repurchase of Company's Shares	Agree
August 26, 2021	Independent Opinion on the Partial Repurchase and Cancellation of the 2019 Restricted Shares	Agree
September 17, 2021	Independent Opinion on the Election of Directors and Members of Special Committees of the Board of Directors of the Company	Agree
September 17, 2021	Independent Opinion on the Appointment of the Company's Senior Managers	Agree

III. DAILY WORK AND WORK DONE TO PROTECT THE RIGHTS AND INTERESTS OF INVESTORS

1. Information Disclosure

Since the listing of the Company, I have strictly abided by laws and regulations such as Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and Rules for Independent Directors of Listed Companies, etc., and the provisions such as Articles of Association and Administrative Measures on Information Disclosure, etc., kept abreast of the Company's daily operation status and possible business risks in a timely manner, conducted supervision and checked the Company's information disclosure, actively performed the duties of the independent Director and ensured that the information disclosed this year should be true, accurate, timely, complete, just and fair.

2. Implementing the Protection of the Legitimate Rights and Interests of Public Shareholders

This year, I worked diligently in accordance with the relevant laws, regulations and provisions in Articles of Association and Working System for Independent Directors, actively mastered the operating condition of the company by making full use of the meeting to discuss, conducting on-site investigation and telephone communication, etc., attended on time the Board meeting and special committee meeting as a committee member in person, carefully reviewed all proposals, and effectively protected the minority Shareholders' interests.

IV. OTHER WORK CONDITIONS

1. There was no proposal to convene the Board meeting;
2. There was no proposal to hire or dismiss an accounting firm;
3. No external audit institution or consulting institution was hired independently.

It is hoped that in the new year, the Company will operate more steadily and standardize the operation, so that the Company can develop continuously, stably and healthily, and return the Shareholders with more excellent performance. At the same time, I would like to express my respect and heartfelt thanks to the Board, management team and relevant personnel for their active and effective cooperation and support during my performance of duties.

Hangzhou Tigermed Consulting Co., Ltd.
Independent Director Zheng Bijun (鄭碧筠)
March 29, 2022

Hangzhou Tigermed Consulting Co., Ltd.

Duty Report of Independent Directors for 2021

As an independent Director of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as the “**Company**”), I have strictly complied with relevant laws, regulations, bylaws and requirements of normative documents such as Company Law of the People’s Republic of China, No. 2 Self-regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange – Standardized Operation of Companies Listed on GEM (Growth Enterprise Market), Code of Corporate Governance for Listed Companies, Rules for Independent Directors of Listed Companies, Articles of Association, Company’s Independent Director System, etc. during my term of office, and actively participated in the affairs of the Company and performed duties objectively, impartially and independently in line with the principle of safeguarding the interests of the Company and Shareholders, especially the minority Shareholders.

My work this year is as follows:

I. ATTENDANCE AT BOARD MEETINGS OF THE COMPANY THIS YEAR

I attended every Board meeting of the Company this year. The Board meeting and AGM convened by the Company this year should comply with legal procedures, which are legal and effective. My attendance at Board meetings this year is as follows:

Independent Director	Should attend the board meeting	Attend in person the board meeting	Attend by proxy the board meeting	Absence from the board meeting	Whether failed to attend the board meeting
					in person for two consecutive times
Yang Bo (楊波)	11	11	0	0	No

1. I have voted in favor of the relevant proposals reviewed at each Board meeting.
2. No absence; no attendance by proxy.

II. THE SITUATION OF INDEPENDENT OPINIONS GIVEN

Date	Item	Opinion Type
March 30, 2021	Independent Opinion on the Occupying Capital by Controlling Shareholders and Other Related Parties and Company's External Guarantee	Agree
March 30, 2021	Independent Opinion on the Company's Internal Control Self-evaluation Report for 2020	Agree
March 30, 2021	Independent Opinion on the Appointment of the Company's Auditor for 2021	Agree
March 30, 2021	Independent Opinion on the Profit Distribution Plan of the Company for 2020	Agree
March 30, 2021	Independent Opinion on the Confirmation of Routine Related Party Transactions in 2020	Agree
March 30, 2021	Independent Opinion on the Changes in Accounting Policies	Agree
March 30, 2021	Independent Opinion on the Partial Repurchase and Cancellation of the 2019 Restricted Shares	Agree
April 29, 2021	Independent Opinion on the Achievement of Releasing Restricted Conditions in the First Restriction Period for the Reserved Grant under the Restricted Share Incentive Scheme for 2019	Agree
June 9, 2021	Independent Opinion on the Achievement of Releasing Restricted Conditions in the Second Restriction Period for the First Grant under the Restricted Share Incentive Scheme for 2019	Agree
July 13, 2021	Independent Opinion on the Initiation and Establishment of A Biomedical Industry Fund	Agree
August 11, 2021	Independent Opinion on the Appointment of Co-president of the Company	Agree

Date	Item	Opinion Type
August 26, 2021	The Special Statement and Independent Opinion on the Occupying Company's Capital by Controlling Shareholders and other Related Parties and Company's External Guarantee	Agree
August 26, 2021	Independent Opinion on the Plan for Repurchase of Company's Shares	Agree
August 26, 2021	Independent Opinion on the Partial Repurchase and Cancellation of the 2019 Restricted Shares	Agree
September 17, 2021	Independent Opinion on the Election of Directors and Members of Special Committees of the Board of Directors of the Company	Agree
September 17, 2021	Independent Opinion on the Appointment of the Company's Senior Managers	Agree

III. DAILY WORK AND WORK DONE TO PROTECT THE RIGHTS AND INTERESTS OF INVESTORS

1. Information Disclosure

Since the listing of the Company, I have strictly abided by laws and regulations such as Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and Rules for Independent Directors of Listed Companies, etc., and the provisions such as Articles of Association and Administrative Measures on Information Disclosure, etc., kept abreast of the Company's daily operation status and possible business risks in a timely manner, conducted supervision and checked the Company's information disclosure, actively performed the duties of the independent Director and ensured that the information disclosed this year should be true, accurate, timely, complete, just and fair.

2. Implementing the Protection of the Legitimate Rights and Interests of Public Shareholders

This year, I worked diligently in accordance with the relevant laws, regulations and provisions in Articles of Association and Working System for Independent Directors, actively mastered the operating condition of the company by making full use of the meeting to discuss, conducting on-site investigation and telephone communication, etc., attended on time the Board meeting and special committee meeting as a committee member in person, carefully reviewed all proposals, and effectively protected the minority Shareholders' interests.

IV. OTHER WORK CONDITIONS

1. There was no proposal to convene the Board meeting;
2. There was no proposal to hire or dismiss an accounting firm;
3. No external audit institution or consulting institution was hired independently.

It is hoped that in the new year, the Company will operate more steadily and standardize the operation, so that the Company can develop continuously, stably and healthily, and return the Shareholders with more excellent performance. At the same time, I would like to express my respect and heartfelt thanks to the Board, management team and relevant personnel for their active and effective cooperation and support during my performance of duties.

Hangzhou Tigermed Consulting Co., Ltd.

Independent Director Yang Bo (楊波)

March 29, 2022

Hangzhou Tigermed Consulting Co., Ltd.

Duty Report of Independent Directors for 2021

As an independent Director of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as the “**Company**”), I have strictly complied with relevant laws, regulations, bylaws and requirements of normative documents such as Company Law of the People’s Republic of China, No. 2 Self-regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange – Standardized Operation of Companies Listed on GEM (Growth Enterprise Market), Code of Corporate Governance for Listed Companies, Rules for Independent Directors of Listed Companies, Articles of Association, Company’s Independent Director System, etc. during my term of office, and actively participated in the affairs of the Company and performed duties objectively, impartially and independently in line with the principle of safeguarding the interests of the Company and Shareholders, especially the minority Shareholders.

My work this year is as follows:

I. ATTENDANCE AT BOARD MEETINGS OF THE COMPANY THIS YEAR

I attended every Board meeting of the Company this year. The Board meeting and AGM convened by the Company this year should comply with legal procedures, which are legal and effective. My attendance at Board meetings this year is as follows:

Independent Director	Should attend the board meeting	Attend in person the board meeting	Attend by proxy the board meeting	Absence from the board meeting	Whether failed to attend the board meeting in person for two consecutive times
Liu Kai Yu Kenneth (廖 啟宇)	11	11	0	0	No

1. I have voted in favor of the relevant proposals reviewed at each Board meeting.
2. No absence; no attendance by proxy.

II. THE SITUATION OF INDEPENDENT OPINIONS GIVEN

Date	Item	Opinion Type
March 30, 2021	Independent Opinion on the Occupying Capital by Controlling Shareholders and Other Related Parties and Company's External Guarantee	Agree
March 30, 2021	Independent Opinion on the Company's Internal Control Self-evaluation Report for 2020	Agree
March 30, 2021	Independent Opinion on the Appointment of the Company's Auditor for 2021	Agree
March 30, 2021	Independent Opinion on the Profit Distribution Plan of the Company for 2020	Agree
March 30, 2021	Independent Opinion on the Confirmation of Routine Related Party Transactions in 2020	Agree
March 30, 2021	Independent Opinion on the Changes in Accounting Policies	Agree
March 30, 2021	Independent Opinion on the Partial Repurchase and Cancellation of the 2019 Restricted Shares	Agree
April 29, 2021	Independent Opinion on the Achievement of Releasing Restricted Conditions in the First Restriction Period for the Reserved Grant under the Restricted Share Incentive Scheme for 2019	Agree
June 9, 2021	Independent Opinion on the Achievement of Releasing Restricted Conditions in the Second Restriction Period for the First Grant under the Restricted Share Incentive Scheme for 2019	Agree
July 13, 2021	Independent Opinion on the Initiation and Establishment of A Biomedical Industry Fund	Agree
August 11, 2021	Independent Opinion on the Appointment of Co-president of the Company	Agree

Date	Item	Opinion Type
August 26, 2021	The Special Statement and Independent Opinion on the Occupying Company's Capital by Controlling Shareholders and other Related Parties and Company's External Guarantee	Agree
August 26, 2021	Independent Opinion on the Plan for Repurchase of Company's Shares	Agree
August 26, 2021	Independent Opinion on the Partial Repurchase and Cancellation of the 2019 Restricted Shares	Agree
September 17, 2021	Independent Opinion on the Election of Directors and Members of Special Committees of the Board of Directors of the Company	Agree
September 17, 2021	Independent Opinion on the Appointment of the Company's Senior Managers	Agree

III. DAILY WORK AND WORK DONE TO PROTECT THE RIGHTS AND INTERESTS OF INVESTORS

1. Information Disclosure

Since the listing of the Company, I have strictly abided by laws and regulations such as Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and Rules for Independent Directors of Listed Companies, etc., and the provisions such as Articles of Association and Administrative Measures on Information Disclosure, etc., kept abreast of the Company's daily operation status and possible business risks in a timely manner, conducted supervision and checked the Company's information disclosure, actively performed the duties of the independent Director and ensured that the information disclosed this year should be true, accurate, timely, complete, just and fair.

2. Implementing the Protection of the Legitimate Rights and Interests of Public Shareholders

This year, I worked diligently in accordance with the relevant laws, regulations and provisions in Articles of Association and Working System for Independent Directors, actively mastered the operating condition of the company by making full use of the meeting to discuss, conducting on-site investigation and telephone communication, etc., attended on time the Board meeting and special committee meeting as a committee member in person, carefully reviewed all proposals, and effectively protected the minority Shareholders' interests.

IV. OTHER WORK CONDITIONS

1. There was no proposal to convene the Board meeting;
2. There was no proposal to hire or dismiss an accounting firm;
3. No external audit institution or consulting institution was hired independently.

It is hoped that in the new year, the Company will operate more steadily and standardize the operation, so that the Company can develop continuously, stably and healthily, and return the Shareholders with more excellent performance. At the same time, I would like to express my respect and heartfelt thanks to the Board, management team and relevant personnel for their active and effective cooperation and support during my performance of duties.

Hangzhou Tigermed Consulting Co., Ltd.
Independent Director Liu Kai Yu Kenneth (廖啟宇)
March 29, 2022

Hangzhou Tigermed Consulting Co., Ltd.

Report of the Supervisory Committee for 2021

In this year, the Supervisory Committee of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as the “**Company**”) diligently performed and independently exercised the supervisory authority and duties of the Supervisory Committee in strict accordance with the Company Law, Articles of Association, Rules of Procedure of the Supervisory Committee and other relevant regulations and requirements. During the Reporting Period, 6 meetings of the Supervisory Committee were held. Members of the Supervisory Committee attended all the meetings of the Board and Shareholders’ meetings during the Reporting Period, and effectively supervised the Company’s business activities, financial condition, major decisions, procedures for convening Shareholders’ meetings, and the performance of duties by Directors and senior management personnel, and expressed no objection to the Company’s related supervision matters. The Supervisory Committee has well protected the Shareholders’ rights and interests, the Company’s interests and the legitimate rights and interests of employees, and promoted the standardized operation of the Company.

The fourth Supervisory Committee of the Company has 3 supervisors, including 2 external supervisors and 1 employee representative supervisor. The employee representatives in the Supervisory Committee are democratically elected by the employees’ congress of the Company.

The main work of the Supervisory Committee in 2021 is reported as follows:

I. CONVENING OF THE MEETING OF THE SUPERVISORY COMMITTEE

During the Reporting Period, the Supervisory Committee of the Company held 6 meetings, as follows:

Convening Date	Meeting Name	Meeting Agenda
March 29, 2021	The eighth meeting of the fourth session of the Supervisory Committee	<ol style="list-style-type: none">1. Resolution on the Full Text, Summary of 2020 Annual Report, 2020 Annual Results Announcement of the Company;2. Resolution on the Company’s Report of the Supervisory Committee for 2020;3. Resolution on the Company’s Profit Distribution Plan for 2020;

Convening Date	Meeting Name	Meeting Agenda
		<p>4. Resolution on the Company's Final Financial Report for 2020;</p> <p>5. Resolution on the Company's Internal Control Self-evaluation Report for 2020;</p> <p>6. Resolution on the Company's Special Statement on Capital Occupation by Controlling Shareholders and Other Related Parties;</p> <p>7. Resolution on the Appointment of Auditors of the Company for 2021;</p> <p>8. Resolution on the Confirmation of Routine Related Party Transactions in 2020;</p> <p>9. Resolution on the Application to the Bank for the Integrated Credit Facility;</p> <p>10. Resolution on the Purchase of Short-Term Bank Principal-Guaranteed Wealth Management Products with Self-Owned Idle Funds;</p> <p>11. Resolution on the Changes in Accounting Policies;</p> <p>12. Resolution on the Partial Repurchase and Cancellation of the 2019 Restricted Shares.</p>
April 28, 2021	The ninth meeting of the fourth session of the Supervisory Committee	<p>1. Resolution on the Company's 2021 First Quarterly Report;</p> <p>2. Resolution on the Achievement of Releasing Restricted Conditions in the First Restriction Period for the Reserved Grant under the Restricted Share Incentive Scheme for 2019.</p>

Convening Date	Meeting Name	Meeting Agenda
June 8, 2021	The tenth meeting of the fourth session of the Supervisory Committee	1. Resolution on the Achievement of Releasing Restricted Conditions in the Second Restriction Period for the First Grant under the Restricted Share Incentive Scheme for 2019.
July 12, 2021	The eleventh meeting of the fourth session of the Supervisory Committee	1. Resolution on the Initiation and Establishment of A Biomedical Industry Fund.
August 25, 2021	The twelfth meeting of the fourth session of the Supervisory Committee	<p>1. Resolution on the 2021 Semi-Annual Report and Its Summary, 2021 Semi-Annual Results Announcement of the Company;</p> <p>2. Resolution on the Plan for Repurchase of Company's Shares;</p> <p>2.01. Purpose and use of share repurchase</p> <p>2.02. Method of share repurchase</p> <p>2.03. Price or price range and pricing principle of share repurchase</p> <p>2.04. Total amount and source of funds for share repurchase</p> <p>2.05. Type, quantity and proportion of shares repurchased in the total share capital</p> <p>2.06. Implementation period of share repurchase</p> <p>2.07. Validity Period of the Resolution</p>

Convening Date	Meeting Name	Meeting Agenda
		2.08. Specific authorization for this share repurchase
		3. Resolution on the Partial Repurchase and Cancellation of the 2019 Restricted Shares.
October 22, 2021	The thirteenth meeting of the fourth session of the Supervisory Committee	1. Resolution on the Company's 2021 Third Quarterly Report.

II. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS DURING THE REPORTING PERIOD

According to the Company Law, Securities Law, Rules Governing the Listing of Stocks on Growth Enterprise Market of the Shenzhen Stock Exchange, Articles of Association and other relevant regulations, the Supervisory Committee of the Company seriously performed the functions of the Supervisory Committee in order to earnestly safeguard the interests of the Company and the rights and interests of the majority of small and medium-sized investors, and comprehensively supervised the Company's legal operation, financial condition, related party transactions, external guarantees, internal control, and fund raising. After careful deliberation, it is agreed on:

1. Operation of the Company According to Law

This year, the Company's Supervisory Committee attended 6 Shareholders' meetings and 11 Board meetings in accordance with the law. According to the Company Law and other relevant laws and regulations and the Articles of Association and other relevant provisions, the Supervisory Committee has inspected and supervised the Company's decision-making procedures, the establishment and implementation of the internal control system, and the behavior of the Company's Directors and senior managers in performing their duties. The Supervisory Committee believes that: The Company's decision-making procedures strictly follow the Company Law, Securities Law and other laws and regulations and the provisions of the China Securities Regulatory Commission and the Articles of Association; The Company's internal control system is relatively perfect; Information disclosure is timely and accurate; The Board has standardized operation, scientific decision-making, legal procedures, and conscientiously implemented the resolutions of the Shareholders' meeting; The Directors and senior managers of the Company are loyal to their duties, diligent and conscientious in performing their duties, and there is no violation of laws, regulations, the Articles of Association of the Company or damage to the interests of the Company and the Shareholders.

2. Financial Condition of the Company

The members of the Supervisory Committee listened carefully to the special report of the Company's financial management, and inspected and supervised the Company's financial condition, financial management and operating results in this year by reviewing the Company's annual report and auditing reports of accounting firms. The Supervisory Committee believes that the Company has sound financial system, standardized financial operation and good financial condition. This year's financial report objectively, accurately and completely reflects the Company's financial position and operating results. The audit opinions issued by BDO China SHU LUN PAN Certified Public Accountants LLP for the Company and the evaluation it made on relevant matters are objective and fair.

3. Projects Invested by the Company's Raised Funds of H Shares

The Supervisory Committee inspected the use and management of the Company's raised funds of H shares during the Reporting Period. The Supervisory Committee believes that the Company used and managed the raised funds in strict accordance with the Articles of Association and the Administrative Measures for Raised Funds of the Company, and there was no illegal use of the raised funds, and the investment and uses of the raised funds of the Company were not changed.

4. The Company's Transactions relating to Acquisition and Sale of Assets

During the Reporting Period, there was no major asset sale, no insider trading, and no behavior that harmed Shareholders' interests or caused the loss of the Company's assets.

5. Related Party Transactions of the Company

During the Reporting Period, the Supervisory Committee reviewed the Company's annual routine related party transactions. The above related party transactions have fulfilled the statutory approval procedures, and the Supervisory Committee has performed its supervisory duties.

6. External Guarantee, Equity and Asset Replacement of the Company

During the Reporting Period, the Company did not have any external guarantees.

During the Reporting Period, the Company did not have any equity or asset replacement.

7. Opinions on Internal Control Self-evaluation Report

According to Shenzhen Stock Exchange's Guidelines on Internal Control of Listed Companies, Articles of Association and other relevant regulations, the Supervisory Committee of the Company reviewed this year's internal control self-evaluation report, and issued the

following review opinions: The Company has established a relatively sound internal control system according to its own business management needs, and has been effectively implemented. Internal control is effective in all major aspects, which can provide reasonable guarantee for the preparation of true and fair financial statements, and can provide healthy operation of various businesses and control of business risks of the Company. This year's internal control self-evaluation report truly and objectively reflects the construction and operation of the Company's internal control system.

Supervisory Committee of Hangzhou Tigermed Consulting Co., Ltd.

March 29, 2022

Hangzhou Tigermed Consulting Co., Ltd.
Final Financial Report for 2021

The financial and accounting statements prepared by the Company in accordance with the PRC Accounting Standards for Business Enterprises in 2021 have been audited by BDO China SHU LUN PAN Certified Public Accountants LLP, which has issued an unqualified audit report (Xin Kuai Shi Bao Zi [2022] No. ZA10437). The financial and accounting statements prepared by the Company in accordance with International Financial Reporting Standards and requirements of the Hong Kong Companies Ordinance in 2021 have been audited by BDO Limited, which has issued an unqualified audit report.

The Company's financial report for 2021 is summarized as follows:

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY FOR 2021

Unit: RMB

	2021	2020	Year-on-year change	2019
Operating Income (RMB)	5,213,538,054.00	3,192,278,504.71	63.32%	2,803,309,287.65
Net profit attributable to shareholders of the listed company (RMB)	2,874,163,020.17	1,749,774,781.53	64.26%	841,634,823.38
Net profit deducting non-recurring profit and loss attributable to shareholders of the listed company (RMB)	1,231,520,119.19	708,191,021.88	73.90%	558,119,891.62
Net cash flow from operating activities (RMB)	1,423,796,250.17	998,675,096.55	42.57%	527,557,935.51
Basic earnings per share (RMB/share)	3.31	2.20	50.45%	1.13
Diluted earnings per share (RMB/share)	3.30	2.19	50.68%	1.13
The weighted average return on net assets	16.75%	18.68%	-1.93%	23.65%
	At the end of 2021	At the end of 2020	Year-on-year change	At the end of 2019
Total assets (RMB)	23,741,171,551.32	19,506,057,719.48	21.71%	7,532,651,176.52
Net assets attributable to shareholders of the listed company (RMB)	18,123,626,117.21	16,118,568,008.27	12.44%	4,225,457,956.55

In 2021, the Company's overall operation was in good condition, and its operating income and net profit recorded steady growth with an increase in the volume of assets. During the Reporting Period, the Company achieved operating income of RMB5,213,538,100, a year-on-year increase of 63.32%, and achieved net profit attributable to the parent company of RMB2,874,163,000, a year-on-year increase of 64.26%.

II. ANALYSIS ON FINANCIAL POSITION, OPERATING RESULTS AND CASH FLOW FOR 2021

(I) Analysis of Assets and Liabilities

1. Composition and significant changes of the Company's major assets and liabilities are described as below:

Unit: RMB

	At the end of 2021		At the beginning of 2021		Change	Description on the significant changes
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Monetary funds	8,544,356,169.94	35.99%	10,123,891,478.86	51.90%	-15.91%	Monetary funds decreased by RMB1,579,535,300 from the opening balance, mainly due to the increase in the Company's investment activities during the Reporting Period.
Accounts receivable	809,126,538.78	3.41%	490,923,859.46	2.52%	0.89%	
Contract assets	1,285,474,618.80	5.41%	824,714,358.81	4.23%	1.18%	
Inventories	6,095,078.95	0.03%	4,721,258.48	0.02%	0.01%	
Investment properties		0.00%		0.00%	0.00%	

	At the end of 2021		At the beginning of 2021		Change	Description on the significant changes
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Long-term equity investment	738,799,229.15	3.11%	60,269,574.65	0.31%	2.80%	Long-term equity investment increased by RMB678,529,700 or 1125.82% from the opening balance, mainly due to the increase in the Company's investment in associates during the Reporting Period.
Fixed assets	437,992,148.47	1.84%	300,362,837.51	1.54%	0.30%	
Construction in progress	217,141,355.50	0.91%	54,839,279.79	0.28%	0.63%	
Right-of-use assets	468,243,866.82	1.97%	327,466,541.14	1.68%	0.29%	
Short-term borrowings	492,320,000.00	2.07%		0.00%	2.07%	Short-term borrowings increased by RMB492,320,000 from the opening balance, mainly due to the increase in short-term borrowings by the Company during the Reporting Period.
Contract liabilities	789,508,933.95	3.33%	484,643,033.92	2.48%	0.85%	
Long-term borrowings		0.00%		0.00%	0.00%	
Lease liabilities	406,838,855.96	1.71%	279,021,433.58	1.43%	0.28%	
Capital reserve	11,886,627,087.98	50.07%	11,998,236,858.52	61.51%	-11.44%	Capital reserve decreased by RMB111,609,800 from the opening balance, mainly due to the acquisition of minority interests in subsidiaries by the Company during the Reporting Period.

(II) Analysis of Operations**1. Composition of operating income***General condition of operating income**Unit: RMB*

	2021		2020		Year-on-year increase/ decrease
	Amount	As a percentage of the operating income	Amount	As a percentage of the operating income	
Total operating income	5,213,538,054.00	100%	3,192,278,504.71	100%	63.32%
By industries					
Service industry	5,213,538,054.00	100.00%	3,192,278,504.71	100.00%	63.32%
By products					
Clinical trial solutions	2,993,651,739.26	57.42%	1,519,215,298.46	47.59%	97.05%
Clinical-related and laboratory services	2,193,714,954.63	42.08%	1,657,018,565.69	51.91%	32.39%
Other business services	26,171,360.11	0.50%	16,044,640.56	0.50%	63.12%
By geographical locations					
Domestic	2,756,080,494.60	52.86%	1,906,722,954.74	59.73%	44.55%
Overseas	2,457,457,559.40	47.14%	1,285,555,549.97	40.27%	91.16%
By sales model					
Direct sales	5,213,538,054.00	100.00%	3,192,278,504.71	100.00%	63.32%

2. Major Sales Customers*Major sales customers of the Company*

Total sales amount from the top five customers (RMB)	1,064,212,272.17
Proportion of total sales amount of the top five customers over total sales amount for the year	20.41%
Proportion of sales from related parties of sales amount of the top five customers over total sales amount for the year	0.00%

Top five customers of the Company

No.	Customer name	Sales amount (RMB)	Proportion of sales amount over total sales amount for the year
1	Top 1	351,701,367.27	6.75%
2	Top 2	296,682,416.74	5.69%
3	Top 3	169,929,443.41	3.26%
4	Top 4	132,129,227.44	2.53%
5	Top 5	113,769,817.31	2.18%
Total	–	1,064,212,272.17	20.41%

(III) Analysis of Profitability

Change of data for profitability was primarily due to:

1. During the Reporting Period, the Company's main business revenue was RMB5,187,366,700, an increase of 63.32% from RMB3,176,233,900 in the same period of the previous year. Specifically, revenue from clinical trial solutions (CTS) reached RMB2,993,651,700, an increase of 97.05% from RMB1,519,215,300 in the same period of the previous year; and revenue from clinical-related and laboratory services ("CRLS") was RMB2,193.715 million, an increase of 32.39% from RMB1,657,018,600 in the same period of the previous year. The increase in main business revenue was mainly due to the increase in customer demand and the further recovery of the economy from the COVID-19 pandemic.

Geographically, the Company's main business revenue generated in the PRC amounted to RMB2,740,713,300, an increase of 44.17% from RMB1,901,091,900 in the same period of the previous year, which was due to the robust year-on-year growth in domestic operations that were negatively affected by the COVID-19 pandemic in 2020 (including clinical operations, site management, patient recruitment, and laboratory services).

The Company's overseas main business revenue was RMB2,446,653,400, an increase of 91.87% from RMB1,275,141,900 in the same period of the previous year. The increase in overseas revenue was mainly driven by COVID-19 related MRCTs during the second half of 2021. Increased customer demand for other MRCTs also contributed to the growth of overseas revenue.

2. During the Reporting Period, the gross profit of CTS services was RMB1,340,228,700, an increase of 75.98% from RMB761,590,600 in the same period of the previous year, mainly due to the increase in revenue from CTS services.

The gross profit margin of clinical trial operations under the CTS segment decreased year-on-year, mainly because the Company carried out more MRCTs including COVID-19 related trials, and the pass-through fees of such operations were higher than those of other clinical services. As it had no local branches temporarily, the Company subcontracted some services to local third-party CROs and settled center-related fees on behalf of customers. When paying the pass-through fees on behalf of customers, the Company will recognize the revenue and related costs, which will reduce the gross profit margin of such operations. Compared with the same period of the previous year, the gross profit margin of other services under the CTS segment for 2021 remained relatively stable.

As a result, the gross profit margin of the CTS segment decreased from 50.13% in 2020 to 44.77% in 2021.

3. During the Reporting Period, the gross profit of the CRLS segment was RMB909,853,900, an increase of 23.14% from RMB738,863,200 in the same period of the previous year.

During the Reporting Period, the gross profit margin of the CRLS segment decreased to 41.48% from 44.59% in the same period of the previous year, mainly due to the decline in the gross profit margin of data management and statistical analysis services. The appreciation of RMB against USD in 2021 compared with 2020 adversely affected the revenue from overseas data management and statistical analysis services. The Company's site management business further recovered from the COVID-19 pandemic with a higher year-on-year growth in revenue, but the gross profit margin of such business was lower than that of other services.

(IV) Analysis of Expenses and Non-principal Business

Unit: RMB

	2021	2020	Year on year increase/ decrease (%)	Description on the significant changes
Selling expenses	129,399,167.24	96,580,734.38	33.98%	Selling expenses increased by 33.98% year-on-year, mainly due to the increase in the Company's sales activities during the Reporting Period.
Management expenses	547,480,258.78	390,636,086.09	40.15%	Management expenses increased by 40.15% year-on-year, mainly due to the increase in the number and remuneration of management personnel and the increase in share-based payments, asset depreciation and amortization during the Reporting Period.
Financial expenses	-216,363,131.05	88,051,673.20	-345.72%	Financial expenses decreased by 345.72% year-on-year, mainly due to the increase in interest income from the Company's proceeds from H shares during the Reporting Period.
R&D expenses	211,828,605.16	156,647,695.76	35.23%	R&D expenses increased by 35.23% year-on-year, mainly due to the increase in the number and remuneration of the Company's R&D personnel and the increase in investment in innovation and technological development during the Reporting Period.

Unit: RMB

	Amount	Proportion of total profit	Reasons for formation	Whether it is sustainable
Investment income	312,282,909.70	8.48%	Mainly due to the Company's equity transfer and receipt of income from the transfer during the Reporting Period.	No
Gain or loss on changes in fair value	1,815,389,675.35	49.27%	Mainly due to the gain on change in fair value of other non-current assets of the Company during the Reporting Period.	No
Non operating income	6,326,483.19	0.17%	Mainly due to the receipt of government grants by the Company during the Reporting Period.	No
Non operating expense	18,727,590.44	0.51%	Mainly due to the fair value of contingent consideration for the Company's acquisition of subsidiaries during the Reporting Period.	No
Other revenue	8,441,398.71	0.23%	Mainly due to the receipt of government grants by the Company during the Reporting Period.	No
Gain on disposal of assets	-530,854.57	-0.01%	Mainly due to the disposal of fixed assets and other long-term assets by the Company during the Reporting Period.	No

(V) Analysis of Cash Flows

Unit: RMB

Item	2021	2020	Year on year increase/ decrease (%)
Sub-total of cash inflows from operating activities	5,278,605,847.11	3,497,587,320.56	50.92%
Sub-total of cash outflows from operating activities	3,854,809,596.94	2,498,912,224.01	54.26%
Net cash flows from operating activities	1,423,796,250.17	998,675,096.55	42.57%
Sub-total of cash inflows from investing activities	1,181,794,757.45	1,054,512,003.65	12.07%
Sub-total of cash outflows from investing activities	3,964,479,070.81	3,421,942,110.42	15.85%
Net cash flows from investing activities	-2,782,684,313.36	-2,367,430,106.77	17.54%
Sub-total of cash inflows from financing activities	781,256,790.86	12,427,855,525.85	-93.71%
Sub-total of cash outflows from financing activities	944,349,393.67	3,088,740,323.48	-69.43%
Net cash flows from financing activities	-163,092,602.81	9,339,115,202.37	-101.75%
Net increase in cash and cash equivalents	-1,581,545,582.75	7,922,877,196.11	-119.96%

- (1) The cash inflows from operating activities amounted to RMB5,278,605,800, representing a year-on-year increase of 50.92%, mainly due to the fact that the growth of cash received by the Company in selling goods and provision of services is greater than that of operating revenue during the Reporting Period, and the Company's payment collection of main business items during the Reporting Period were in good condition;
- (2) The cash outflows from operating activities amounted to RMB3,854,809,600, representing a year-on-year increase of 54.26%, mainly due to the increase in cash paid for purchasing goods and receiving services during the Reporting Period;
- (3) The net cash flows from operating activities amounted to RMB1,423,796,300, representing a year-on-year increase of 42.57%, mainly due to the Company's satisfactory collection of payments for main business items during the Reporting Period;

- (4) The cash inflows from financing activities amounted to RMB781,256,800, representing a year-on-year decrease of 93.71%, mainly due to the Company's receipt of proceeds from listing and trading on the main board of the Hong Kong Stock Exchange in the previous reporting period;
- (5) The cash outflows from financing activities amounted to RMB944,349,400, representing a year-on-year decrease of 69.43%, mainly due to the Company's repayment of all loans and prepayment of H-share listing expenses in the previous reporting period;
- (6) The net cash flows from financing activities amounted to RMB-163,092,600, representing a year-on-year decrease of 101.75%, mainly due to the Company's receipt of proceeds from listing and trading on the main board of the Hong Kong Stock Exchange in the previous reporting period;
- (7) The net increase in cash and cash equivalents amounted to RMB-1,581,545,600, representing a year-on-year decrease of 119.96%, mainly due to the Company's receipt of proceeds from listing and trading on the main board of the Hong Kong Stock Exchange in the previous reporting period.

The Board of Directors of Hangzhou Tigermed Consulting Co., Ltd.
March 29, 2022



**2022 A Share Employee Share Ownership Plan
(Revised Draft) of Hangzhou Tigermed Consulting Co., Ltd.**

April 2022

STATEMENT

The Company and all members of the board of the directors warrant that there are no false representations, misleading statements or material omissions in the ESOP, and severally and jointly accept legal responsibility for the truthfulness, accuracy and completeness of the ESOP.

RISK DISCLOSURE

1. The implementation of the ESOP is subject to the approval of the general meeting of the Company, and there are uncertainties as to whether the ESOP will be approved at the general meeting of the Company and whether the scale and objective of the Plan will be achieved.
2. The source of funds, amount of capital contribution and implementation plan in relation to the ESOP are preliminary results, and there are uncertainties as to whether the implementation will be completed.
3. The ESOP shall abide by the principles of legal compliance, voluntary participation and self-assumption of risks. There is a risk that the ESOP may not be established if it is under-subscribed by employees; in the case of under-subscription by employees, there is a risk that the size of the ESOP may be lower than expected.
4. If an appropriate asset management agency is appointed to manage the ESOP after its establishment, the Company will make a timely announcement. If the Company does not appoint an asset management agency eventually, the ESOP shall be managed by the Company itself. The Company will establish a Management Committee for the ESOP as the manager of the ESOP to exercise shareholders' rights on behalf of the ESOP and effectively safeguard the legitimate rights and interests of the Holders of the ESOP.
5. The share price is affected by various complex factors, such as the operating results of the Company, macroeconomic cycle, political and economic situations at home and abroad, and investor sentiment. Therefore, share trading is an investment activity with certain risks, and investors should be fully prepared for that.

The Company will disclose the progress in accordance with relevant regulations in the future. Investors are advised to make decisions with caution and pay attention to investment risks.

SPECIAL NOTES

1. The 2022 A Share Employee Share Ownership Plan (Revised Draft) of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter as the “**ESOP (Revised Draft)**”) is formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guiding Opinions on the Pilot Implementation of Employee Share Ownership Plan by Listed Companies, the Guideline No. 2 of Shenzhen Stock Exchange on Self-regulatory of Listed Companies – the Standardized Operation of Listed Companies on the ChiNext Board, the Guideline No.4 of Shenzhen Stock Exchange on Information Disclosure by Listed Companies – Employee Share Ownership Plans and other relevant laws, administrative regulations, regulatory documents, and the Articles of Association of Hangzhou Tigermed Consulting Co., Ltd.
2. The ESOP follows the principles of legal compliance, voluntary participation and self-assumption of risks, and no employees are forced to participate in the ESOP by means of apportionment, forced distribution, etc.
3. The participants of the ESOP include the directors, supervisors, senior management and core technical (business) personnel of the Company (including its wholly-owned subsidiaries, similarly hereinafter). The total number of participant shall not exceed 782. The number and list of participants will be shortlisted by the Company and will be determined according to the actual subscription payments of the employees. There are a total of 3 directors, supervisors and senior management members of the Company participating in the ESOP.
4. The ESOP is intended to raise no more than RMB266.28 million. The specific amount will be determined based on the actual subscription amount and the sources of funds will be employees’ legitimate remuneration, self-raised funds, and other sources permitted by laws and regulations. The Company shall not provide financial assistance such as advances, guarantees and loans to the Holders in any way.
5. Two sub-plans are planned to be set up under the ESOP, namely Tigermed 2022 A Share ESOP No.1 and Tigermed 2022 A Share ESOP No.2 (the names are tentative and subject to the completion of the establishment, similarly hereinafter). After the ESOP (Revised Draft) is approved by the general meeting, the Board shall appoint a third-party agency with asset management qualifications to manage the ESOP No.1 during the term of such Plan. The ESOP No.2 will be managed by the Company itself.
6. Under the ESOP, the asset size of the ESOP No.1 and that of the ESOP No.2 shall be capped at RMB141,373,500 (inclusive) and RMB124,906,500 (inclusive) respectively, adding up to a total maximum asset size of RMB266.28 million (inclusive). The participants of the ESOP will subscribe for the ESOP No.1 and the ESOP No.2 with self-raised funds.

7. The Underlying Shares of the ESOP are sourced from the ordinary A shares repurchased using the Company's special securities account for repurchase, and shall not exceed 3,608,100 shares in total, accounting for approximately 0.4136% of the total share capital of the Company. Among them, 50,000 shares were reserved shares, accounting for 1.3858% of the total number of shares held by the ESOP. The Holders, lock-up period of and performance evaluation standards for the reserved shares shall be reviewed and determined by the Remuneration and Evaluation Committee of the Company.
8. The purchase price of the repurchased shares under the first and reserved grant of the ESOP shall be RMB73.80 per share.
9. The total number of Underlying Shares held under all effective employee share ownership plans of the Company shall not exceed 10% of the total share capital of the Company, and the number of shares of the Company corresponding to the units under the employee share ownership plans held by a single Holder shall not exceed 1% of the total share capital of the Company. The total number of shares held by the ESOP does not include the shares acquired by employees before the initial public offering of the Company, the shares purchased by themselves in the secondary market, the shares obtained through equity incentives, and the shares acquired through asset restructuring. There is currently uncertainty as to the eventual transfer of shares from the share repurchase account of the Company to the ESOP, and the final number of shares held is subject to the actual implementation.
10. Before the implementation of the ESOP, the Company will seek opinions from employees through the employee representative meeting. After the ESOP is considered and approved by the Board of the Company, the Company will issue a notice of general meeting to consider the ESOP, and the general meeting will be held by way of a combination of on-site voting and online voting. This ESOP can only be implemented after being approved by the general meeting of the Company.
11. The Company will set up a Management Committee for the ESOP as the manager of the ESOP to exercise shareholders' rights on behalf of the ESOP. The Company has taken appropriate risk prevention and isolation measures to effectively safeguard the legitimate rights and interests of the Holders of the ESOP. During the term of the ESOP, the Management Committee may engage relevant professional agencies to provide management, consulting and other services for the daily management of the ESOP.
12. The term of the ESOP is 10 years commencing from the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP until the expiry of the term of the ESOP. The Underlying Shares held under the ESOP shall be unlocked in three phases, i.e. 12 months, 24 months and 36 months from the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP, respectively. The proportion of the Underlying Shares to be unlocked in each

phase shall be 30%, 30% and 40%, respectively. The proportion and quantity of shares to be unlocked each year shall be calculated and determined based on the performance indicators of the Company and the performance evaluation results of the Holders.

The ESOP shall be automatically terminated upon the expiry of its term. Subject to the consent of the Holders representing at least two-thirds of the units held by all Holders present at a Holders' Meeting and the consideration and approval by the Board, the term of the ESOP may be extended before its expiry.

13. An additional lock-up period is set for the ESOP, which means that all Holders of the ESOP voluntarily undertake not to allocate the interests of each tranche of the Underlying Shares that have met the unlocking conditions in any form within 3 months from the date of expiration of the lock-up period.
14. The ESOP does not act in concert with the controlling shareholder, de facto controller, directors, supervisors and senior management of the Company.
15. The financial, accounting treatment and taxation issues arising from the implementation of the ESOP by the Company shall be handled in accordance with the relevant financial rules, accounting standards and taxation rules. The taxes and fees required to be paid by employees due to the implementation of the ESOP shall be borne by the employees themselves.
16. After the implementation of the ESOP, it will not cause the Company's ownership structure to not meet the listing requirements.

CONTENTS

STATEMENT	91
RISK DISCLOSURE	92
SPECIAL NOTES	93
CONTENTS	96
DEFINITIONS	97
I. PURPOSE AND BASIC PRINCIPLES OF THE ESOP	99
II. PARTICIPANTS OF THE ESOP AND BASIS FOR DETERMINING THEIR ELIGIBILITY	99
III. SOURCE OF FUNDS, SOURCE OF SHARES AND SIZE OF THE ESOP. .	103
IV. TERM AND LOCK-UP PERIOD AND OTHERS OF THE ESOP.....	105
V. SHAREHOLDERS' RIGHTS CORRESPONDING TO THE SHARES HELD BY THE ESOP AND PARTICIPATION OF THE ESOP IN FINANCINGS OF THE COMPANY	109
VI. MANAGEMENT MODEL OF THE ESOP	109
VII. PROCEDURES FOR IMPLEMENTATION OF THE ESOP	116
VIII.ASSET COMPOSITION OF AND MEASURES FOR DISPOSAL OF INTERESTS OF HOLDERS IN THE ESOP	118
IX. AMENDMENT, TERMINATION AND CONTINUOUS INFORMATION DISCLOSURE OF THE ESOP	120
X. ACCOUNTING TREATMENT OF THE ESOP	121
XI. ASSOCIATION AND PARTIES ACTING IN CONCERT WITH THE ESOP.....	123
XII. OTHERS	124

DEFINITIONS

In the Draft Plan, unless otherwise specified, the following terms shall have the following meanings:

Tigermmed, the Company	Hangzhou Tigermmed Consulting Co., Ltd.
ESOP, the Plan	the 2022 A Share Employee Share Ownership Plan of Hangzhou Tigermmed Consulting Co., Ltd.
Draft Plan, ESOP (Revised Draft)	the 2022 A Share Employee Share Ownership Plan (Revised Draft) of Hangzhou Tigermmed Consulting Co., Ltd.
Holders	the employees of the Company who subscribe for and participate in the ESOP
Holders' Meeting	the meeting of the Holders of the ESOP
Management Committee	the management committee of the ESOP
senior management	the general manager, co-president, deputy general manager, financial controller, secretary to the Board and other officers of Tigermmed specified in the Articles of Association
ESOP Administrative Measures	the Administrative Measures (Revised Draft) for the 2022 A Share Employee Share Ownership Plan of Hangzhou Tigermmed Consulting Co., Ltd.
Underlying Shares	the ordinary A Shares of Tigermmed held by the ESOP
Principal	the 2022 A Share Employee Share Ownership Plan of Tigermmed
CSRC	the China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
CSDCC	China Securities Depository and Clearing Corporation Limited, Shenzhen Branch

RMB, RMB'0,000, RMB'00
million

RMB, RMB'0,000

Company Law

the Company Law of the People's Republic of China

Securities Law

the Securities Law of the People's Republic of China

Guiding Opinions

the Guiding Opinions on the Pilot Implementation of Employee Share Ownership Option Plan by Listed Companies

Disclosure Guidelines No.4

the Guideline No.4 of Shenzhen Stock Exchange on Information Disclosure by Listed Companies – Employee Share Ownership Plans

Regulatory Guidelines No.2

the Guideline No. 2 of Shenzhen Stock Exchange on Self-regulatory of Listed Companies – the Standardized Operation of Listed Companies on the ChiNext Board

Articles of Association

the Articles of Association of Hangzhou Tigermed Consulting Co., Ltd.

Note: Some of the totals in the Draft Plan may differ in mantissa due to rounding.

I. PURPOSE AND BASIC PRINCIPLES OF THE ESOP

The Company has formulated the Draft Plan in accordance with the Company Law, the Securities Law, the Guiding Opinions, the Regulatory Guidelines No.2, the Disclosure Guidelines No.4 and other relevant laws, administrative regulations, rules, regulatory documents and the Articles of Association. Employees of the Company participate in the ESOP on a voluntary, legal and compliance basis. The purpose of holding the Company's shares is to establish and improve the benefit sharing mechanism between the Company and the employees, further improve and enhance the corporate governance level of the company, enhance the cohesion of employees and the core competitiveness of the Company, and promote the long-term, sustainable and healthy development of the Company, so as to maximize the value of the Company and the shareholders.

(I) Principle of Legal Compliance

For the implementation of the ESOP, the Company shall perform the relevant procedures in strict accordance with laws and administrative regulations and disclose information in a true, accurate, complete and timely manner. No person shall use the ESOP to engage in insider dealing, securities market manipulation and other securities fraud.

(II) Principle of Voluntary Participation

The Company's implementation of the ESOP shall be decided by the Company independently with voluntary participation by employees. The Company shall not force employees to participate in the ESOP by way of apportionment, forced distribution, etc.

(III) Principle of Self-assumption of Risks

The Holders of the ESOP shall be responsible for their gains and losses, bear risks on their own, and have equal rights and interests with other investors.

II. PARTICIPANTS OF THE ESOP AND BASIS FOR DETERMINING THEIR ELIGIBILITY**(I) Participants of the ESOP**

The participants of the ESOP are determined in accordance with the Company Law, the Securities Law, the Guiding Opinions, the Disclosure Guidelines No.4 and other relevant laws, administrative regulations and rules as well as the relevant provisions of the Articles of Association. The regular employees of the Company participate in the ESOP in accordance with the principles of legal compliance, voluntary participation and self-assumption of risks. The participants in the ESOP include the directors (excluding independent directors), supervisors, senior management and core technical (business) personnel of the Company (including its wholly-owned subsidiaries, similarly hereinafter). The participants work in, receive remuneration from, and have signed labor or employment contracts with, the Company

or its wholly-owned subsidiaries. The total number of participants in the first batch of grant shall not exceed 782, and shall be determined according to the actual subscription payments. The participants include a total of 3 directors, supervisors and senior management members of the Company.

(II) Basis for Determining the Participants of the ESOP

The participants of the ESOP shall be employees of the Company who meet one of the following conditions:

1. directors (excluding independent directors), supervisors and senior management of the Company;
2. core technical (business) personnel of the Company and its wholly-owned subsidiaries.

Anyone falling into one of the following categories shall not be a Holder:

- (1) an individual who has been publicly condemned or declared as an inappropriate candidate by the stock exchange in the last three years;
- (2) an individual who has been subject to any administrative penalty by the CSRC in the last three years due to material violation of laws and regulations;
- (3) an individual who has violated any national laws and regulations due to leakage of state or company secrets, corruption, theft, embezzlement, accepting bribe, offering bribe, dereliction of duty or malfeasance in the last three years;
- (4) other circumstances under which one shall not be a Holder of the ESOP as determined by the Board or stipulated by relevant laws, regulations or regulatory documents.

(III) Holders of the ESOP

A total of 3 directors, supervisors and senior management participate in the ESOP, including one director, one supervisor and one senior management member. The total amount of funds to be raised under the ESOP shall be no more than RMB266.28 million, which is divided into “units” of RMB1 each for subscription and holding. The maximum number of units under the ESOP shall not exceed 266.28 million. The number of units to be held by the Holders of the ESOP shall be the number of units corresponding to the actual amount of capital contributions made by the employees. The total number of Underlying Shares corresponding to the units held by a single Holder under the ESOP shall not exceed 1% of the total share capital of the Company. Under the ESOP, there is no arrangement for any third party to provide rewards, subsidies and guarantees for employees’ participation in the ESOP.

The list of personnel participating in the ESOP and the allocation of units are as follows (the data on units to be subscribed are estimated and subject to the actual subscription payments):

Holders	Units to be subscribed (‘0,000 units)	Proportion in the total units of the Plan	Shareholding ratio corresponding to the units acquired
Wu Hao (director and co-president), Wu Baolin (supervisor) and Li Xiaori (secretary to the Board)	688.78	2.5867%	0.0107%
Core technical (business) personnel of the Company and its wholly- owned subsidiaries	25,570.00	96.0275%	0.3971%
Reserved tranche	369.00	1.3858%	0.0057%
Total	26,628.00	100%	0.4136%

Two sub-plans are proposed to be set up under the ESOP, i.e. Tigermed 2022 A Share ESOP No.1 and Tigermed 2022 A Share ESOP No.2. The Holders of the two sub-plans are independent of each other without overlapping and cross-holding. The list of Holders and the units to be subscribed by them are as follows:

1. Tigermed 2022 A Share ESOP No.1

Holders	Number of participants	Units to be subscribed (‘0,000 units)	Proportion in the total units of the Plan
Wu Hao (director and co-president), Wu Baolin (supervisor) and Li Xiaori (secretary to the Board)	3	688.78	2.5867%
Core technical (business) personnel of the Company and its wholly-owned subsidiaries	129	13,448.57	50.5058%
Total	132	14,137.35	53.0925%

2. Tigermed 2022 A Share ESOP No.2

Holders	Number of participants	Units to be subscribed (‘0,000 units)	Proportion in the total units of the Plan
Core technical (business) personnel of the Company and its wholly-owned subsidiaries	650	12,121.65	45.5226%
Reserved tranche	—	369.00	1.3858%
Total	650	12,490.65	46.9083%

Ms. Wang Xiaobo serves as the vice president of Beijing Yaxincheng Medical Information Technology Co., Ltd., a wholly-owned subsidiary of the Company. The reserved tranche of the Plan will be subscribed by Ms. Wang Xiaobo. Considering the impact of the occupation of funds by Ms. Wang Xiaobo, the subscription consideration payable by the Holder of the reserved tranche shall be the price of the reserved tranche plus 6% annualized interest (calculated based on the number of days of occupation). If the grant of the reserved tranche is not completed during the term of the ESOP, the Remuneration and Evaluation Committee of the Board of the Company has the right to consider and determine how to deal with the reserved tranche.

Where a Holder proposed to participate in the ESOP waives his entitlement to participate, the units proposed to be subscribed and held by him may be applied and subscribed by other eligible participants. The Remuneration and Evaluation Committee of the Board of the Company may adjust the list of participants and the allocation of units to them according to the actual situation of employees.

(IV) Verification of the Holders of the ESOP

Eligible employees shall follow the principles of legal compliance, voluntary participation and self-assumption of risks to participate in the ESOP, and the list of participants shall be determined by the Board and verified by the Supervisory Committee. The lawyers engaged by the Company shall express clear opinions on the legality and compliance of the participants.

III. SOURCE OF FUNDS, SOURCE OF SHARES AND SIZE OF THE ESOP**(I) Source of Funds of the ESOP**

The sources of funds for the Company's employees to participate in the ESOP shall be their legitimate remuneration, self-raised funds, and other sources permitted by laws and regulations. The Company shall not provide financial assistance to the Holders or provide guarantees for their loans.

The total amount of funds to be raised under the ESOP shall be no more than RMB266.28 million, which is divided into "units" of RMB1 each for subscription and holding. The maximum number of units held under the ESOP shall not exceed 266.28 million. The number of units to be held by the Holders of the ESOP shall be the number of units corresponding to the actual amount of capital contributions made by the employees.

The Holders shall pay the subscription money in accordance with the relevant agreements. Where a Holder fails to pay the subscription money in full and on time, he will automatically lose his corresponding right to subscribe for units, in which case the units to be subscribed by him may be applied and subscribed by other eligible participants. If the units forfeited are over-subscribed, the Remuneration and Evaluation Committee shall determine the winning subscribers and the allocation of the units to them.

(II) Source of Shares of the ESOP

The Underlying Shares involved in the ESOP are the ordinary A shares of Tigermed repurchased using the Company's special securities account for repurchase.

At the 18th meeting of the fourth session of the Board on August 25, 2021, the Company considered and approved the Proposal on the Share Repurchase Plan of the Company, and disclosed the Repurchase Report on August 27, 2021. As of November 1, 2021, the Company had repurchased 3,559,850 shares of the Company by means of centralized auction through the special securities account for repurchase, accounting for 0.41% of the Company's total share capital. The highest trading price of the shares was RMB164.00 per share and the lowest trading price was RMB128.15 per share. The total transaction amount was RMB499,948,805.37 (exclusive of transaction fees). The implementation of the repurchase plan was completed.

At the 21st meeting of the fourth session of the Board on February 11, 2022, the Company considered and approved the Proposal on the Share Repurchase Plan of the Company, and disclosed the Repurchase Report on February 15, 2022. As of February 28, 2022, the Company had repurchased 2,492,400 shares of the Company by means of centralized auction through the special securities account for repurchase, accounting for 0.29% of the Company's total share capital. The highest trading price of the shares was RMB102.39 per share and the lowest trading price was RMB97.00 per share. The total transaction amount was RMB250,015,135.94 (exclusive of transaction fees).

The transfer of the Underlying Shares shall be completed within 6 months after the ESOP is considered and approved by the general meeting.

There is still uncertainty as to the eventual transfer of the Underlying Shares. The final number of shares held is subject to the actual implementation, the Company will make an announcement on that in a timely manner. The total number of shares held by the ESOP does not include the shares acquired by employees before the initial public offering of the Company, the shares purchased by themselves in the secondary market, and the shares acquired through equity incentives.

(III) Size, Purchase Price and Pricing Basis of the ESOP

1. Size of the ESOP

After the ESOP is considered and approved at the general meeting, the Company intends to acquire the shares of the Company held in the special securities account for repurchase by means permitted by laws and regulations such as non-trading transfer. The Underlying Shares involved in the ESOP shall be no more than 3,608,100 shares, accounting for no more than 0.4136% of the total A share capital of the Company. Among them, 3,558,100 shares will be granted under the first grant, and 50,000 shares will be reserved, accounting for 1.3858% of the total number of shares held under the ESOP.

2. Purchase Price under the ESOP

The transfer price of shares under the first and reserved grant of the ESOP is RMB73.80 per share, representing approximately 78.78% of RMB93.68 per share, the average trading price of the A shares of the Company for 20 trading days prior to the announcement of the ESOP (Draft). The total amount of funds to be raised under the ESOP shall be no more than RMB266.28 million, corresponding to no more than 3,608,100 shares, accounting for approximately 0.4136% of the total share capital of the Company on the date of announcement of the ESOP (Draft).

3. The transfer price of shares under the ESOP is fixed based on the operations of the Company and the development of the industry to incentivize the participants at a reasonable cost, so as to facilitate the overall continual and stable operation and rapid development of the Company, enhance the sense of responsibility and mission of the Company's management team and key personnel such as core technical (business) personnel for the growth of the Company, retain such key personnel effectively, improve the Company's core competitiveness, and enable employees to share the benefits of the Company's sustained growth.

The Company believes that on the basis of legal compliance and its existing compensation, performance and incentive system, the Company needs to further improve the long-term incentive and restraint mechanism. For this end, the Company provides incentives to the participants of the ESOP at a relatively low cost, which can improve the work enthusiasm of the participants, align the interests of the participants with the Company and its shareholders, and hence help achieve the Company's overall objectives. After a comprehensive consideration of employees' willingness to make capital contributions, the Company has set a

lock-up period for the ESOP and defined the performance conditions for unlocking at the Company level. These restrictions are set with reference to the historical operating results of the Company and the development of the industry and based on the purpose of providing incentives to the participants at a reasonable cost through the ESOP, thus building a restraint mechanism for employees while fully mobilizing the enthusiasm of the participants.

In addition, the participants need to pay principal upfront and bear the liquidity risk during the lock-up period of the ESOP, and the units held by them under the ESOP can be unlocked only when the performance conditions for unlocking at the Company level are satisfied. The Company's share price is affected by fluctuations of the secondary market, and it is uncertain whether the participants will have gains after the expiration of the lock-up period. The Company has not set terms of guarantee, nor has it made relevant commitments. The participants of the ESOP have fully considered their own risk tolerance, and no employees are forced to participate in the ESOP by means of apportionment, forced distribution, etc. The transfer price under the ESOP, which is fixed based on the principle of balancing incentives and constraints, is reasonable and scientific and not prejudicial to the interests of the Company and its shareholders as a whole, which reflects the basic principle of "taking sole responsibility for your gains and losses at your own risk" as stated in the Guiding Opinions.

IV. TERM AND LOCK-UP PERIOD AND OTHERS OF THE ESOP

(I) Term of the ESOP

1. The term of the ESOP shall be 10 years commencing from the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP until the expiry of the term of the ESOP.
2. Upon the expiry of the lock-up period of the ESOP, if the assets of the ESOP are all monetary assets, the ESOP may be terminated in advance after obtaining the consent of the Holders representing at least two-thirds of the units held by all Holders present at a Holders' Meeting and being considered and approved by the Board.
3. If the shares of the Company held by the ESOP cannot be fully cashed out before the expiry of the term due to suspension of trading of the shares of the Company or short window period, the term of the ESOP may be extended after obtaining the consent of the Holders representing at least half of the units held by all Holders present at a Holders' Meeting and being considered and approved by the Board.
4. Two months before the expiry of the term of the ESOP, the term of the ESOP may be extended subject to the consent of the Holders representing at least two-thirds of the units held by all Holders present at a Holders' Meeting and the consideration and approval by the Board.

5. The Company shall, at the latest when the term of the ESOP expires, disclose the number of shares held by the expired ESOP, the proportion of such shares in the total share capital of the Company, and the arrangement on how to dispose of the shares after the expiration. If an extension is proposed, the Company shall explain the differences in the Plan before and after the extension in accordance with the disclosure requirements under Article 9 of the Disclosure Guidelines No.4, and perform the review procedures and disclosure obligations according to the terms of the ESOP.

(II) Lock-up Period of the Underlying Shares Purchased under the ESOP and Arrangement for Unlocking

The Underlying Shares involved in the ESOP are the ordinary A shares of Tigermed repurchased through the Company's special securities account for repurchase. Under the ESOP, it is proposed to acquire the Underlying Shares by means permitted by laws and regulations such as non-trading transfer. The Underlying Shares shall be unlocked in three phases, i.e. 12 months, 24 months and 36 months from the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP, respectively. The proportion of the Underlying Shares to be unlocked in each phase shall be 30%, 30% and 40%, respectively. The details are as follows:

The first tranche of the Underlying Shares, representing 30% of the total number of shares held by the ESOP, shall be unlocked 12 months after the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP;

The second tranche of the Underlying Shares, representing 30% of the total number of shares held by the ESOP, shall be unlocked 24 months after the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP;

The third tranche of the Underlying Shares, representing 40% of the total number of shares held by the ESOP, shall be unlocked 36 months after the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP.

Shares derived from any distribution of share dividends or capitalization issue by the Company shall also be subject to the above lock-up arrangements.

(III) Additional Lock-up Period

The Holders are voluntarily committed to an additional lock-up period of the ESOP, the details of which are as follows:

1. All Holders voluntarily undertake not to allocate the interests of each tranche of the Underlying Shares that have met the unlocking conditions in any form within 3 months from the date of expiration of the lock-up period.
2. After the expiry of the additional lock-up period and before the expiry of the term of the ESOP, the ESOP shall decide whether to dispose of the Underlying Shares according to the arrangements of the ESOP and the prevailing market conditions.

(IV) Explanation on the Rationality and Compliance of the Lock-up Period of the ESOP

The lock-up period and unlocking arrangement of the ESOP are set based on the principle of balancing incentives and constraints. The purchase price of the shares of the ESOP is discounted, so the shares will be unlocked in three phases after 12 months of lock-up, and the ratios of the shares to be unlocked will be 30%, 30% and 40% of the total, respectively. The Company believes that on the basis of legal compliance, the setting of an additional lock-up period can further constrain employees while fully motivating them, thus better aligning the interests of the Holders and the Company and its shareholders. This will help achieve the purpose of the ESOP and promote the stable, healthy and long-term sustainable development of the Company.

(V) Performance Requirements of the ESOP**1. Performance targets at the Company level**

The Underlying Shares involved in the ESOP will be unlocked in three phases, subject to the satisfaction of the Company's performance target for each year of assessment. The specific unlocking conditions are set out in the table below:

Year of assessment	Performance target
2022	The net profit for 2022 shall increase by no less than 40.00% compared with the net profit for 2021
2023	The net profit for 2023 shall increase by no less than 75.00% compared with the net profit for 2021
2024	The net profit for 2024 shall increase by no less than 105.00% compared with the net profit for 2021
Notes:	<p>(1) The above "net profit" refers to the audited net profit attributable to shareholders of the Company after deducting non-recurring gains and losses, and excludes share-based payment expenses arising from the implementation of this equity incentive plans and employee share ownership plans of the Company.</p> <p>(2) The above performance targets do not constitute the Company's performance forecast and substantive commitment to investors.</p>

If the Company does not meet the performance appraisal requirements at company level in a given year, the unlockable underlying Shares corresponding to the entitlements under the share ownership plans held by all Holders in that year shall not unlock, and the corresponding interests shall not be exercised. The units in the Share Ownership Plan that cannot be unlocked in that year shall be recalled by the Management Committee of the A Share Employee Share Ownership Plan. The recovery price is the original capital contribution of the underlying Shares corresponding to the units.

2. *Individual performance evaluation*

The performance evaluation of the participants of the ESOP shall be led and organized by the Remuneration and Evaluation Committee of the Board of the Company and be implemented in accordance with the relevant rules of the Company.

During the term of the ESOP, where a Holder fails to meet his individual performance target, upon the expiry of the lock-up period, the Management Committee shall, according to the authorization of the Holders' Meeting, have the right to recall the interest and units held by such Holder that are yet to be unlocked as reserved units for a consideration equal to the amount of capital contribution originally made for the Underlying Shares corresponding to such units. The Management Committee also has the right to reallocate the units recalled internally.

(VI) Prohibited Acts under the ESOP

The ESOP shall strictly abide by the market trading rules and comply with the rules of the CSRC and the SZSE on prohibition of share trading during information sensitive periods. No person shall use the ESOP to engage in insider dealing, securities market manipulation and other securities fraud. The ESOP shall not deal in shares of the Company during the following periods or under the following circumstances:

1. within 30 days prior to the publication of an annual or interim report of the Company, or if the date of publication is postponed for special reasons, 30 days prior to the original date of publication until the final date of publication;
2. within 10 days before the release of a quarterly report or results forecast or preliminary results announcement of the Company;
3. from the date of occurrence of any material event that may have a material impact on the trading price of the Company's shares or during the process of decision making until the date of disclosure of the same according to law;
4. other circumstances as stipulated by the CSRC and the stock exchanges;
5. other circumstances under which it is not allowed to deal in the Company's shares as stipulated by laws and regulations.

V. SHAREHOLDERS' RIGHTS CORRESPONDING TO THE SHARES HELD BY THE ESOP AND PARTICIPATION OF THE ESOP IN FINANCINGS OF THE COMPANY

During the term of the ESOP, the Holders' Meeting authorizes the Management Committee to exercise the shareholders' rights corresponding to the shares held by the ESOP on behalf of all the Holders and the ESOP, including but not limited to attending, making proposals to and voting at the general meeting, and participating in the Company's distribution of cash and share dividends and capitalization issue.

During the term of the ESOP, whenever the Company carries out financing through rights issue, follow-on offering or issuance of convertible bonds, the Management Committee shall discuss whether to participate in the financing and how to fund the participation, and submit the same to the Holders' Meeting for deliberation.

VI. MANAGEMENT MODEL OF THE ESOP

During the term of the ESOP, the ESOP No.1 will be managed by a third-party agency with asset management qualifications, and the ESOP No.2 will be managed by the Company itself.

The Holders' Meeting is the highest management authority of the ESOP. The Management Committee, which is elected by the Holders' Meeting as the manager of the ESOP, is responsible for opening accounts related to the ESOP, performing the daily management of the ESOP, and exercising shareholders' rights on behalf of the ESOP. The Board of the Company is responsible for formulating and amending the Draft Plan, and handling other relevant matters of the ESOP within the scope authorized by the general meeting. The Company has taken appropriate risk prevention and isolation measures to effectively safeguard the legitimate rights and interests of the Holders of the ESOP.

(I) Holders

The participants who make capital contributions to subscribe for the units of the ESOP will become the Holders of the ESOP. Each unit of the ESOP carries the same legitimate rights and interests.

1. The rights of the Holders are as follows:

- (1) to enjoy the rights and interests of the assets of the ESOP on a pro rata basis based on the number of units held under the Plan;
- (2) to attend the Holders' Meeting and exercise voting rights on matters to be considered in accordance with the provisions of the Plan;
- (3) to enjoy other rights of the Holders as stipulated by relevant laws, regulations or the Plan.

2. The obligations of the Holders are as follows:
 - (1) to comply with the relevant laws, regulations and the provisions of the ESOP (Draft);
 - (2) to bear the investment risks of the Plan on a pro rata basis based on the number of units held under the Plan;
 - (3) to abide by the effective resolutions of the Holders' Meeting;
 - (4) to undertake other obligations of the Holders as stipulated by relevant laws, regulations or the Plan.

(II) Holders' Meeting

1. Functions and powers of the Holders' Meeting

The Holders' Meeting, consisting of all Holders, is the management authority of the ESOP. All Holders are entitled to attend the Holders' Meeting and exercise voting rights pro rata to the number of units held by them. The Holders' Meeting shall exercise the following functions and powers:

- (1) to elect and remove the members of the Management Committee;
- (2) to amend, terminate, extend the term of, and terminate before maturity the ESOP, and submit to the Board of the Company for consideration and approval;
- (3) whenever the Company carries out financing through rights issue, follow-on offering or issuance of convertible bonds during the term of the ESOP, to have the asset management agency and the Management Committee discuss whether to participate in the financing and how to fund the participation, and submit the same to the Holders' Meeting for deliberation;
- (4) to consider and amend the ESOP Administrative Measures;
- (5) to authorize the Management Committee to supervise the daily management of the ESOP;
- (6) to authorize the Management Committee or the asset management agency to exercise shareholders' rights;
- (7) to authorize the Management Committee to be responsible for coordinating with the asset management agency;
- (8) other matters that the Management Committee deems necessary to convene a Holders' Meeting to consider.

2. *Convening and holding of the Holders' Meeting*

- (1) The first Holders' Meeting shall be convened and presided over by the Chairman of the Company, and subsequent Holders' Meetings shall be convened by the Management Committee and presided over by the chairman of the Management Committee. If the chairman of the Management Committee is unable to perform his/her duties, he/she shall appoint a member of the Management Committee to preside over the Holders' Meeting.
- (2) To convene a Holders' Meeting, the Convener of the meeting shall send a notice of meeting to all Holders 3 days in advance by direct delivery, post, fax, email or other means. The written notice of meeting shall at least include the following:
 - ① the time and place of the meeting;
 - ② the form of the meeting;
 - ③ matters to be considered (proposals of the meeting);
 - ④ the convener and chairman of the meeting, the proposer of the extraordinary meeting and his/her written proposal;
 - ⑤ meeting materials necessary for voting at the meeting;
 - ⑥ the requirement for a Holder to attend the meeting in person or appoint another Holder to attend the meeting on his/her behalf;
 - ⑦ the contact person and contact information;
 - ⑧ the date of issuing the notice.

A verbal notice of meeting shall at least include items ① and ② above and the explanation of the urgent need to convene a Holders' Meeting as soon as possible.

3. *Voting procedures of the Holders' Meeting*

- (1) The Holders of the ESOP shall have the voting rights based on the number of units held by them;
- (2) The chairman shall read out the proposals first, and put them to vote after consideration to form the resolutions of the meeting. Subject to the consent of the chairman, the meeting may be held and voted by way of telecommunication. The chairman shall state in the notice of meeting whether the Holders' Meeting is to be held by way of telecommunication, and the ways of voting and sending voting results;

- (3) Members of the Management Committee shall be elected based on the number of votes;
- (4) Except as otherwise stipulated for the election of members of the Management Committee and the revision of the ESOP (Draft), each resolution shall be passed by more than half of the valid voting rights held by the Holders of the ESOP attending the meeting in person or by proxy;
- (5) The Holders shall express one of the following opinions on the matters submitted to the Holders' Meeting for consideration: "For", "Against", or "Abstention". Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "Abstention".
- (6) Two representatives of the Holders shall be elected at the Holders' Meeting to participate in vote counting and scrutinizing. The chairman of the Holders' Meeting shall announce the voting results on the spot. Each proposal, if approved by Holders representing more than 50% (excluding 50%) of the units held by the Holders present at the Holders' Meeting, shall be deemed to have been passed (except for proposals subject to the approval of Holders representing more than two-thirds of such units as agreed) as a valid resolution of the Holders' Meeting. Minutes shall be made of the Holders' Meeting.

(III) Management Committee

The Management Committee of the ESOP shall be elected by the Holders' Meeting and consist of three members. According to the provisions of the ESOP, the Management Committee shall perform its functions and powers such as carrying out daily management of the ESOP and exercising shareholders' rights on behalf of the ESOP, including but not limited to exercising voting rights.

1. Functions and powers of the Management Committee

The Management Committee shall exercise the following functions and powers in accordance with laws, regulations, rules and the ESOP (Draft):

- (1) to convene the Holders' Meeting;
- (2) to supervise the daily management of the ESOP on behalf of all Holders;
- (3) to exercise or authorize the asset management agency to exercise shareholders' rights on behalf of all Holders;
- (4) to exercise the asset management responsibilities for the ESOP on behalf of all Holders;

- (5) to issue stock buying and selling, subscription or redemption orders to the asset management agency on behalf of all Holders;
- (6) to be responsible for coordinating with the asset management agency (if necessary);
- (7) to sign relevant agreements and contracts with external parties on behalf of the ESOP;
- (8) to manage the distribution of benefits under the ESOP;
- (9) to decide on the vesting of the remaining units and the forcibly transferred units of the ESOP;
- (10) to handle the registration for succession of units of the ESOP;
- (11) other duties as authorized by the Holders' Meeting.

2. *Obligations of the Management Committee*

Members of the Management Committee shall comply with laws, administrative regulations and the provisions of the ESOP (Draft), and assume the following fiduciary obligations to the ESOP:

- (1) not to abuse their powers to accept bribes or other illegal income, and not to encroach on the assets of the ESOP;
- (2) not to misappropriate the funds of the ESOP;
- (3) not to deposit the assets or funds of the ESOP in any accounts opened in their names or in the names of other individuals without the consent of the Holders' Meeting;
- (4) not to lend the funds of the ESOP to others or provide guarantees for others with the assets of the ESOP without the consent of the Holders' Meeting;
- (5) not to use their powers to harm the interests of the ESOP.

Any member of the Management Committee who breaches his/her fiduciary obligations and causes losses to the ESOP shall be liable for compensation.

3. *Chairman of the Management Committee*

The Management Committee shall have one chairman who shall be elected by more than half of the votes of all members of the Management Committee. The chairman of the Management Committee shall exercise the following functions and powers:

- (1) to preside over the Holders' Meeting and convene and preside over meetings of the Management Committee;
- (2) to supervise and inspect the implementation of resolutions of the Holders' Meeting and the Management Committee;
- (3) other functions and powers conferred by the Management Committee.

4. *Management Committee meetings*

The Management Committee shall hold meetings from time to time, and such meetings shall be convened and presided over by the chairman of the Management Committee. All members of the Management Committee shall be notified in writing three days prior to the date of each meeting by post, phone or fax.

A meeting of the Management Committee shall be held only when more than half of the members are present. The Management Committee shall adopt a one-person one-vote system at its meetings, and resolutions of the meetings shall be valid only if approved by more than half of the members of the Management Committee.

Members of the Management Committee shall attend the meetings in person. If a member of the Management Committee is unable to attend a meeting for any reason, he/she may appoint another member in writing to attend the meeting on his/her behalf.

(IV) Authorization to the Board by the General Meeting

The general meeting authorizes the Board to handle all matters related to the ESOP within the scope permitted by relevant laws, regulations and regulatory documents, including but not limited to the following:

1. The Board is authorized to handle the implementation, change and termination of the ESOP, including but not limited to formulating agreement documents relating to the ESOP, disqualifying Holders, and handling matters concerning the succession of deceased Holders in accordance with the provisions of the ESOP, as well as signing all legal documents relating to the implementation, change and termination of the ESOP;
2. The Board is authorized to decide on the extension of the term of the ESOP;

3. The Board is authorized to handle all matters in relation to the lock-up and unlocking of shares purchased under the ESOP (if necessary);
4. The Board is authorized to appoint and change the asset management agency of the ESOP and sign relevant agreements (if necessary);
5. The Board is authorized to make adjustments to the ESOP accordingly in the event of any changes in relevant laws, regulations or policies;
6. The Board is authorized to handle other matters in relation to the ESOP within the scope permitted by laws, regulations, relevant regulatory documents and the Articles of Association, except for the rights to be exercised by the general meeting as prescribed in the relevant documents.

The above authorization is valid from the date of approval by the Company's general meeting to the date of completion of the ESOP.

(V) Risk Prevention and Isolation Measures for the ESOP

1. The assets of the ESOP are independent of the Company's assets. The Company shall not encroach on or misappropriate the assets of the ESOP or mix the assets of the ESOP with the Company's assets in any other form.
2. The rights and obligations of the Management Committee are clearly stipulated in the ESOP and the ESOP Administrative Measures, including sufficient risk prevention and isolation measures.

The Management Committee shall, in accordance with laws, administrative regulations, departmental rules, regulatory documents, and the provisions of securities regulatory authorities and the ESOP, manage the assets of the ESOP, safeguard the legitimate rights and interests of the Holders of the ESOP, ensure the security of the assets of the ESOP, and avoid potential conflicts of interest between other shareholders of the Company and the Holders of the ESOP.

3. During the term, the Management Committee may engage a third-party professional agency to provide management, consulting and other services for the ESOP.
4. The ESOP shall not deal in shares of the Company during the following periods or under the following circumstances:
 - (1) within 30 days prior to the publication of an annual or interim report of the Company, or if the date of publication is postponed for special reasons, 30 days prior to the original date of publication until the final date of publication;

- (2) within 10 days before the release of a quarterly report or results forecast or preliminary results announcement of the Company;
- (3) from the date of occurrence of any material event that may have a material impact on the trading price of the Company's shares or during the process of decision making until the date of disclosure of the same according to law;
- (4) other circumstances as stipulated by the CSRC and the stock exchanges;
- (5) other circumstances under which it is not allowed to deal in the Company's Shares as stipulated by laws and regulations.

(VI) Asset Management Agency

During the term of the ESOP, if a professional agency with asset management qualifications is engaged to manage the ESOP, the Company shall, in accordance with the rules for asset management issued by the regulatory authorities and the provisions of the ESOP (Draft), enter into an asset management agreement with the asset management agency, safeguard the legitimate rights and interests of the ESOP, and ensure the security of the assets of the ESOP.

(VII) Other Notes

1. The ESOP does not act in concert with the controlling shareholder, de facto controller, directors, supervisors and senior management of the Company under the Administrative Measures for the Acquisition of Listed Companies.
2. The ESOP shall abstain when proposals on related party transactions with shareholders, directors, supervisors and senior management are considered at the general meeting.

VII. PROCEDURES FOR IMPLEMENTATION OF THE ESOP

- (I) The Remuneration and Evaluation Committee of the Board of the Company is responsible for drafting the ESOP (Draft) and soliciting opinions from employees through the employee representative meeting before submitting it to the Board for consideration.
- (II) The Board of the Company shall consider the ESOP (Draft). The independent directors shall express independent review opinions on whether the ESOP is beneficial to the sustainable development of the Company, whether it is detrimental to the interests of the Company and its shareholders as a whole, and whether employees are forced to participate in the ESOP by means of apportionment, forced distribution, etc.

- (III) The Supervisory Committee of the Company shall verify the list of participants, and express opinions on whether the ESOP is beneficial to the sustainable development of the Company, whether it is detrimental to the interests of the Company and its shareholders as a whole, and whether employees are forced to participate in the ESOP by means of apportionment, forced distribution, etc.
- (IV) The Company shall engage a law firm to issue legal opinions on whether the ESOP and related matters are legal and compliant, and whether necessary decision-making and approval procedures have been performed.
- (V) Within 2 trading days after the ESOP (Draft) is considered and approved by the Board, the Company shall announce the Board resolution, the ESOP (Draft) and its summary, the opinions of the independent directors, the opinions of the Supervisory Committee, etc.
- (VI) The Company shall issue a notice of general meeting and announce the legal opinions before convening the general meeting.
- (VII) The Company shall convene a general meeting to consider the ESOP (Draft) and its summary. The general meeting will be held by way of a combination of on-site voting and online voting. Any resolution on the ESOP shall be passed by more than half of the voting rights held by the shareholders attending the meeting.
- (VIII) The employees who intend to participate in the ESOP shall sign the conditional subscription agreement of the 2022 A Share Employee Share Ownership Plan of Hangzhou Tigermed Consulting Co., Ltd.
- (IX) A Holders' Meeting of the ESOP shall be convened to elect members of the Management Committee and determine the matters for the implementation of the ESOP.
- (X) For the implementation of the ESOP, the Company shall disclose the time, quantity and proportion of the Underlying Shares and etc. acquired by way of an ad-hoc announcement within 2 trading days from the date of completion of the transfer of the Underlying Shares to the ESOP.
- (XI) Other procedures required by the CSRC and the SZSE.

VIII. ASSET COMPOSITION OF AND MEASURES FOR DISPOSAL OF INTERESTS OF HOLDERS IN THE ESOP**(I) Asset Composition of the ESOP**

1. The interests corresponding to the Company's shares: the interests corresponding to the shares of the Company held by the ESOP.
2. Cash deposits and accrued interest;
3. Assets formed by other investments of the Plan.

(II) The assets of the ESOP are independent of the Company's assets. The Company shall not incorporate the assets of the ESOP into its own assets. Assets and income obtained from the management, use or other operations of the ESOP shall be included in the assets of the ESOP. Distribution of interests during the term of the ESOP:

1. During the lock-up period, the Holders shall not request for distribution of interests of the ESOP.
2. During the lock-up period, in the event of capitalization issue or distribution of Share dividends by the Company, the newly acquired shares shall be locked up together with the relevant Underlying Shares for the same period and shall not be sold in the secondary market or otherwise transferred. During the lock-up period, whenever the Company pays dividends, the cash dividends received by the ESOP for the shares of the Company held by it shall be included in the monetary assets of the ESOP and shall not be distributed for the time being. Upon the expiration of the lock-up period of the ESOP, the Management Committee may decide whether to distribute such dividends.

(III) Measures for Disposal of Interests in the ESOP

1. During the term of the ESOP, except for the special circumstances stipulated in the Plan, the units of the ESOP held by the Holders shall not be transferred, withdrawn, pledged or collateralized, or used for guarantee or repayment of debts.
2. Circumstances where there shall be no change in the interests held by the Holders

(1) Job change

During the term, the interests held by the Holders under the ESOP shall not be changed due to changes in their positions in the Company (including its subsidiaries).

(2) Loss of ability to work

During the term, where a Holder loses the ability to work, the interests held by such Holder under the ESOP shall not be affected.

(3) Retirement

During the term, where a Holder retires upon reaching the retirement age prescribed by the state, the interests held by such Holder under the ESOP shall remain unchanged.

(4) Death

During the term, where a Holder dies, the interests held by such Holder under the ESOP shall remain unchanged and be inherited by his/her legal successor regardless of whether the successor is an employee of the Company.

(5) Other circumstances as determined by the Management Committee.

3. During the term of the ESOP, where a Holder falls under any of the following circumstances, such Holder shall be disqualified to participate in the ESOP, and the Management Committee shall forcibly recall the units held by such Holder that are yet to be unlocked as reserved units, or sell the Underlying Shares corresponding to such units upon the expiry of the lock-up period and vest the capital obtained to the Company, provided that the Company shall return to the Holder the income from selling such shares or the original capital contribution of the Holder, whichever is lower:

- (1) The Holder violates laws and regulations and is subject to criminal punishment by the judicial authority according to law.
- (2) The Holder unilaterally terminates his/her labor contract.
- (3) The Holder personally decides not to renew his/her labor contract upon expiry of the contract.
- (4) The Company or its wholly-owned subsidiary does not renew the labor contract with the Holder upon expiry of the contract.
- (5) The Holder disregards the labor contract, confidentiality and unfair competition agreement, employee handbook and other rules and regulations of the Company, or the Company proposes to cancel or terminate the labor or employment contract with the Holder (including dismissal or removal by the Company) due to his/her failure to pass the performance evaluation by the Company.

4. Individual performance evaluation

During the term of the ESOP, the Management Committee may adjust the units held by any Holder based on the results of performance evaluation of the Holder by the Company, including disqualifying the Holder and recalling the units held by the Holder that are yet to be unlocked.

5. During the term of the ESOP, in the event of mandatory transfer of units, the Management Committee shall determine the transferee of such units. The transfer price shall be the capital contribution made by the Holder to subscribe for such units. If no transferee is eligible to participate in the ESOP, the Holders of the ESOP shall share such units together.

6. Other matters not covered shall be decided by the Management Committee in accordance with the relevant provisions of laws and regulations.

IX. AMENDMENT, TERMINATION AND CONTINUOUS INFORMATION DISCLOSURE OF THE ESOP

(I) Amendment of the ESOP

1. During the term of the ESOP, amendments to the ESOP shall be implemented only after obtaining the consent of the Holders representing at least two-thirds of the units held by all Holders present at a Holders' Meeting and being considered and approved by the Board.

2. The following may be amended:

- (1) the source of shares and source of funds of the ESOP;
- (2) the maximum capital contribution by the Holders of the ESOP;
- (3) the management model of the ESOP;
- (4) the lock-up and unlocking arrangements and performance evaluation under the ESOP;
- (5) other circumstances where the ESOP is required to be amended as stipulated by relevant laws, regulations, rules and regulatory documents.

(II) Termination of the ESOP

1. Upon the expiry of the term of the ESOP, the ESOP shall be terminated if the term is not extended.

2. Where all shares of the Company held by the ESOP are sold after the expiry of the lock-up period and before the expiry of the term of the ESOP, the ESOP may be terminated in advance.
3. Two months before the expiry of the term of the ESOP, the term of the ESOP may be extended subject to the consent of the Holders representing at least two-thirds of the units held by all Holders present at a Holders' Meeting and the consideration and approval by the Board. The Plan shall be terminated automatically upon the expiry of the extended term.

(III) Information Disclosure During the Term of the ESOP

During the term of the ESOP, in the case of any of the following circumstances, the reasons for the occurrence of the circumstance, the disposition of the ESOP and the impact on the Company (if any) shall be disclosed in a timely manner:

1. the ESOP is amended or terminated in advance, or the parties involved fail to implement the ESOP as agreed;
2. a third party other than the Holders of the ESOP makes a claim on the shares and funds held by the ESOP;
3. there are any changes in the members of the Management Committee (if any) of the Holders' Meeting;
4. the total number of shares corresponding to the units acquired by a single employee has reached 1% of the total share capital of the Company;
5. other circumstances as determined by the stock exchanges.

X. ACCOUNTING TREATMENT OF THE ESOP

According to the relevant provisions of the Accounting Standards for Enterprises No.11 – Share-based Payments and the Accounting Standards for Enterprises No.22 – Recognition and Measurement of Financial Instruments, for equity-settled share-based payments in exchange for employees' services subject to the completion of services within the vesting period or the satisfaction of the specified performance conditions, on each balance sheet date during the vesting period, based on the best estimate of the number of exercisable equity instruments, the services obtained in the current period shall be included in the relevant costs or expenses and the capital reserve at the fair value of the equity instruments on the grant date. All Holders voluntarily undertake not to allocate the interests of each tranche of the Underlying Shares that have met the unlocking conditions in any form within 3 months from the date of expiration of the lock-up period. The Company adopts the Black-Scholes model (B-S model) as the basic pricing model to determine the fair value of the ESOP after deducting the lock-up cost that the Holders need to pay to obtain reasonably expected returns after vesting.

- (1) Price of the Underlying Shares: RMB98.60 (the closing price of the Company's Shares on March 28, 2022);
- (2) Time to expiration: The period from the date of transfer of the Underlying Shares to the ESOP to the date of expiry of the lock-up period of each tranche;
- (3) Historical volatility: The annualized volatility of ChiNext Index for the corresponding period;
- (4) Risk-free interest rate: The deposit benchmark interest rate of financial institutions set by the People's Bank of China for the corresponding period;
- (5) Dividend yield: The average dividend yield of the Company for the corresponding period before the announcement of the ESOP.

Suppose the Company will transfer 3,608,100 Underlying Shares to the ESOP in May 2022, and the ESOP will sell the Underlying Shares in the proportion agreed in the preceding paragraph upon the expiry of the lock-up period. After calculation, assuming that the fair value of each equity instrument is set at the closing price of the Company's shares of RMB98.60 per share on the last trading day before the Board considers the ESOP, the Company should recognize an estimated total cost of RMB46,316,100, which shall be amortized by the Company based on the proportion of shares to be unlocked in each phase. The estimated amortization of the cost of the ESOP from 2022 to 2025 is as follows:

Unit: RMB'0,000

Estimated total cost to be amortized	2022	2023	2024	2025
4,631.61	1,622.36	1,880.45	846.72	282.08

Note: The final impact of the above on the Company's operating results shall be subject to the annual audit report issued by the accounting firm.

Without considering the impact of the ESOP on the Company's performance, the amortization of the cost of the ESOP has an impact on the net profit for each year within the time to expiration, but the impact is not big. Considering the positive effect of the ESOP on the development of the Company, the ESOP will help stimulate the enthusiasm of the Company's employees and improve operational efficiency.

XI. ASSOCIATION AND PARTIES ACTING IN CONCERT WITH THE ESOP**(I) Relationships with the controlling shareholder, de facto controller, directors, supervisors and senior management**

The ESOP does not act in concert with the controlling shareholder, de facto controller, directors, supervisors and senior management of the Company under the Administrative Measures for the Acquisition of Listed Companies. The details are as follows:

1. As of the date of the announcement of the ESOP (Draft), the controlling shareholder and de facto controller of the Company have not participated in the ESOP. Moreover, the ESOP and the controlling shareholder and de facto controller of the Company have not entered into any agreement to act in concert or made any arrangement to act in concert.
2. Some directors, supervisors and senior management of the Company participate in the ESOP and hold units of the ESOP, hence these Holders are associated with the ESOP.
3. Two sub-plans are proposed to be set up under the ESOP, i.e. Tigermed 2022 A Share ESOP No.1 and Tigermed 2022 A Share ESOP No.2. The participants of the two sub-plans are independent of each other without overlapping and cross-holding. The Holders of the ESOP are not associated with each other and have not entered into an agreement to act in concert or made any arrangement to act in concert.
4. The Holders' Meeting is the highest authority of the ESOP, and elects the Management Committee to supervise the daily management of the ESOP; the units held by the Holders of the ESOP are relatively scattered. The directors, supervisors and senior management of the Company, if being related persons, shall abstain from voting when matters related to them are considered at the Holders' Meeting or a meeting of the Management Committee. No single Holder can have a significant impact on the decisions of the Holders' Meeting and the Management Committee.
5. When the general meeting, the Board or the Supervisory Committee considers matters related to the ESOP, the ESOP and related directors and supervisors shall abstain from voting.

(II) Relationship with the existing employee share ownership plans

As the Company's 2018 ESOP and 2020 A Share ESOP are still in force, the existing employee share ownership plans will be managed and accounted for independent of each other. The ESOP and other employee share ownership plans are not associated with each other and do not act in concert, and the interests held under these employee share ownership plans are not aggregated for accounting purposes.

(III) The ESOP shall be interpreted by the Board of the Company.

XII. OTHERS

- (I) The consideration and approval of the ESOP by the Board and the general meeting of the Company do not imply that the Holders are entitled to continue to serve the Company or its wholly-owned subsidiaries, and do not constitute any commitment of the Company or its wholly-owned subsidiaries to the term of employment of the employees involved. The relevant labor relations are still governed by the labor or employment contracts.
- (II) The financial and accounting treatment and taxation of the ESOP shall be implemented by the Company in accordance with the relevant financial rules, accounting standards and taxation rules.
- (III) The Company may engage an asset manager for the ESOP and enter into an asset management contract on behalf of the ESOP.
- (IV) The ESOP shall be interpreted by the Board of the Company.

Board of Directors of Hangzhou Tigermed Consulting Co., Ltd.
April 2, 2022

HANGZHOU TIGERMED CONSULTING CO., LTD.**ADMINISTRATIVE MEASURES FOR
THE 2022 A SHARE EMPLOYEE SHARE OWNERSHIP PLAN (REVISED DRAFT)****CHAPTER 1 GENERAL PROVISIONS**

Article 1 In order to regulate the implementation of the 2022 A Share Employee Share Ownership Plan (hereinafter referred to as the “Employee Share Ownership Plan”, “ESOP” or the “Plan”) of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as “Tigermed” or the “Company”), the Company has formulated the Administrative Measures in accordance with the requirements of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Guiding Opinions on the Pilot Implementation of Employee Share Ownership Plan by Listed Companies (hereinafter referred to as the “Guiding Opinions”) issued by the China Securities Regulatory Commission, the Guidance No.2 of Shenzhen Stock Exchange on Self-regulatory by Listed Companies – the Standardized Operation of Listed Companies on the ChiNext Board (“Self-regulation Guidance No.2”), the Guidance No.4 of Shenzhen Stock Exchange on Information Disclosure by Listed Companies – Employee Share Ownership Plans (“Disclosure Guidance No.4”) and other relevant laws, regulations and regulatory documents, and the Articles of Association of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as the “Articles of Association”) and the 2022 A Share Employee Share Ownership Plan (Revised Draft) of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as the “**ESOP (Revised Draft)**”).

CHAPTER 2 FORMULATION OF EMPLOYEE SHARE OWNERSHIP PLAN**Article 2 The purpose of the ESOP**

The Company has formulated the ESOP (Revised Draft) in accordance with the Company Law, the Securities Law, the Guiding Opinions, the Self-regulation Guidance No.2 and other relevant laws, administrative regulations, rules, regulatory documents and the Articles of Association. Employees of the Company participate in the ESOP on a voluntary, legal and compliant basis. The purpose of holding the Company’s shares is:

1. to establish and improve the benefit sharing mechanism between the employees and the owners;
2. to improve the corporate governance level, increase the employees’ cohesion and the competitiveness of the Company, and promote the long-term, sustainable and stable development of the Company, for the purpose of maximizing the value of the Company and shareholders.

Article 3 Basic principles of the ESOP**1. *Principle of legal compliance***

The ESOP shall be implemented by the Company in strict compliance with the procedures stipulated in laws and administrative regulations, and the Company shall disclose information in a truthful, accurate, complete and timely manner. No person shall use the ESOP for insider dealing, securities market manipulation and other securities fraud.

2. *Principle of voluntary participation*

The Company's implementation of the ESOP shall be decided by the Company independently with voluntary participation by employees. The Company shall not force employees to participate in the ESOP by way of apportionment, forced distribution, etc.

3. *Principle of self-bearing of risks*

Participants of the ESOP shall bear their own profits, losses and financial risks, and shall have the same rights and interests as other investors.

Article 4 Participants of the ESOP and the basis and standards for determining their eligibility**1. *Basis for determining the eligibility of participants of the ESOP***

The participants of the ESOP are determined in accordance with the Company Law, the Securities Law, the Labor Contract Law of the People's Republic of China, the Guiding Opinions and other relevant laws, rules and regulatory documents, and the relevant provisions of the Articles of Association. The employees of the Company participate in the ESOP following the principles of legal compliance, voluntary participation and self-bearing of risks.

2. *Scope of Participants of the ESOP*

The participants in the ESOP include the directors (excluding independent directors), supervisors, senior management and core technical (business) personnel of the Company (including its wholly-owned subsidiaries, similarly hereinafter). The participants work in, receive remuneration from, and have signed labor or employment contracts with, the Company or its wholly-owned subsidiaries. The total number of participants in the first grant shall not exceed 782, and shall be determined according to the actual subscription payments. The participants include a total of 3 directors, supervisors and senior management members of the Company.

The participants and determining basis of the ESOP shall be employees of the Company who meet one of the following conditions:

- (1) directors (excluding independent directors), supervisors and senior management of the Company;
- (2) core technical (business) personnel of the Company and its wholly-owned subsidiaries.

Anyone falling into one of the following categories shall not be a Holder:

- (1) an individual who has been publicly condemned or declared as an inappropriate candidate by the stock exchange in the last three years;
- (2) an individual who has been subject to any administrative penalty by the CSRC in the last three years due to material violation of laws and regulations;
- (3) an individual who has violated any national laws and regulations due to leakage of state or company secrets, corruption, theft, embezzlement, accepting bribe, offering bribe, dereliction of duty or malfeasance in the last three years;
- (4) other circumstances under which the relevant laws, regulations or regulatory documents prohibit an individual to become a Holder of the ESOP.

3. *Holders of the ESOP*

A total of 3 directors, supervisors and senior management personnel of the Company participate in the ESOP, including one director, one supervisor and one senior management member. The total amount of funds to be raised under the ESOP shall be no more than RMB266.28 million, which is divided into “units” of RMB1 each for subscription and holding. The maximum number of units under the ESOP shall not exceed 266.28 million. The number of units to be held by the Holders of the ESOP shall be the number of units corresponding to the actual amount of capital contributions made by the employees. The total number of Underlying Shares corresponding to the units held by a single Holder under the ESOP shall not exceed 1% of the total share capital of the Company. Under the ESOP, there is no arrangement for any third party to provide rewards, subsidies and guarantees for employees’ participation in the ESOP.

The list of personnel participating in the ESOP and the allocation of units are as follows (the data on units to be subscribed are estimated and subject to the actual subscription payments):

Holders	Units to be subscribed (‘0,000 units)	Proportion in the total units of the Plan	Shareholding ratio corresponding to the units acquired
Wu Hao (director and co-president), Wu Baolin (supervisor) and Li Xiaori (secretary to the Board)	688.78	2.5867%	0.0107%
Core technical (business) personnel of the Company and its wholly- owned subsidiaries	25,570.00	96.0275%	0.3971%
Reserved tranche	369.00	1.3858%	0.0057%
Total	26,628.00	100%	0.4136%

Two sub-plans are proposed to be set up under the ESOP, i.e. Tigermed 2022 A Share ESOP No.1 and Tigermed 2022 A Share ESOP No.2. The Holders of the two sub-plans are independent of each other without overlapping and cross-holding. The list of Holders and the units to be subscribed by them are as follows:

(1) Tigermed 2022 A Share ESOP – No.1

Holders	Number of participants	Units to be subscribed (‘0,000 units)	Proportion in the total units of the Plan
Wu Hao (director and co-president), Wu Baolin (supervisor) and Li Xiaori (secretary to the Board)	3	688.78	2.5867%
Core technical (business) personnel of the Company and its wholly-owned subsidiaries	129	13,448.57	50.5058%
Total	132	14,137.35	53.0925%

(2) Tigermed 2022 A Share ESOP – No.2

Holders	Number of participants	Units to be subscribed ('0,000 units)	Proportion in the total units of the Plan
Core technical (business) personnel of the Company and its wholly-owned subsidiaries	650	12,121.65	45.5226%
Reserved tranche	–	369.00	1.3858%
Total	650	12,490.65	46.9083%

Ms. Wang Xiaobo serves as the vice president of Beijing Yaxincheng Medical Information Technology Co., Ltd., a wholly-owned subsidiary of the Company. The reserved tranche of the Plan will be subscribed by Ms. Wang Xiaobo. Considering the impact of the occupation of funds by Ms. Wang Xiaobo, the subscription consideration payable by the Holder of the reserved tranche shall be the price of the reserved tranche plus 6% annualized interest (calculated based on the number of days of occupation). If the grant of the reserved tranche is not completed during the term of the ESOP, the Remuneration and Evaluation Committee of the Board of the Company has the right to consider and determine how to deal with the reserved tranche.

Where a Holder proposed to participate in the ESOP waives his/her entitlement to participate, the units proposed to be subscribed and held by him/her may be applied and subscribed by other eligible participants. The Remuneration and Evaluation Committee of the Board of the Company may adjust the list of participants and the allocation of units to them according to the actual situation of employees.

4. Verification of the Holders of the ESOP

All participants in the ESOP shall comply with the principles of legal compliance, voluntary participation and self-bearing of risks, and the specific list of participants shall be determined by the Board and confirmed by the Supervisory Committee. The lawyers engaged by the Company shall express clear opinions on the legality and compliance of the participants.

Article 5 Source of funds and shares of the ESOP**1. *Source of Funds of the ESOP***

The sources of funds for the Company's employees to participate in the ESOP shall be their legitimate remuneration, self-raised funds, and other sources permitted by laws and regulations. The Company shall not provide financial assistance to the Holders or provide guarantees for their loans.

The total amount of funds to be raised under the ESOP shall be no more than RMB266.28 million, which is divided into "units" of RMB1 each for subscription and holding. The maximum number of units held under the ESOP shall not exceed 266.28 million. The number of units to be held by the Holders of the ESOP shall be the number of units corresponding to the actual amount of capital contributions made by the employees.

The Holders shall pay the subscription money in accordance with the relevant agreements. Where a Holder fails to pay the subscription money in full and on time, he/she will automatically lose his/her corresponding right to subscribe for units, in which case the units to be subscribed by him/her may be applied and subscribed by other eligible participants. If the units forfeited are over-subscribed, the Remuneration and Evaluation Committee shall determine the winning subscribers and the allocation of the units to them.

2. *Source of Underlying Shares Involved in the ESOP*

The Underlying Shares involved in the ESOP are the ordinary A shares of Tigermed repurchased using the Company's special securities account for repurchase.

At the 18th meeting of the fourth session of the Board on August 25, 2021, the Company considered and approved the Proposal on the Share Repurchase Plan of the Company, and disclosed the Repurchase Report on August 27, 2021. As of November 1, 2021, the Company had repurchased 3,559,850 shares of the Company by means of centralized auction through the special securities account for repurchase, accounting for 0.41% of the Company's total share capital. The highest trading price of the shares was RMB164.00 per share and the lowest trading price was RMB128.15 per share. The total transaction amount was RMB499,948,805.37 (exclusive of transaction fees). The implementation of the repurchase plan was completed.

At the 21st meeting of the fourth session of the Board on February 11, 2022, the Company considered and approved the Proposal on the Share Repurchase Plan of the Company, and disclosed the Repurchase Report on February 15, 2022. As of February 28, 2022, the Company had repurchased 2,492,400 shares of the Company by means of centralized auction through the special securities account for repurchase, accounting for 0.29% of the Company's total share capital. The highest trading price of the shares was RMB102.39 per share and the lowest trading price was RMB97.00 per share. The total transaction amount was RMB250,015,135.94 (exclusive of transaction fees).

The transfer of the Underlying Shares shall be completed within 6 months after the ESOP is considered and approved by the general meeting.

There is still uncertainty as to the eventual transfer of the Underlying Shares. The final number of shares held is subject to the actual implementation, the Company will make an announcement on that in a timely manner. The total number of shares held by the ESOP does not include the shares acquired by employees before the initial public offering of the Company, the shares purchased by themselves in the secondary market, and the shares acquired through equity incentives.

3. *Size, Purchase Price and Pricing Basis of the ESOP*

(1) Size of the ESOP

After the ESOP is considered and approved at the general meeting, the Company intends to acquire the shares of the Company held in the special securities account for repurchase by means permitted by laws and regulations such as non-trading transfer. The Underlying Shares involved in the ESOP shall be no more than 3,608,100 shares, accounting for no more than 0.4136% of the total A share capital of the Company. Among them, 3,558,100 shares will be granted under the first grant, and 50,000 shares will be reserved, accounting for 1.3858% of the total number of shares held under the ESOP.

(2) Purchase Price under the ESOP

The transfer price of shares under the first and reserved grant of the ESOP is RMB73.80 per share, representing approximately 78.78% of RMB93.68 per share, the average trading price of the A shares of the Company for 20 trading days prior to the announcement of the ESOP (Draft). The total amount of funds to be raised under the ESOP shall be no more than RMB266.28 million, corresponding to no more than 3,608,100 shares, accounting for approximately 0.4136% of the total share capital of the Company on the date of announcement of the ESOP (Draft).

(3) Pricing Basis of the ESOP

The transfer price of shares under the ESOP is fixed based on the operations of the Company and the development of the industry to incentivize the participants at a reasonable cost, so as to facilitate the overall continual stable operation and rapid development of the Company, enhance the sense of responsibility and mission of the Company's management team and key personnel such as core technical (business) personnel for the growth of the Company, retain such key personnel effectively, improve the Company's core competitiveness, and enable employees to share the benefits of the Company's sustained growth.

The Company believes that on the basis of legal compliance and its existing compensation, performance and incentive system, the Company needs to further improve the long-term incentive and restraint mechanism. For this end, the Company provides incentives to the participants of the ESOP at a relatively low cost, which can improve the work enthusiasm of the participants, align the interests of the participants with the Company and its shareholders, and hence help achieve the Company's overall objectives. After a comprehensive consideration of employees' willingness to make capital contributions, the Company has set a lock-up period for the ESOP and defined the performance conditions for unlocking at the Company level. These restrictions are set with reference to the historical operating results of the Company and the development of the industry and based on the purpose of providing incentives to the participants at a reasonable cost through the ESOP, thus building a restraint mechanism for employees while fully mobilizing the enthusiasm of the participants.

In addition, the participants need to pay principal upfront and bear the liquidity risk during the lock-up period of the ESOP, and the units held by them under the ESOP can be unlocked only when the performance conditions for unlocking at the Company level are satisfied. The Company's share price is affected by fluctuations of the secondary market, and it is uncertain whether the participants will have gains after the expiration of the lock-up period. The Company has not set terms of guarantee, nor has it made relevant commitments. The participants of the ESOP have fully considered their own risk tolerance, and no employees are forced to participate in the ESOP by means of apportionment, forced distribution, etc. The transfer price under the ESOP, which is fixed based on the principle of balancing incentives and constraints, is reasonable and scientific and not prejudicial to the interests of the Company and its shareholders as a whole, which reflects the basic principle of "taking sole responsibility for your gains and losses at your own risk" as stated in the Guiding Opinions.

Article 6 Procedures for implementation of the ESOP

1. The Remuneration and Evaluation Committee of the Board of the Company is responsible for drafting the ESOP (Draft) and soliciting opinions from employees through the employee representative meeting before submitting it to the Board for consideration.
2. The Board of the Company shall consider the ESOP (Draft). The independent directors shall express independent review opinions on whether the ESOP is beneficial to the sustainable development of the Company, whether it is detrimental to the interests of the Company and its shareholders as a whole, and whether employees are forced to participate in the ESOP by means of apportionment, forced distribution, etc.

3. The Supervisory Committee of the Company shall verify the list of participants, and express opinions on whether the ESOP is beneficial to the sustainable development of the Company, whether it is detrimental to the interests of the Company and its shareholders as a whole, and whether employees are forced to participate in the ESOP by means of apportionment, forced distribution, etc.
4. The Company shall engage a law firm to issue legal opinions on whether the ESOP and related matters are legal and compliant, and whether necessary decision-making and approval procedures have been performed.
5. Within 2 trading days after the ESOP (Draft) is considered and approved by the Board, the Company shall announce the Board resolution, the ESOP (Draft) and its summary, the opinions of the independent directors, the opinions of the Supervisory Committee, etc.
6. The Company shall issue a notice of general meeting and announce the legal opinions before convening the general meeting.
7. The Company shall convene a general meeting to consider the ESOP (Draft) and its summary. The general meeting will be held by way of a combination of on-site voting and online voting. Any resolution on the ESOP shall be passed by more than half of the voting rights held by the shareholders attending the meeting.
8. The employees who intend to participate in the ESOP shall sign the conditional subscription agreement of the 2022 A Share Employee Share Ownership Plan of Hangzhou Tigermed Consulting Co., Ltd.
9. A Holders' Meeting of the ESOP shall be convened to elect members of the Management Committee and determine the matters for the implementation of the ESOP.
10. For the implementation of the ESOP, the Company shall disclose the time, quantity and proportion of the Underlying Shares and etc. acquired by way of an ad-hoc announcement within 2 trading days from the date of completion of the transfer of the Underlying Shares to the ESOP.
11. Other procedures required by the CSRC and the SZSE.

Article 7 Lock-up period, term and termination of the ESOP***(I) Lock-up period of the ESOP***

The Underlying Shares involved in the ESOP are the ordinary A shares of Tigermed repurchased through the Company's special securities account for repurchase. Under the ESOP, it is proposed to acquire the Underlying Shares by means permitted by laws and regulations such as non-trading transfer. The Underlying Shares shall be unlocked in three phases, i.e. 12 months, 24 months and 36 months from the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP, respectively. The proportion of the Underlying Shares to be unlocked in each phase shall be 30%, 30% and 40%, respectively. The details are as follows:

The first tranche of the Underlying Shares, representing 30% of the total number of shares held by the ESOP, shall be unlocked 12 months after the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP;

The second tranche of the Underlying Shares, representing 30% of the total number of shares held by the ESOP, shall be unlocked 24 months after the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP;

The third tranche of the Underlying Shares, representing 40% of the total number of shares held by the ESOP, shall be unlocked 36 months after the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP.

Shares derived from any distribution of share dividends or capitalization issue by the Company shall also be subject to the above lock-up arrangements.

(II) Additional Lock-up Period

The Holders are voluntarily committed to an additional lock-up period of the ESOP, the details of which are as follows:

1. All Holders voluntarily undertake not to allocate the interests of each tranche of the Underlying Shares that have met the unlocking conditions in any form within 3 months from the date of expiration of the lock-up period.
2. After the expiry of the additional lock-up period and before the expiry of the term of the ESOP, the ESOP shall decide whether to dispose of the Underlying Shares according to the arrangements of the ESOP and the prevailing market conditions.

(III) Explanation on the Rationality and Compliance of the Lock-up Period of the ESOP

The lock-up period and unlocking arrangement of the ESOP are set based on the principle of balancing incentives and constraints. The purchase price of the shares of the ESOP is discounted, so the shares will be unlocked in three phases after 12 months of lock-up, and the ratios of the shares to be unlocked will be 30%, 30% and 40%, respectively. The Company believes that on the basis of legal compliance, the setting of an additional lock-up period can further constrain employees while fully motivating them, thus better aligning the interests of the Holders and the Company and its shareholders. This will help achieve the purpose of the ESOP and promote the stable, healthy and long-term sustainable development of the Company.

*(IV) Performance Requirements of the ESOP**1. Performance targets at the Company level*

The Underlying Shares involved in the ESOP will be unlocked in three phases, subject to the satisfaction of the Company's performance target for each year of assessment. The specific unlocking conditions are set out in the table below:

Year of assessment	Performance target
2022	The net profit for 2022 shall increase by no less than 40.00% compared with the net profit for 2021;
2023	The net profit for 2023 shall increase by no less than 75.00% compared with the net profit for 2021;
2024	The net profit for 2024 shall increase by no less than 105.00% compared with the net profit for 2021.
Notes:	<p>(1) The above "net profit" refers to the audited net profit attributable to shareholders of the Company after deducting non-recurring gains and losses, and excludes share-based payment expenses arising from the implementation of this equity incentive plans and employee share ownership plans of the Company.</p> <p>(2) The above performance targets do not constitute the Company's performance forecast and substantive commitment to investors.</p>

If the Company does not meet the performance appraisal requirements at company level in a given year, the unlockable underlying Shares corresponding to the entitlements under the share ownership plans held by all Holders in that year shall not unlock, and the corresponding interests shall not be exercised. The units in the Share Ownership Plan that cannot be unlocked in that year shall be recalled by the Management Committee of the Employee Share Ownership Plan. The recovery price is the original capital contribution of the underlying Shares corresponding to the units.

2. *Individual performance evaluation*

The performance evaluation of the participants of the ESOP shall be led and organized by the Remuneration and Evaluation Committee of the Board of the Company and be implemented in accordance with the relevant rules of the Company.

During the term of the ESOP, where a Holder fails to meet his individual performance target, upon the expiry of the lock-up period, the Management Committee shall, according to the authorization of the Holders' Meeting, have the right to recall the units held by such Holder that are yet to be unlocked as reserved interests and units for a consideration equal to the amount of capital contribution originally made for the Underlying Shares corresponding to such units. The Management Committee also has the right to reallocate the units recalled internally.

(V) *Term and Termination of the ESOP*

1. The term of the ESOP shall be 10 years commencing from the date on which the Company announces the transfer of the last tranche of the Underlying Shares to the ESOP until the expiry of the term of the ESOP.
2. Upon the expiry of the lock-up period of the ESOP, if the assets of the ESOP are all monetary assets, the ESOP may be terminated in advance after obtaining the consent of the Holders representing at least two-thirds of the units held by all Holders present at a Holders' Meeting and being considered and approved by the Board.
3. If the shares of the Company held by the ESOP cannot be fully cashed out before the expiry of the term due to suspension of trading of the shares of the Company or short window period, the term of the ESOP may be extended after obtaining the consent of the Holders representing at least half of the units held by all Holders present at a Holders' Meeting and being considered and approved by the Board.
4. Two months before the expiry of the term of the ESOP, the term of the ESOP may be extended subject to the consent of the Holders representing at least half of the units held by all Holders present at a Holders' Meeting and the consideration and approval by the Board.
5. The Company shall, at the latest when the term of the ESOP expires, disclose the number of shares held by the expired ESOP, the proportion of such shares in the total share capital of the Company, and the arrangement on how to dispose of the shares after the expiration. If an extension is proposed, the Company shall explain the differences in the Plan before and after the extension in accordance with the disclosure requirements under Article 9 of the Disclosure Guidelines No.4, and perform the review procedures and disclosure obligations according to the terms of the ESOP.

(VI) Prohibited Acts under the ESOP

The ESOP shall strictly abide by the market trading rules and comply with the rules of the CSRC and the SZSE on prohibition of share trading during information sensitive periods. No person shall use the ESOP to engage in insider dealing, securities market manipulation and other securities fraud. The ESOP shall not deal in shares of the Company during the following periods or under the following circumstances:

1. within 30 days prior to the publication of an annual or interim report of the Company, or if the date of publication is postponed for special reasons, 30 days prior to the original date of publication until the final date of publication;
2. within 10 days before the release of a quarterly report or results forecast or preliminary results announcement of the Company;
3. from the date of occurrence of any material event that may have a material impact on the trading price of the Company's shares or during the process of decision making until the date of disclosure of the same according to law;
4. other circumstances as stipulated by the CSRC and the stock exchanges;
5. other circumstances under which it is not allowed to deal in the Company's shares as stipulated by laws and regulations.

Article 8 Method of participation by the ESOP in the financing of the Company

During the term of the ESOP, the Holders' Meeting authorizes the Management Committee to exercise the shareholders' rights corresponding to the shares held by the ESOP on behalf of all the Holders and the ESOP, including but not limited to attending, making proposals to and voting at the general meeting, and participating in the Company's distribution of cash and share dividends and capitalization issue.

During the term of the ESOP, whenever the Company carries out financing through rights issue, follow-on offering or issuance of convertible bonds, the Management Committee shall discuss whether to participate in the financing and how to fund the participation, and submit the same to the Holders' Meeting for deliberation.

CHAPTER 3 MANAGEMENT MODEL OF THE EMPLOYEE SHARE OWNERSHIP PLAN**Article 9 Rights and obligations of Holders**

1. The rights of the Holders are as follows:
 - (1) to enjoy the rights and interests of the assets of the ESOP on a pro rata basis based on the number of units held under the Plan;
 - (2) to attend the Holders' Meeting and exercise voting rights on matters to be considered in accordance with the provisions of the Plan;
 - (3) to enjoy other rights of the Holders as stipulated by relevant laws, regulations or the Plan.
2. The obligations of the Holders are as follows:
 - (1) to comply with the relevant laws, regulations and the provisions of the ESOP (Draft);
 - (2) to bear the investment risks of the Plan on a pro rata basis based on the number of units held under the Plan;
 - (3) to abide by the effective resolutions of the Holders' Meeting;
 - (4) to undertake other obligations of the Holders as stipulated by relevant laws, regulations or the Plan.

Article 10 The Holders' Meeting

1. The Holders' Meeting, consisting of all Holders, is the management authority of the ESOP. All Holders are entitled to attend the Holders' Meeting and exercise voting rights pro rata to the number of units held by them.
2. The Holders' Meeting shall be convened to consider the following matters:
 - (1) to elect and remove the members of the Management Committee;
 - (2) to amend, terminate, extend the term of, and terminate before maturity the ESOP, and submit to the Board of the Company for consideration and approval;

- (3) whenever the Company carries out financing through rights issue, follow-on offering or issuance of convertible bonds during the term of the ESOP, to have the asset management agency and the Management Committee discuss whether to participate in the financing and how to fund the participation, and submit the same to the Holders' Meeting for deliberation;
 - (4) to consider and amend the Employee Share Ownership Plan Administrative Measures;
 - (5) to authorize the Management Committee to supervise the daily management of the ESOP;
 - (6) to authorize the Management Committee or the asset management agency to exercise shareholders' rights;
 - (7) to authorize the Management Committee to be responsible for coordinating with the asset management agency;
 - (8) other matters that the Management Committee deems necessary to convene a Holders' Meeting to consider.
3. The first Holders' Meeting shall be convened and presided over by the Chairman of the Company, and subsequent Holders' Meetings shall be convened by the Management Committee and presided over by the chairman of the Management Committee. If the chairman of the Management Committee is unable to perform his/her duties, he/she shall appoint a member of the Management Committee to preside over the Holders' Meeting.
4. To convene a Holders' Meeting, the Convener of the meeting shall send a notice of meeting to all Holders 3 days in advance by direct delivery, post, fax, email or other means. The written notice of meeting shall at least include the following:
 - (1) the time and place of the meeting;
 - (2) the form of the meeting;
 - (3) matters to be considered (proposals of the meeting);
 - (4) the convener and chairman of the meeting, the proposer of the extraordinary meeting and his/her written proposal;
 - (5) meeting materials necessary for voting at the meeting;
 - (6) the requirement for a Holder to attend the meeting in person or appoint another Holder to attend the meeting on his/her behalf;

- (7) the contact person and contact information;
- (8) the date of issuing the notice.

A verbal notice of meeting shall at least include items (1) and (2) above and the explanation of the urgent need to convene a Holders' Meeting as soon as possible.

5. Voting procedures of the Holders' Meeting

- (1) The Holders of the ESOP shall have the voting rights based on the number of units held by them;
- (2) The chairman shall read out the proposals first, and put them to vote after consideration to form the resolutions of the meeting. Subject to the consent of the chairman, the meeting may be held and voted by way of telecommunication. The chairman shall state in the notice of meeting whether the Holders' Meeting is to be held by way of telecommunication, and the ways of voting and sending voting results;
- (3) Members of the Management Committee shall be elected based on the number of votes;
- (4) Except as otherwise stipulated for the election of members of the Management Committee and the revision of the ESOP (Draft), each resolution shall be passed by more than half of the valid voting rights held by the Holders of the ESOP attending the meeting in person or by proxy;
- (5) The Holders shall express one of the following opinions on the matters submitted to the Holders' Meeting for consideration: "For", "Against", or "Abstention". Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "Abstention".
- (6) Two representatives of the Holders shall be elected at the Holders' Meeting to participate in vote counting and scrutinizing. The chairman of the Holders' Meeting shall announce the voting results on the spot. Each proposal, if approved by Holders representing more than 50% (excluding 50%) of the units held by the Holders present at the Holders' Meeting, shall be deemed to have been passed (except for proposals subject to the approval of Holders representing more than two-thirds of such units as agreed) as a valid resolution of the Holders' Meeting. Minutes shall be made of the Holders' Meeting.

Article 11 The Management Committee

1. The Management Committee of the ESOP shall be elected by the Holders' Meeting and consist of three members. According to the provisions of the ESOP, the Management Committee shall perform its functions and powers such as carrying out daily management of the ESOP and exercising shareholders' rights on behalf of the ESOP, including but not limited to exercising voting rights.
2. Members of the Management Committee shall comply with laws, administrative regulations and the provisions of the ESOP (Draft), and assume the following fiduciary obligations to the ESOP:
 - (1) not to abuse their powers to accept bribes or other illegal income, and not to encroach on the assets of the ESOP;
 - (2) not to misappropriate the funds of the ESOP;
 - (3) not to deposit the assets or funds of the ESOP in any accounts opened in their names or in the names of other individuals without the consent of the Holders' Meeting;
 - (4) not to lend the funds of the ESOP to others or provide guarantees for others with the assets of the ESOP without the consent of the Holders' Meeting;
 - (5) not to use their powers to harm the interests of the ESOP.

Any member of the Management Committee who breaches his/her fiduciary obligations and causes losses to the ESOP shall be liable for compensation.

3. The Management Committee shall exercise the following functions and powers in accordance with laws, regulations, rules and the ESOP (Draft):
 - (1) to convene the Holders' Meeting;
 - (2) to supervise the daily management of the ESOP on behalf of all Holders;
 - (3) to exercise or authorize the asset management agency to exercise shareholders' rights on behalf of all Holders;
 - (4) to exercise the asset management responsibilities for the ESOP on behalf of all Holders;
 - (5) to issue stock buying and selling, subscription or redemption orders to the asset management agency on behalf of all Holders;
 - (6) to be responsible for coordinating with the asset management agency (if necessary);

- (7) to sign relevant agreements and contracts with external parties on behalf of the ESOP;
 - (8) to manage the distribution of benefits under the ESOP;
 - (9) to decide on the vesting of the remaining units and the forcibly transferred units of the ESOP;
 - (10) to handle the registration for succession of units of the ESOP;
 - (11) other duties as authorized by the Holders' Meeting.
4. The Management Committee shall have one chairman who shall be elected by more than half of the votes of all members of the Management Committee. The chairman of the Management Committee shall exercise the following functions and powers:
- (1) to preside over the Holders' Meeting and convene and preside over meetings of the Management Committee;
 - (2) to supervise and inspect the implementation of resolutions of the Holders' Meeting and the Management Committee;
 - (3) other functions and powers conferred by the Management Committee.
5. The Management Committee shall convene meetings from time to time, which shall be convened by the chairman of the Management Committee. All members of the Management Committee shall be notified in writing three days prior to the date of meeting.
6. Holders representing more than 10% of the units and more than one-third of the members of the Management Committee may propose to convene an extraordinary meeting of the Management Committee. The chairman of the Management Committee shall convene and preside over the meeting of the Management Committee within 5 days upon receipt of the proposal.
7. The notice for convening an extraordinary meeting of the Management Committee shall be sent by post, phone and fax 3 days before the meeting.
8. The meeting notice of the Management Committee includes the following details:
- (1) date and venue of the meeting;
 - (2) time of the meeting;
 - (3) reasons and proposals;
 - (4) date of issuing the notice.

9. A meeting of the Management Committee shall be held only when more than half of the members are present. The Management Committee shall adopt a one-person one-vote system at its meetings, and resolutions of the meetings shall be valid only if approved by more than half of the members of the Management Committee. The Management Committee shall adopt a one-person one-vote system at its voting of resolutions.
10. The Management Committee shall vote by open ballot. Provided that members of the Management Committee can fully express their opinions, the meetings of the Management Committee may be held and resolutions may be made by fax and signed by members of the Management Committee attending the meeting.
11. Members of the Management Committee shall attend the meetings in person. If a member of the Management Committee cannot attend the meeting for any reason, he/she may appoint another member in writing to attend the meeting on his/her behalf. The power of attorney shall specify the name of the proxy, the matters to be authorized, the scope of authorization and the validity period, and shall be signed or sealed by the principal. The member of the Management Committee attending the meeting on his/her behalf shall exercise the rights of a member of the Management Committee within the scope of authorization. If a member of the Management Committee fails to attend a meeting and does not appoint a proxy to attend on his/her behalf, such member shall be deemed to have waived his/her voting rights at such meeting.
12. The Management Committee shall maintain minutes to record its decisions on the matters discussed at the meeting. Members of the Management Committee attending the meeting shall sign the minutes.
13. Minutes of meetings of the Management Committee shall include the following:
 - (1) the date and venue of the meeting and the name of the convener;
 - (2) the names of the Management Committee members attending the meeting and the names of the Management Committee members (proxies) attending the meeting on behalf of others;
 - (3) meeting agenda;
 - (4) main points raised by members of the Management Committee;
 - (5) the voting method and results of each resolution (the voting results shall specify the number of votes for, against or abstained).
14. Resolutions and minutes of meetings of the Management Committee shall be reported to the Board of the Company for record.

Article 12 Asset Management Agency

During the term of the ESOP, if a professional agency with asset management qualifications is engaged to manage the ESOP, the Company shall, in accordance with the rules for asset management issued by the regulatory authorities and the provisions of the ESOP (Draft), enter into an asset management agreement with the asset management agency, safeguard the legitimate rights and interests of the ESOP, and ensure the security of the assets of the ESOP.

Article 13 Authorization to the Board by the General Meeting

The general meeting authorizes the Board to handle all matters related to the ESOP within the scope permitted by relevant laws, regulations and regulatory documents, including but not limited to the following:

1. The Board is authorized to handle the implementation, change and termination of the ESOP, including but not limited to formulating agreement documents relating to the ESOP, disqualifying Holders, and handling matters concerning the succession of deceased Holders in accordance with the provisions of the ESOP, as well as signing all legal documents relating to the implementation, change and termination of the ESOP;
2. The Board is authorized to decide on the extension of the term of the ESOP;
3. The Board is authorized to handle all matters in relation to the lock-up and unlocking of shares purchased under the ESOP (if necessary);
4. The Board is authorized to appoint and change the asset management agency of the ESOP and sign relevant agreements (if necessary);
5. The Board is authorized to make adjustments to the ESOP accordingly in the event of any changes in relevant laws, regulations or policies;
6. The Board is authorized to handle other matters in relation to the ESOP within the scope permitted by laws, regulations, relevant regulatory documents and the Articles of Association, except for the rights to be exercised by the general meeting as prescribed in the relevant documents.

The above authorization is valid from the date of approval by the Company's general meeting to the date of completion of the ESOP.

Article 14 Risk Prevention and Isolation Measures for the ESOP

1. The assets of the ESOP are independent of the Company's assets. The Company shall not encroach on or misappropriate the assets of the ESOP or mix the assets of the ESOP with the Company's assets in any other form.
2. The rights and obligations of the Management Committee are clearly stipulated in the ESOP and the ESOP Administrative Measures, including sufficient risk prevention and isolation measures.

The Management Committee shall, in accordance with laws, administrative regulations, departmental rules, regulatory documents, and the provisions of securities regulatory authorities and the ESOP, manage the assets of the ESOP, safeguard the legitimate rights and interests of the Holders of the ESOP, ensure the security of the assets of the ESOP, and avoid potential conflicts of interest between other shareholders of the Company and the Holders of the ESOP.

3. During the term, the Management Committee may engage a third-party professional agency to provide management, consulting and other services for the ESOP.
4. The ESOP shall not deal in shares of the Company during the following periods or under the following circumstances:
 - (1) within 30 days prior to the publication of an annual or interim report of the Company, or if the date of publication is postponed for special reasons, 30 days prior to the original date of publication until the final date of publication;
 - (2) within 10 days before the release of a quarterly report or results forecast or preliminary results announcement of the Company;
 - (3) from the date of occurrence of any material event that may have a material impact on the trading price of the Company's shares or during the process of decision making until the date of disclosure of the same according to law;
 - (4) other circumstances as stipulated by the CSRC and the stock exchanges;
 - (5) other circumstances under which it is not allowed to deal in the Company's shares as stipulated by laws and regulations.

**CHAPTER 4 MEASURES FOR DISPOSAL OF INTERESTS IN THE EMPLOYEE
SHARE OWNERSHIP PLAN****Article 15 Asset Composition of the ESOP**

1. The interests corresponding to the Company's shares: the interests corresponding to the shares of the Company held by the ESOP.
2. Cash deposits and accrued interest;
3. Assets formed by other investments of the Plan.

The assets of the ESOP are independent of the Company's assets. The Company shall not incorporate the assets of the ESOP into its own assets. Assets and income obtained from the management, use or other operations of the ESOP shall be included in the assets of the ESOP.

Article 16 Distribution of interests during the term of the ESOP

1. During the lock-up period, the Holders shall not request for distribution of interests of the ESOP.
2. During the lock-up period, in the event of capitalization issue or distribution of Share dividends by the Company, the newly acquired shares shall be locked up together with the relevant Underlying Shares for the same period and shall not be sold in the secondary market or otherwise transferred. During the lock-up period, whenever the Company pays dividends, the cash dividends received by the ESOP for the shares of the Company held by it shall be included in the monetary assets of the ESOP and shall not be distributed for the time being. Upon the expiration of the lock-up period of the ESOP, the Management Committee may decide whether to distribute such dividends.

Article 17 Measures for disposal of interests in the ESOP

1. During the term of the ESOP, except for the special circumstances stipulated in the Plan, the units of the ESOP held by the Holders shall not be transferred, withdrawn, pledged or collateralized, or used for guarantee or repayment of debts.
2. Circumstances where there shall be no change in the interests held by the Holders
 - (1) Job change

During the term, the interests held by the Holders under the ESOP shall not be changed due to changes in their positions in the Company (including its subsidiaries and controlled companies).

(2) Loss of ability to work

During the term, where a Holder loses the ability to work, the interests held by such Holder under the ESOP shall not be affected.

(3) Retirement

During the term, where a Holder retires upon reaching the retirement age prescribed by the state, the interests held by such Holder under the ESOP shall remain unchanged.

(4) Death

During the term, where a Holder dies, the interests held by such Holder under the ESOP shall remain unchanged and be inherited by his/her legal successor regardless of whether the successor is an employee of the Company.

(5) Other circumstances as determined by the Management Committee.

Article 18 During the term of the ESOP, units of a Holder shall be mandatorily transferred under the following situations:

1. The Holder violates laws and regulations and is subject to criminal punishment by the judicial authority according to law.
2. The Holder unilaterally terminates his/her labor contract without valid reasons.
3. The Holder personally decides not to renew his/her labor contract upon expiry of the contract.
4. The Company or its wholly-owned subsidiary does not renew the labor contract with the Holder upon expiry of the contract.
5. The Holder disregards the labor contract, confidentiality and unfair competition agreement, employee handbook and other rules and regulations of the Company, or the Company proposes to cancel or terminate the labor or employment contract with the Holder (including dismissal or removal by the Company) due to his/her failure to pass the performance evaluation by the Company.

During the term of the ESOP, the Management Committee may adjust the units held by any Holder based on the results of performance evaluation of the Holder by the Company, including disqualifying the Holder and recalling the units held by the Holder that are yet to be unlocked.

Article 19 During the term of the ESOP, in the event of mandatory transfer of units, the Management Committee shall determine the transferee of such units.

The transfer price shall be the capital contribution made by the Holder to subscribe for such units. If no transferee is eligible to participate in the ESOP, the Holders of the ESOP shall share such units together.

Article 20 Other matters not covered shall be decided by the Management Committee in accordance with the relevant provisions of laws and regulations.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 21 The consideration and approval of the ESOP by the Board and the general meeting of the Company do not imply that the Holders can enjoy the right to continue to serve at the Company or its subsidiaries, and do not constitute any commitment of the Company or its subsidiaries to the continuous employment of employees during the term of the ESOP. The labor relations between the Company or its subsidiaries and the employees are still governed by labor contracts entered into between the Company or its subsidiaries and the Holders.

Article 22 The financial and accounting treatment and taxation issues in relation to employees' participation in the ESOP shall be implemented in accordance with the relevant national financial system, accounting standards and taxation system.

Article 23 The ESOP shall be interpreted by the Board of the Company.

Board of Directors of Hangzhou Tigermed Consulting Co., Ltd.
April 2, 2022



**HANGZHOU TIGERMED CONSULTING CO., LTD.
2022 H SHARE APPRECIATION INCENTIVE SCHEME
(DRAFT)**

March 2022

DISCLAIMER

The Company and all directors of the Board guarantee that no false statements, misleading representations or material omissions are contained in the H Share Appreciation Incentive Scheme, and shall assume several and joint legal liability for the truthfulness, accuracy and completeness of the contents thereof.

IMPORTANT NOTICE

1. Hangzhou Tigermed Consulting Co., Ltd. (“Tigermed” or the “Company”) has formulated 2022 H Share Appreciation Incentive Scheme of Hangzhou Tigermed Consulting Co., Ltd. (Draft) in accordance with relevant laws, regulations and normative documents.
2. The H Share Appreciation Rights shall be used as an incentive for the Scheme. For each H Share Appreciation Right granted to the Incentive Participants, the Incentive Participants, subject to having met the requirements and arrangements for validating the rights, can obtain the income (which is the difference between the Company’s H share market price and the exercise price on the exercise date) from the appreciation of the ordinary H shares of the Company on the exercise date within the validity period of the Scheme. The Company shall pay the Incentive Participants income in cash.
3. The Incentive Participants under the Scheme shall be the senior management members, core technicians or core business personnel who have employment or labour relations with the Company’s overseas subsidiaries. These participants shall not include the Company’s independent directors, supervisors, shareholders or actual controllers who individually or collectively hold more than 5% of the shares of the listed company, as well as their spouses, parents and children. The number of Incentive Participants under the Scheme shall not be more than 90. The number of Share Appreciation Rights granted to any Incentive Participants under the Incentive Scheme shall not be more than 1% of the Company’s total share capital at the time when the Scheme is submitted for consideration at the Company’s general meeting.
4. Determination of the exercise price of the H Share Appreciation Rights:

The exercise price of the H Share Appreciation Rights shall be the highest of:
 - (1) the closing price of H shares as stated in the Hong Kong Stock Exchange’s daily quotation sheet on the date of grant;
 - (2) the average closing price of H shares as stated in the Hong Kong Stock Exchange’s daily quotation sheet for five consecutive trading days prior to the date of grant; and
 - (3) the par value of H shares.
5. It is proposed that no more than 449,900 H Share Appreciation Rights will be granted to the Incentive Participants under the Incentive Scheme, representing approximately 0.0516% of the total share capital of the Company as of the date of the announcement regarding the draft of the Scheme.
6. Funding resources: The excess of the Redemption Price of H shares of Tigermed over the exercise price shall be payable in cash by the Company directly.
7. Source of shares: The Share Appreciation Right does not involve the issue of Shares. The H shares of Tigermed are used as phantom stock.
8. This Incentive Scheme shall be submitted to the Board of Directors of the Company for approval, and shall be effective upon the approval at the general meeting of the Company.

CONTENTS

DISCLAIMER	150
IMPORTANT NOTICE	151
CONTENTS	152
DEFINITIONS	153
I. PURPOSE OF H SHARE APPRECIATION INCENTIVE SCHEME	155
II. ADMINISTRATIVE BODY OF H SHARE APPRECIATION INCENTIVE SCHEME	155
III. QUALIFICATION AND SCOPE OF INCENTIVE PARTICIPANTS.....	155
IV. PARTICULARS OF H SHARE APPRECIATION INCENTIVE SCHEME ..	156
V. RELEVANT PROCEDURES OF THE SCHEME.....	164
VI. RIGHTS AND OBLIGATIONS OF THE COMPANY AND INCENTIVE PARTICIPANTS.....	167
VII. HANDLING CHANGES TO THE COMPANY AND THE INCENTIVE PARTICIPANTS.....	168
VIII.MISCELLANEOUS	171

DEFINITIONS

In this Scheme, unless the context otherwise requires, the following abbreviations have the specific meanings set forth below:

Company, Tigermed	Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司)
Incentive Scheme, Scheme, H Share Appreciation Incentive Scheme	2022 H Share Appreciation Incentive Scheme of Hangzhou Tigermed Consulting Co., Ltd.
H Share Appreciation Right(s), Share Appreciation Right(s), Appreciation Right(s),	a right granted to the Incentive Participants by the Company to receive cash payment equal to the excess of the Appreciation Right(s) Redemption Price of the phantom stock calculated based on the H share market price movement over the exercise price from the Company upon satisfaction of certain conditions
Redemption Price	closing price of H Shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of each exercisable day
Incentive Participant(s)	senior management personnel, core technology personnel and core business personnel who have employment or labor relations with overseas subsidiaries of the Company and are entitled to the H Share Appreciation Right under the Scheme
Official Grant Date	the date on which the Incentive Participants are granted the H Share Appreciation Right by the Company, which shall be a trading day
Validity Period	the period from the date on which an Incentive Participant is granted the Share Appreciation Right to the date on which the Share Appreciation Right is lapsed
Withholding Period	the period from the date on which the Share Appreciation Right is officially granted to the date on which the Share Appreciation Right becomes exercisable

Exercise of Right, Rights	the exercise of the Share Appreciation Right owned by an Incentive Participant under the Incentive Scheme. For the purpose of the Incentive Scheme, the “Exercise of Right” by an Incentive Participant shall refer to the receipt of the cash payment that is equal to the excess of Redemption Price over the exercise price paid by the Company in accordance with the conditions set out in the Incentive Scheme
Exercisable Date	the date on which the Incentive Participant may exercise the Share Appreciation Right, which shall be a trading day
Vesting Condition(s)	preceding condition(s) for exercising the Share Appreciation Right by an Incentive Participant under the Incentive Scheme
CSRC	the China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
Yuan, 10,000 yuan and 100 million yuan	Renminbi, Renminbi 10,000 and Renminbi 100 million
Company Law	Company Law of the People’s Republic of China
Securities Act	Securities Law of the People’s Republic of China
Labor Contract Law	Labor Contract Law of the People’s Republic of China
Articles of Association	articles of association of Hangzhou Tigermed Consulting Co., Ltd.

I. PURPOSE OF H SHARE APPRECIATION INCENTIVE SCHEME

The purposes of the Incentive 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.

II. ADMINISTRATIVE BODY OF H SHARE APPRECIATION INCENTIVE SCHEME

1. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Scheme. The general meeting may, within its powers and authority, delegate the Board of Directors to handle certain matters relating to the Scheme.
2. The Board of Directors is the executive and administrative body of the Scheme. The Remuneration and Evaluation Committee under the Board of Directors shall be responsible for formulating and revising the Scheme and submitting the same to the Board of Directors for review. Upon approval by the Board of Directors, the Scheme shall be put forward to the general meeting for approval. The Board of Directors may handle other matters relating to the Scheme within its scope of authority as delegated by the general meeting.
3. The Supervisory Committee is the supervisory authority of the Scheme. The Supervisory Committee shall issue opinions as to whether the Scheme is beneficial to the sustainable development of the Company and if it will be significantly detrimental to the interests of the Company and the shareholders as a whole. The Supervisory Committee shall supervise the implementation of the Scheme as to whether it is in compliance with the relevant laws, administrative regulations, departmental rules and operational rules of the stock exchanges.
4. Independent directors shall issue independent opinions as to whether the Scheme is beneficial to the sustainable development of the Company and if it will be significantly detrimental to the interests of the Company and the shareholders as a whole and shall solicit voting rights by proxy from all shareholders in respect of the Scheme.

III. QUALIFICATION AND SCOPE OF INCENTIVE PARTICIPANTS

The Incentive Participants under the Scheme shall be the senior management members, core technicians or core business personnel who have employment or labour relations with the Company's overseas subsidiaries. These participants shall not include the Company's independent directors, supervisors, shareholders or actual controllers who individually or collectively hold more than 5% of the shares of the listed company, as well as their spouses, parents and children. The number of Incentive Participants under the Scheme shall not be more than 90. The number of Stock Appreciation Rights granted to any Incentive Participants under the Scheme shall not be more than 1% of the Company's total share capital at the time when the Scheme is submitted for consideration at the Company's general meeting.

IV. PARTICULARS OF H SHARE APPRECIATION INCENTIVE SCHEME**(I) Source and number of Shares**

The incentive tool adopted in the Incentive Scheme is share appreciation. The Incentive Scheme does not involve any physical stock and the H shares of the Company shall be the phantom stock.

It is proposed that no more than 449,900 H Share Appreciation Rights will be granted to the Incentive Participants under the Incentive Scheme, representing approximately 0.0516% of the total share capital of the Company as of the date of the announcement regarding the draft of the Scheme.

(II) Validity Period, Official Grant Date, vesting schedule and Exercisable Date

1. the Validity Period of the Scheme shall be a period from the date of grant to the date of completing the exercise of all Share Appreciation Rights, which shall not be more than ten years.
2. the official date of grant of the Scheme shall be determined by the Board and notified to the Incentive Participants after the Scheme was considered and approved at the Company's general meeting. The date of grant must be a trading day and must not fall within any of the following periods:
 - (1) the period from 30 days prior to the publication of an annual or interim report of the Company, or in the event that the publication of the report is postponed due to special reasons, 30 days prior to the original scheduled date of publication, to one day immediately prior to the date of publication;
 - (2) the period from 10 days prior to the publication of a quarterly report, results forecast or preliminary results of the Company;
 - (3) the period from the date of occurrence of any significant event which may have significant effect on the trading prices of the shares and derivatives of the Company or the date on which relevant decision-making procedures start and end on the date of the disclosure of relevant event in accordance with laws;
 - (4) other periods as stipulated by CSRC and SZSE.

3. Vesting Schedule

Subject to having met the results requirements, the H Share Appreciation Rights granted by the Company to the Incentive Participants shall be exercised according to the following principles:

No. of vesting tranche	Vesting date	Exercisable period	Vesting proportion
First vesting tranche	15 months after the official date of grant	Within 15 months after the vesting date	30%
Second vesting tranche	30 months after the official date of grant	Within 15 months after the vesting date	30%
Third vesting tranche	45 months after the official date of grant	Within 15 months after the vesting date	40%

Upon expiration of the Validity Period, the Share Appreciation Rights not yet exercised by the Incentive Participants shall not be exercised and shall lapse automatically.

4. Exercisable Date

Each tranche of the Share Appreciation Rights shall only be exercised during the respective exercisable period on a trading day and shall not fall within any of the following periods:

- (1) the period from 30 days prior to the publication of an annual or interim report of the Company, or in the event that the publication of the report is postponed due to special reasons, 30 days prior to the original scheduled date of publication, to one day immediately prior to the date of publication;
- (2) the period from 10 days prior to the publication of a quarterly report, results forecast or preliminary results of the Company;
- (3) the period from the date of occurrence of any significant event which may have significant effect on the trading prices of the shares and derivatives of the Company or the date on which relevant decision-making procedures start and end on the date of the disclosure of relevant event in accordance with laws;
- (4) other periods as stipulated by the CSRC and the SZSE.

(III) Exercise Price and Determination Standards**1. Determination Standards of Exercise Price of H Share Appreciation Incentive Scheme**

The exercise price of H Share Appreciation Rights shall be the highest of the following prices:

- (1) the closing price of Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the grant date of H Share Appreciation Rights;
- (2) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five consecutive trading days immediately preceding the grant date of H Share Appreciation Rights; and
- (3) the nominal value of H Share.

(IV) Conditions for Granting and Vesting

Share Appreciation Rights shall be granted to the Incentive Participants by the Company upon satisfaction of the following conditions by the Company and Incentive Participants :

1. None of the following circumstances has occurred to the Company:
 - (1) a certified public accountant issues an adverse opinion or fails to issue an opinion on financial and accounting report of the Company for the latest accounting year;
 - (2) a certified public accountant issues an adverse opinion or fails to issue an opinion on the financial internal control report of the Company for the latest accounting year;
 - (3) the Company has distributed profit in violation of the laws and regulations, Articles of Associations of the Company or public undertakings during the last 36 months after listing;
 - (4) the adoption of H Share Appreciation Incentive Scheme is forbidden by the laws and regulations;
 - (5) other circumstances as determined by the CSRC.

2. None of the following circumstances has occurred to an Incentive Participant:
 - (1) such Incentive Participant is deemed as an inappropriate candidate by the relevant stock exchange in last 12 months;
 - (2) such Incentive Participant is deemed as an inappropriate candidate by the CSRC or its subordinate bodies in last 12 months;
 - (3) such Incentive Participant has been imposed administrative penalties or is banned from the securities market by the CSRC or its subordinate bodies due to material non-compliance of laws and regulations in last 12 months;
 - (4) such Incentive Participant is prohibited from acting as a director or member of the senior management of a company under the Company Law of the PRC;
 - (5) such Incentive Participant is prohibited by the law from participating in Share Incentive Scheme of listed companies;
 - (6) other circumstances as determined by the CSRC.

The Share Appreciation Rights granted to the Incentive Participants shall become exercisable upon satisfaction of all of the following conditions by the Company and Incentive Participants:

1. None of the following circumstances has occurred to the Company:
 - (1) a certified public accountant issues an adverse opinion or fails to issue an opinion on financial and accounting report of the Company for the latest accounting year;
 - (2) a certified public accountant issues an adverse opinion or fails to issue an opinion on financial internal control report of the Company for the latest accounting year;
 - (3) the Company has distributed profit in violation of the laws and regulations, articles of associations of the Company or public undertakings during the last 36 months after listing;
 - (4) the adoption of H Share Appreciation Incentive Scheme is forbidden by the laws and regulations;
 - (5) other circumstances as determined by the CSRC.

If any of the events specified above occurs to the Company, all Share Appreciation Rights granted to Incentive Participants under the Incentive Scheme but not yet exercised shall not be vested and shall lapse.

2. None of the following circumstances has occurred to the Incentive Participant:

- (1) such Incentive Participant is deemed as an inappropriate candidate by the relevant stock exchange within the last 12 months;
- (2) such Incentive Participant is deemed as an inappropriate candidate by the CSRC or its agency authorities within the last 12 months;
- (3) such Incentive Participant has been imposed administrative penalties or is banned from the securities market by the CSRC or its agency authorities due to material violation of laws and regulations within the last 12 months;
- (4) occurrence of circumstances under which such Incentive Participant is prohibited from acting as a director or a member of the senior management of a company under the PRC Company Law;
- (5) such Incentive Participant is prohibited by the law from participating in Share Incentive Scheme of a listed company;
- (6) other circumstances as determined by the CSRC.

If any of the events specified above occurs to an Incentive Participant so that he/she cannot vest the Rights, the Share Appreciation Rights granted to Incentive Participant but not yet exercised shall not be vested and shall lapse.

3. Performance Appraisal for the Company

The performance indicators of the Company for the three accounting years of the Scheme ending 2022 to 2025 shall be assessed annually. The Share Appreciation Rights shall only be vested to the Incentive Participants in the given year upon fulfillment of the performance requirements. The performance indicators of each year are as follows:

Vesting period	Performance indicators
First vesting period	Using the net profit of 2021 as the base, the growth rate of net profit in 2022 shall not be less than 40.00%;
Second vesting period	Using the net profit of 2021 as the base, the growth rate of net profit in 2023 shall not be less than 75.00%;
Third vesting period	Using the net profit of 2021 as the base, the growth rate of net profit in 2024 shall not be less than 105.00%.

Notes: (1) The above-mentioned “net profit” indicator refers to the audited net profit excluding non-recurring profit and loss attributable to the shareholders of the listed company, and the net profit excluding share-based payment expenses arising from the implementation of the Company’s share option incentive plan and employee share ownership plan is the calculation basis.

(2) The above assessment objectives do not constitute the Company’s performance forecast or substantial commitment to investors.

4. The annual performance assessment of the Incentive Participants in each vesting period shall be led and organized by the Remuneration and Evaluation Committee of the Board of the Company, and shall be executed in accordance with the relevant provisions of the Company; the actual number of Rights to be vested to the Incentive Participants shall be determined according to their performance assessment result.

The Share Appreciation Rights that are not exercisable due to the unfulfillment of the Vesting Conditions shall not be vested and shall lapse automatically.

(V) Method and Procedures for Adjustment of the Share Appreciation Incentive Scheme

1. Method for adjustment of the Number of Share Appreciation Rights

In the event of any increase of share capital through conversion of capital reserve, issue of bonus shares, sub-division of shares, rights issue or consolidation of shares prior to any Exercise of Right, the number of Share Appreciation Rights shall be adjusted in the following manner accordingly:

- (1) Conversion of capital reserve, issue of bonus shares and sub-division of shares*

$$Q=Q_0 \times (1+n)$$

Where: Q_0 represents the number of Share Appreciation Rights before the adjustment; n represents the ratio of increase per share resulting from the issue of shares by conversion of capital reserve, bonus shares issue and sub-division of shares to each share (i.e. the number of shares increased per share upon issue of shares by conversion of capital reserve, bonus shares issue or sub-division of Shares); Q represents the adjusted number of Share Appreciation Rights.

- (2) Rights issue*

$$Q=Q_0 \times P_1 \times (1+n) / (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of Share Appreciation Rights before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Share Appreciation Rights.

(3) *Consolidation of shares*

$$Q=Q_0 \times n$$

Where: Q_0 represents the number of Share Appreciation Rights before the adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n Shares); Q represents the adjusted number of Share Appreciation Rights.

(4) *Dividend distribution and issue of new shares*

No adjustment to the number of Share Appreciation Rights will be made in case of dividend distribution or issue of new shares.

2. *Method for adjustment of exercise price*

In the event of any dividend distribution, increase of share capital through conversion of capital reserve, issue of bonus shares, sub-division of shares, rights issue or consolidation of shares prior to any Exercise of Right, the exercise price shall be adjusted in the following manner accordingly:

(1) *Conversion of capital reserve, issue of bonus shares and sub-division of shares*

$$P=P_0 \div (1+n)$$

Where: P_0 represents the exercise price before the adjustment; n represents the ratio of increase per share resulting from the issue of shares by conversion of capital reserve, bonus shares issue and sub-division of shares to each share; P represents the adjusted exercise price.

(2) *Rights issue*

$$P=P_0 \times (P_1 + P_2 \times n) / [P_1 \times (1+n)]$$

Where: P_0 represents the exercise price before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted exercise price.

(3) *Consolidation of shares*

$$P=P_0 \div n$$

Where: P_0 represents the exercise price before the adjustment; n represents the ratio of consolidation of shares; P represents the adjusted exercise price.

(4) *Dividend distribution and issue of new shares*

No adjustment to the exercise price of Share Appreciation Rights will be made in case of dividend distribution and issues of new shares.

3. Procedures for adjustment of the Share Appreciation Incentive Scheme

According to the authorization of the general meeting, the Board of Directors of the Company shall resolve to adjust the number of the Share Appreciation Rights and the exercise price upon occurrence of any of the abovementioned circumstances. The legal advisers of the Company shall give professional advice on whether such adjustment is in compliance with the relevant laws, regulations, the Articles of Association and the provisions of the Scheme.

(VI) Accounting Treatment of the Share Appreciation Rights

In accordance with the relevant requirements of Accounting Standard for Enterprises No. 11–Share-based Payments and Accounting Standard for Enterprises No. 22–Financial Instruments: Recognition and Measurement, the Company shall update the number of Share Appreciation Rights expected to become exercisable on each balance sheet date during the Withholding Period based on subsequent information such as the updated number of Incentive Participants who are entitled to exercise the Rights and the achievement status of performance indicators. Services received during the period will be accounted in relevant costs or fees and capital reserve based on the fair value of the liabilities borne by the Company.

Accounting treatments are as follows:

1. Accounting treatment during the Withholding Period: For each balance sheet date during the Withholding Period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant asset costs or expenses of the current period at the fair value of the liabilities undertaken by the Company and shall also be included in the “remuneration payable to employees” item under liabilities. For each balance sheet date during the Withholding Period, fair value of the liabilities undertaken by the Company shall be re-measured.
2. Accounting treatment after the Exercisable Date: costs or expenses shall be de-recognized, but the change in fair value of liabilities (i.e. remuneration payable to employees) shall be included in the profit or loss of the current period (as item of changes in fair value through profit or loss).
3. Accounting treatment on the exercisable date: the “remuneration payable to employees” item shall be credited according to the actual payment amount and shall be charged as the “bank deposits” item.

The effects on the financial conditions and results of operation of the Company shall be reflected in the data disclosed in the annual reports of the Company. Based on the current circumstances, the Company estimates that, regardless of the stimulation effects of the Scheme on the results of operation of the Company, the costs of the Share Appreciation Rights will have impact on the net profit for each year during the Validity Period. In view of the positive effect of the Share Appreciation Incentive Scheme on the development of the Company, including mobilization of enthusiasm of the management and improvement of operation efficiency, improvement of performance of the Company brought by the Scheme will outweigh the increase in costs.

V. RELEVANT PROCEDURES OF THE SCHEME

(I) Procedures for the Share Appreciation Incentive Scheme to Take Effect

1. The Incentive Scheme shall be drafted by the Remuneration and Evaluation Committee under the Board of Directors and reviewed by the Board of Directors.
2. The Incentive Scheme shall be resolved by the Board of Directors in accordance with laws. When the Board of Directors reviews the Incentive Scheme, any director who is also an Incentive Participant or is a related-party to an Incentive Participant shall abstain from voting on the resolution. The Board of Directors shall, after reviewing and approving the Scheme and issuing relevant notice and announcement, propose the Scheme to the general meeting for approval. The Board of Directors shall also seek for authorization from the general meeting to deal with any matter regarding to the grant of the Share Appreciation Rights, Exercise of Right, payment and other matters regarding to the Share Appreciation Rights.
3. Independent directors and the Supervisory Committee shall issue opinions in respect of whether the Incentive Scheme is beneficial to the sustainable development of the Company and if it will be significantly detrimental to the interests of the Company and the shareholders as a whole.
4. The implementation of the Incentive Scheme is subject to the approval at the general meeting. When voting on the Incentive Scheme at the general meeting, independent directors shall collect proxy voting rights regarding the Incentive Scheme from all shareholders. When considering the Incentive Scheme, shareholders who are also the Incentive Participants or related-parties to the Incentive Participants shall abstain from voting thereon.
5. Upon the approval at the general meeting, the Company shall grant the Share Appreciation Rights to the Incentive Participants within the prescribed time when the conditions for granting are fulfilled. Subject to the authorization from the general meeting, the Board of Directors shall deal with any matter regarding to the granting of the Share Appreciation Rights, Exercise of Right, payment and other matters regarding to the Share Appreciation Rights.

(II) Procedures for Granting of Rights under the Incentive Scheme

1. Upon the approval of the Incentive Scheme at the general meeting and passing of resolution by the Board of Directors regarding the grant of Rights to the Incentive Participants, the Company shall sign the Grant Agreement with the Incentive Participants to govern the rights and obligations of all parties.
2. The Board of Directors shall review and announce whether the conditions for the grant of Rights to an Incentive Participant as set out in the Incentive Scheme have been fulfilled before the Company makes a grant to such Incentive Participant. The independent directors and the Supervisory Committee shall express their views explicitly. The legal advisers shall issue legal opinions on whether the conditions for the grant of Rights are fulfilled or not.
3. In case of any grant of Rights to the Incentive Participants does not follow the arrangement of the Incentive Scheme, the independent directors, the Supervisory Committee and legal advisers shall express their views explicitly.

(III) Procedures for Exercising the Share Appreciation Rights and Cash Payment

1. The Board of Directors shall review and confirm the number of Rights exercisable by the Incentive Participants, the qualification to exercise the Rights and Vesting Conditions. The Board of Directors shall review whether the Vesting Conditions as set out in the Incentive Scheme have been satisfied. The independent directors and the Supervisory Committee shall express their view explicitly. The legal advisers of the Company shall issue legal opinions on whether the Vesting Conditions of the Incentive Participants have been fulfilled;
2. After reviewing and confirming the number of Rights exercisable by the Incentive Participants, the qualification to exercise the Rights and Vesting Conditions, the incentives payable to the Incentive Participants shall be calculated by the Company. The incentives for each Share Appreciation Right shall be the excess of Redemption Price over the exercise price. The Redemption Price shall be linked with the price of the H shares of the Company. The incentives shall be payable by the Company and its subsidiaries in cash.

(IV) Procedures for Amendment and Termination of the Incentive Scheme***1. Amendment of the Incentive Scheme***

- (1) If the Company intends to amend the Incentive Scheme prior to its consideration at the general meeting, such amendment shall be approved by the Board of Directors.
- (2) If the Company intends to amend the Incentive Scheme after it is considered and approved at the general meeting, such amendment shall be proposed to the general meeting in a timely manner and announcement regarding the amendments shall be issued, given that such amendment shall not result in the following:
 - 1) accelerating the Exercise of Rights/early Exercise of Rights;
 - 2) reducing the exercise price (other than by means of capitalization issue, bonus issue or rights issue).
- (3) Independent directors and the Supervisory Committee shall issue opinions as to whether the amended Incentive Scheme is beneficial to the sustainable development of the Company and if it will be significantly detrimental to the interests of the Company and the shareholders as a whole. The legal advisers of the Company shall give professional advice on whether the amended Incentive Scheme is in compliance with laws and regulations and if it will be significantly detrimental to the interests of the Company and the shareholders as a whole.

2. Termination of the Incentive Scheme

- (1) If the Company intends to terminate the Incentive Scheme prior to its consideration at the general meeting, such termination shall be approved by the Board of Directors.
- (2) If the Company intends to terminate the Incentive Scheme after it is considered and approved at the general meeting, such termination shall be approved at general meeting.
- (3) The legal advisers of the Company shall give professional advice on whether the termination of the Incentive Scheme of the Company is in compliance with laws and regulations and if it will be significantly detrimental to the interests of the Company and the shareholders as a whole.

VI. RIGHTS AND OBLIGATIONS OF THE COMPANY AND INCENTIVE PARTICIPANTS**(I) Rights and obligations of the Company**

1. The Company shall have the right to construe and execute the Incentive Scheme and shall appraise the performance of the Incentive Participants and supervise and review whether the Incentive Participants is qualified to continue to exercise the Rights. If an Incentive Participant fails to fulfill the Vesting Conditions required under the Incentive Scheme, the Company shall have the right to cancel the Share Appreciation Rights that are not yet exercised or request the Incentive Participant to return the gains generated from the Share Appreciation Rights upon the approval of the Board of Directors;
2. The Company shall discharge its obligations in a timely manner in relation to report and information disclosure under the Share Appreciation Incentive Scheme in accordance with the relevant requirements;
3. The Company shall actively support the Incentive Participants who have fulfilled the Vesting Conditions to exercise their Rights in accordance with the relevant requirements of the Incentive Scheme. However, the Company disclaims any liability for any loss suffered by an Incentive Participant arising from the incapability to exercise as he/she desires due to reasons relating to CSRC or stock exchanges;
4. Other rights and obligations as stipulated under the laws and regulations.

(II) Rights and obligations of the Incentive Participants

1. An Incentive Participant shall comply with the requirements of his/her position as stipulated by the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make contribution to the development of the Company;
2. An Incentive Participant shall be entitled to and shall exercise his/her rights in accordance with the Incentive Scheme;
3. Share Appreciation Rights granted to the Incentive Participants shall not be transferred or used as guarantee or for repayment of debts;
4. Incentive Participant shall bear the tax obligations arising from the Share Appreciation Right in accordance with the laws.

VII. HANDLING CHANGES TO THE COMPANY AND THE INCENTIVE PARTICIPANTS**(I) Handling Changes to the Company**

1. The Incentive Scheme shall be terminated immediately if any of the following events occurs to the Company. The Share Appreciation Rights granted to the Incentive Participant but not yet exercised shall not be vested and shall lapse immediately and any outstanding cash amount payable for any Share Appreciation Rights applied to be exercised shall be vested pursuant to the Grant Agreement:
 - (1) a certified public accountant issues an adverse opinion or fails to issue an opinion on financial and accounting report of the Company for the latest accounting year;
 - (2) a certified public accountant issues an adverse opinion or fails to issue an opinion on financial internal control report of the Company for the latest accounting year;
 - (3) the Company has distributed profit in violation of the laws and regulations, Articles of Associations or public undertakings during the last 36 months after listing;
 - (4) the adoption of stock incentive plan is forbidden by the laws and regulations;
 - (5) other circumstances as determined by the CSRC that the Incentive Scheme shall be terminated.
2. The Incentive Scheme shall remain effective if any of the following events occurs to the Company:
 - (1) change of actual control of the Company without reorganization of major assets;
 - (2) the Company consolidates with other companies and is the surviving entity.
3. If any of the following events occurs to the Company, the Board of Directors shall resolve whether to continue the Scheme, accelerate the Exercise of Rights or terminate the Scheme under the authorization from the general meeting before the occurrence of the followings events, except for rights that shall be exercised by the general meeting as specified explicitly in the relevant documents:
 - (1) change of actual control of the Company involving reorganization of major assets;
 - (2) the Company mergers with other companies and no longer exists;
 - (3) division of the Company.

4. Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions for the grant or exercise of Share Appreciation Rights, the Share Appreciation Rights granted but not yet exercised shall not be vested and shall lapse immediately. In respect of the Share Appreciation Rights already exercised by the Incentive Participants, the Incentive Participants concerned shall return to the Company all interests granted. The Incentive Participants who bear no responsibility for the aforesaid matters and who incur losses as a result of the return of interest granted may seek compensation from the Company or responsible parties.

(II) Occurrences in respect of the Incentive Participants

1. If an Incentive Participant is disqualified to participate in the Scheme due to one of the following circumstances, the Share Appreciation Rights held by the Incentive Participant that has been granted but not yet exercised shall not be vested and shall lapse automatically, and any outstanding cash payment in respect of the Share Appreciation Right applied to be exercised shall be vested pursuant to the Grant Agreement:
 - (1) such Incentive Participant is deemed as an inappropriate candidate by the stock exchange in the most recent 12 months;
 - (2) such Incentive Participant is deemed as an inappropriate candidate by the CSRC or its agency authorities in the most recent 12 months;
 - (3) such Incentive Participant 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 Participant is prohibited from acting as a director or member of the senior management of a company, as stipulated in the Company Law;
 - (5) such Incentive Participant is prohibited by the laws and regulations from participating in equity incentive plan of listed companies;
 - (6) other circumstances as determined by the CSRC.

2. Where an Incentive Participant has a change in job position but still works in the Company or a branch or subsidiary of the Company, and if he/she has not participated in any other share incentive plans of such branch or subsidiary, the Share Appreciation Rights granted to him/her shall be fully governed by the procedures as specified in the Scheme before the change of his/her job position. However, in case an Incentive Participant has changed his/her job position due to disqualification for such positions, violation of laws, breach of professional ethics, leakage of confidential information of the Company, failure to discharge duties or willful misconduct, material violation of the policies of the Company or other acts that may cause damages to the interest or reputation of the Company, or the Company terminates his/her employment contract for any of the above reasons, since the date of occurrence of such event, the Share Appreciation Rights that have been granted to Incentive Participants under the Scheme but not yet exercised shall not be vested, and shall lapse automatically, and any outstanding cash payment for any Share Appreciation Right applied to be exercised shall be vested pursuant to the Grant Agreement.
3. Where an Incentive Participant resigns from the Company due to resignation or redundancy, not renewing the labor contract upon expiration or termination of labor contract by the Company, since the date of the occurrence of such event, the Share Appreciation Rights that have been granted to Incentive Participants under the Scheme but not yet exercised shall not be vested and shall lapse automatically, and any outstanding cash payment for any Share Appreciation Right applied to be exercised shall be vested pursuant to the Grant Agreement.
4. Where an Incentive Participant retires according to regulations of the PRC and the Company (including those who are re-employed by the Company after retirement or provide continued services to the Company in other forms), the Share Appreciation Rights granted to him/her shall remain valid, and where no individual performance appraisal is required for the aforesaid situations, the individual performance appraisal shall no longer be included as Vesting Conditions; otherwise, the individual performance appraisal shall remain as one of the Vesting Conditions.
5. Where an Incentive Participant resigns due to incapacity, the Rights shall be handled based on the following two circumstances:
 - (1) If an Incentive Participant resigns due to incapacity resulting from work-related injury, the Share Appreciation Rights granted to the Incentive Participant shall be exercisable fully based on the procedures under the Incentive Scheme applicable prior to his/her incapacity, and the individual performance appraisal shall no longer be included as a Vesting Condition;
 - (2) If an Incentive Participant resigns for reasons other than incapacity resulting from work-related injury, on the date of the occurrence of such event, the Share Appreciation Rights which have been granted to the Incentive Participant under the Scheme but not yet exercised shall not be vested and shall lapse automatically, and any outstanding cash payment related to the Share Appreciation Rights applied to be exercised shall be vested pursuant to the Grant Agreement.

6. If an Incentive Participant dies due to work-related injury, the Share Appreciation Rights which have been granted to the Incentive Participant shall be transferred to his/her designated personal representative or lawful heir of the estate, and shall be handled pursuant to the procedures of the Scheme applicable prior to his/her death, and the individual performance appraisal shall no longer be a Vesting Condition. If an Incentive Participant dies for reasons other than work-related injury, on the date of the occurrence of such event, the Share Appreciation Rights which have been granted to the Incentive Participant but not yet exercised shall not be vested and shall lapse automatically, and any outstanding cash payment related to the Share Appreciation Rights applied to be exercised shall be vested pursuant to the Grant Agreement.
7. Other circumstances not stated above shall be specified and the handling of which shall be determined by the Remuneration and Evaluation Committee of the Board of Directors.

(III) Resolution of disputes between the Company and Incentive Participants

Any dispute between the Company and an incentive participant arising out of or in connection with the implementation of the Scheme and/or the Grant Agreement entered into between the parties shall be settled by the parties through negotiations and communications, or through mediation by the Remuneration and Evaluation Committee of the Board. If the parties fail to apply the aforesaid means to resolving the dispute or fail to resolve the dispute by the aforesaid means within 60 days after the occurrence of the dispute, either party shall have the right to file a lawsuit to a people's court having jurisdiction in the place where the Company is located, for settlement.

VIII. MISCELLANEOUS

- (I) the consideration and approval of the Scheme by the Board and the general meeting of the Company shall not mean that the Incentive Participants have the right to continue to serve in the Company or its wholly-owned subsidiaries, nor shall it constitute a commitment by the Company or its wholly-owned subsidiaries to the term of employment of employees. The relevant labour relations shall continue to be handled based on the labour or employment contracts.
- (II) the financial treatment, accounting treatment and taxation in respect of the implementation of the Scheme by the Company shall be handled pursuant to relevant financial policies, accounting standards as well as tax rules and regulations.
- (III) the right to construe the Scheme shall be vested in the Board.

The Board of Directors of Hangzhou Tigermed Consulting Co., Ltd.
March 29, 2022

This appendix serves as an explanatory statement, as required by the Listing Rules, to enable the Shareholders to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate.

I. LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by the Articles of Association to repurchase its own securities.

II. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares issued by the Company was 872,438,364 (including 749,313,564 A Shares and 123,124,800 H Shares). Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 12,312,480 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

III. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

IV. FUNDING OF REPURCHASES

In repurchasing its H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC, including but not limited to surplus funds and undistributed profits of the Company.

V. IMPACT ON WORKING CAPITAL

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2021, being disclosed in the Company's latest published audited accounts contained in the annual report for the year ended 31 December 2021. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the

gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing, in the best interests of the Company.

VI. STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

VII. H SHARE PRICES

The highest and lowest prices at which the H Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2021		
April	162.0	131.6
May	166.6	137.7
June	188.0	152.3
July	193.8	142.6
August	159.4	126.8
September	177.0	131.2
October	168.0	143.7
November	152.0	123.9
December	129.4	91.5
2022		
January	100.1	78.5
February	91.65	70.25
March	98.4	67.1
April (up to the Latest Practicable Date)	98.9	75.9

VIII. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

IX. DISCLOSURE OF INTERESTS

To the best of knowledge of the Directors having made all reasonable enquiries, none of the Directors or their respective close associates have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the AGM and the Class Meetings.

As at the Latest Practicable Date, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any H Shares nor has such core connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

X. IMPLICATIONS UNDER THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 26 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the Directors are not aware of any consequence which may arise under the Takeovers Code and any similarly applicable laws as a consequence of any repurchase of Shares under the Repurchase Mandate.

XI. SECURITIES REPURCHASE MADE BY THE COMPANY

The Company had repurchased a total of 3,353,050 A Shares on the Shenzhen Stock Exchange during the six months immediately preceding the Latest Practicable Date. Details of which are as follows:

Date of repurchase	Number of Shares repurchased	Price paid per A Share	
		Highest (RMB)	Lowest (RMB)
2021			
October 27	313,250	160.23	158.35
October 28	314,700	163.60	159.51
October 29	14,000	164.00	161.30
November 1	218,700	158.28	154.60
2022			
February 15	16,600	99.20	97.50
February 16	213,900	101.00	99.30
February 17	486,700	102.39	99.06
February 18	425,500	101.98	101.20
February 21	793,800	100.75	99.00
February 22	259,700	99.39	97.00
February 23	296,200	100.68	99.01
Total	3,353,050		

Save as disclosed above, the Company had not purchased any Shares on the Stock Exchange or otherwise during the six months immediately preceding the Latest Practicable Date.

NOTICE OF 2021 ANNUAL GENERAL MEETING

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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)

NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that annual general meeting (the “AGM”) of Hangzhou Tigermед Consulting Co., Ltd. (the “**Company**”) will be held at 10:00 a.m. on Friday, May 20, 2022 at the Meeting Room, 18/F, Shengda Science Park Tower A, No. 19 Jugong Road, Binjiang District, Hangzhou, the PRC, or any adjournment thereof, for the purpose of considering and, if thought fit, approving the following resolutions. Unless the context otherwise requires, the terms and expressions used herein shall have same meaning as those defined in the circular of the Company dated April 28, 2022 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. To consider and approve the Annual Report for 2021.
2. To consider and approve the Report of the Board for 2021.
3. To consider and approve the Report of the Supervisory Committee for 2021.
4. To consider and approve the Profit Distribution Plan for 2021.
5. To consider and approve the Final Financial Report for 2021.
6. To consider and approve the Appointment of Domestic and Overseas Auditors of the Company for 2022.
7. To consider and approve the Proposed Application to the Bank for the Integrated Credit Facility.
8. To consider and approve the Proposed Purchase of Short-Term Bank Principal-Guaranteed Wealth Management Products with Self-owned Idle Funds.
9. To consider and approve the Proposed Change in Use of Proceeds from H Shares offering.

NOTICE OF 2021 ANNUAL GENERAL MEETING

10. To consider and approve the proposed adoption of the Employee Share Ownership Plan and its summary.
11. To consider and approve the proposed adoption of the Administrative Measures for the Employee Share Ownership Plan.
12. To consider and approve the proposed authorization for the Board to handle matters in relation to the Employee Share Ownership Plan.

SPECIAL RESOLUTIONS

13. To consider and approve the proposed adoption of the 2022 Share Appreciation Scheme.
14. To consider and approve the proposed authorization for the Board to handle matters in relation to the 2022 Share Appreciation Scheme.
15. To consider and approve the Proposed Partial Repurchase and Cancellation of the 2019 Restricted A Shares.
16. To consider and approve the Proposed Change of the Registered Capital of the Company.
17. To consider and approve the Proposed Amendments to the Articles of Association.
18. To consider and approve the Proposed Grant of General Mandate to the Board for the Issuance of H Shares.
19. To consider and approve the Proposed Grant of General Mandate to the Board to Repurchase H Shares.

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

Hong Kong, April 28, 2022

As at the date of this notice, 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.

NOTICE OF 2021 ANNUAL GENERAL MEETING

Notes:

1. The voting at the AGM will be conducted by way of poll.
2. The holders of A Shares and H Shares will vote as one class of Shareholders. The Company's register of members for the H Shares will be closed from Tuesday, May 17, 2022 to Friday, May 20, 2022 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of the H Shares of the Company whose names appear on the Company's register of members of the H Shares on Tuesday, May 17, 2022 are entitled to attend the AGM. In order to be entitled to attend at the AGM, the holders of H Shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Tricor Investor Services Limited by no later than 4:30 p.m. on Monday, May 16, 2022. The address of Tricor Investor Services Limited is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
3. Subject to the approval of the Profit Distribution Plan for 2021 at the AGM, the dividends will be payable to the H Shareholders whose names appear on the register of members of the Company after the close of the market on the record date, Thursday, May 26, 2022. The share register of members of the H Shares of the Company will be closed from Thursday, May 26, 2022 to Monday, May 30, 2022 (both days inclusive), during which period no transfer of H Shares will be registered. For the H Shareholders of the Company who wish to be entitled to receive the final dividends but have not registered the transfer documents, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before Wednesday, May 25, 2022 at 4:30 p.m..
4. Each Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his or her behalf. A proxy needs not be a Shareholder. Each Shareholder who wishes to appoint one or more proxies should first review the Circular.
5. An ordinary resolution shall be passed by votes representing at least 1/2 of the voting rights held by the shareholders (including proxies thereof) attending the AGM. A special resolution shall be passed by votes representing at least 2/3 of the voting rights held by the shareholders (including proxies thereof) attending the AGM.
6. The form of proxy must be signed by the Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, the instrument must be either under its common seal or signed by the director or his/her attorney duly authorized. If the instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
7. In order to be valid, the form of proxy of the holders of H Shares together with the power of attorney or other authorization document (if any) signed by the authorized person or notorially certified power of attorney must be deposited at Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the AGM if he/she so wishes.
8. The AGM is expected to last for no more than half a day. Shareholders (or their proxies) attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders (or their proxies) attending the meeting shall produce their identity documents.
9. All times refer to Hong Kong local time, except as otherwise stated.

NOTICE OF THE 2022 FIRST H SHARE CLASS MEETING

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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)

NOTICE OF THE 2022 FIRST H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2022 First H Share Class Meeting (the “**H Share Class Meeting**”) of Hangzhou Tigermmed Consulting Co., Ltd. (the “**Company**”) will be held on Friday, May 20, 2022 at the Meeting Room, 18/F, Shengda Science Park Tower A, No. 19 Jugong Road, Binjiang District, Hangzhou, the PRC after the conclusion or adjournment of the 2021 annual general meeting and the 2022 first A share class meeting, or any adjournment thereof, for the purpose of considering and, if thought fit, approving the following resolutions. Unless the context otherwise requires, the terms and expressions used herein shall have same meaning as those defined in the circular of the Company dated April 28, 2022 (the “**Circular**”).

SPECIAL RESOLUTIONS

1. To consider and approve the Proposed Partial Repurchase and Cancellation of the 2019 Restricted A Shares.
2. To consider and approve the Proposed Change of the Registered Capital of the Company.
3. To consider and approve the Proposed Grant of General Mandate to the Board to Repurchase H Shares.

By order of the Board
Hangzhou Tigermmed Consulting Co., Ltd.
Ye Xiaopin
Chairman

Hong Kong, April 28, 2022

As at the date of this notice, 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.

NOTICE OF THE 2022 FIRST H SHARE CLASS MEETING

Notes:

1. The voting at the H Share Class Meeting will be conducted by way of poll.
2. The Company's register of members for the H Shares will be closed from Tuesday, May 17, 2022 to Friday, May 20, 2022 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of the H Shares of the Company whose names appear on the Company's register of members of the H Shares on Tuesday, May 17, 2022 are entitled to attend the H Share Class Meeting. In order to be entitled to attend at the H Share Class Meeting, the holders of H Shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Tricor Investor Services Limited by no later than 4:30 p.m. on Monday, May 16, 2022. The address of Tricor Investor Services Limited is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
3. Each Shareholder entitled to attend and vote at the H Share Class Meeting may appoint one or more proxies to attend and vote on his or her behalf. A proxy needs not be a Shareholder. Each H Shareholder who wishes to appoint one or more proxies should first review the Circular.
4. An ordinary resolution shall be passed by votes representing at least 1/2 of the voting rights held by the shareholders (including proxies thereof) attending the H Share Class Meeting. A special resolution shall be passed by votes representing at least 2/3 of the voting rights held by the shareholders (including proxies thereof) attending the H Share Class Meeting.
5. The form of proxy must be signed by the H Shareholder or his/her attorney duly authorized in writing. If the H Shareholder is a corporation, the instrument must be either under its common seal or signed by the director or his/her attorney duly authorized. If the instrument is signed by an attorney of the H Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
6. In order to be valid, the form of proxy of the holders of H Shares together with the power of attorney or other authorization document (if any) signed by the authorized person or notarially certified power of attorney must be deposited at Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 24 hours before the time appointed for holding the H Share Class Meeting or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a H Shareholder from attending and voting in person at the H Share Class Meeting if he/she so wishes.
7. The H Share Class Meeting is expected to last for no more than half a day. H Shareholders (or their proxies) attending the meeting are responsible for their own transportation and accommodation expenses. H Shareholders (or their proxies) attending the meeting shall produce their identity documents.
8. For details of the resolutions proposed for approval at the H Share Class Meeting, please refer to the Circular.