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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)**

### **VERY SUBSTANTIAL DISPOSAL DISPOSAL OF CBPO SHARES AND PROPOSED PRIVATIZATION OF CBPO**

#### **SHARE PURCHASE AGREEMENTS**

On October 26, 2020, the Company entered into three Share Purchase Agreements with each of Biomedical Treasure, CITIC Capital and Biomedical Future, respectively, to sell an aggregate of 5,321,000 CBPO Shares held by it, representing all its shareholding in CBPO, at the sale price of US\$120.0 per CBPO Share.

#### **PRIVATIZATION**

It is the intention of the Company not to proceed with the Rollover Transaction with respect to the Company in the Privatization and to complete the Disposals as soon as practicable once the Disposals are approved by the Shareholders at the EGM. It is expected that the Company and other Consortium members will sign an amended and restated Consortium Agreement around the time when the Merger Agreement is signed, which is expected to provide that the Consortium Agreement would terminate with respect to the Company upon the completion of the Disposals.

## **LISTING RULES IMPLICATIONS**

As the Management SPA I, the CITIC SPA and the Management SPA II were entered into by the Company on the same day and each of the Management Disposal I, the CITIC Disposal and the Management Disposal II involves the disposal of CBPO Shares, the Management Disposal I, the CITIC Disposal and the Management Disposal II are aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposals exceed 75%, the Disposals constitute very substantial disposals of the Company which are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **EGM**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve, among others, (i) the Transaction Documents and the transactions contemplated thereunder (including the Disposals); and (ii) the distribution of the Special Dividend. A circular containing, among others, (i) further details of the Transaction Documents and the transactions contemplated thereunder (including the Disposals); (ii) the Special Dividend; (iii) the financial and other information of the Group; (iv) the financial and other information of CBPO; (v) the unaudited pro forma financial information of the Group immediately after the closing of the Disposals; and (vi) the notice of the EGM, is expected to be despatched to the Shareholders on or before November 16, 2020.

**As the closing of the Disposals is subject to the satisfaction and/or waiver (as applicable) of the conditions precedent in the Share Purchase Agreements, the Disposals may or may not proceed. Further, as the Special Dividend is subject to the approval of the Board, the approval of the Shareholders at the EGM and the closing of the Disposals, the Special Dividend may or may not be declared and paid. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.**

## **I. BACKGROUND**

Reference is made to the announcements of the Company dated September 19, 2019, November 7, 2019, January 23, 2020, May 5, 2020, May 10, 2020 and September 16, 2020, and the Circular in relation to, among others, disposal of CBPO Shares, the Consortium Agreement and the Privatization.

As disclosed in the Circular, the Company, as an Initial Consortium Member and a rollover shareholder, agreed to participate in the Privatization and contribute 5,321,000 CBPO Shares and nil cash contribution under the Consortium Agreement, in exchange for newly issued shares of the Acquisition Holdco.

After good and careful consideration and discussion with other Consortium members in relation to the Privatization and in light of the entry into the Share Purchase Agreements, the Board decided not to proceed with the Rollover Transaction with respect to the Company in the Privatization as contemplated under the Consortium Agreement, provided that (i) the closing of the Disposals shall be conducted in full pursuant to the Share Purchase Agreements; or (ii) before the Acquisition takes place in accordance with the Merger Agreement, the Share Purchase Agreements are not terminated without the closing of the Disposals having taken place. Pursuant to the Share Purchase Agreements, together with other ancillary documents, the Company has agreed to sell an aggregate of 5,321,000 CBPO Shares it holds, which represents the entire shareholding of the Company in CBPO, to Biomedical Treasure, CITIC Capital and Biomedical Future. It is expected that the Company would cease to be a Consortium member immediately after the closing of the Disposals.

## **II. SHARE PURCHASE AGREEMENTS**

### **Principal Terms of the Share Purchase Agreements**

The principal terms of the Share Purchase Agreements are summarized as below:

#### ***Date***

October 26, 2020

#### ***Parties***

##### ***Management SPA I***

- (1) the Company as seller; and
- (2) Biomedical Treasure as purchaser.

##### ***CITIC SPA***

- (1) the Company as seller; and
- (2) CITIC Capital as purchaser.

### *Management SPA II*

- (1) the Company as seller; and
- (2) Biomedical Future as purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Biomedical Treasure, CITIC Capital, Biomedical Future and their respective ultimate beneficial owners, if any, is a third party independent of the Company and its connected persons.

### ***Subject Matter and Consideration***

#### *Management SPA I*

Pursuant to the Management SPA I, the Company has conditionally agreed to sell, and Biomedical Treasure has conditionally agreed to purchase, 3,750,000 CBPO Shares, subject to the terms and conditions of the Management SPA I, at the sale price of US\$120.0 per CBPO Share, which was determined after arm's length negotiations between the Company and Biomedical Treasure on normal commercial terms with reference to the proposed consideration of US\$120.0 per CBPO Share under the Privatization. The aggregate sale price for the CBPO Shares to be sold by the Company to Biomedical Treasure shall be US\$450.0 million.

#### *CITIC SPA*

Pursuant to the CITIC SPA, the Company has conditionally agreed to sell, and CITIC Capital has conditionally agreed to purchase, 910,167 CBPO Shares (the "**CITIC SPA Sale Shares**"), subject to the terms and conditions of the CITIC SPA, at the sale price of US\$120.0 per CBPO Share, which was determined after arm's length negotiations between the Company and CITIC Capital on normal commercial terms with reference to the proposed consideration of US\$120.0 per CBPO Share under the Privatization. The aggregate sale price for the CBPO Shares to be sold by the Company to CITIC Capital shall be approximately US\$109.2 million.

#### *Management SPA II*

Pursuant to the Management SPA II, the Company has conditionally agreed to sell, and Biomedical Future has conditionally agreed to purchase, no less than 660,833 CBPO Shares (the "**Initial Management SPA II Sale Shares**") and no more than 1,571,000 CBPO Shares, subject to the terms and conditions of the Management SPA II, at the sale price of US\$120.0 per CBPO Share, which was determined after arm's length negotiations between the Company and Biomedical

Future on normal commercial terms with reference to the proposed consideration of US\$120.0 per CBPO Share under the Privatization. The number of CBPO Shares to be purchased by Biomedical Future pursuant to the Management SPA II is subject to the following adjustment mechanism:

- (1) in the event that the CITIC SPA is terminated before the Company's delivery of the payment notice with respect to the Initial Management SPA II Sale Shares pursuant to the Management SPA II to Biomedical Future, the number of the Initial Management SPA II Sale Shares shall be automatically increased to include the CITIC SPA Sale Shares, being an aggregate of 1,571,000 CBPO Shares; or
- (2) in the event that (i) the CITIC SPA is terminated after the Company's delivery of the payment notice with respect to the Initial Management SPA II Sale Shares pursuant to the Management SPA II to Biomedical Future, or (ii) the CITIC Disposal has not consummated with respect to all the CITIC SPA Sale Shares in accordance with the CITIC SPA, Biomedical Future shall, in addition to (and not in lieu of) purchasing the aforementioned Initial Management SPA II Sale Shares at the Initial Management Disposal II Closing (as defined below), purchase at the Additional Management Disposal II Closing (as defined below) all of the remaining CITIC SPA Sale Shares that are not purchased by CITIC Capital under the CITIC SPA (the **"Additional Management SPA II Sale Shares"**).

The CBPO Shares to be sold by the Company to Biomedical Future shall range from 660,833 CBPO Shares to 1,571,000 CBPO Shares, thus the corresponding aggregate sale price for such CBPO Shares to be sold shall range from approximately US\$79.3 million to US\$188.5 million.

Immediately prior to the entry into the Share Purchase Agreements, the Company holds 5,321,000 CBPO Shares, which represents 13.79% of all issued and outstanding share capital in CBPO. Immediately after the closing of the Disposals, the Company will not hold any equity interest in CBPO, assuming there are no other changes in the current share capital and shareholding structure of CBPO from the date of the Share Purchase Agreements to the closing of the Disposals.

The sale price of US\$120.0 per CBPO Share under the Share Purchase Agreements represents a premium of approximately 6.03% to the closing price per CBPO Share on the NASDAQ as of October 23, 2020.

## ***Closing***

### ***Management Disposal I and CITIC Disposal***

Each of the closing of the Management Disposal I and the CITIC Disposal shall take place within fifteen Business Days after all the conditions precedent set out in the Management SPA I and the CITIC SPA, respectively, are satisfied or waived (other than those conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or waiver of such conditions at the closing) or such other date as may be agreed by the Company and Biomedical Treasure and CITIC Capital, respectively.

### ***Management Disposal II***

The closing of the disposal of the Initial Management SPA II Sale Shares (including the CITIC SPA Sale Shares, if the CITIC SPA is terminated before the Company delivering a payment notice under the Management SPA II to Biomedical Future) under the Management Disposal II shall take place within fifteen business days after all the conditions precedent set out in the Management SPA II are satisfied or waived (other than those conditions that by their nature are to be satisfied at the initial closing, but subject to the satisfaction or waiver of such conditions at the initial closing) or such other date as may be agreed by the Company and Biomedical Future (the “**Initial Management Disposal II Closing**”). In the event that (i) the CITIC SPA is terminated after the Company’s delivery to Biomedical Future of a payment notice with respect to the Initial Management SPA II Sale Shares pursuant to the Management SPA II, or (ii) the CITIC Disposal has not consummated with respect to all the CITIC SPA Sale Shares in accordance with the CITIC SPA, the closing of the disposal of the Additional Management SPA II Sale Shares under the Management Disposal II shall take place within ten business days after the date of the Initial Management Disposal II Closing or such other date as may be agreed by the parties (the “**Additional Management Disposal II Closing**”). With respect to each of the Initial Management Disposal II Closing and the Additional Management Disposal II Closing, all actions at such respective closings are inter-dependent and will be deemed to take place simultaneously and no delivery or payment will be deemed to have been made until all deliveries and payments under the Management SPA II due to be made at the Initial Management Disposal II Closing or the Additional Management Disposal II Closing (as applicable) have been made.

### ***Conditions Precedent***

The obligations of the Company to consummate the closing of the Management Disposal I and the CITIC Disposal, as well as the Initial Management Disposal II Closing are subject to the following conditions, among others:

- (1) Biomedical Treasure, CITIC Capital or Biomedical Future (as the case may be) having performed all of its obligations to be performed prior to the respective closings as set out in the relevant Share Purchase Agreement in all material respects;
- (2) the Shareholders shall have duly approved the transactions contemplated under the relevant Share Purchase Agreement at the EGM in accordance with the requirements of the Listing Rules and the organizational documents of the Company;
- (3) (i) an amendment to the Rule 13e-3 transaction statement on Schedule 13E-3 filed by certain members of the Consortium on February 19, 2020 (as amended from time to time) in respect of the entry into the relevant Share Purchase Agreement and the transactions contemplated thereunder has been first filed with the SEC for no less than thirty days, and (ii) such amendment has been disseminated in accordance with Rule 13e-3(f) under the Securities Exchange Act of 1934 for no less than twenty days; and
- (4) no provision of any applicable treaty, law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court (including without limitation the SEC), domestic or foreign, shall prohibit the consummation of the closing of the Management Disposal I or the CITIC Disposal, or the Initial Management Disposal II Closing (as the case may be).

The obligations of Biomedical Treasure, CITIC Capital or Biomedical Future (as the case may be) to consummate the closing of the Management Disposal I or the CITIC Disposal, or the Initial Management Disposal II Closing (as the case may be) are subject to the following conditions, among others:

- (1) the Company shall have performed all of its obligations to be performed prior to the respective closings as set out in the relevant Share Purchase Agreement in all material respects;
- (2) the Shareholders shall have duly approved the transactions contemplated under the relevant Share Purchase Agreement at the EGM in accordance with the requirements of the Listing Rules and the organizational documents of the Company;



- (3) (i) an amendment to the Rule 13e-3 transaction statement on Schedule 13E-3 filed by certain members of the Consortium on February 19, 2020 (as amended from time to time) in respect of the entry into the relevant Share Purchase Agreement and the transactions contemplated thereunder has been first filed with the SEC for no less than thirty days, and (ii) such amendment has been disseminated in accordance with Rule 13e-3(f) under the Securities Exchange Act of 1934 for no less than twenty days; and
- (4) no provision of any applicable treaty, law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court (including without limitation the SEC), domestic or foreign, shall prohibit the consummation of the closing of the Management Disposal I or the CITIC Disposal, or the Initial Management Disposal II Closing (as the case may be).

### ***Termination***

Each of the Share Purchase Agreements may be terminated prior to the closing of the Management Disposal I or the CITIC Disposal, or the Initial Management Disposal II Closing (as the case may be) (1) by mutual written consent of the Company and Biomedical Treasure, CITIC Capital or Biomedical Future (as the case may be), (2) by the Company or Biomedical Treasure, CITIC Capital or Biomedical Future (as the case may be) if the closing of the Management Disposal I or the CITIC Disposal, or the Initial Management Disposal II Closing (as the case may be) has not occurred by the earlier of (i) the twentieth Business Day from the date on which the Shareholders have duly approved the transactions contemplated under each of the Share Purchase Agreements at the EGM and (ii) the date that is six months from the date of the respective Share Purchase Agreements (such right of termination is not available to a party to each relevant Share Purchase Agreement which is then in material breach of such Share Purchase Agreement), or (3) automatically without any action of the Company or Biomedical Treasure, CITIC Capital or Biomedical Future (as the case may be) immediately before the closing of the Privatization.

## **III. ANCILLARY DOCUMENTS**

### **Letter Agreements**

On October 26, 2020, in connection with the Management Disposal I, the CITIC Disposal and the Management Disposal II and in furtherance of the Company's intention with regard to the Privatization as further described below under the "V. Privatization", the Company has entered into the Letter Agreements with, among others, each of Biomedical Treasure, CITIC Capital and Biomedical Future, pursuant to which, the parties thereto have agreed, among others: (i) during such period from the date of the respective Letter Agreements and until the occurrence



of any of the following events (whichever is the earliest), the Company shall not proceed with the Rollover Transaction with respect to the Company in the Privatization: (w) the closing of the Management Disposal I or the CITIC Disposal, or the Initial Management Disposal II Closing (as the case may be); (x) the valid termination of the relevant Share Purchase Agreement; (y) the closing of the Privatization and (z) the execution of the Merger Agreement (or any amendment to the Merger Agreement) which provides that the Per Share Merger Consideration becomes less than US\$120; (ii) in the event that the closing of the Privatization takes place before the closing of the Disposals, the Company shall conduct the Cash Out only when the Per Share Merger Consideration is not less than US\$120; and (iii) the Company shall bear the agreed portion of all out-of-pocket costs and expenses that have been incurred and accrued by the Consortium in connection with the Privatization prior to the closing of the Disposals, while the Company shall not bear any of the out-of-pocket costs and expenses incurred by the Consortium in connection with the Privatization after the closing of the Management Disposal I or the CITIC Disposal, or the Initial Management Disposal II Closing (as the case may be), subject to the terms and conditions of the respective Letter Agreements.

#### **Equity Commitment Letters**

In relation to the considerations payable under the Share Purchase Agreements, each of Biomedical Treasure, CITIC Capital or Biomedical Future has received an equity commitment letter from an affiliate of their respective beneficial owners or a designated entity (each a “**Sponsor**” of Biomedical Treasure, CITIC Capital or Biomedical Future, as the case may be), with the Company as a third party beneficiary to each of such commitment letters. Pursuant to the commitment letters, each of the respective Sponsors has committed to fund the acquisition of the CBPO Shares contemplated under the relevant Share Purchase Agreement, and subject to certain conditions, the Company is entitled to enforce the rights granted to Biomedical Treasure, CITIC Capital or Biomedical Future (as the case may be) under the relevant commitment letter to cause the funding by the relevant Sponsor to fund the respective transactions under the relevant Share Purchase Agreement.

#### **IV. IMPLICATIONS OF THE EXCLUSIVITY PERIOD UNDER THE CONSORTIUM AGREEMENT**

As disclosed in the Circular, except as contemplated or permitted under the Consortium Agreement, each party to the Consortium Agreement (including the Company) represented, covenanted and agreed that, among others, during a period of twelve months beginning on the date of the Consortium Agreement, which may be extended by the Initial Consortium Members in writing (the “**Exclusivity Period**”), it will not, and it will cause its affiliates not to, transfer any of its Covered Securities, or any voting right or power (including whether such right or

power is granted by proxy or otherwise) or economic interest therein. As disclosed in the announcement of the Company dated September 16, 2020, the Exclusivity Period has been extended to December 17, 2020 as additional time is required to implement the Acquisition.

On October 26, 2020, the Company has obtained the irrevocable written consent pursuant to the Consortium Agreement permitting the Company to enter into the Share Purchase Agreements and consummate the Disposals.

## **V. PRIVATIZATION**

It is the intention of the Company not to proceed with the Rollover Transaction with respect to the Company in the Privatization and to complete the Disposals as soon as practicable once the Disposals are approved by the Shareholders at the EGM, and the number of Rollover Securities to be contributed by the Company under the Consortium Agreement has been adjusted to zero. It is expected that the Company and other Consortium members will sign an amended and restated Consortium Agreement around the time when the Merger Agreement is signed, which is expected to provide that, subject to the terms and conditions contained therein, the Consortium Agreement would terminate with respect to the Company upon the completion of the Disposals.

## **VI. INFORMATION ON CBPO**

CBPO is a biopharmaceutical company principally engaged in the research, development, manufacturing and sales of human plasma-based biopharmaceutical products, or plasma products, in China. CBPO has been listed on NASDAQ since 2009 and it changed its place of domicile from Delaware to the Cayman Islands on July 21, 2017.

## Financial information on CBPO

According to the published financial statements of CBPO, the financial results of CBPO prepared in accordance with the United States Generally Accepted Accounting Principles for the two years ended December 31, 2018 and 2019 are as follows:

	<b>For the year ended December 31, US\$</b>	
	<b>2018</b>	<b>2019</b>
	<i>(audited)</i>	<i>(audited)</i>
Profit before taxation	166,003,295	191,493,711
Profit after taxation	147,967,115	163,395,186

The unaudited net asset value of CBPO as at June 30, 2020 was US\$1,859,085,982.

## VII. INFORMATION ON BIOMEDICAL TREASURE, CITIC CAPITAL AND BIOMEDICAL FUTURE

### Biomedical Treasure

Biomedical Treasure is an exempted company with limited liability incorporated under the laws of the Cayman Islands, whose principal business activity is investment holding. Biomedical Treasure is ultimately controlled by Mr. Joseph Chow, the chairman of the board of director and chief executive officer of CBPO.

### CITIC Capital

CITIC Capital is an exempted company incorporated in the Cayman Islands with limited liability, whose principle business activity is investment holding. The ultimate controller of CITIC Capital is CITIC Capital Holdings Limited.

### Biomedical Future

Biomedical Future is an exempted company with limited liability incorporated under the laws of the Cayman Islands, whose principal business activity is investment holding. Biomedical Future is ultimately controlled by Mr. Joseph Chow, the chairman of the board of director and chief executive officer of CBPO.

## VIII. INFORMATION ON THE GROUP

The Company is 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. The Group is principally engaged in the development, manufacturing and sale of advanced infusion set and intravenous cannula products.

## IX. FINANCIAL EFFECTS OF THE DISPOSALS ON THE GROUP

The financial effects of the Disposals on the Group are set out below:

Based on the unaudited condensed consolidated balance sheets of CBPO as at June 30, 2020, and using the exchange rate of US\$1= RMB6.6703 as at October 23, 2020, the Disposals are expected to result in the recognition of gain on the Disposals of approximately RMB1,060 million under the Hong Kong Financial Reporting Standards in the consolidated financial statements of the Group. The above figure is for illustrative purpose only. The actual amount of the gain or loss on the Disposals to be recognized in the consolidated financial statements of the Group will be based on the exchange rate applicable to the proceeds from the Disposals and the carrying value of the net asset value of CBPO as at the date of the closing of the Disposals and therefore may vary from the result mentioned above.

## X. INTENDED USE OF PROCEEDS

The total gross proceeds from the Disposals are equivalent to approximately RMB4,259 million.

The Group intends to apply the total gross proceeds from the Disposals as follows:

- (1) approximately RMB2,130 million or approximately 50% of the total gross proceeds from the Disposals will be used for distribution of a special dividend (the “**Special Dividend**”);
- (2) approximately RMB28 million will be used for repayment of bank loans;
- (3) approximately RMB700 million will be used for capital expenditure or long term investments; and
- (4) the remaining approximately RMB1,401 million, will be used for the Group’s general corporate and working capital purposes or for future investment opportunities in the medical industry or for other purposes.

In particular, in relation to the intended use of the proceeds for capital expenditure purpose and for general corporate and working capital purposes, the Group plans to expand its production capacity, and upgrade its production facilities for the existing advance infusion set products and intravenous cannula products, and diversify its product portfolio by expansion of the diabetes therapy sector medical devices and other medical sectors, and allocate more funds into R&D and expansion of its distribution network in a proactive manner.

## **XI. REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Disposals will provide the Group with an immediate cash inflow and enable the Group to crystallize its investment gains in CBPO in an expedited manner. In light of the recent developments and prospects for the Company's Infusion Set Business and its market in China, the Directors are of the view that the Disposals present an opportunity for the Company to reallocate its financial resources to and focus on (i) its Infusion Set Business through increasing production capacity and R&D capacity for advance infusion set products and cannula products, and (ii) continue the R&D and expansion of the diabetes therapy sector medical devices and other medical sectors (such as insulin pump, insulin injection needle and pen, and etc.) to further optimize its business coverage. The Directors also believe that a divestment of a minority investment in the plasmas business as operated by CBPO will help the Company to focus on its business plan as described above in the near future. In addition, the Disposals would enable the Company to optimize its capital structure and share the investment gains with its Shareholders by way of distribution of a special dividend, which would not be made available should the Company continue with its Rollover Transaction under the Privatization.

The Directors (including the independent non-executive Directors) consider that the terms of the Transaction Documents and the transactions contemplated thereunder (including the Disposals) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **XII. LISTING RULES IMPLICATIONS**

As the Management SPA I, the CITIC SPA and the Management SPA II were entered into by the Company on the same day and each of the Management Disposal I, the CITIC Disposal and the Management Disposal II involves the disposal of CBPO Shares, the Management Disposal I, the CITIC Disposal and the Management Disposal II are aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposals exceed 75%, the Disposals constitute very substantial disposals of the Company which are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### XIII. EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, approve, among others, (i) the Transaction Documents and the transactions contemplated thereunder (including the Disposals); and (ii) the distribution of the Special Dividend. A circular containing, among others, (i) further details of the Transaction Documents and the transactions contemplated thereunder (including the Disposals); (ii) the Special Dividend; (iii) the financial and other information of the Group; (iv) the financial and other information of CBPO; (v) the unaudited pro forma financial information of the Group immediately after the closing of the Disposals; and (vi) the notice of the EGM, is expected to be despatched to the Shareholders on or before November 16, 2020.

The Company has received an undertaking from Cross Mark Limited, a controlling shareholder of the Company, to vote in favor of the resolutions to approve the Transaction Documents and the transactions contemplated thereunder at the EGM. As of the date of this announcement, to the best knowledge of the Directors, Cross Mark Limited directly holds 36.65% interest in the Company. The Company has also received a confirmation from two of its other Shareholders, Right Faith Holdings Limited and Amplewood Resources Limited, to abstain from voting on the resolutions to be proposed at the EGM. Right Faith Holdings Limited and Amplewood Resources Limited are companies wholly-owned by Mr. Marc Chan, ultimately a substantial Shareholder and the sole owner of Parfield International Ltd. which is one of the Initial Consortium Members. As of the date of this announcement, to the best knowledge of the Directors, Right Faith Holdings Limited and Amplewood Resources Limited directly hold 25.07% and 0.95% interest in the Company, respectively.

### XIV. GENERAL

**As the closing of the Disposals is subject to the satisfaction and/or waiver (as applicable) of the conditions precedent in the Share Purchase Agreements, the Disposals may or may not proceed. Further, as the Special Dividend is subject to the approval of the Board, the approval of the Shareholders at the EGM and the closing of the Disposals, the Special Dividend may or may not be declared and paid. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.**

## **XV. DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings when used herein:

“Acquisition”	a proposed acquisition by the Consortium or their controlled affiliates of all of the outstanding CBPO Shares not already owned by the members of the Consortium as envisaged in the Consortium Agreement
“Acquisition Holdco”	a new company formed under the laws of the Cayman Islands by the parties to the Consortium Agreement, which is intended to hold 100% of CBPO after the closing of the Acquisition
“Biomedical Future”	Biomedical Future Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands, whose principal business activity is investment holding. Biomedical Future is ultimately controlled by Mr. Joseph Chow, the chairman of the board of director and chief executive officer of CBPO
“Biomedical Treasure”	Biomedical Treasure Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands, whose principal business activity is investment holding. Biomedical Treasure is ultimately controlled by Mr. Joseph Chow, the chairman of the board of director and chief executive officer of CBPO
“Board”	the board of Directors
“Business Day”	any day except any Saturday, any Sunday, any day that is a federal legal holiday in the United States or any day on which banking institutions in the State of New York, the PRC, Hong Kong, or the Cayman Islands are authorized or required by law or other governmental action to close
“Cash Out”	each CBPO Share held by the Company being cancelled and converted into a right to receive the Per Share Merger Consideration in the Privatization



“CBPO”	China Biologic Products Holdings, Inc., a Cayman Islands exempted company, which changed its place of domicile from Delaware to the Cayman Islands on July 21, 2017 and has been listed on NASDAQ since 2009
“CBPO Share(s)”	ordinary share(s) of CBPO at a par value of US\$0.0001 per share
“Circular”	the circular of the Company dated October 18, 2019
“CITIC Capital”	2019B Cayman Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose principle business activity is investment holding. The ultimate controller of 2019B Cayman Limited is CITIC Capital Holdings Limited
“CITIC Disposal”	the disposal of 910,167 CBPO Shares by the Company to CITIC Capital pursuant to the CITIC SPA
“CITIC SPA”	the share purchase agreement dated October 26, 2020 entered into between the Company and CITIC Capital, pursuant to which the Company has conditionally agreed to sell, and CITIC Capital has conditionally agreed to purchase, 910,167 CBPO Shares
“Company”	PW Medtech Group Limited (普华和顺集团公司), 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
“Consortium”	the consortium formed under the Consortium Agreement for the purpose of the Privatization and the Acquisition

“Consortium Agreement”	the consortium agreement dated September 18, 2019 and entered into among the Initial Consortium Members in connection with the Privatization and the Acquisition, as amended by amendment no. 1 thereto on January 23, 2020
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Covered Securities”	all of the existing and additional securities of CBPO of which a party to the Consortium Agreement has acquired or will acquire beneficial ownership
“Director(s)”	the director(s) of the Company
“Disposals”	the Management Disposal I, the CITIC Disposal and the Management Disposal II
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among others, (i) the Transaction Documents and the transactions contemplated thereunder (including the Disposals); and (ii) the distribution of the Special Dividend
“Equity Contribution”	value of the Rollover Securities, plus any cash contribution, made in exchange for the shares of Acquisition Holdco by the parties to the Consortium Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Infusion Set Business”	the R&D, manufacturing and sale of advanced infusion set products and intravenous cannula products

“Initial Consortium Members”	the Company, Beachhead Holdings Limited, Double Double Holdings Limited, Point Forward Holdings Limited, Mr. Joseph Chow, Parfield International Ltd., CITIC Capital China Partners IV, L.P., HH SUM-XXII Holdings Limited and V-Sciences Investments Pte Ltd.
“Letter Agreements”	the letter agreements dated October 26, 2020 entered into between the Company and, among others, each of Biomedical Treasure, CITIC Capital and Biomedical Future, in connection with the Management Disposal I, the CITIC Disposal and the Management Disposal II and in furtherance of the Company’s intention with regard to the Privatization
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Management Disposal I”	the disposal of 3,750,000 CBPO Shares by the Company to Biomedical Treasure pursuant to the Management SPA I
“Management Disposal II”	the disposal of 660,833 CBPO Shares by the Company to Biomedical Future as contemplated pursuant to the Management SPA II
“Management SPA I”	the share purchase agreement dated October 26, 2020 entered into between the Company and Biomedical Treasure, pursuant to which the Company has conditionally agreed to sell, and Biomedical Treasure has conditionally agreed to purchase, 3,750,000 CBPO Shares
“Management SPA II”	the share purchase agreement dated October 26, 2020 entered into between the Company and Biomedical Future, pursuant to which the Company has conditionally agreed to sell, and Biomedical Future has conditionally agreed to purchase, no less than 660,833 CBPO Shares and no more than 1,571,000 CBPO Shares

“Merger Agreement”	a definitive agreement and plan of merger relating to the Acquisition, as may be entered into by and among the Consortium and/or one or more of its affiliates, on the one hand, and CBPO, on the other hand, in the form to be agreed by such parties and approved by the board of directors of CBPO
“NASDAQ”	The NASDAQ Stock Market LLC
“Per Share Merger Consideration”	the proposed consideration per CBPO Share payable in cash to the CBPO Shareholders pursuant to the Merger Agreement
“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
“Privatization”	the proposed privatization of CBPO pursuant to which the CBPO Shares would be delisted from NASDAQ and deregistered under the Securities Exchange Act of 1934, as amended from time to time
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Rollover Securities”	certain CBPO Shares and other securities (namely any restricted shares, share options and any other securities convertible, exercisable or exchangeable into CBPO Shares) of CBPO owned by the Initial Consortium Members and any additional member that may be admitted to the Consortium from time to time, to be contributed in exchange for newly issued shares of Acquisition Holdco
“Rollover Transaction”	Consortium members contributing their Rollover Securities in exchange for newly issued shares of Acquisition Holdco (as described in the section headed “Rollover and other arrangements” in pages 11 and 12 of the Circular)

“SEC”	U.S. Securities and Exchange Commission
“Share Purchase Agreements”	Management SPA I, CITIC SPA and Management SPA II
“Shareholder(s)”	shareholder(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Documents”	the Share Purchase Agreements and the Letter Agreements
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

By order of the Board  
**PW Medtech Group Limited**  
**Yue’e Zhang**  
*Chairman & Chief Executive Officer*

Hong Kong, October 26, 2020

*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. Zhang Xingdong and Mr. Chen Geng.*

*For the purpose of this announcement, unless otherwise stated, the conversion of US\$ into RMB is calculated by using an exchange rate of US\$1.00 equal to RMB6.6703, being the central parity rate published by the State Administration of Foreign Exchange of the PRC on October 23, 2020. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.*