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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 MADE IN ACCORDANCE WITH RULE 13.18 OF THE LISTING RULES

SEVEN YEARS GREEN BOND AND FIVE YEARS LONG-TERM LOAN FACILITY

This announcement is made in accordance with the requirement under Rule 13.18 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”). The board of directors (the “**Board**”) of Shandong Weigao Group Medical Polymer Company Limited (the “**Company**”) is pleased to announce that, on 31 March 2020, the Company entered into a subscription agreement (“**Subscription Agreement**”) and a loan agreement (“**Loan Agreement**”) with International Finance Corporation (“**IFC**”), a member of the World Bank Group and the largest global development institution focused on the private sector in developing countries.

Pursuant to the Subscription Agreement, IFC has agreed, subject to the terms and conditions contained therein, to subscribe and pay for senior secured green bonds due 2027 (the “**Green Bonds**”) in registered form in an aggregate principal amount of RMB1,000,000,000 (approximately HK\$1,093,223,000) to be created and issued by the Company.

Pursuant to the Loan Agreement, IFC has agreed, subject to the terms and conditions contained therein, to make available to the Company a loan in an aggregate principal amount of RMB500,000,000 (approximately HK\$546,611,000) (the “**Loan**”).

* *For identification purpose only*

The Company is the first healthcare company in China to issue a green bond. The Board considers that the Green Bonds will support the Company to implement resource and energy efficiency measures, and to research and development and introduce the first Electron Beam sterilization (E-beam) process in China to displace toxic gas-based process (“**Ethylene Oxide**” or “**ETO**”) along its manufacturing process (the “**Project**”). The Project will play a key role in conserving water and energy, preventing environmental pollutions, as well as minimizing climate change footprint of the Company’s manufacturing base as it continues to expand its production capacity of affordable quality medical consumables. The Project will also lead to significant social impact to healthcare professionals and patients by protecting them from hazardous exposure to ETO which is the toxic residual gas left in medical supplies/ devices after gas-based sterilization process.

The Loan will be applied to finance the increase in the Company’s and/or its subsidiaries’ production of single-use medical devices. The Company shall repay the Loan in one lump sum on 15 April 2025.

Weigao Holding Company Limited (“**Weigao Holding**”), the Company and IFC entered into a share retention agreement on 31 March 2020 (the “**Share Retention Agreement**”). Under the Share Retention Agreement, so long as the Company’s right to request the subscription of the Green Bonds or the disbursement of the Loan is in force or any amount is outstanding under the Green Bonds and the Loan, Weigao Holding shall maintain directly or indirectly not less than 35 per cent (35%) of the legal and beneficial ownership of the equity interests in the Company. Weigao Holding’s breach of the Share Retention Agreement constitutes an event of default under the Subscription Agreement and the Loan Agreement, upon which the Green Bonds and the Loan may be accelerated. As at the date of this announcement, Weigao Holding holds 2,159,755,676 shares in the Company, representing 47.76% of the total issued share capital in the Company.

Under the articles of association of the Company, the Company is required to obtain shareholders’ approval by special resolution in a general meeting for issuance of bonds. A circular will be sent to shareholders and a notice of the extraordinary general meeting will be despatched to the Shareholders in due course.

By order of the Board
Shandong Weigao Group Medical Polymer Company Limited
Zhang Hua Wei
Chairman

Hong Kong, 1 April 2020

As at the date of this announcement, the Board comprises:

Mr. Zhang Hua Wei (*Executive Director*)

Mr. Long Jing (*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*)