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PW MEDTECH GROUP LIMITED

普华和顺集团公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1358)

DISCLOSEABLE TRANSACTION LOAN TRANSACTION

LOAN TRANSACTION

On September 5, 2023, the Lender, the Guarantor and the Borrower entered into the Loan Agreement pursuant to which the Lender has agreed to grant the Loan to the Borrower in amount of RMB120 million.

IMPLICATIONS UNDER THE LISTING RULES

The provision of the Loan constitutes a transaction within the meaning of Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the provision of the Loan is more than 5% but all less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 14 of the Listing Rules.

LOAN TRANSACTION

On September 5, 2023, the Lender, the Guarantor and the Borrower entered into the Loan Agreement in relation to the provision of the Loan to the Borrower.

The principal terms and conditions of the Loan Agreement are set out below.

Loan Agreement

Date : September 5, 2023

Parties : (a) the Borrower;
(b) the Lender (a wholly-owned subsidiary of the Company); and
(c) the Guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Borrower, the Guarantor and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons.

Principal of the Loan : RMB120 million

Term : from the date of drawdown of the Loan to May 31, 2024

Interest rate : 4.55% per annum

Permitted use of the Loan : The Borrower shall use the principal of the Loan for working capital

Repayment : The Borrower shall repay the interests on a semi-yearly basis and the outstanding principal amount in full before the expiry of the term of the Loan

The terms of the Loan Agreement, including the interest rate of the Loan, were agreed by the Lender, the Guarantor and the Borrower after arm's length negotiations and having taken into account prevailing market conditions.

Funding for the principal of the Loan

The principal of the Loan will be financed by the Group's available internal resources.

Collateral

The Loan will be secured by the real properties owned by the Guarantor located in Suzhou, the PRC with a gross floor area of 30,090.19 m² (the "**Properties**") for the repayment obligations of the Borrower under the Loan Agreement. According to the valuation report issued by Suzhou Sucheng Assets Appraisal Firm (General Partnership) (蘇州蘇誠資產評估事務所(普通合夥)), the value of the Properties was RMB180,395,000 as of June 30, 2023. Without prior written consent by the Lender, the Borrower shall not dispose of the Properties within the term of the Loan.

INFORMATION ON THE LENDER AND THE GROUP

The Lender is an indirectly wholly-owned subsidiary of the Company. The Lender is principally engaged in investment holding.

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability on 13 May 2011. The principal business activity of the Company is investment holding. The Group is principally engaged in the R&D, manufacturing and sale of (i) advanced infusion set, intravenous cannula products, insulin needles etc., (ii) hemodialysis and blood purification medical devices, and (iii) animal-derived regenerative medical biomaterials and human tissue repair alternative products in the PRC.

INFORMATION ON THE BORROWER

The Borrower is principally engaged in industrial investment, investment management and investment consulting. The Borrower was ultimately owned by Shi Jianjiang (施建剛) as to 99% and Xu Hao (徐浩) as to 1%.

INFORMATION ON THE GUARANTOR

The Guarantor is principally engaged in technology research and development of medicine, pesticide, fine organic, daily chemical, polymer, silica gel and new chemical material products and sewage treatment. The Guarantor was ultimately owned by Shi Jianjiang (施建剛) as to 84.88%, Lu Zhengxiang (盧正祥) as to 9.53%, Xiong Yixin (熊益新) as to 0.74%, Zhao Weilong (趙偉龍) as to 0.54%, Pu Xianjiang (濮賢江) as to 0.52%, Pang Guozhong (龐國忠) as to 0.48%, Zhou Hanming (周漢明) as to 0.40%, Zhao Jianliang (趙建良) as to 0.40% and other 25 individuals as to 2.51% in aggregate (ranging from 0.01% to 0.25%).

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The terms of the Loan Agreement, including the interest rate of the Loan, were agreed by the Lender and the Borrower after arm's length negotiations and having taken into account prevailing market conditions. The Directors consider that the Loan and the Loan Agreement are on normal commercial terms entered into based on the Group's assessment on the Borrower's credibility and financial position and the collateral for the Loan. In view that the interest rate under the Loan is higher than the prevailing benchmark interest rate for fixed deposits in RMB, the Directors consider that the Loan would increase the income of the Company and the interest income will bring a positive cashflow for the Company. Accordingly, the Directors are of the opinion that the terms of the Loan Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The provision of the Loan constitutes a transaction within the meaning of Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the provision of the Loan is more than 5% but all less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Borrower”	Zhangjiagang Hua An Investment Co., Ltd. (張家港華安投資有限公司), a limited liability company established under the laws of the PRC on May 5, 2011
“Company”	PW Medtech Group Limited (普華和順集團公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on May 13, 2011, whose principal business activity is investment holding and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1358)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Suzhou Feixiang Institute of New Materials Co., Ltd.* (蘇州飛翔新材料研究院有限公司), a limited liability company established under the laws of the PRC on September 19, 2008
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender”	PW Medtech (Beijing) Limited (普華和順(北京)醫療科技有限公司), a limited liability company established under the laws of the PRC on August 10, 2000 and indirectly wholly owned by the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Loan”	the loan in the principal amount of RMB120 million provided by the Lender to the Borrower pursuant to the Loan Agreement

“Loan Agreement”	the loan agreement dated September 5, 2023 entered into between the Borrower and the Lender in relation to the provision of the Loan to the Borrower
“PRC”	the People’s Republic of China which, for the purpose of this announcement, except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
PW Medtech Group Limited
Yue’e ZHANG
Chairman & Chief Executive Officer

Beijing, the PRC, September 5, 2023

As at the date of this announcement, the Board comprises one executive Director, namely, Ms. Yue’e Zhang; two non-executive Directors, namely Mr. Jiang Liwei and Mr. Lin Junshan; and three independent non-executive Directors, namely, Mr. Wang Xiaogang, Mr. Chen Geng and Ms. Wang Fengli.

* *For identification purpose only*