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PW MEDTECH GROUP LIMITED

普华和顺集团公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1358)

DISCLOSEABLE TRANSACTION FURTHER ACQUISITION OF SHARES IN CBPO

THE SHARE PURCHASE AGREEMENT

The Board is pleased to announce that on August 24, 2018 (after trading hours), the Company and CBPO entered into the Share Purchase Agreement, pursuant to which CBPO agreed to issue and sell and the Company agreed to purchase 800,000 CBPO Shares, at a price of US\$100.9 (equivalent to approximately RMB693.3) per CBPO Share. The aggregate purchase price for the CBPO Shares shall be US\$80.72 million (equivalent to approximately RMB554.63 million). Upon completion of the Acquisition and taking into account of CBPO's simultaneous placing to other investors, the Company will hold 16.08% of the shares of CBPO.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, which is subject to the notification and announcement requirements under the Listing Rules.

CBPO and the Company entered into the Share Exchange Agreement on October 12, 2017 which constituted a very substantial acquisition and the Company had complied with the very substantial acquisition requirements under Chapter 14 of the Listing Rules. The Acquisition when aggregated with the completed share exchange under the Share Exchange Agreement would not result in a higher transaction classification under Chapter 14 the Listing Rules.

Shareholders and potential investors should note that the completion of the Acquisition is subject to, among other things, the terms and conditions under the Share Purchase Agreement. There is no assurance that the Acquisition will proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing with the Shares.

INTRODUCTION

Reference is made to the circular of the Company dated November 14, 2017 and the announcements of the Company dated December 1, 2017 and January 2, 2018, in relation to, among other things, the subscription for a total of 5,521,000 shares of CBPO by the Company at the subscription price of US\$93.0 (equivalent to approximately RMB611.9) per share pursuant to the Share Exchange Agreement. As at August 22, 2018, the Company holds approximately 16.50% of the shares of CBPO and is the single largest shareholder of CBPO.

The Board is pleased to announce that on August 24, 2018 (after trading hours), the Company and CBPO entered into the Share Purchase Agreement, pursuant to which CBPO agreed to issue and sell and the Company agreed to purchase 800,000 CBPO Shares, at a price of US\$100.9 (equivalent to approximately RMB693.3) per CBPO Share. The aggregate purchase price for the CBPO Shares shall be US\$80.72 million (equivalent to approximately RMB554.63 million).

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THE SHARE PURCHASE AGREEMENT

A summary of the principal terms of the Share Purchase Agreement is set out below:

Date

August 24, 2018

Parties

- (1) The Company; and
- (2) CBPO ;

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CBPO and its ultimate beneficial owners are third parties independent of the Company and its connected persons, except for Mr. Marc Chan who is a beneficial owner of CBPO and a substantial shareholder of the Company. According to the latest Disclosure of Interest notice filed by Mr. Marc Chan with the Stock Exchange on August 23, 2017 and the Schedule 13G filed on February 12, 2018 by Parfield International Ltd., of which Mr. Marc Chan is the director and sole-owner and assuming no subsequent changes, as of the date of this announcement, Mr. Marc Chan is (i) a substantial shareholder of the Company indirectly holding approximately 26.03% of the issued share capital of the Company; and (ii) a shareholder of CBPO indirectly holding approximately 7.9% of the issued and outstanding share capital of CBPO.

Consideration

The consideration of the Acquisition is US\$80.72 million (equivalent to approximately RMB554.63 million) with a purchase price of US\$100.9 (equivalent to approximately RMB693.3) per CBPO Share, which was determined after arm's length negotiations between the Company and CBPO with reference to (i) the historical financial position and business performance of CBPO, including without limitation to, the historical revenue and profit of CBPO; (ii) the prevailing market prices of the ordinary shares of CBPO; and (iii) the recent market conditions.

The CBPO Shares represent:

- approximately 2.39% of CBPO's issued and outstanding share capital as at August 22, 2018; and
- approximately 2.03% of CBPO's issued share capital as enlarged by the allotment and issue of the CBPO Shares and CBPO's simultaneous placing to other investors.

The purchase price of US\$100.9 (equivalent to approximately RMB693.3) per CBPO Share under the Share Purchase Agreement represents:

- a premium of 1.93% of the average closing price per share of CBPO on the NASDAQ for 30 trading days immediately preceding the date of this announcement;
- a premium of 3.48% of the average closing price per share of CBPO on the NASDAQ for 20 trading days immediately preceding the date of this announcement;
- a premium of 1.20% of the average closing price per share of CBPO on the NASDAQ for five trading days immediately preceding the date of this announcement; and
- the closing price per share of CBPO on the NASDAQ for the trading day immediately preceding the date of this announcement.

Conditions Precedent

The Closing is conditional upon the satisfaction or waiver (where permissible) of the following conditions precedent, among others:

- (i) no governmental authority shall have enacted, issued, promulgated, enforced or entered any law which is then in effect (whether temporary, preliminary or permanent) and has the effect of enjoining, restraining, prohibiting or otherwise making the consummation of the Acquisition illegal;
- (ii) the representations and warranties of CBPO (a) that are qualified by materiality shall be true and correct in all respects, and (b) that are not qualified by materiality, shall be true and correct in material respects, as of the date of the Share Purchase Agreement and the Closing, respectively;

- (iii) CBPO shall have performed and complied in all material respects with all agreements, covenants and conditions contained in the Share Purchase Agreement that are required to be performed or complied with by it at or prior to the Closing;
- (iv) the representations and warranties of the Company (a) that are qualified by materiality shall be true and correct in all respects, and (b) that are not qualified by materiality, shall be true and correct in material respects, as of the date of the Share Purchase Agreement and the Closing, respectively;
- (v) the Company shall have performed and complied in all material respects with all agreements, covenants and conditions contained in the Share Purchase Agreement that are required to be performed or complied with by it at or prior to the Closing; and
- (vi) no stop order or suspension of trading shall have been imposed by NASDAQ, SEC or any other governmental or regulatory body with respect to public trading in the shares of CBPO.

The conditions precedent (ii) and (iii) may be waived by the Company and the conditions precedent (iv) and (v) may be waived by CBPO.

Closing

Closing is scheduled to take place no later than September 24, 2018 after the last condition precedent has been satisfied or waived, or a later date as may be agreed by the parties in writing.

Indemnification

Following the Closing, CBPO shall indemnify and defend the Company and its representatives against, and shall hold each of them harmless from and against any and all losses actually suffered or incurred by, or imposed upon, the Company and its representatives arising out of or resulting from:

- (i) any inaccuracy or breach of any representation or warranty made by CBPO under the Share Purchase Agreement; or
- (ii) any violation or non-performance of any covenant or agreement of CBPO under the Share Purchase Agreement.

Termination

The Share Purchase Agreement may be terminated at any time prior to the Closing:

- (i) by the mutual written consent of CBPO and the Company;
- (ii) by either CBPO by written notice to the Company or by the Company by written notice to CBPO, in the event that any governmental authority having competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any injunction which shall have become final and non-appealable;

- (iii) by either CBPO by written notice to the Company or by the Company by written notice to CBPO, in the event that the Closing shall not have occurred on or prior to September 24, 2018;
- (iv) by CBPO by written notice to the Company, if (a) the Company shall have breached any representation, warranty, covenant or agreement set forth in the Share Purchase Agreement, (b) such breach or misrepresentation is not cured within ten (10) days after the Company receives written notice thereof from CBPO (or such shorter period between the date of such notice and September 24, 2018), and (c) such breach or misrepresentation would cause any of the conditions precedent not to be satisfied; or
- (v) by the Company by written notice to CBPO, if (a) CBPO shall have breached any representation, warranty, covenant or agreement set forth in the Share Purchase Agreement, (b) such breach or misrepresentation is not cured within ten (10) days after CBPO receives written notice thereof from the Company, and (c) such breach or misrepresentation would cause any of the conditions precedent not to be satisfied.

INFORMATION ON THE PARTIES

The Company

The Company was incorporated in the Cayman Islands on May 13, 2011 as an exempted company with limited liability under the laws of the Cayman Islands. The principal business activity of the Company is investment holding. The Group is principally engaged in the development, manufacturing and sale of advanced infusion set products and other businesses including beauty products and orthopedic products.

CBPO

CBPO is a biopharmaceutical company principally engaged in the research, development, manufacturing and sales of human plasma-based biopharmaceutical products, or plasma products, in China. CBPO is among the top five producers of plasma products in China in terms of 2017 sales, according to CBPO's 2017 annual report. CBPO has been listed on the NASDAQ Stock Market since 2009 and it changed its domicile from Delaware to the Cayman Islands on July 21, 2017. As of August 22, 2018, CBPO has a total issued and outstanding share capital of 33,465,291 ordinary shares.

According to the published financial statements of CBPO, the financial results of CBPO for the two years ended 31 December 2016 and 2017 and as follows:

	For the year ended	
	31 December	
	2016	2017
	(audited)	(audited)
	<i>USD'000</i>	<i>USD'000</i>
Net profit before tax	153,919,241	146,407,786
Net profit after tax	128,793,421	82,235,959

The net asset value of CBPO as at 30 June 2018 was US\$1,233,508,121.

REASONS FOR AND BENEFITS OF THE ACQUISITION

CBPO has an established plasma business with good track record and it is a leading producer in the plasma industry in the PRC. Upon the closing of the share exchange with CBPO in January 2018, the Company expands into a new area in medical industry in the PRC with fast-growing, high-margin and high-potential opportunities, which is in line with the Company's long-term strategies. In the future, it is expected that demand for blood products in the PRC will continue to increase and there will be enormous growth potential for the industry. Increasing the shareholding in CBPO will further optimize the Company's layout of high growth businesses.

Based on the above, the Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Acquisition”	the acquisition of an aggregate of 800,000 CBPO Shares by the Company under the Share Purchase Agreement
“Board”	the board of directors of the Company
“CBPO”	China Biologic Products Holdings, Inc., a Cayman Islands exempted company, which changed its domicile from Delaware to the Cayman Islands on July 21, 2017 and has been listed on the NASDAQ Stock Market since 2009
“CBPO Share(s)”	a total of 800,000 new shares of CBPO to be issued by CBPO to the Company upon Closing pursuant to the Share Purchase Agreement
“Company”	PW Medtech Group Limited (普华和順集团公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on May 13, 2011
“Closing”	the closing under the Share Purchase Agreement
“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 from time to time
“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)
“NASDAQ”	The NASDAQ Stock Market LLC
“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
“SEC”	the United States Securities and Exchange Commission

“Share Exchange Agreement”	the share exchange agreement entered into between the Company and CBPO on October 12, 2017
“Share Purchase Agreement”	the share purchase agreement entered into between the Company and CBPO on August 24, 2018 in relation to the acquisition of CBPO Shares
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

For the purpose of this announcement, unless otherwise stated, the conversion of US\$ into RMB is based on the approximate exchange rate of US\$1.00 = RMB6.87, being the central parity rate published by the People’s Bank of China on August 24, 2018.

By order of the Board
PW Medtech Group Limited
Yue’e Zhang
Chairman

Hong Kong, August 24, 2018

As at the date of this announcement, the board of Directors comprises two executive Directors, namely, Ms. Yue’e Zhang and Mr. Jiang Liwei; one non-executive Director, namely, Mr. Lin Junshan; and three independent non-executive Directors, namely, Mr. Zhang Xingdong, Mr. Chen Geng and Mr. Wang Xiaogang.