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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

The Board is pleased to announce that on 20 April 2023, the Lender 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 RMB180 million for a term of three years.

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

Reference is made to the announcement of the Company dated 12 April 2021 in relation to the loan in the principal amount of RMB180 million provided by the Lender to the Borrower (the “**2021 Loan**”). On 12 April 2023, the loan agreement dated 12 April 2021 (the “**2021 Loan Agreement**”) became expired. The Borrower, being the borrower of the 2021 Loan, has repaid the principal amount in full and interests accrued in accordance with the terms of the 2021 Loan Agreement, and no event of default occurred.

The Board announces that on 20 April 2023, the Lender 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 : 20 April 2023

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

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

Principal of the Loan : RMB180 million

Term : three years from the drawdown date

Interest rate : 5.3% per annum

Permitted use of the Loan : The Borrower shall use the principal of the Loan for working capital, including but not limited to payment to its suppliers, purchase of raw material and equipment, payment of employee salary and loan repayment

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

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.

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 Borrower located in Beijing, the PRC with a gross floor area of 36,836.33 m² (the "**Properties**") for the repayment obligations of the Borrower under the Loan Agreement. According to the valuation report issued by Shenzhen Pengxin Assets Appraisal Land Properties Evaluation Co., Ltd. (深圳市鵬信資產評估土地房地產估價有限公司), the value of the Properties was RMB255,190,000 as of December 31, 2022. Without prior written consent by the Lender, the Borrower shall not dispose of the Properties within the terms 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 the development, manufacturing and sale of advanced infusion set.

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 sales of advanced infusion set, intravenous cannula products, insulin needles and dialyzers etc. in the PRC.

INFORMATION ON THE BORROWER

The Borrower is principally engaged in the investment, construction, operation and management of medical device industrial park and the investment and management of medical product projects. The Borrower was ultimately owned by Liao Wanfeng (廖晚鳳) as to 97.5% and Ran Nianmo (冉年模) as to 2.5%.

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”	Beijing Tianxia Pule Medical Investment Co., Ltd.* (北京天下普樂醫療投資有限公司), a limited liability company established under the laws of the PRC on 22 September 2011
“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 13 May 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender”	Beijing Fert Technology Co., Ltd.* (北京伏爾特技術有限公司), a limited liability company established under the laws of the PRC on 23 September 1997 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 RMB180 million provided by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 20 April 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, 20 April 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*