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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 EXTENSION OF LOAN

EXTENSION OF LOAN

On May 31, 2024, the Lender, the Guarantor and the Borrower entered into the Supplemental Loan Agreement to extend the maturity date of the Loan from May 31, 2024 to May 31, 2025, subject to a further extension of one year until May 31, 2026 if the Lender is satisfied with the credibility of the Borrower and the Guarantor, as well as the value of the collateral for the Loan upon receipt of a written request for such extension from the Borrower.

IMPLICATIONS UNDER THE LISTING RULES

This announcement is made pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Supplemental Loan Agreement constitutes a variation to the terms and conditions of the Loan Agreement which was previously announced by the Company on September 5, 2023.

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

INTRODUCTION

Reference is made to the announcement of the Company dated September 5, 2023 in relation to the Loan Agreement between the Lender (a wholly-owned subsidiary of the Company) and the Borrower. Pursuant to the Loan Agreement, the Lender provided a loan in the principal amount of RMB120 million to the Borrower, and the Borrower shall repay the interests on a semi-yearly basis and the outstanding principal amount in full before May 31, 2024.

EXTENSION OF LOAN

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The principal terms and conditions of the Loan Agreement as amended by the Supplemental Loan Agreement are set out below.

Date of the Supplemental Loan Agreement : May 31, 2024

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, 2025, subject to a further extension of one year until May 31, 2026 if the Lender is satisfied with the credibility of the Borrower and the Guarantor, as well as the value of the collateral for the Loan upon receipt of a written request for such extension from the Borrower.

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 as amended by the Supplemental Loan Agreement, including the interest rate and the extended term 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 Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the value of the Properties was RMB168,000,000 as of April 30, 2024. Without prior written consent by the Lender, the Guarantor 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 SUPPLEMENTAL LOAN AGREEMENT

The terms of the Supplemental Loan Agreement, including the interest rate and the extended term of the Loan, were agreed by the Lender and the Borrower after arm's length negotiations and on normal commercial terms. The Company has conducted due diligence procedures to re-assess the Borrower's financial position, the punctual records of interest payment by the Borrower and the value of the Properties before entering into the Supplemental Loan Agreement and was not aware of any event that may lead the Company to doubt the credibility and repayment ability of the Borrower. Taking into account the results of due diligence on the credibility and repayment ability of the Borrower and the stable interest income expected to be generated from the Loan with extended term, the Directors are of the opinion that the terms of the Supplemental Loan Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

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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
“Supplemental Loan Agreement”	the supplemental agreement dated May 31, 2024 entered into between the Borrower and the Lender in relation to the extension of the maturity date of the Loan
“%”	per cent

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

Beijing, the PRC, May 31, 2024

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