

# TARGET

## Intelligence Report

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S A T U R D A Y

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**HANGZHOU TIGERMED CONSULTING COMPANY LTD:  
THIS COMPANY HAS A LARGE FOLLOWING ...  
PERHAPS, IT IS NOT UNREASONABLE**

On Monday, August 31, 2020, Hangzhou Tigermed Consulting Company Ltd (杭州泰格醫藥科技股份有限公司) (Code: 3347, Main Board, The Stock Exchange of Hongkong Ltd) announced that there had been a full exercise of the Over-Allotment Option of 16,059,700 'H' Shares, bringing into the Company's coffers an additional \$HK1,549.60 million.

That very useful, additional sum of money was in addition to the \$HK10,272.50 million that the Company had obtained from the net proceeds of the **Initial Public Offering (IPO)** of the Global Offering of 107,065,100 'H' Shares.

In aggregate, therefore, Management must have well appreciated the windfall sum of \$HK11,822.10 million, being the net proceeds of Company's cash-raising efforts on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

Against other successful IPO's, pitched in the HKSAR, during the first eight months of the 2020 calendar year, Hangzhou Tigermed Consulting Company Ltd had to be rated very highly in respect of its prodigious success in garnering interest-free money from investors.

### **The IPO Of Hangzhou Tigermed Consulting Company Ltd**

Hangzhou Tigermed Consulting Company Ltd published and disseminated its IPO on the Main Board of The Stock Exchange of Hongkong Ltd on Tuesday, July 28, 2020.

The Company's Global Offering was for the sales of 107,065,100, one renminbi 'H' Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK88 to a high of \$HK100.

Investors of the HKSAR were offered the opportunity to subscribe to 5,888,600 'H' Shares (the HKSAR Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with this class of investors' corporate entities in which equity control was vested – were induced to put in valid applications in order to obtain some of the 101,176,500 'H' Shares, dedicated to satisfy the investment appetites of such moneyed investors (the International Offer Shares tranche).

On Thursday, August 6, 2020, Management caused to have published an Announcement as to the Offer Price and Allotment Results.

That Announcement stated that the Offer Price Per Share had been struck at \$HK100 – the highest level of the Indicative Offer Price range – and that Management anticipated, netting \$HK10,272.50 million from the Global Offering.

In respect of the HKSAR Offer Shares tranche, one was informed that Management had received applications for a total of 2,440,178,800 Shares, representing about 414.39 times the total number of 5,888,600 Offer Shares, initially available for subscription under this Offer Shares tranche.

With regard to the International Offer Shares tranche, one was informed that it had been approximately 20 times oversubscribed the total number of ‘H’ Shares, initially available under this tranche.

At Page Seven of this Announcement, Management stated how it determined the utilisation of the net proceeds from the Global Offering as follows:

1. Approximately, 15 percent, that is about \$HK1,540.90 million, *‘will be used 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’*;
2. Approximately, 40 percent, that is about \$HK4,109.00 million, *‘will be used to fund potential acquisitions of attractive overseas clinical CROs (Contract Research Organisations) that are complementary to our existing businesses as part of our global expansion plan’*;
3. Approximately, 20 percent, that is about \$HK2,054.50 million, *‘will be used to foster our biopharmaceutical R&D (Research and Development) ecosystem by making minority investments in companies with innovative business models and growth potential, such as biotech companies, healthcare IT (Information Technology) companies, hospitals, medical device and diagnostic research companies’*;
4. Approximately, 10 percent, that is about \$HK1,027.30 million, *‘will be used to repay certain of our outstanding borrowings as of May 31, 2020’*;
5. Approximately, five percent, that is about \$HK513.60 million, *‘will be used to develop advanced technologies to enhance the quality and efficiency of our comprehensive service offerings, such as cloud-based virtual clinical trial platforms and laboratory automation, medical data platforms and site management capabilities, through recruiting qualified technical and scientific professionals and undertaking specific R&D projects’*; and,
6. Approximately, 10 percent, that is about \$HK1,027.30 million, *‘will be used (as) to working capital and general corporate purposes.’*

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