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山東威高集團醫用高分子製品股份有限公司
Shandong Weigao Group Medical Polymer Company Limited *

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1066)

**ANNOUNCEMENT REGARDING
THE H SHARE FULL CONVERSION
LISTING APPROVAL GRANTED BY THE STOCK EXCHANGE**

References are made to the announcements of Shandong Weigao Group Medical Polymer Company Limited* (the “**Company**”) dated 10 July 2018 in relation to the participation in the H share full circulation pilot project by the Company to convert and list up to 2,638,600,000 unlisted or domestic shares into H Shares (the “**Conversion**”). Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the announcement dated 10 July 2018.

The Company applied to the Listing Committee of the Stock Exchange for approval (the “**Listing Approval**”) of the listing of and for permission to deal in 2,638,600,000 H shares (“**Converted H Shares**”, being the maximum unlisted or domestic shares to be converted under the Conversion). The Company is pleased to announce that the Listing Approval was granted by the Stock Exchange on 2 August 2018. It is expected that the share certificates for the Converted H Shares will be despatched on the relevant Shareholders on 7 August 2018 and dealings in the Converted H Shares will commence at 9:00 a.m. on 8 August 2018.

The Company, on behalf of the participating shareholders, has completed the cancellation registration procedure for the unlisted or domestic shares under the Conversion held by the participating shareholders in China Securities Depository and Clearing Corporation Limited (“**China Clearing**”), Beijing Branch. On 20 July 2018, the participating shareholders holding 2,638,600,000 unlisted or domestic shares have been removed from the register of members of domestic shares of the Company maintained by China Clearing.

* *For identification purpose only*

SIZE OF THE CONVERSION

Names of Participating Shareholders	Number of unlisted shares or domestic shares converted into H Shares	Approximate Percentage of total issued shares of the Company upon completion of Conversion %
For unlisted domestic shares		
Weigao Holding Company Limited	2,159,755,676	47.8
Mr. Chen Lin	200,000	0.004
Mr. Zhang Hua Wei	32,400,000	0.7
Mr. Wang Yi	23,400,000	0.5
Mr. Miao Yan Guo	23,400,000	0.5
Mrs. Zhou Shu Hua	15,300,000	0.3
Mr. Wang Zhi Fan	8,100,000	0.2
Mr. Wu Chuan Ming	7,200,000	0.2
Weihai Chang Hong Enterprise Management Consulting Centre (Limited Partnership)	26,240,000	0.6
Weihai Yang Fan Enterprise Management Consulting Centre (Limited Partnership)	15,880,000	0.4
Weihai Hong Tu Enterprise Management Consulting Centre (Limited Partnership)	3,840,000	0.1
For unlisted foreign shares		
CMF Health Investment, L.P.	181,886,803	4.0
CDH Wellness Limited	91,648,389	2.0
Sequoia Capital China GF Holdco III-A, Ltd.	49,349,132	1.1
Total	<u>2,638,600,000</u>	<u>58.3</u>

Subject to the completion of all conversion procedures, the share capital structure of the Company will be as follows:

Class of shares	Before Completion of the Conversion		After Completion of the Conversion	
	<i>Number of shares</i>	<i>Percentage (approximately)</i>	<i>Number of shares</i>	<i>Percentage (approximately)</i>
Unlisted or domestic shares	2,638,600,000	58.3%	0	0
H shares	<u>1,883,732,324</u>	<u>41.7%</u>	<u>4,522,332,324</u>	<u>100%</u>
	<u>4,522,332,324</u>	<u>100.0%</u>	<u>4,522,332,324</u>	<u>100%</u>

With the authorization from the unlisted domestic participating shareholders, the Company, on their behalf, has appointed China Clearing as the nominee to hold the Converted H Shares and to deal with the relevant matters. China Clearing, as the nominee, will deposit such portion of the Converted H Shares into CCASS and provide nominee services;

With the authorization from the unlisted domestic participating shareholders, the Company has applied to China Clearing for establishing specified accounts of H share “Full Circulation” for the domestic participating shareholders. Such accounts will serve as the secondary accounts that China Clearing opens at HKSCC to hold securities as a nominee, and they will be used for initial record and maintenance of the detailed information of investors holding the Converted H Shares;

The Company is also conducting the following works in connection with the Conversion:

- (i) giving instructions to H share registrar of the Company in relation to the relevant share certificates of the Converted H Shares; and
- (ii) enabling the Converted H Shares to be accepted as eligible securities by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) for deposit, clearance and settlement in CCASS.

The domestic participating shareholders of the Company can only conduct share trading after the below arrangement procedures relating to the Conversion registration, depositary and transaction settlement are completed:

- (i) The Company will apply to China Clearing, Shenzhen Branch for the maintenance of the detailed record of the initial holding of the Converted H Shares held by the domestic participating shareholders. Meanwhile, the Company will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by China Clearing, Shenzhen Branch pursuant to the authorization of the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”);
- (ii) According to the “Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing” (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the domestic participating shareholders should complete the overseas shareholding registration with the local foreign exchange administration bureau before the shares are sold, and after the overseas shareholding registration, open a specified bank account for H share “Full Circulation” at Bank of China Co., Ltd., open a specified fund account for H share “Full Circulation” at GF Securities Co., Ltd (“**GF Securities**”), and appoint GF Securities (Hong Kong) Brokerage Limited (“**GF Brokerage**”) as overseas agent broker for share transaction settlement;
- (iii) The unlisted domestic participating shareholders of the Company can only conduct share trading after the above procedures as set out in (i) to (ii) are completed;
- (iv) The unlisted domestic participating shareholders employ the specified account for H share “Full Circulation”, submit entrusted sell order of the Converted H Shares through GF Securities, and the relevant shares will be sold through the securities trading account opened by China Clearing in GF Brokerage. After completion of the transaction, GF Brokerage and China Clearing, China Clearing and GF Securities, GF Brokerage and unlisted domestic participating shareholders will conduct settlement respectively; and
- (v) The Shenzhen Stock Exchange authorizes Shenzhen Securities Communications Co., Ltd. to provide services relating to entrusted sell orders and completion report between GF Securities and GF Brokerage for the Converted H Shares, and the real-time market forwarding services of the relevant H shares.

The Company will commence the procedures set out in (i) to (v) above upon obtaining the Listing Approval. It is expected that the procedures can be completed within 2 months of obtaining the Listing Approval.

Further Announcement will be made by the Company when and where appropriate.

The Company has engaged GF Securities Co., Ltd as financial advisor, Beijing Zhong Lun Law Firm as its PRC legal advisor and Sidley Austin as its Hong Kong legal advisor in relation to the Conversion.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Shandong Weigao Group Medical Polymer Company Limited
Zhang Hua Wei
Director

Weihai, 2 August 2018

As at the date hereof, the Board comprises of:

Mr. Zhang Hua Wei (*Executive Director*)

Mr. Wang Yi (*Executive Director*)

Mr. Gong Jian Bo (*Executive Director*)

Mrs. Zhou Shu Hua (*Non-executive Director*)

Mr. Lo Wai Hung (*Independent non-executive Director*)

Mrs. Fu Ming Zhong (*Independent non-executive Director*)

Mrs. Wang Jin Xia (*Independent non-executive Director*)