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HARBOUR
BIOMED
和鉑醫藥控股有限公司
HBM Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 02142)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated June 9, 2021 in respect of the 2021 Consultancy Agreement.

The Board is pleased to announce that on March 4, 2022, Ms. Weiwei Chen (“**Ms. Chen**”) and the Company entered into the Renewed Consultancy Agreement for a term commencing from March 1, 2022 to December 31, 2022, for the continued provision of consultancy services by Ms. Chen to the Group after the expiry of the January 2022 Consultancy Agreement on February 28, 2021.

Ms. Chen is a non-executive Director, and therefore is a connected person of the Company, the transactions contemplated under the Existing Consultancy Agreements and the Renewed Consultancy Agreement constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios of the Existing Consultancy Agreements were less than 0.1%, the Existing Consultancy Agreements were fully exempt from the reporting, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. However, since both the Existing Consultancy Agreements and the Renewed Consultancy Agreement were entered into between the same parties, of a similar nature and within a 12-month period, the Existing Consultancy Agreements and the Renewed Consultancy Agreement shall be aggregated under Rules 14A.81 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions under the Existing Consultancy Agreements and the Renewed Consultancy Agreement in aggregate is over 0.1% but less than 5%, the entering into of the Renewed Consultancy Agreement will be subject to the reporting, annual review and announcement requirements and exempt from the requirement of independent shareholders’ approval pursuant to Chapter 14A of the Listing Rules.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated June 9, 2021 in respect of the consultancy agreement entered into between Ms. Chen and the Company dated June 9, 2021 (the “**2021 Consultancy Agreement**”) pursuant to which the Company agreed to procure, and Ms. Chen agreed to provide, consultancy services in relation to the business and operation of the Group (the “**Consultancy Service**”) for a fixed term of seven months ending on December 31, 2021. Upon the completion of the 2021 Consultancy Agreement, the parties entered into a consultancy agreement dated January 6, 2022 for the provision of the Consultancy Service by Ms. Chen for a fixed term of two months ended on February 28, 2022 (the “**January 2022 Consultancy Agreement**”, together with the 2021 Consultancy Agreement, the “**Existing Consultancy Agreements**”). Capitalised terms used herein shall have the same meanings as those defined in such announcement unless defined otherwise.

The Board is pleased to announce that on March 4, 2022, Ms. Chen and the Company entered into a consultancy agreement (the “**Renewed Consultancy Agreement**”) for a term commencing from March 1, 2022 to December 31, 2022 for the continued provision of consultancy services by Ms. Chen to the Group after the expiry of the January 2022 Consultancy Agreement on February 28, 2022. Such transactions constitute continuing connected transactions of the Group.

Details of the Renewed Consultancy Agreement are summarized below.

THE RENEWED CONSULTANCY AGREEMENT

Date of agreement:	March 4, 2022
Parties:	(1) The Company; and (2) Ms. Chen
Term:	March 1, 2022 to December 31, 2022
Material provisions:	The terms of the Renewal Consultancy Agreement were determined after arm’s length negotiation between the relevant parties.

Ms. Chen’s scope of responsibility includes, among other things, the following:

1. contributing to the formulation of the Company’s medium and long-term development strategy, formulating financial strategy plans based on the Company’s overall development strategy, as well as establishing and continuously improving the financial management system of the Company;

2. organizing and coordinating, in parallel, the operation of corporate financial resources and business planning, providing advice and decision support for major business activities of the Company, and participating in risk assessment, guidance, tracking and control;
3. being responsible for the Company's overall financial management and daily operation management; and
4. being responsible for the Company's financial team management, reserve talent training and enhancing the professional capacities of the Company's financial team.

Ms. Chen shall be entitled to receive a monthly consultancy fee of RMB182,917 for the provision of the above-mentioned consultancy services to the Group which shall be payable on the last working day of each month to Ms. Chen's nominated bank account.

Proposed annual cap:

The historical transaction amounts in respect of the Existing Consultancy Agreements for the nine months ended February 28, 2022 was RMB2,405,095.45.

The maximum amount for the consultancy fee to be payable to Ms. Chen under the Renewed Consultancy Agreement for the financial year ending December 31, 2022 is RMB1,829,170, which is determined principally with reference to:

- (i) the seniority and professional qualification of Mr. Chen;
- (ii) the experience and professional skills on strategical business consultation of Ms. Chen;
- (iii) the professional fee arrangement for other senior advisor of similar seniority and professional qualification within the Group;
- (iv) the historical amount of professional fee received by Ms. Chen for the nine months ended February 28, 2022; and
- (v) the expected increase in professional fee due to general cost inflation and increase in demand for consultancy services.

INFORMATION ON THE PARTIES INVOLVED IN THE CONTINUING CONNECTED TRANSACTIONS

The Group

The Group is a clinical-stage biopharmaceutical company engaged in the discovery and development of differentiated antibody therapeutics in immunology and oncology disease areas.

Ms. Chen

Ms. Chen has been an independent non-executive Director from December 2020 to June 2021 and was redesignated as a non-executive Director since June 2021.

REASONS FOR AND THE BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Ms. Chen has been with the Company since December 2020 as an independent non-executive Director and since her redesignation as a non-executive Director in June 2021, she has been providing consultancy services in relation to the business and operation of the Group under the Existing Consultancy Agreements. As a result, she has developed an understanding of the operation and business of the Group. Given her background, knowledge and experience in strategical business consultancy, the Company believes that it will benefit from the continued guidance and advice which Ms. Chen will be able to offer to the Group in her capacity as a consultant and it is particularly crucial for the Company to continue to leverage Ms. Chen's extensive experience in corporate business strategy and operation to assist the Company in terms of its operation optimization and efficiency maximization.

The Directors (including the independent non-executive Directors) are of the view that (i) the Existing Consultancy Agreements and the Renewed Consultancy Agreement were entered into in the ordinary and usual course of the Group's business and on normal commercial terms or better; (ii) that the terms therein are fair and reasonable; and (iii) the terms therein are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ms. Chen serves as a non-executive Director of the Company. Ms. Chen is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Existing Consultancy Agreements and the Renewed Consultancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios of the Existing Consultancy Agreements were less than 0.1%, the Existing Consultancy Agreements were fully exempt from the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. However, since both the Existing Consultancy Agreements and the Renewed Consultancy Agreement were entered into by the same parties, of a similar nature and within a 12-month period, the Existing Consultancy Agreements and the Renewed Consultancy Agreement shall be aggregated under Rules 14A.81 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions under the Existing Consultancy Agreements and the Renewed Consultancy Agreement in aggregate is over 0.1% but less than 5%, the entering into of the Renewed Consultancy Agreement will be subject to the reporting, annual review and announcement requirements and exempt from the requirement of independent shareholders' approval pursuant to Chapter 14A of the Listing Rules.

Ms. Chen is considered to have a material interest in the Renewed Consultancy Agreement and the transactions contemplated thereunder and accordingly has abstained from voting on the relevant Board resolutions in respect of the approval of the Renewed Consultancy Agreement and the transactions contemplated thereunder (including the proposed annual cap). Save as disclosed above, none of the Directors has a material interest in the Renewed Consultancy Agreement and the transactions contemplated thereunder, nor is any of them required to abstain from voting on the relevant Board resolution(s) of the Company.

By order of the Board
HBM Holdings Limited
Dr. Jingsong Wang
Chairman and Executive Director

Hong Kong, March 4, 2022

As at the date of this announcement, the board of directors of the Company comprises Dr. Jingsong Wang and Mr. Xiaoxiang Chen as executive Directors; Mr. Yu Min Qiu, Mr. Junfeng Wang and Ms. Weiwei Chen as non-executive Directors; Dr. Robert Irwin Kamen, Dr. Xiaoping Ye and Mr. Ka Chi Yau as independent non-executive Directors.