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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)

INSIDE INFORMATION

THE BANKRUPTCY LIQUIDATION PROCEEDINGS AND ASSET REALISATION PLAN OF A SUBSIDIARY

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INTRODUCTION — THE BANKRUPTCY LIQUIDATION PROCEEDINGS OF XUZHOU YIJIA

Based on the final judgement from the Supreme People's Court of the PRC in 2018, Xuzhou Yijia Medical Device Co., Ltd. ("**Xuzhou Yijia**"), an indirect wholly-owned subsidiary of the Company, was liable to the principal and accumulated interest on a defaulted loan granted by a bank, which Xuzhou Yijia had undertaken a joint guarantee with another independent guarantor.

The bank assigned the entire right and interest in and to the said guaranteed liability to an independent third party (the "**Guaranteed Creditor**") in 2024 who then demanded repayment from Xuzhou Yijia. In August 2025, Xuzhou Yijia filed a bankruptcy application to a PRC court to protect the legitimate rights and interests of its creditors and Xuzhou Yijia and the application was accepted, and an administrator (the "**Administrator**") has been appointed to handle the bankruptcy liquidation proceedings. The first Xuzhou Yijia creditors meeting was held in a PRC local Court on September 11, 2026 and, on September 28, 2026, the Administrator announced that the creditors meeting resolved and approved the asset realisation plan, which was proposed by the Administrator in the first Xuzhou Yijia creditors' meeting, to dispose of the assets of Xuzhou Yijia (the "**Asset Realisation Plan**").

THE ASSET REALISATION PLAN

Relevant parties in the Asset Realisation Plan

- (1) the Administrator;
- (2) the 30 creditors of Xuzhou Yijia who have declared their debts to the Administrator as of the first creditors meeting (for the avoidance of doubt excludes employees of Xuzhou Yijia who have had their employee claims confirmed by the Administrator), which include two of the Company's indirect wholly-owned subsidiaries, namely Beijing Fert Technology Co., Ltd. ("**Beijing Fert**") and Beijing Le Gu Kang Jie Medtech Limited ("**Le Gu Kang Jie**");
- (3) Xuzhou Yijia; and
- (4) Potential bidders

The operations of the Asset Realisation Plan

Pursuant to the Asset Realisation Plan, the realisation of the assets of Xuzhou Yijia will be conducted by way of an online auction, with further details particularized below:

Reserve price

Before the online auction, the Administrator shall appoint a professional appraisal agency through a public selection process to evaluate the assets of Xuzhou Yijia. To minimize potential losses from a failed auction, 85% of the appraised value will be set as the reserve price for the first online auction.

For the second and subsequent online auctions, the reserve price may be reduced as appropriate. However, the reduction amount must not exceed 20% of the previous reserve price. The Administrator will propose a reference markdown percentage based on the outcome of the previous online auction and report it to the PRC court.

The abovementioned reserve price and its subsequent reduction mechanism are determined by the Administrator in accordance with the Enterprise Bankruptcy Law of the People's Republic of China.

Auction deposit

Potential bidders shall pay a deposit in advance, the amount of which shall be determined within the range of 5% to 20% of the online auction reserve price.

Pre-auction announcement period

For the first online auction, the auction announcement shall be released on the online auction platform 15 days in advance; for the second and subsequent online auctions, the auction announcement shall be released on the online auction platform seven days in advance.

To balance the efficiency of asset realization, a public sale may be conducted if the third auction fails. The public sale price shall be determined based on the reserve price of the failed third auction, within a floating range of no more than plus or minus 5%, subject to the decision of the PRC court.

Assets of Xuzhou Yijia subject to the Asset Realisation Plan

The assets of Xuzhou Yijia subject to the Asset Realisation Plan are all its assets, which primarily include its land and buildings (i.e. industrial land and factory located in Xinyi City, Jiangsu Province), equipment for the manufacturing and production of infusion set products and components, inventory (i.e. raw materials and work-in-progress for infusion set products and components), account receivables from the sales of infusion set products and components, and cash.

Consideration and Completion

The final consideration at which the assets of Xuzhou Yijia will be disposed of shall be subject to the outcome (i.e. hammer prices) of the online auction.

The manner and timing at which the winning bidder shall pay the purchase price of the relevant assets are subject to further determination by the Administrator.

Use of proceeds

The proceeds from the Asset Realisation Plan shall be utilized to settle the outstanding liabilities of Xuzhou Yijia in accordance with the requirements of the Enterprise Bankruptcy Law of the People's Republic of China. In particular, the proceeds will, in the following priority, be used to (i) satisfy bankruptcy expenses (e.g. litigation costs in bankruptcy cases, expenses incurred in the administration, realisation and distribution of the assets of Xuzhou Yijia, as well as expenses, remuneration, and staff employment costs incurred by the Administrator in the performance of its duties) and debts of common interest (e.g. liabilities incurred resulting from the Administrator's or Xuzhou Yijia's request for the counterparty to perform a contract that has not been fully performed by both parties, and liabilities incurred resulting from injury or damage caused to another person by the administrator or relevant personnel in the performance of their duties etc.); (ii) payment of wages, medical, disability subsidies, and survivor benefits owed by the Xuzhou Yijia to its employees, basic retirement insurance and basic medical insurance premiums that should be credited into the individual accounts of employees, as well as the compensation that should be paid to employees as prescribed by PRC laws and administrative regulations; (iii) social insurance premiums and taxes owed by Xuzhou Yijia which are not covered by the items above (if any); and (iv) ordinary bankruptcy creditors' right. Any secured creditor holding a security interest in specific property of Xuzhou Yijia shall be entitled to preferential repayment from such specific property.

REASONS FOR AND BENEFITS OF THE ASSET REALISATION PLAN

Xuzhou Yijia's production costs are no longer competitive with those of the Group's infusion set production facilities in Beijing or certain market-based OEM manufacturers, and continued operation would also require relatively high operating costs and plant upgrading and renovation expenses. The Group's infusion set segment currently has sufficient production capacity. Its production facilities in Beijing, being the largest production base for this segment, can meet business demand. The bankruptcy liquidation of Xuzhou Yijia will not have a material adverse impact on the normal operation of the Group's business. Concentrating infusion set business production at the production facilities in Beijing thereafter will help improve capacity utilisation and reduce overall production costs and management costs.

Management of the Company has tried to find potential investors to take over Xuzhou Yijia's entire business or acquire its major assets, but as at the date of this announcement, no interested investors have been identified. Meanwhile, Xuzhou Yijia's principal creditor has no intention to reach a settlement. Disposal through reorganisation or other means is unlikely. Continued operation of Xuzhou Yijia may lead to further losses, cash outflows and asset depreciation.

In summary, the Board believes that, while the bankruptcy liquidation may give rise to one-off losses, cooperating with the bankruptcy liquidation proceedings of Xuzhou Yijia under the direction of the PRC court and the Administrator will help avoid continuing losses, avoid further capital and resource input by the Group, and reduce the long-term adverse impact of Xuzhou Yijia on the Group's results and cash flow. It will also help the Group focus on its core production bases and competitive businesses, optimise production capacity layout and reduce operating costs. This arrangement is in the interest of the Company and the Shareholders as a whole, and will help settle Xuzhou Yijia's debts fairly in accordance with the applicable laws of the PRC and protect the lawful rights and interests of its creditors and employees. The process and outcome of the bankruptcy liquidation remain uncertain, and the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

The terms of the Asset Realisation Plan (including the disposal of assets of Xuzhou Yijia contemplated thereunder) have been arrived at by the Administrator with due regard to the applicable provisions and requirements of Enterprise Bankruptcy Law of the People's Republic of China. The Board (including the independent non-executive Directors) has approved Beijing Fert and Le Gu Kang Jie to agree to the Asset Realisation Plan including the disposal of assets of Xuzhou Yijia contemplated thereunder. The Directors (including the independent non-executive Directors) are of the view that the terms of the Asset Realisation Plan are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE RELEVANT PARTIES IN THE ASSET REALISATION PLAN

Xuzhou Yijia

Xuzhou Yijia is a limited liability company established under the laws of the PRC in 2008, and was acquired by the Group and became an indirect wholly owned subsidiary of the Company in 2013. Xuzhou Yijia is principally engaged in the manufacturing and processing of infusion set products and components. Xuzhou Yijia is owned as to 100% by Beijing Fert.

Creditors of Xuzhou Yijia

As of the first creditors meeting, 30 creditors of Xuzhou Yijia have declared their debts to the Administrator (for the avoidance of doubt excludes employees of Xuzhou Yijia who have had their employee claims confirmed by the Administrator), which include Beijing Fert and Le Gu Kang Jie.

Beijing Fert is a limited liability company established under the laws of the PRC in 1997, and an indirect wholly owned subsidiary of the Company. It is principally engaged in the research and development, manufacturing and sale of advanced infusion set, intravenous cannula products, insulin needles etc..

Le Gu Kang Jie is a limited liability company established under the laws of the PRC in 2018, and an indirect wholly owned subsidiary of the Company. It is principally engaged in the infusion set business.

Apart from Beijing Fert and Le Gu Kang Jie, the other 28 creditors of Xuzhou Yijia comprise the Guaranteed Creditor and the suppliers of Xuzhou Yijia who provide raw materials, transportation services, packaging materials, maintenance services and other services, are independent third parties to the Group.

Potential bidders

The public may participate in the online auction of the assets of Xuzhou Yijia which are subject to the Asset Realisation Plan, unless they are prohibited from participating by applicable PRC laws or regulations.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Xuzhou Yijia, Beijing Fert and Le Gu Kang Jie, the parties involved in the Asset Realisation Plan and their respective ultimate beneficial owners, if any, are third parties independent of the Company and its connected persons.

The following table sets forth the unaudited financial information of the assets of Xuzhou Yijia subject to the Asset Realisation Plan for the two years ended December 31, 2024 and 2025 based on the management accounts of Xuzhou Yijia prepared under the Hong Kong Financial Reporting Standards.

	For the year ended	
	December 31,	
	2024	2025
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Unaudited)</i>	
Loss before taxation	3,654	4,158
Loss after taxation	3,747	4,541
	As of December 31,	
	2024	
	2025	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Unaudited)</i>	
Net assets	50,170	45,630
Total assets	120,983	122,066

FINANCIAL EFFECT OF THE ASSET REALISATION PLAN

Once the Asset Realisation Plan is completed and Xuzhou Yijia's assets are disposed of, the Administrator will distribute the proceeds of the disposal. After the final distribution, the Administrator will apply to the PRC court for a ruling to terminate Xuzhou Yijia's bankruptcy liquidation proceedings. Pursuant to relevant laws of the PRC, following the end of the bankruptcy liquidation proceedings and the completion of the deregistration of Xuzhou Yijia, Xuzhou Yijia's status as a legal entity will cease, and it will also cease to be a subsidiary of the Company. Following that point in time, the financial results of the Xuzhou Yijia will no longer be consolidated into the financial statements of the Group.

The unaudited loss on the disposal of the assets of Xuzhou Yijia to be recorded by the Group shall be determined with reference to the difference between the outcome (i.e. hammer prices) of the online auction and the book value of the assets of Xuzhou Yijia subject to the Asset Realisation Plan. In particular, it will be calculated using the following formula:

Unaudited loss on the disposal of the assets of Xuzhou Yijia = Outcome (i.e. hammer prices) of the online auction — actual bankruptcy liquidation expenses payable — actual employee claims payable — book value of the assets of Xuzhou Yijia subject to the Asset Realisation Plan + underpaid third-party claims.

The online auction has not yet commenced as of the date of this announcement and the outcome (i.e. hammer prices) of the same remains uncertain. As such, the actual loss to be recorded by the Group in connection with the disposal of the assets of Xuzhou Yijia as contemplated under the Asset Realisation Plan is subject to the outcome (i.e. hammer prices) of the online auction as well as the subsequent audit.

LISTING RULES IMPLICATIONS

For the avoidance of doubt, as the value of Xuzhou Yijia's total assets, profits or revenue do not represent 5% or more under any of the percentage ratios (as defined in Rule 14.07 of the Listing Rules), the bankruptcy liquidation, winding-up petition and appointment of the Administrator in connection with Xuzhou Yijia are not subject to the announcement under Rule 13.25(1) of the Listing Rules.

The liquidation process of Xuzhou Yijia does not constitute a transaction of the Company under Chapter 14 of the Listing Rules. However, the Asset Realisation Plan, as and when the online auction and the outcome (i.e. hammer prices) of which becomes available, involves disposal of Xuzhou Yijia's assets and would as such constitute a transaction of the Company under Chapter 14 of the Listing Rules. Based on information currently available to the Company, it is expected that the disposal of assets of Xuzhou Yijia as contemplated under the Asset Realisation Plan may constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will, with reference to the final classification of the disposal of assets of Xuzhou Yijia under Chapter 14 of the Listing Rules which depends on the outcome (i.e. hammer prices) of the online auction, fulfill the applicable prescribed requirements under the Listing Rules, such as the notification and announcement requirements.

Shareholders and potential investors should note that, as of the date of this announcement, the Asset Realisation Plan has been approved by Xuzhou Yijia's creditors meeting, and the Administrator will dispose of the assets of Xuzhou Yijia in accordance with the Asset Realisation Plan. However, it cannot be ruled out that the Administrator may, at a later stage, in light of actual circumstances, adjust the method of asset realisation and submit the matter to the creditors meeting for a separate resolution. As such, the Asset Realisation Plan may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of directors of the Company
“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
“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
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“PRC”	The People’s Republic of China, which expression for the purpose of this announcement, except where the context requires otherwise, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, September 28, 2026

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.