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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in PW Medtech Group Limited (普华和顺集团公司), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
TIANXINFU (BEIJING) MEDICAL APPLIANCE CO., LTD.
ON THE A SHARE STOCK EXCHANGE
AND
DEEMED DISPOSAL AND MAJOR TRANSACTION**

**Independent Financial Adviser to the
Independent Board Committee and the Shareholders**

 **SOMERLEY CAPITAL LIMITED**

A letter from the Independent Board Committee is set out on page 16 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Shareholders is set out on pages 17 to 30 of this circular.

Notice convening the EGM to be held on August 29, 2017 (Tuesday) at 2:00 p.m. at 1002–1003, Block C, Focus Square, No. 6 Futong East Avenue, Wangjing, Chaoyang District, Beijing, PRC is set out on pages 40 to 41 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to complete the proxy form enclosed with the notice of the EGM in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or the adjourned meeting (as the case may be). Completion and return of the proxy form will not prevent the Shareholders from attending and voting in person at the EGM (or any adjournment thereof) should they so wish.

August 9, 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share Stock Exchange”	either Shenzhen Stock Exchange or Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended, supplemented or modified from time to time
“Board”	the board of Directors
“Business Day”	means a day on which the Stock Exchange is opened for the transaction of business
“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 and except where the context indicated otherwise its subsidiaries
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on August 29, 2017 for the purpose of considering and, if thought fit, approving the Proposed Spin-off and the Proposed A Shares Issuance
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising all independent non-executive Directors, namely Mr. Zhang Xingdong, Mr. Chen Geng and Mr. Wang Xiaogang, established to advise the Shareholders in respect of the terms of the Proposed Spin-off

DEFINITIONS

“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off
“Latest Practicable Date”	August 2, 2017, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the outstanding options granted by the Company pursuant to the Pre-IPO Share Option Scheme
“PN15”	Practice Note 15 of the Listing Rules
“PRC” or “China”	the People’s Republic of China, but for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Pre-IPO Share Option Scheme”	The pre-IPO share option scheme adopted by the Company on July 3, 2013 and amended on October 14, 2013
“Proposed A Shares Issuance”	the proposed issuance of new shares of the Spin-off Company in the Proposed Spin-off
“Proposed Spin-off”	the proposed spin-off and separate listing of the shares of the Spin-off Company on the A Share Stock Exchange
“Remaining Group”	the Group, excluding the Spin-off Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.0001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares

DEFINITIONS

“Spin-off Company”	Tianxinfu (Beijing) Medical Appliance Co., Ltd. (天新福(北京)醫療器材股份有限公司), a joint stock company established in the PRC on January 18, 2002, acquired by the Group in August 2014 and a non-wholly-owned subsidiary of the Company
“Spin-off Group”	the Spin-off Company and its subsidiaries from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

In this circular, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

For the purpose of this circular, unless otherwise indicated, the exchange rate of HK\$1.00=RMB0.86 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or at any other rates.

LETTER FROM THE BOARD

PW MEDTECH GROUP LIMITED

普华和顺集团公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1358)

Executive Directors:

Ms. Yue'e ZHANG

Mr. JIANG Liwei

Non-executive Director:

Mr. LIN Junshan

Independent Non-executive Directors:

Mr. ZHANG Xingdong

Mr. CHEN Geng

Mr. WANG Xiaogang

Registered Office:

The Grand Pavilion Commercial Centre

Oleander Way, 802 West Bay Road

P.O. Box 32052

Grand Cayman KY1-1208

Cayman Islands

Principal Place of Business in

Hong Kong:

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

August 9, 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
TIANXINFU (BEIJING) MEDICAL APPLIANCE CO., LTD.
ON THE A SHARE STOCK EXCHANGE
AND
DEEMED DISPOSAL AND MAJOR TRANSACTION**

INTRODUCTION

Reference is made to the announcement of the Company dated July 24, 2017 (the "**Announcement**") in relation to the Proposed Spin-off and the Proposed A Shares Issuance.

The Company has submitted a proposal on the Proposed Spin-off to the Stock Exchange pursuant to PN15 and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off. The Stock Exchange has also granted the Company a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under the Proposed Spin-off as required by paragraph 3(f) of PN15. As at the Latest Practicable Date, no formal application for the Proposed Spin-off and the Proposed A Shares Issuance has been filed with the relevant regulatory authorities in the PRC.

LETTER FROM THE BOARD

The Proposed Spin-off and the Proposed A Shares Issuance constitute a deemed disposal of equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Spin-off and the Proposed A Shares Issuance is expected to be higher than 25% but less than 75%, the Proposed Spin-off and the Proposed A Shares Issuance would constitute a major transaction under Chapter 14 of the Listing Rules. The Company therefore convenes the EGM to obtain the approval of Shareholders regarding the Proposed Spin-off and the Proposed A Shares Issuance as required under paragraph 3(e)(1) of PN15 and Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) information on the Proposed Spin-off and the Proposed A Shares Issuance; (ii) the recommendation of the Independent Board Committee and the advice of the Independent Financial Advisor regarding the Proposed Spin-off as required under paragraph 3(e) of PN15; and (iii) a notice of the EGM.

THE PROPOSED SPIN-OFF AND THE PROPOSED A SHARES ISSUANCE

Subject to approvals by the Shareholders and the relevant PRC regulators including the CSRC, it is proposed that the Spin-off Company will issue a certain number of A shares on the A Share Stock Exchange by way of initial public offering to the public in the PRC, or other methods as requested or agreed by the CSRC. Immediately before the Proposed Spin-off and the Proposed A Shares Issuance, the equity interest in the Spin-off Company is held as to 80% by the Company.

It is proposed that the Spin-off Company will offer not more than 63,529,412 new shares (the “Offer Shares”), which should represent no less than 10% of the total issued share capital of the Spin-off Company immediately after the completion of the Proposed A Shares Issuance.

The number of the Offer Shares held by the public, in any event, will represent not more than 15% of the total issued share capital of the Spin-off Company as enlarged by the Proposed A Shares Issuance. The actual number of Offer Shares to be offered by the Company will be subject to the market conditions and the relevant rules and regulations of the CSRC as amended from time to time. It is expected that immediately after completion of the Proposed Spin-off and the Proposed A Shares Issuance, the Company will have not less than 68% shareholding in the Spin-off Company and therefore the Spin-off Company will remain as a non-wholly-owned subsidiary of the Company.

As at the Latest Practicable Date, the Spin-off Company had an aggregate of 360,000,000 issued shares, subject to capitalization, consolidation, subdivision or other capital reorganization before the Proposed A Shares Issuance. However, where there is any changes in the offering proposal or other circumstances, which may result in a higher applicable percentage ratio under Chapter 14 of the Listing Rules, the Company will re-comply with the requirements for notifiable transaction in accordance with Chapter 14 of the Listing Rules.

No formal application for the Proposed Spin-off and the Proposed A Shares Issuance has been filed yet. Despite the large amount of work involved in documentation and financial audit relating to the application for the Proposed Spin-off and the Proposed A Shares Issuance, the management

LETTER FROM THE BOARD

of the Spin-off Company is striving to submit the application for the Proposed Spin-off and the Proposed A Shares Issuance to the CSRC in or around 2018, the earliest. Taking into consideration the normal vetting process of the PRC regulators and the average number of new listing applications in the A shares market each year, the Directors expect that the shares of the Spin-off Company will be listed on the A Share Stock Exchange by the end of 2019, the earliest.

Proceeds to be raised from the Proposed A Shares Issuance

The Company estimates the gross proceeds to be raised from the Proposed A Shares Issuance will be no more than RMB682.9 million, which is determined with reference to the following factors:

- (a) the number of the Offer Shares and the offer price per Offer Share. Based on the expected maximum proceeds of RMB682.9 million to be raised from the Proposed A Shares Issuance assuming the Spin-off Company will issue 15% of its total issued capital as enlarged by the Proposed A Shares Issuance and the maximum number of 63,529,412 A shares to be offered by the Spin-off Company, and having regard to the estimated performance of the Spin-off Company, the view of the sponsor acting for the Spin-off Company in relation to the Proposed A Shares Issuance, the expected issuing condition of the A share market, it is expected that the indicative offer price of the Spin-off Company will be approximately RMB10.75 per Offer Share. The offer price per Offer Share, however, will be subject to of the PRC domestic market conditions at the time of the Proposed A Shares Issuance and would be determined with reference to the price quoted by potential investors during the bookbuilding process. Investors should be aware that the indicative offer price per Offer Share quoted above is for illustrative purposes only and is based on a number of assumptions, which include, among others, the expected maximum amount of proceeds of RMB682.9 million to be raised from the Proposed A Shares Issuance and the maximum of 63,529,412 A Shares to be offered by the Spin-off Company. The above assumptions may be different at the time of the Proposed A Shares Issuance and therefore the actual offer price may be different from the indicative offer price.
- (b) the capital needs of the projects of the Spin-off Company to be financed from the proceeds of initial public offering. It is expected that the proceeds to be raised from the Proposed A Shares Issuance will be used for the Spin-off Company's future development in various areas of regenerative medical biomaterial business and other medical device business, and allow the Spin-off Company to expand the scale of its business. Pursuant to the regulations of the CSRC, the amount of proceeds to be raised from initial public offering shall not exceed the capital needs of the projects to be financed from the proceeds of initial public offering of the applicant. Therefore, it is expected that the proceeds to be raised from the Proposed A Shares Issuance will be not more than RMB682.9 million, which is the estimated aggregate amount of capital needs of the projects of the Spin-off Company to be financed from the proceeds of the Proposed A Shares Issuance.

LETTER FROM THE BOARD

The actual amount of proceeds to be raised from the Proposed A Shares Issuance is subject to the listing application documents to be submitted by the Spin-off Company to the CSRC.

Intended use of proceeds

The Spin-off Company intends to apply the proceeds (after deduction of the issue and related expenses) from the Proposed A Shares Issuance in the following manner:

Name of project or proposed usage	Approximate percentage of the total proceeds	Amount of investment based on the expected maximum proceeds of RMB682.9 million (HK\$ million)
Upgrading and reconstruction of production base for medical biomaterials	39%–45%	309.7–357.3
Establishment of sales network	28%–32%	222.3–254.1
Establishment of research and development center	26%–30%	206.5–238.2

There may be changes to the proposed use of proceeds after taking into account the business development of the Spin-off Company and the prevailing market conditions. The proposed use of proceeds is subject to the listing application documents to be submitted by the Spin-off Company to the CSRC.

Composition of the board of directors of the Spin-off Company

As of the date of this circular, the board of directors of the Spin-off Company comprises five directors, namely Ms. Yue'e Zhang, Mr. Jiang Liwei, Mr. Lin Junshan, Mr. He Zhibo and Mr. Sun Bingbing. To comply with relevant PRC laws and regulations for the A shares listing, the board of directors of the Spin-off Company is proposed to comprise seven directors including three independent directors. Ms. Yue'e Zhang and Mr. He Zhibo will resign from the board of directors of the Spin-off Company. There will be two common directors between the Spin-off Company and the Company, namely Mr. Jiang Liwei, an executive Director, and Mr. Lin Junshan, a non-executive Director upon completion of the Proposed Spin-off. Mr. Jiang Liwei and Mr. Lin Junshan are not involved in the day-to-day operation and management of the Spin-off Company. The table below sets forth the proposed board members and their positions and responsibility in the Spin-off Company upon completion of the Proposed Spin-off.

Directors	Position	Responsibility
Mr. Jiang Liwei	Chairman and director	Business plan, corporate development and strategy

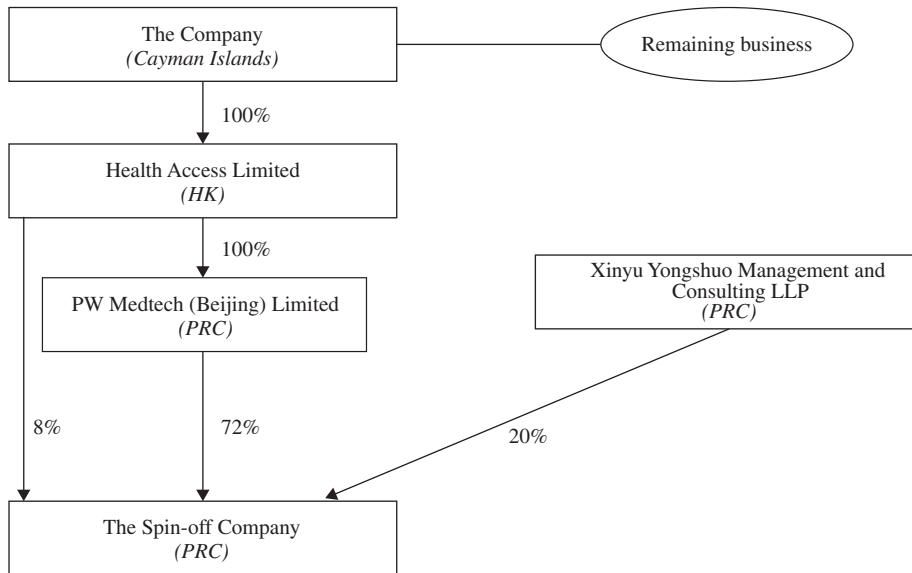
LETTER FROM THE BOARD

Directors	Position	Responsibility
Mr. Lin Junshan	Director	Business plan, corporate development and strategy
Mr. Ning Qi	Director	Business plan, corporate development and strategy
Mr. Sun Bingbing	Director, general manager	Overall day-to-day operation and management
Ms. Wang Shaoying	Independent director	Professional and independent performance of directors' duties and provision of independent opinion on specific matters in accordance with relevant regulatory requirements
Mr. Wang Yue	Independent director	Professional and independent performance of directors' duties and provision of independent opinion on specific matters in accordance with relevant regulatory requirements
Mr. Zhang Zhijiao	Independent director	Professional and independent performance of directors' duties and provision of independent opinion on specific matters in accordance with relevant regulatory requirements

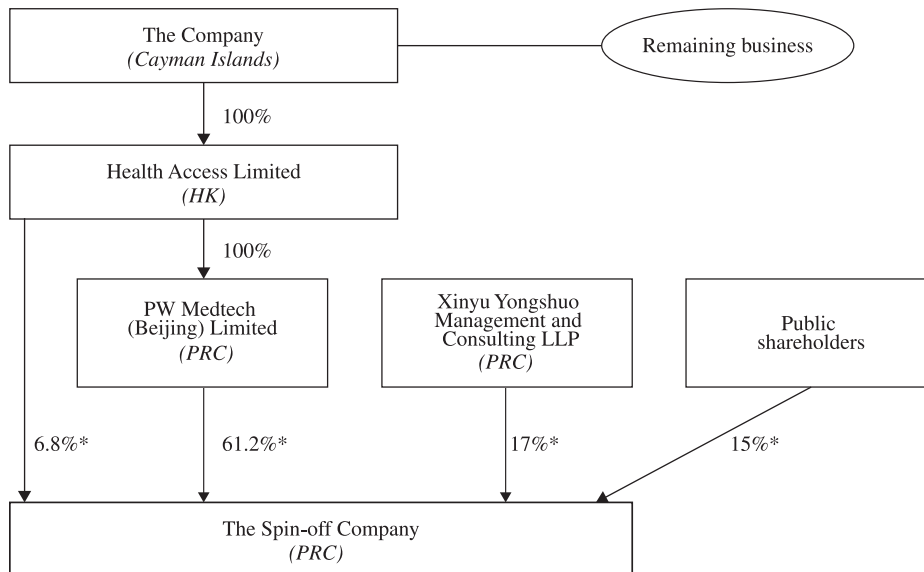
LETTER FROM THE BOARD

The simplified corporate structure of the Spin-off Company as of the Latest Practicable Date and immediately after the completion of the Proposed Spin-off and the Proposed A Shares Issuance are illustrated as below:

Simplified corporate structure of the Spin-off Company as at the Latest Practicable Date



Simplified corporate structure of the Spin-off Company immediately after completion of the Proposed Spin-off and the Proposed A Shares Issuance



* The shareholding percentages are estimated assuming the Offer Shares represent 15% of its total issued capital as enlarged by the Proposed A Shares Issuance.

LETTER FROM THE BOARD

CONDITIONS

Based on the information available to the Directors, the Proposed Spin-off and the Proposed A Shares Issuance will be conditional upon, among other things, the following:

- (a) the approval of the CSRC and the A Share Stock Exchange in relation to the Proposed Spin-off and the Proposed A Shares Issuance;
- (b) approval by the Shareholders of the Proposed Spin-off and the Proposed A Shares Issuance at the EGM; and
- (c) any other PRC regulatory approvals for the listing of and permission in relation to the Proposed Spin-off and the Proposed A Shares Issuance.

If any of the above conditions is not fulfilled, the Proposed Spin-off and the Proposed A Shares Issuance will not proceed. If the Company and the Spin-off Company decide not to proceed with the Proposed Spin-off and the Proposed A Shares Issuance, an announcement will be published by the Company as soon as practicable.

Further, as required under paragraph 3(c) of PN15, the Company will only proceed with the Proposed Spin-off and the Proposed A Shares Issuance if the Remaining Group meets the requirements under paragraph 3(c) of PN15 for the three financial years preceding the completion of the Proposed Spin-off and the Proposed A Shares Issuance.

INFORMATION OF THE GROUP

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange. The Group is a medical device group with focus on fast-growing and high-margin segments of China's medical device industry. Its current business segments primarily include regenerative medical biomaterials and advanced infusion sets.

INFORMATION OF THE SPIN-OFF COMPANY

The Spin-off Company is a joint stock company established in the PRC and is principally engaged in the regenerative medical biomaterial business, comprising the research, development, manufacturing and sale of regenerative medical biomaterial products. Immediately before the completion of the Proposed Spin-off and the Proposed A Shares Issuance, the equity interest of the Spin-off Company is held as to 80% by the Company. The remaining 20% of the equity interest of the Spin-off Company is held by Xinyu Yongshuo Management and Consulting LLP (新餘永碩管理諮詢合夥企業(有限合夥)).

The following table sets forth the financial information attributable to the Spin-off Group for the two years ended December 31, 2015 and 2016 as extracted from the audited statutory financial statements prepared under PRC Generally Accepted Accounting Principles.

LETTER FROM THE BOARD

	For the year ended December 31, 2015 (RMB'000)	For the year ended December 31, 2016 (RMB'000)
Revenue	214,794	247,239
Profit before taxation	154,164	178,048
Profit after taxation	131,566	151,380
	As at December 31, 2015 (RMB'000)	As at December 31, 2016 (RMB'000)
Total assets	135,264	126,748
Net assets	46,625	75,004

INFORMATION OF THE REMAINING GROUP

Upon completion of the Proposed Spin-off and the Proposed A Shares Issuance, the Spin-off Company will remain as a non-wholly-owned subsidiary of the Company, and except for the Spin-off Group, the Remaining Group will continue to mainly engage in the infusion set business, comprising research, development, manufacturing and sale of advanced infusion set products.

The Remaining Group primarily operates its infusion set business in the PRC through Beijing Fert Technology Co., Ltd. (北京伏爾特技術有限公司), focusing on infusion therapy and providing a more comprehensive product portfolio for infusion therapy.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF AND THE PROPOSED A SHARES ISSUANCE

The Directors consider that the Proposed Spin-off and the Proposed A Shares Issuance will be beneficial to both the Group and the Spin-off Group for the following reasons:

- (a) there is a great potential demand for regenerative medical biomaterial in the PRC market in terms of both market size and growth prospect. The Proposed Spin-off and the Proposed A Shares Issuance are expected to promote the reputation and profile of the Spin-off Company in the PRC market and enhance its capabilities to capture and benefit from such market growth;

LETTER FROM THE BOARD

- (b) the Proposed Spin-off and the Proposed A Shares Issuance are also expected to allow the Spin-off Company to have a clear business focus, which would help further reinforce its leading position in the regenerative medical biomaterial industry with its own integrated capabilities in research and development, manufacturing, sales and services;
- (c) the Proposed Spin-off and the Proposed A Shares Issuance is expected to unlock value for the Shareholders and help identify and establish the fair value of the Company's regenerative medical biomaterial business, in particular, the fair value represented by the Spin-off Company's state of art technology and know-how in the area of regenerative medical biomaterial;
- (d) the Proposed Spin-off and the Proposed A Shares Issuance would enable the Spin-off Company to have direct access to the domestic capital market, broaden its financing channels and increase its financing capabilities;
- (e) the Proposed Spin-off and the Proposed A Shares Issuance would provide the market with great clarity on the business and financial position of the Spin-off Company and help enhance its own corporate governance;
- (f) the proceeds from the Proposed A Shares Issuance would fund future development in various areas of regenerative medical biomaterial business of the Spin-off Company, and allow it to expand the scale of its business;
- (g) the Proposed A Shares Issuance and the Proposed Spin-off would enable the Spin-off Company to face the investors directly, which would promote its brand awareness; and
- (h) the Proposed A Shares Issuance and the Proposed Spin-off would bring market-oriented valuation to the Spin-off Company. It is expected that the Proposed Spin-off and the Proposed A Shares Issuance would enhance the overall value of the Spin-off Company and the value of shares of the Spin-off Company held by the Company, which would in turn enhance the Company's overall valuation and financing capabilities and create values for the Company and its Shareholders.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the Proposed Spin-off and the Proposed A Shares Issuance are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

ASSURED ENTITLEMENT

As mentioned in the Announcement, the Stock Exchange granted the Company a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under paragraph 3(f) of PN15 (the "**Waiver**") on the condition that the Company would include in an announcement: (i) the Board's confirmation to the Company that the Proposed Spin-off and the Waiver are fair and reasonable and in the interests of the Company and its Shareholders as a whole;

LETTER FROM THE BOARD

(ii) the reasons for not providing its Shareholders with assured entitlements under the Proposed Spin-off; and (iii) the legal restriction under the PRC laws and regulations in providing the assured entitlement.

In accordance with the requirements of the Listing Rules, the Board is required to give due regard to the interests of the existing Shareholders by providing the Shareholders with an assured entitlement to the Offer Shares, if the Proposed A Shares Issuance proceeds. After due and careful consideration of the Proposed A Shares Issuance and having taken into account the advice from the Spin-off Company's PRC legal counsel, the Board has resolved not to provide assured entitlement to the Shareholders under the Proposed A Shares Issuance for the following reasons:

- (a) if the Proposed A Shares Issuance is implemented, the Offer Shares will be offered in the domestic market in the PRC and be listed and traded on the A Share Stock Exchange;
- (b) as advised by the PRC legal counsel of the Spin-off Company, the new shares publicly offered and listed on the A Share Stock Exchange may only be offered to domestic investors in the PRC and Qualified Foreign Institutional Investors (the foreign strategic investors who have complied with the requirements). Accordingly, if any Shareholder does not fulfil the above conditions, they cannot be subscribers under the Proposed A Shares Issuance;
- (c) according to the relevant laws of the PRC, during the issuance of shares by a joint stock company, each share of the same class shall rank *pari passu* and the issuance conditions including the issue price for shares of the same class issued at the same time shall be the same for each share; and
- (d) pursuant to the relevant rules and subscription procedures under the Securities Law of the People's Republic of China and the Administrative Measures on Initial Public Offering and Listing, a listing applicant making public offering is prohibited from making any preferential allocations of offer shares to any specific investor and should treat all investors equally. Therefore, it is impossible for the Spin-off Company to reserve and issue shares for Shareholders in Hong Kong for the purpose of providing assured entitlement pursuant to the existing laws of the PRC.

In addition, based on the information available from the Company's branch share registrar in Hong Kong, none of the Shareholders are reasonably considered as qualified subscribers under the Proposed A Shares Issuance except for those who hold Shares through HKSCC Nominees Limited and it is unduly burdensome and practically difficult for the Company to verify their background information. Even if the Company acquires and verifies all the background information of the beneficial owners holding their Shares through HKSCC Nominees Limited, it is impossible to reserve and issue shares to such Shareholders solely by virtue of holding Shares through HKSCC Nominees Limited pursuant to the existing laws of the PRC.

LETTER FROM THE BOARD

Having considered the above and the reasons for and benefits of the Proposed Spin-off and the Proposed A Shares Issuance under the section headed “Reasons for and Benefits of the Proposed Spin-off and the Proposed A Shares Issuance”, the Board is of the view that the Proposed Spin-off, the Proposed A Shares Issuance and the Waiver are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising Mr. Zhang Xingdong, Mr. Chen Geng and Mr. Wang Xiaogang, being all independent non-executive Directors, has been established to advise the Shareholders in respect of the terms of the Proposed Spin-off. The letter from the Independent Board Committee is set out on page 16 of this circular.

The Company has also appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off. The letter from the Independent Financial Adviser is set out on pages 17 to 30 of this circular.

EGM

The EGM will be held at 2:00 p.m. on August 29, 2017 (Tuesday), at 1002–1003, Block C, Focus Square, No. 6 Futong East Avenue, Wangjing, Chaoyang District, Beijing, PRC, at which resolution will be proposed to consider and, if thought fit, approve the Proposed Spin-off and the Proposed A Shares Issuance. Notice convening the EGM is set out on pages 40 to 41 of this circular.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, no Shareholder is required to abstain from voting at the EGM.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from August 24, 2017 to August 29, 2017, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates are lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. (Hong Kong time) on August 23, 2017. Shareholders whose names are recorded in the register of members of the Company on August 29, 2017 are entitled to attend and vote at the EGM.

RECOMMENDATION

The Directors, including the independent non-executive Directors, (i) after taking into account the advice of the Independent Financial Adviser, consider that the terms of the Proposed Spin-off are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole;

LETTER FROM THE BOARD

(ii) consider that the terms of the Proposed A Shares Issuances are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, including the independent non-executive Directors, recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Spin-off and the Proposed A Shares Issuance.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Shareholders and potential investors should note that the Proposed Spin-off and the Proposed A Shares Issuance are subject to, among other things, approvals by the Shareholders and the relevant PRC regulators, including the CSRC and the A Share Stock Exchange. There is no assurance that the Proposed Spin-off and the Proposed A Shares Issuance will proceed in a timely manner or proceed at all. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing with the Shares of the Company.

By order of the Board
PW Medtech Group Limited
普华和顺集团公司
Yue'e Zhang
Chairman

PW MEDTECH GROUP LIMITED

普华和顺集团公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1358)

August 9, 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
TIANXINFU (BEIJING) MEDICAL APPLIANCE CO., LTD.
ON THE A SHARE STOCK EXCHANGE
AND
DEEMED DISPOSAL AND MAJOR TRANSACTION**

We refer to the circular of the Company dated August 9, 2017 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used herein have the same meanings as defined in the Circular unless otherwise specified.

We have been appointed as members of the Independent Board Committee to advise the Shareholders in respect of the terms of the Proposed Spin-off, details of which are set out in the letter from the Board in the Circular.

Having taken into account of the advice of the Independent Financial Adviser, we consider that the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole and the terms of the Proposed Spin-off are fair and reasonable so far as the Company and the Shareholders are concerned. Accordingly, we recommend the Shareholders to vote in favour of the resolution at the EGM to approve the Proposed Spin-off at the EGM.

Yours faithfully,

Independent Board Committee of

PW Medtech Group Limited

Mr. ZHANG Xingdong

Mr. CHEN Geng

Mr. WANG Xiaogang

Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Somerley Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

August 9, 2017

To: The Independent Board Committee and the Shareholders

Dear Sirs,

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
TIANXINFU (BEIJING) MEDICAL APPLIANCE CO., LTD.
ON THE A SHARE STOCK EXCHANGE
AND
DEEMED DISPOSAL AND MAJOR TRANSACTION**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Shareholders in relation to the Proposed Spin-off. Details of the Proposed Spin-off are set out in the "Letter from the Board" contained in the circular of the Company to the Shareholders dated August 9, 2017 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

Subject to approvals by the Shareholders and the relevant PRC regulators including the CSRC, it is proposed that the Spin-off Company will issue a certain number of A shares on the A Share Stock Exchange by way of initial public offering to the public in the PRC, or other methods as requested or agreed by the CSRC. Immediately before the Proposed Spin-off and the Proposed A Shares Issuance, the equity interest in the Spin-off Company is held as to 80% by the Company. It is expected that immediately upon completion of the Proposed Spin-off and the Proposed A Shares Issuance, the Company will have an interest of not less than 68% in the Spin-off Company and therefore the Spin-off Company will remain as non-wholly owned subsidiary of the Company.

The Company has submitted a proposal on the Proposed Spin-off to the Stock Exchange pursuant to PN15 and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off. The Stock Exchange has also granted the Company a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under the Proposed Spin-off as required by paragraph 3(f) of PN15. Further details regarding the background

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to the waiver are set out in the section headed “Assured Entitlement” in the “Letter from the Board” contained in the Circular. As at the Latest Practicable Date, no formal application for the Proposed Spin-off and the Proposed A Shares Issuance has been filed with the relevant regulatory authorities in the PRC yet and the management of the Spin-off Company is seeking for submitting the application for the Proposed Spin-off and the Proposed A Shares Issuance to the CSRC in or around 2018, the earliest, and the executive Directors expect that the shares of the Spin-off Company will be listed on the A Share Stock Exchange by the end of 2019, the earliest.

The Proposed Spin-off and the Proposed A Shares Issuance constitute a deemed disposal of an equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Spin-off and the Proposed A Shares Issuance is expected to be higher than 25% but less than 75%, the Proposed Spin-off and the Proposed A Shares Issuance would constitute a major transaction of the Company and would be subject to the announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules, and also subject to the approval of the Shareholders under PN15.

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Zhang Xingdong, Mr. Chen Geng and Mr. Wang Xiaogang, has been formed to make a recommendation to the Shareholders in respect of the terms of the Proposed Spin-off. We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Shareholders in this regard.

During the past two years, there have been no engagements between the Company and Somerley Capital Limited. As at the Latest Practicable Date, there were no relationships or interests between Somerley Capital Limited and the Group that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off as detailed in the Circular.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company and we have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects and will remain so up to the time of the EGM. We have also sought and received confirmation from the executive Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion with respect to the Proposed Spin-off, we have taken into account the principal factors and reasons set out below.

1. Background and financial information of the Group

The Group is principally engaged in the development, manufacturing and sale of regenerative medical biomaterial products and advanced infusion set products. Its regenerative medical biomaterial business mainly focuses on the manufacturing of artificial dura mater, and the Group's products in this segment are widely used in craniotomy operations and neurosurgery in the PRC. The infusion set business segment of the Group focuses on producing advanced infusion sets such as precision filter infusion sets and non-PVC-based infusion sets. The Company has been listed on the Stock Exchange since November 8, 2013.

As set out in the Company's 2016 annual report, the Group recorded revenue from continuing operations of approximately RMB566.8 million for the year ended December 31, 2016, representing an increase of approximately 9.9% as compared to the revenue (restated) in 2015. The Group's regenerative medical biomaterial business segment and infusion set business segment accounted for approximately 42.6% and 56.4% of the Group's revenue from continuing operations respectively for the year ended December 31, 2016. The Group's recorded profit attributable to owners of the Company of approximately RMB194.9 million for the year ended December 31, 2016. As at December 31, 2016, the Group's total assets and equity attributable to owners of the Company amounted to approximately RMB2,487.1 million and RMB2,334.3 million respectively.

As set out in the Company's 2016 annual report and as advised by the executive Directors, to achieve the development goal of "Healthy China", the Chinese government has proposed to build a stronger biomedical and high-performance medical device industry. In addition, the development strategy of "Made in China 2025 (中國製造2025)" has designated the high-performance medical device industry as one of the key development industries, which, together with other supporting policies, creates a favourable development environment for domestic medical device manufacturers. In view of this, and also taking into account, among other things, the expansion of medical insurance coverage and the growth of aging population in the PRC, the executive Directors consider that the prospects of the medical device market in the PRC are encouraging in the long-term despite current challenges as set out in the Company's 2016 report.

2. Background and financial information of the Spin-off Group

As out in the section headed "Information of the Spin-off Company" in the "Letter from the Board" contained in the Circular, the Spin-off Company is a joint stock company established in the PRC and is principally engaged in the regenerative medical biomaterial business, comprising research and development, manufacturing and sale of regenerative medical biomaterial products. Currently, its key products include artificial dura mater, artificial spinal tissue, artificial nerve sheath and anti-adhesion membrane for ligament and tendon, which are medical implants widely used in craniotomy operations and neurosurgery in the PRC.

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As at the Latest Practicable Date, the Spin-off Company had an aggregate of 360,000,000 issued shares, subject to capitalization, consolidation, subdivision or other capital reorganisation before the Proposed A Shares Issuance. Immediately before the completion of the Proposed Spin-off and the Proposed A Shares Issuance, the equity interest in the Spin-off Company is held as to 80% by the Company. The remaining 20% is held by Xinyu Yongshuo Management and Consulting LLP (新餘永碩管理諮詢合夥企業(有限合夥)) (“Xinyu Yongshuo”), a limited partnership established in the PRC. As advised by the executive Directors, the principal activity of Xinyu Yongshuo is investment in domestic and international capital markets with a focus on medical device and medical sector.

Set out below is certain key financial information of the Spin-off Group as extracted from the financial statements for the two years ended December 31, 2015 and 2016 prepared under PRC Generally Accepted Accounting Principles:

	For the year ended	
	December 31,	
	2016	2015
	<i>(RMB'million)</i>	<i>(RMB'million)</i>
Revenue	247.2	214.8
Profit before taxation	178.0	154.2
Profit after taxation	151.4	131.6

	As at December 31,	
	2016	2015
	<i>(RMB'million)</i>	<i>(RMB'million)</i>
Total assets	126.7	135.3
Total liabilities	51.7	88.6
Net assets (excluding minority interests)	73.8	45.5

We were advised by the executive Directors that for the year ended December 31, 2016, approximately 96.1% of the revenue of the Spin-off Group was generated from its regenerative medical biomaterial products, and the remaining revenue was generated from orthopaedic and other products. Profit after taxation increased by approximately 15.0% in 2016 as compared to 2015 which was generally in line with revenue growth. As at December 31, 2016, total assets of the Spin-off Group amounted to approximately RMB126.7 million and net assets (excluding minority interests) were approximately RMB73.8 million.

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3. Reasons for and benefits of the Proposed Spin-off and the Proposed A Shares Issuance

As set out in the section headed “Reasons for and benefits of the Proposed Spin-off and the Proposed A Shares Issuance” in the “Letter from the Board” contained in the Circular, the executive Directors consider that the Proposed Spin-off and the Proposed A Shares Issuance will be beneficial to both the Group and the Spin-off Group for the reasons as summarised below:

- (i) to promote the reputation and profile of the Spin-off Company in the PRC market and enhance its capabilities to capture and benefit from the potential market growth, and to allow the Spin-off Company to create a clearly defined business focus;
- (ii) to enable the Spin-off Company to have direct access to the domestic capital market, broaden its financing channels and increase its financing capabilities;
- (iii) the proceeds from the Proposed A Shares Issuance will fund future development in various areas of regenerative medical biomaterial business of the Spin-off Company, and allow it to expand the scale of its business; and
- (iv) to establish market-oriented valuation to the Spin-off Company, by which it is expected that the Proposed Spin-off and the Proposed A Shares Issuance will unlock value for the Shareholders and enhance the overall value of the Spin-off Company and the value of shares of the Spin-off Company held by the Company. This will in turn be expected to enhance the Company’s overall valuation and financing ability and create value for the Company and its Shareholders.

Upon completion of the Proposed Spin-off and the Proposed A Shares Issuance, the financial results of the Spin-off Group will continue to be consolidated into the Company’s accounts. As such, the Company and the Shareholders will continue to enjoy the benefits from the growth and development of the Spin-off Group. In view of this, and taking into account the reasons for and benefits of the Proposed Spin-off and the Proposed A Shares Issuance summarised above, we concur with the executive Directors’ view that the Proposed Spin-off and the Proposed A Shares Issuance is in the interests of the Company and the Shareholders as a whole.

4. Conditions of the Proposed Spin-off and the Proposed A Shares Issuance

As set out in the section headed “Conditions” in the “Letter from the Board” contained in the Circular, the Proposed Spin-off and the Proposed A Shares Issuance will be conditional upon, among other things, (i) the approval of the CSRC and the A Share Stock Exchange in relation to the Proposed Spin-off and the Proposed A Shares Issuance; (ii) approval by the Shareholders of the Proposed Spin-off and the Proposed A Shares Issuance at the EGM; and (iii) any other PRC regulatory approvals for the listing of and permission in relation to the Proposed Spin-off and the Proposed A Shares Issuance.

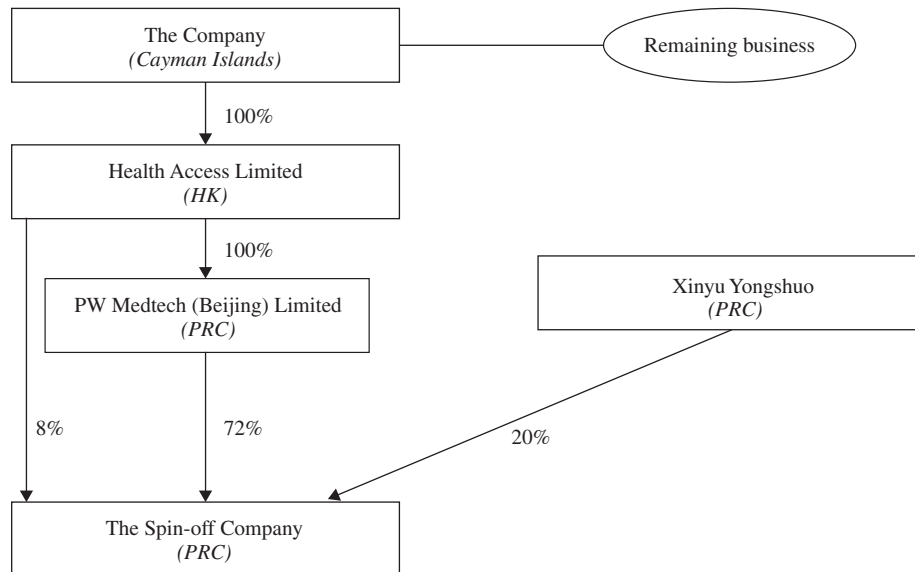
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If any of the above conditions is not fulfilled, the Proposed Spin-off and the Proposed A Shares Issuance will not proceed. Further, the Company will proceed with the Proposed Spin-off and the Proposed A Shares Issuance only if the Remaining Group meets the requirements under paragraph 3(c) of PN15 for the three financial years preceding the completion of the Proposed Spin-off and the Proposed A Shares Issuance.

5. Principal structure of the Proposed A share listing

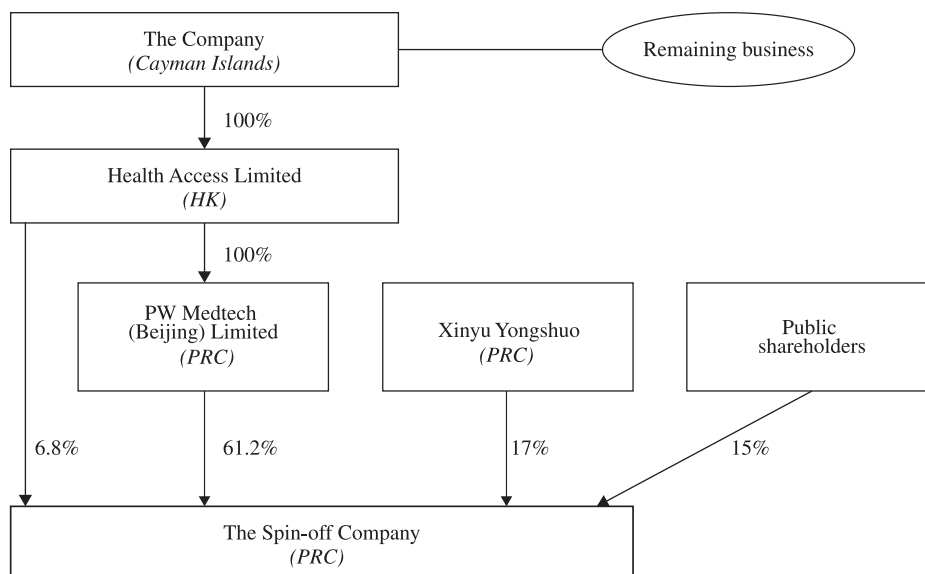
(i) Structure of the Proposed Spin-off and the Proposed A Shares Issuance

The Company currently intends to effect the Proposed Spin-off by way of the Proposed A Shares Issuance on the A Share Stock Exchange. Set out below is the simplified shareholding structure of the Spin-off Company as at the Latest Practicable Date:



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Set out below is the simplified shareholding structure of the Spin-off Company immediately following completion of the Proposed Spin-off and the Proposed A Shares Issuance:



Notes:

- (a) The above shareholding in the Spin-off Company assumes 15% of the enlarged issued share capital of the Spin-off Company will be offered under the Proposed A Shares Issuance; and
- (b) Based on the assumption set out in (a) above, the Company is expected to be interested in approximately 68% in aggregate of the enlarged issued share capital of the Spin-off Company immediately upon the Proposed A Shares Issuance.

As illustrated above, it is expected that immediately upon completion of the Proposed Spin-off and the Proposed A Shares Issuance, the Company will have an indirect interest of approximately 68% (i.e. significantly more than 50%) in the Spin-off Company (assuming 15% of the enlarged issued share capital of the Spin-off Company will be offered under the Proposed A Shares Issuance) and therefore the Spin-off Company will remain an indirect non-wholly owned subsidiary of the Company.

(ii) *Percentage of A shares to be issued*

It is currently proposed that the Spin-off Company will offer not more than 63,529,412 new shares (representing 15% of the total issued share capital of the Spin-off Company as enlarged by the Proposed A Shares Issuance), but such new shares should represent no less than 10% of the total issued share capital of the Spin-off Company after the completion of the Proposed A Shares Issuance (the “Offer Shares”). The number of the Offer Shares held by the public, in any event, will represent not more than 15% of the total issued share capital of the Spin-off Company as enlarged by the Proposed A Shares Issuance. The actual number of the offered shares will be subject to the market conditions and the relevant rules and

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regulations of the CSRC as amended from time to time. It is expected that immediately after completion of the Proposed Spin-off and the Proposed A Shares Issuance, the Company will have not less than 68% shareholding in the Spin-off Company compared to its 80% interest before such completion.

(iii) Offer price

As set out in the section headed “The Proposed Spin-off and the Proposed A Shares Issuance” in the “Letter from the Board” contained in the Circular, the management of the Spin-off Company is seeking for submitting the application for the Proposed Spin-off and the Proposed A Shares Issuance to the CSRC in or around 2018, the earliest. As at the Latest Practicable Date, no formal application for the Proposed Spin-off and the Proposed A Shares Issuance has yet been filed.

With reference to, among other things, (i) maximum proceeds of approximately RMB682.9 million are expected to be raised from the Proposed A Shares Issuance; and (ii) the maximum number of A Shares to be offered by the Spin-off Company is expected to be 63,529,412 (assuming 15% of the enlarged issued share capital of the Spin-off Company will be offered under the Proposed A Shares Issuance), it is estimated that the indicative offer price of the Spin-off Company will be approximately RMB10.75 per Offer Share. The actual offer price per Offer Share will be subject to the then issuing conditions of the A share market and would be determined with reference to, among other things, the price quoted by potential investors during the book building process. Shareholders are reminded that the abovementioned indicative price per Offer Share is derived based on a number of assumptions including, among other things, the expected issuing condition of the A share market, the expected maximum amount of proceeds of approximately RMB682.9 million to be raised from the Proposed A Shares Issuance and the maximum of 63,529,412 Offer Shares. The above assumptions may be different at the time of the Proposed A Shares Issuance and therefore the actual offer price may be different from the indicative offer price.

(iv) Intended use of proceeds

With reference to the proposed number of shares that the Spin-off Company intends to offer and the expected offer price as set out above, as well as the capital needs of the project of the Spin-off Company to be financed from the proceeds of the Proposed A Shares Issuance, the maximum gross proceeds to be raised from the Proposed A Shares Issuance is estimated to be approximately RMB682.9 million, which is intended to be used for the Spin-off Company’s future development in various areas of regenerative medical biomaterial business and other medical device business, and allow the Spin-off Company to expand the scale of its business. The actual amount of proceeds to be raised from the Proposed A Shares Issuance is subject to the actual number of shares offered and the conditions of the PRC domestic market at the time of the Proposed A Shares Issuance.

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As set out in the sub-section headed “Intended use of proceeds” in the “Letter from the Board” contained in the Circular, the Spin-off Company intends to apply the proceeds (after deduction of the issue and related expenses) from the Proposed A Shares Issuance in the following manner:

Name of project or proposed usage	Approximate percentage of the total proceeds	Amount of investment based on the expected maximum proceeds of approximately RMB682.9 million (HK\$ million)
Upgrading and reconstruction of production base for medical biomaterials	39%–45%	309.7–357.3
Establishment of sales network	28%–32%	222.3–254.1
Establishment of research and development center	26%–30%	206.5–238.2

The additional funds available to the Spin-off Group through the Proposed A share listing will enhance financial support for the Spin-off Company and accelerate its business development including production, distribution as well as research and development of its products. On this basis, we consider the intended use of proceeds from the Proposed A Shares Issuance to be reasonable. There may be changes to the proposed use of proceeds after taking into account the business development of the Spin-off Company and the prevailing market conditions, and it is subject to the listing application documents to be submitted by the Spin-off Company to the CSRC. Shareholders are reminded that there is no assurance that the Proposed Spin-off and the Proposed A Shares Issuance will proceed in a timely manner or proceed at all.

(v) Comparable companies

In order to provide the Shareholders with a general reference regarding the valuation of companies with key products of similar nature as those of the Spin-off Company listed in the PRC, we have searched on Bloomberg, on best effort basis, for companies (the “**Comparable Companies**”) which are listed on the A Share Stock Exchange with regenerative medical biomaterial products accounting for over 50% of the sales of the respective Comparable Companies for the year ended December 31, 2016 as set out in their annual report.

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The following table below sets out the relevant ratios of the Comparable Companies for reference purpose:

Comparable Companies	Principal activities of the Comparable Companies <i>(Note 4)</i>	Stock code	P/E ratio <i>(Approximate times)</i> <i>(Note 1)</i>
Guanhao Biotech Co.,Ltd. (“ Guanhao Biotech ”)	Guanhao Biotech develops, manufactures and markets life and health related products, with focus on regenerative medicine	300238.SZ	84.70
Yantai Zhenghai Bio-tech Co., Ltd. (“ Yantai Zhenghai ”)	Yantai Zhenghai specialises in the research and development, production and marketing in the field of tissue regeneration and wound repair	300653.SZ	39.93
		Average	62.32
		The Company <i>(Note 2)</i>	11.51
		The Spin-off Company <i>(Note 3)</i>	30.07

Notes:

1. P/E ratio of the Comparable Companies are sourced from Bloomberg as at the Latest Practicable Date.
2. The implied P/E ratio of the Company is calculated based on (i) the market capitalisation of the Company for approximately HK\$2,608.4 million as at the Latest Practicable Date; and (ii) the profits attributable to owners of the Company of approximately RMB194.9 million (equivalent to approximately HK\$226.6 million at the exchange rate of HK\$1.00: RMB0.86) for the year ended December 31, 2016.
3. The implied P/E ratio of the Spin-off Company is calculated based on (i) the estimated market capitalisation of the Spin-off Company with reference to the expected gross proceeds of approximately RMB682.9 million (assuming 15% of the enlarged issued share capital of the Spin-off Company will be offered under the Proposed A Shares Issuance); and (ii) the profit attributable to owners of the Spin-off Company of approximately RMB151.4 million for the year ended December 31, 2016.
4. Principal activities of the Comparable Companies are sourced from their respective company website.

As shown in the above table, the Company’s implied P/E ratio is lower than those of the Comparable Companies and the Spin-off Company. Accordingly, we consider that the Proposed Spin-off and the Proposed A Shares Issuance is likely to unlock the value of the Spin-off Company and create a higher market value in the PRC stock markets.

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Shareholders should note that the calculation of the implied P/E ratio of the Spin-off Company and the comparison above is for illustrative purpose only. The actual amount of gross proceeds to be raised from the Proposed A Shares Issuance and the actual P/E ratio of the Spin-off Company will be subject to the share market conditions in the PRC at the time of the Proposed A Shares Issuance and the financial performance of the Spin-off Company before its listing application.

6. Possible effects of the Proposed Spin-off and the Proposed A Shares Issuance on the Group

Following completion of the Proposed Spin-off and the Proposed A Shares Issuance, the Spin-off Company will remain as non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated into the accounts of the Group.

(i) *Effect on assets, liabilities and earnings*

According to the Company's 2016 annual report, the audited consolidated equity attributable to owners of the Company was approximately RMB2,334.3 million. The net proceeds from the Proposed A Shares Issuance will increase the cash recorded in the consolidated balance sheet of the Group and total assets will increase. The Proposed Spin-off and the Proposed A Shares Issuance will not affect the liabilities of the Group.

The attributable interest of the Group in the Spin-off Group will be reduced following completion of the Proposed Spin-off and the Proposed A Shares Issuance. Accordingly, the Group's share of the future profits of the Spin-off Group would be reduced. Such reduction would be offset to the extent that the Spin-off Group's future profitability may benefit due to the introduction of new capital. The Remaining Group, which will still hold the majority interest in the Spin-off Group, will be able to benefit from any future growth of the Spin-off Group, and the benefits to be brought about by the Proposed Spin-off and the Proposed A Shares Issuance as set out in the sub-section above headed "Reasons for and benefits of the Proposed Spin-off and the Proposed A Shares Issuance". There will be no expected gain or loss on the deemed disposal to be recognised in the consolidated income statement of the Company upon completion of the Proposed Spin-off and the Proposed A Shares Issuance in accordance with Hong Kong Financial Reporting Standard 10 whereby changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions.

(ii) *Effect on working capital and gearing of the Group*

As at December 31, 2016, since there was no borrowing, the Group's gearing ratio is nil. As set out in the section headed "The Proposed Spin-off and the Proposed A Shares Issuance" in the "Letter from the Board" contained in the Circular, the expected gross proceeds to be raised from the Proposed A Shares Issuance will be no more than approximately RMB682.9 million. In view of the fact that fresh capital will be raised for the Spin-off Group from the Proposed A Shares Issuance and the Spin-off Company will remain as a subsidiary of the company after the Proposed Spin-off and the Proposed A Shares Issuance, we consider that

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the working capital position of the Group would improve as a result of the Proposed Spin-off and the Proposed A Shares Issuance, providing the Group with more financial flexibility with regard to future investment opportunities.

Shareholders are reminded that the actual effect of the Proposed Spin-off and the Proposed A Shares Issuance will be subject to the final structure of the Proposed A Shares Issuance and the financial position of the Group and the Spin-off Group at the time of listing, which may be different from the above.

(iii) *Remaining businesses of the Group*

As set out in the section headed “Information of the Remaining Group” in the “Letter from the Board” of the Circular, after the Proposed Spin-off and the Proposed A Shares Issuance, besides the Group’s interest in the Spin-off Company, the Group will continue to engage mainly in the infusion set business, comprising the research, development, manufacturing and sale of advanced infusion sets products.

As advised by the executive Directors, it is expected that the Spin-off Company will have seven directors (comprising four directors and three independent directors) appointed. Out of the four directors, one is an executive Director and one is a non-executive Director of the Company. Further details are set out in the section headed “The Proposed Spin-off and the Proposed A Shares Issuance” in the “Letter from the Board” contained in the Circular. Given that the Spin-off Company will remain as a subsidiary of the Company following completion of the Proposed Spin-off and the Proposed A Shares Issuance, we consider that the board composition of the Spin-off Company is appropriate in that it reflects the interests of the Company and yet allows the Spin-off Company to maintain a management team independent of the Company. As at the Latest Practicable Date, the senior management team for daily operation of the Spin-off Group is independent from the senior management of the Remaining Group.

(iv) *Dilution of interest in the Spin-off Company*

Assuming the number of shares initially available under the Proposed A Shares Issuance represents not more than 15% of the total number of shares of the Spin-off Company in issue upon listing, the effective interest of the Group in the Spin-off Company will be reduced from 80% (before the Proposed A Shares Issuance) to not less than 68% immediately after completion of the Proposed A Shares Issuance.

In our opinion, such dilution, albeit not immaterial, is acceptable to the Shareholders taking into consideration the benefits which may be derived from the Proposed Spin-off and the Proposed A Shares Issuance and the possible effects on the Group as discussed in the sub-section headed “Reasons for and benefits of the Proposed Spin-off and the Proposed A Shares Issuance” of this letter and in this sub-section above.

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DISCUSSION

The Group is principally engaged in the development, manufacturing and sale of regenerative medical biomaterial products and advanced infusion set products. Pursuant to the Proposed Spin-off, the Spin-off Company, which is principally engaged in the regenerative medical biomaterial business, will be spun-off and separately listed in the PRC. Under the expected structure of the Proposed A Shares Issuance, the gross proceeds to be raised from the Proposed A Shares Issuance is estimated to be no more than approximately RMB682.9 million and will be used for the Spin-off Company's future development in various areas of regenerative medical biomaterial business and other medical device business, and allow the Spin-off Company to expand the scale of its business. Fresh capital to be raised by the Spin-off Group through the Proposed A share listing is expected to bring in new opportunities and benefits to the Spin-off Group.

After the Proposed Spin-off and the Proposed A Shares Issuance, besides the Group's interest in the Spin-off Company, the Group will continue to engage mainly in the infusion set business, comprising the research, development, manufacturing and sale of advanced infusion sets products. The Company will retain the Spin-off Company as a subsidiary following the Proposed A Shares Issuance, and accordingly will continue to retain control and indirectly benefit from its future profits and growth.

The maximum dilution of the Company's interest in the Spin-off Group is expected to be 12%. We consider such level of dilution acceptable, taking into account the benefits which may be derived from the Proposed Spin-off and the Proposed A Shares Issuance as discussed in this letter. A waiver from strict compliance with the PN15 requirements in relation to the assured entitlement under the Proposed Spin-off has been obtained by the Company.

We are of the view the Proposed Spin-off and the Proposed A Shares Issuance is a strategic move for the Group to help realise the value and potential of its regenerative medical biomaterial business. The opportunity to value the Spin-off Group on a stand-alone basis may attract new investors who are interested in the regenerative medical biomaterial sector. The Proposed Spin-off and the Proposed A Shares Issuance provide an opportunity to raise funding for further business development and the separate funding platforms would provide financing flexibility for the Spin-off Group. The Proposed Spin-off is also expected to create a more defined business focus and flexibility by adopting of separate business and financing strategies for each of the Remaining Group and the Spin-off Group.

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OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the view that the terms of the Proposed Spin-off are fair and reasonable to the Shareholders and that the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Proposed Spin-off.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Stephanie Chow
Director

Ms. Stephanie Chow is a licensed person registered with the SFC and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. She has over seven years' experience in the corporate finance industry.

The English translations of the Chinese names are included in this letter for identification purpose only and should not be regarded as their official English names. In the event of any inconsistency, the Chinese names shall prevail.

INDEBTEDNESS STATEMENT

Apart from intra-group liabilities, the Group did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, bank loans and overdrafts or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities as at the close of business on June 30, 2017, being the latest practicable date for the purpose of this indebtedness statement.

STATEMENT OF SUFFICIENCY OF WORKING CAPITAL

Taking into account the expected financial resources available to the Group including the internally generated funds, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

FINANCIAL EFFECTS OF THE PROPOSED SPIN-OFF AND THE PROPOSED A SHARES ISSUANCE ON THE GROUP

The Spin-off Company will continue to be a non-wholly-owned subsidiary of the Company upon the completion of the Proposed Spin-off and the Proposed A Shares Issuance. Accordingly, the operating results of the Spin-off Company will continue to be consolidated into the financial statements of the Company. The following is the expected financial impact of the Proposed Spin-off and the Proposed A Shares Issuance on the Group:

Earnings

The Proposed Spin-off and the Proposed A Shares Issuance will be regarded as a transaction with non-controlling interest, the carrying amount of the non-controlling interest will be adjusted to reflect the proportionate change in the non-controlling interest in the Spin-off Company. It is expected that there would be no expected gain or loss on the deemed disposal credited to the Company's consolidated income statement as gain or loss upon the completion of the Proposed Spin-off and the Proposed A Shares Issuance in accordance with HKFRS 10. The difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration received will be recorded in equity attributed to the Shareholders. In addition, as the proportion of the Company's shareholding in the Spin-off Company will be diluted to not less than 68% immediately after the completion of the Proposed Spin-off and the Proposed A Shares Issuance, it is expected that the earnings attributable to controlling shareholders of the Company contributed by the Spin-off Company will decrease while the earnings attributable to non-controlling interests of the Company will increase.

Assets and Liabilities

The Proposed A Shares Issuance will increase the number of shares of the Spin-off Company and raise corresponding funds. The net proceeds of the Proposed A Shares Issuance will increase the cash recorded in the consolidated balance sheet of the Group and increase the total assets of the

Group correspondingly. The Proposed Spin-off and the Proposed A Shares Issuance will not affect the liabilities of the Group. However, the Proposed A Shares Issuance will raise funds and further improve the structure of the Group's assets and liabilities.

Financial and Operational Prospects of the Group

The global economic situation remains unclear, China's economy has slowed down while its structural adjustment is still in progress. Confronted with the complicated domestic and international economic situation, the management of the Company is cautiously optimistic about the Group's operational prospects. The management believes that, with the rise of the Chinese economy and the steady progress of RMB internationalization, China's capital market will play an even more important role in the world. The Proposed Spin-off plan will bring new opportunities, with which the management wishes to set up a new financing platform, so that the Spin-off Company will be able to operate more independently and professionally in the future. Going forward, the Group will continue to be a leading medical device company and stay customer-oriented, so as to improve its competitiveness in the regenerative medical biomaterial business while consolidating its leadership in the infusion set business.

(a) *Regenerative Medical Biomaterial Business*

Upon completion of the Proposed Spin-off and the Proposed A Shares Issuance, the Spin-off Company will remain one of the Group's major subsidiaries. In the field of regenerative medical biomaterial, the Group is currently the largest domestic artificial dura mater manufacturer. Thanks to the trust and reputation gained over the years by providing safe and effective products, the Group's artificial dura mater products under the brand of "Tianyifu (天義福)" have been ranking first in the domestic market for consecutive years in terms of market share, which are widely applied in the neurosurgery field.

As the largest manufacturer of artificial dura mater in the PRC, the Group has been committed to broadening product portfolio, elevating product quality and upgrading technology for years. The clinical trials of the oral repair membrane and the second generation of artificial dura mater made notable progress during the year ended December 31, 2016, and the application of the oral repair membrane is expected to penetrate into new areas of oral and maxillofacial surgery. In addition to the oral and maxillofacial surgery, in 2016, the Group also made positive progress in new regenerative biomaterial products in different areas, such as ophthalmology, oral surgery and orthopedic surgery. The Group expects to start the clinical trials for the development of certain new products in 2017. With the advanced technologies in regenerative medical biomaterial area, the Group will accelerate the research and development of new products and expand the new product market while continuously maintaining the traditional sale channels.

(b) *Infusion Set Business*

The infusion set business includes producing precision filter infusion sets and non-polyvinyl-chloride-based infusion sets. Throughout the years, the “Fert (伏爾特)” brand under the Group has been focusing on providing a safer and more efficient solution for infusion therapy, and has been maintaining the second largest market share in the domestic advanced infusion sets market and ranking number one in Beijing market for years.

The Group has been focusing on providing safer and more effective solutions for infusion therapy to further reinforce its leading position in the market of advanced infusion medical devices and drive the development of such industry. In July 2016, the Group has obtained the product registration certificate for disposable intravenous cannula (留置針). In the future, the Group will keep focusing on infusion therapy and provide a more comprehensive product portfolio for infusion therapy, thus to make contributions to the safety and efficiency of China’s medical care. Furthermore, as a leader in the infusion set business of China, with the benefits driven by the favorable government policy and market potential, the Group will take advantage of the great favorable economic and industrial environments to introduce and nurture high-quality talents and improve production technologies, with a view to maintaining the competitive edges of its infusion sets products in the market.

(c) *Other Businesses*

The other businesses of the Group comprised the Group’s other operations not classified as the regenerative medical biomaterial business or the infusion set business, mainly including the Group’s beauty products in the brand name of “LE SEUL (諾頌)” newly launched in 2016 and the Group’s remaining orthopedic implant business in the brand name of “Tianyifu (天義福)”.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTEREST**Interests of Directors in the Company**

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, were as follows:

(A) Long position in ordinary Shares

Name of Director	Capacity	Number of ordinary Shares interested	Approximate percentage⁺ of the Company's issued share capital
Ms. Yue'e ZHANG	Beneficial owner	50,000	0.003%
Mr. JIANG Liwei	Beneficial owner	2,638,714	0.17%
Mr. LIN Junshan	Beneficial owner	1,578,427	0.10%
Mr. CHEN Geng	Beneficial owner	318,472	0.02%

(B) Long position in underlying Shares — physically settled unlisted equity derivatives

Name of Director	Capacity	Number of underlying Shares in respect of the Options granted	Approximate percentage⁺ of the Company's issued share capital
Mr. CHEN Geng	Beneficial owner	318,471*	0.02%
Mr. WANG Xiaogang	Beneficial owner	318,471*	0.02%

* The exercise price per Share of the Options granted is RMB0.626 and the exercise period of the Options is from May 8, 2014 to July 5, 2023.

+ The percentage represents the number of ordinary Shares/underlying Shares interested divided by the number of issued Shares as at the Latest Practicable Date.

Interests in the Group's Assets or Contracts or Arrangements Significant to the Group

As at the Latest Practicable Date, none of the Directors had any interest in any asset which have been, since December 31, 2016 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the businesses of the Group.

Service Contracts

As at the Latest Practicable Date, there was no existing or proposed service contract, excluding contract expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation) between any of the Directors of the Company and any member of the Group.

Competing Interests

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates was interested in any business (apart from the Group's businesses) which competes or is likely to compete either directly or indirectly with the Group's businesses as required to be disclosed under Rule 8.10 of the Listing Rules.

Material Adverse Changes

The Directors confirm that there was no material adverse changes in the financial or trading position of the Group since December 31, 2016 (being the date to which the latest published audited accounts of the Company were made up).

Litigation

As of the Latest Practicable Date, none of the members of the Group were engaged in any litigation or arbitration or claim of material importance affecting its business operation, and the Directors were not aware of any litigation or arbitration or claim of material importance affecting its business operation which was pending or threatened by or against any member of the Group.

Material Contracts

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular:

(i) the agreement dated February 27, 2017, and entered into among:

- (a) Xinyu Yongshuo Management and Consulting LLP;
- (b) the Spin-off Company;
- (c) PW Medtech (Beijing) Limited (普華和順(北京)醫療科技有限公司); and
- (d) Health Access Limited;

in relation to the increase in the registered capital of the Spin-off Company from RMB45 million to RMB56.25 million by issuing an aggregate of 11,250,000 new shares of the Spin-off Company to the Xinyu Yongshuo Management and Consulting LLP at a total consideration of RMB500 million;

(ii) The equity transfer agreement dated December 24, 2016, and entered into among:

- (a) PWM Investment Holdings Company Limited;
- (b) Health Forward Holdings Limited;
- (c) Tianjin Yingshang Technological Development Co., Ltd. (天津英尚科技發展有限公司);
- (d) Tianjin Walkman Biomaterial Co., Ltd. (天津市威曼生物材料有限公司); and
- (e) Zhangjiakou Guorong Enterprise Management LLP (張家口國榮企業管理中心(有限合夥));

in relation to the transfer of all equity interests of Tianjin Walkman Biomaterial Co., Ltd. held by PWM Investment Holdings Company Limited and Health Forward Holdings Limited, namely 79.02% equity interests of Tianjin Walkman Biomaterial Co., Ltd. in aggregate;

(iii) the equity transfer agreement dated December 24, 2016, and entered into among:

- (a) PWM Investment Holdings Company Limited;
- (b) Tianjin Walkman Biomaterial Co., Ltd.;
- (c) Shenzhen Bone Medical Device Co., Ltd. (深圳市博恩醫療器材有限公司); and
- (d) Zhangjiakou Guorong Enterprise Management LLP;

in relation to the transfer of all equity interests of Shenzhen Bone Medical Device Co., Ltd. held by PWM Investment Holdings Company Limited, namely 88.57% equity interests in Shenzhen Bone Medical Device Co., Ltd.; and

(iv) the agreement dated December 24, 2016, and entered into among:

- (a) PWM Investment Holdings Company Limited;
- (b) Lhasa Tianqiong Investment Management Co., Ltd. (拉薩天穹投資管理有限公司); and
- (c) Zhangjiakou Guorong Enterprise Management LLP;

in relation to the transfer of all equity interests of Lhasa Tianqiong Investment Management Co., Ltd., held by PWM Investment Holdings Company Limited, namely 100% equity interests in Lhasa Tianqiong Investment Management Co., Ltd.

The total consideration for (ii), (iii) and (iv) above was RMB450 million.

Expert

- (a) The following are the qualifications of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Somerville Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

- (b) Somerville Capital Limited has given and has not withdrawn its written consent to the issue of this circular, with inclusion of its letter and references to its name in the form and context in which it appears.

- (c) As at the Latest Practicable Date, Somerley Capital Limited did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (d) As at the Latest Practicable Date, Somerley Capital Limited had no interest in any asset which have been since December 31, 2016 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

MISCELLANEOUS

- (a) Ms. SO Yee Kwan (*ACS, ACIS*) is the company secretary of the Company.
- (b) The registered office of the Company is situated at The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.
- (c) The principal place of business in Hong Kong of the Company is situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited which is situated at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Save as otherwise stipulated in this circular, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.

DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from the date of this circular up to 14 days thereafter:

- (i) the Articles of Association;
- (ii) the letter from the Board, the text of which is set out on pages 4 to 15 of this circular;
- (iii) the letter from the Independent Board Committee, the text of which is set out on page 16 of this circular;
- (iv) the letter from Somerley Capital Limited, the text of which is set out on pages 17 to 30 of this circular;

- (v) the written consent of the expert referred to in the paragraph headed “Expert” in this appendix;
- (vi) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (vii) the annual reports of the Company for each of the years ended December 31, 2015 and 2016; and
- (viii) this circular.

NOTICE OF EGM

PW MEDTECH GROUP LIMITED

普华和顺集团公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1358)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of PW Medtech Group Limited (the “**Company**”) will be held at 2:00 p.m. on August 29, 2017 (Tuesday) at 1002–1003, Block C, Focus Square, No. 6 Futong East Avenue, Wangjing, Chaoyang District, Beijing, The People’s Republic of China for the purposes of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“THAT

- (a) the proposed spin-off of Tianxinfu (Beijing) Medical Appliance Co., Ltd. (the “**Spin-off Company**”), a non-wholly-owned subsidiary of the Company, and a separate listing of the shares of the Spin-off Company on either the Shenzhen Stock Exchange or the Shanghai Stock Exchange (the “**Proposed Spin-off**”) be and is hereby approved, subject to any variations or changes which are considered by the directors of the Company not to be material;
- (b) the issuance of no more than 63,529,412 new shares of the Spin-off Company in the Proposed Spin-off (the “**Proposed A Shares Issuance**”) be and is hereby approved, on such terms and conditions considered by the directors of the Company fair and reasonable; and
- (c) the directors of the Company be and are hereby authorized on behalf of the Company to do all such acts and sign all such documents and to enter into all such transactions and arrangements as may be necessary or expedient in order to ensure smooth implementation of and to give effect to the Proposed Spin-off and the Proposed A Shares Issuance.”

By order of the Board
PW Medtech Group Limited
普华和顺集团公司
Yue’e Zhang
Chairman

Hong Kong, August 9, 2017

NOTICE OF EGM

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting (or any adjournment thereof) is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong (i.e. Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Meeting (or any adjournment thereof). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the form of proxy shall be deemed to be revoked.
3. To ascertain shareholders' eligibility to attend and vote at the Meeting, the register of members of the Company will be closed from August 24, 2017 to August 29, 2017 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the Meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited (at its address shown in Note 2 above) for registration no later than 4:30 p.m. (Hong Kong time), on August 23, 2017.