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WEGO 威高

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)

MAJOR TRANSACTION AND CONNECTED TRANSACTION

FURTHER UPDATE ON THE TRANSACTION PROGRESS WITH WEIGAO BLOOD PURIFICATION

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



THE TRANSACTION

Reference is made to the announcement of the Company dated 31 October 2025 in relation to the Company, Weihai Shengxi, Weihai Ruiming and Weigao Blood Purification entering into the conditional Original Sale and Purchase Agreement, pursuant to which Weigao Blood Purification would acquire 100% equity interest in WEGO Prefills, a non-wholly-owned subsidiary of the Company; and as the consideration, Weigao Blood Purification would issue a corresponding number of Consideration Shares to each of the WEGO Prefills Shareholders. The final consideration for the transfer of the Subject Assets and the number of Consideration Shares to be issued would be agreed and confirmed by way of supplemental agreement.

The Board hereby announces that on 5 January 2026 (after trading hours), the Company, Weihai Shengxi, Weihai Ruiming and Weigao Blood Purification entered into the Supplemental Sale and Purchase Agreement and the Ancillary Documents. The final consideration for the transfer of the Subject Assets is approximately RMB8,510.81 million, with the number of Consideration Shares being 271,997,882 shares, representing 65.11% of the current total number of issued shares of Weigao Blood Purification and 39.43% of the enlarged total number of issued shares.

As of the date of this announcement, the Company holds 23.53% equity interest in Weigao Blood Purification. Upon the completion of the Transaction, WEGO Prefills will become a wholly-owned subsidiary of Weigao Blood Purification. The Group (including the Company and Weihai Ruiming) will receive a total of 261,059,432 Consideration Shares, with an increase in its equity interest in Weigao Blood Purification to 52.10%. Weigao Blood Purification will become a subsidiary of the Company. The accounts of WEGO Prefills, Weigao Blood Purification and their subsidiaries will be consolidated into the financial statements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

The respective highest applicable percentage ratios for the Disposal and the Acquisition exceed 25% but below 75%/100% (as the case may be), and therefore the Transaction constitutes a major transaction of the Company, which may be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As of the date of this announcement, Weigao Holding is the direct controlling shareholder of the Company. It directly and indirectly (through the Company and other controlled entities) controls Weigao Blood Purification. Mr. Chen Xueli is the ultimate controlling shareholder and beneficial owner of Weigao Holding, the Company, and Weigao Blood Purification. He is also deemed to control Weihai Shengxi. As such, Weigao Blood Purification and Weihai Shengxi are associates of Mr. Chen Xueli and therefore connected persons of the Company. In addition, the Company expects that Weigao Holding will continue to hold more than 10% of the equity interest in Weigao Blood Purification after the completion of the Transaction, and Weigao Blood Purification will become a connected subsidiary of the Company and therefore a connected person of the Company. Entering into the Transaction Documents and the Transaction constitute a connected transaction of the Company, which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The Company has established the Independent Board Committee to consider whether the terms of the Transaction and the Transaction Documents are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will issue the notice and circular of the EGM, containing (i) further details of the Transaction and the Transaction Documents; (ii) the recommendation of the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) the arrangements for convening the EGM, to the shareholders on or before 26 January 2026 according to the Listing Rules.

As the Transaction is subject to the fulfillment and/or waiver of relevant preconditions and may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 31 October 2025 in relation to the Company, Weihai Shengxi, Weihai Ruiming and Weigao Blood Purification entering into the conditional Original Sale and Purchase Agreement, pursuant to which Weigao Blood Purification would acquire 100% equity interest in WEGO Prefills, a non-wholly-owned subsidiary of the Company; and as the consideration, Weigao Blood Purification would issue a corresponding number of Consideration Shares to each of the WEGO Prefills Shareholders. The final consideration for the transfer of the Subject Assets and the number of Consideration Shares to be issued would be agreed and confirmed by way of supplemental agreement.

The Board hereby announces that on 5 January 2026 (after trading hours), the Company, Weihai Shengxi, Weihai Ruiming and Weigao Blood Purification entered into the Supplemental Sale and Purchase Agreement and the Ancillary Documents. The final consideration for the transfer of the Subject Assets is approximately RMB8,510.81 million, with the number of Consideration Shares being 271,997,882 shares, representing 65.11% of the current total number of issued shares of Weigao Blood Purification and 39.43% of the enlarged total number of issued shares.

As of the date of this announcement, the Company holds 23.53% equity interest in Weigao Blood Purification. Upon the completion of the Transaction, WEGO Prefills will become a wholly-owned subsidiary of Weigao Blood Purification. The Group (including the Company and Weihai Ruiming) will receive a total of 261,059,432 Consideration Shares, with an increase in its equity interest in Weigao Blood Purification to 52.10%. Weigao Blood Purification will become a subsidiary of the Company. The accounts of WEGO Prefills, Weigao Blood Purification and their subsidiaries will be consolidated into the financial statements of the Company.

Supplemental Sale and Purchase Agreement

The principal terms of the Supplemental Sale and Purchase Agreement are set out below:

Parties

- 1) The Company, Weihai Shengxi and Weihai Ruiming (as the Vendors); and
- 2) Weigao Blood Purification (as the Buyer)

Signing Date and the Effectiveness

5 January 2026

The Supplemental Sale and Purchase Agreement shall be concluded after being executed and sealed by all parties hereto and shall become effective upon the fulfillment or satisfaction of the conditions precedent agreed in the Sale and Purchase Agreement, including but not limited to the approval of the Transaction by the board and general meeting of Weigao Blood Purification and the Company, approval by the other Vendors' decision-making bodies, and approval by the relevant regulatory authorities (including but not limited to the CSRC, the SSE and the Stock Exchange) for the Transaction and/or the issuance of Consideration Shares (as the case may be).

Final Consideration of the Subject Assets

The final consideration of the Subject Assets shall be approximately RMB8,510.81 million, which was determined through negotiations among the parties with reference to the appraised value of the Subject Assets (approximately RMB8,510.81 million) as stated in the Valuation Report issued by China United, an independent third-party asset valuation institution. The specific amount of transfer consideration and the number of Consideration Shares to be received by each Vendor (calculated at RMB31.29 per Consideration Share) are as follows:

Vendor	Shareholding held in WEGO Prefills	Amount of Transfer Consideration (RMB)	Number of Consideration Shares receivable (Shares)
Company	94.0706%	8,006,177,825.13	255,870,176
Weihai Shengxi	4.0215%	342,264,102.02	10,938,450
Weihai Ruiming	1.9078%	162,371,847.36	5,189,256
Total	<u>100%</u>	<u>8,510,813,774.51</u>	<u>271,997,882</u>

Following the signing of the Supplemental Sale and Purchase Agreement and up to the Completion Date of the Issuance, in the event that Weigao Blood Purification occur any ex-dividend or ex-rights activities such as dividend distributions, bonus share issues, rights offerings or capitalisation of capital reserves, the Issue Price of Consideration Shares shall be adjusted accordingly in compliance with relevant regulations of the CSRC and the SSE. The number of shares to be issued shall be adjusted in accordance with the terms of the Original Sale and Purchase Agreement.

In addition to complying with the lock-up arrangements under the Original Sale and Purchase Agreement, the Vendors shall not transfer their Consideration Shares from the Completion Date of Issuance until the obligations under the Compensation Agreement have been fulfilled.

Vesting of Profit and Loss of WEGO Prefills During the Transition Period

During the transition period (i.e. the period from the Valuation Benchmark Date (exclusive) to the closing date of the Transaction), any profits generated from the Subject Assets shall be enjoyed by Weigao Blood Purification, while any losses shall be borne by the Vendors. In the event that the Subject Assets incur losses during the transition period, the Vendors shall fully compensate Weigao Blood Purification in cash within 30 working days from the date of issuance of the Special Audit Report. The compensation amount borne by each Vendor shall be determined based on their respective proportion of the Subject Assets transferred to Weigao Blood Purification.

Closing

Within 10 working days after the Supplemental Sale and Purchase Agreement becomes effective, the Vendors shall cooperate with Weigao Blood Purification to complete the transfer procedures for the Subject Assets, including signing necessary documents and processing equity change registration formalities. The transfer of the Subject Assets shall be completed within 20 working days after the Supplemental Sale and Purchase Agreement becomes effective. Weigao Blood Purification shall complete the issuance, registration, and listing procedures of the Consideration Shares within 30 working days after completing the transfer of the Subject Assets.

Apart from the above supplemental terms, the terms of the Original Sale and Purchase Agreement remain unchanged. For details, please refer to the Company's announcement dated 31 October 2025.

Compensation Agreement

Pursuant to the Measures for the Administration of the Material Asset Restructuring of Listed Companies and the relevant requirements of the CSRC regarding performance compensation in major asset restructurings of listed companies, and following the friendly negotiations among all parties, the Vendors agree to make a commitment regarding the profitability of WEGO Prefills during the three accounting years following the completion of the Transaction, and agree to compensate Weigao Blood Purification accordingly in the event that the actual net profit of WEGO Prefills during the performance commitment period falls short of the committed net profit, in accordance with the terms and conditions stipulated in the Compensation Agreement.

The principal terms of the Compensation Agreement are set out below:

Parties

- 1) The Company, Weihai Shengxi and Weihai Ruiming (as the performance covenantors and compensating parties); and
- 2) Weigao Blood Purification (as the indemnified party)

Signing Date and the Effectiveness

5 January 2026

The Compensation Agreement shall be established upon execution and sealed by all parties and shall become effective upon the fulfillment or satisfaction of the agreed conditions precedent, which are identical to those in the Sale and Purchase Agreement.

Performance Guarantee Period

All parties agree that the performance guarantee period for the Transaction shall be three consecutive accounting years commencing from the date of completion of the Transaction (including the accounting year in which the Transaction is completed).

Committed Net Profit

All parties acknowledge and agree that the committed net profit is determined based on the forecast of future earnings of WEGO Prefills as stated in the Valuation Report. The Vendors undertake that the committed net profit for each accounting year during the performance guarantee period of WEGO Prefills shall be RMB639.5092 million (2026), RMB720.1707 million (2027) and RMB783.5229 million (2028), respectively. If the completion date of the Transaction is deferred to 2027, the committed net profit for each accounting year within the performance guarantee period shall be RMB720.1707 million (2027), RMB783.5229 million (2028) and RMB844.7308 million (2029), respectively.

Determination of Actual Net Profit

At the end of each accounting year during the performance guarantee period, Weigao Blood Purification shall engage a qualified audit institution to review the discrepancy between the actual net profit of WEGO Prefills and its committed net profit, and issue a specific audit opinion. The fulfillment of the performance guarantee of WEGO Prefills shall be determined based on the aforementioned specific audit opinion issued by the qualified audit institution.

Performance Guarantee Compensation

(1) Profit Compensation

$$\begin{array}{rcccl} \text{Vendors' Compensation Amount for the Current Period} & = & \frac{\text{(Accumulated committed net profit as of the end of the current period - the accumulated actual net profit as of the end of the current period)}}{\text{Sum of the committed net profit for the respective accounting year during the performance guarantee period}} & \times & \text{Transaction consideration received by the Vendors for the Subject Assets in the Transaction} & - & \text{Accumulated compensated amount} \end{array}$$

Each Vendor shall be liable for compensation to Weigao Blood Purification in proportion to the equity of WEGO Prefills they sold to Weigao Blood Purification, and they shall not bear any joint and several liability with one another. The compensation amount for each year during the performance guarantee period shall be calculated separately for each year.

(2) *Impairment Testing and Compensation*

Upon the expiration of the performance guarantee period, Weigao Blood Purification shall engage a qualified audit institution to conduct an impairment test on the Subject Assets and issue an impairment test report. If the impairment amount of the Subject Assets at the end of the period exceeds the cumulative compensation paid during the performance guarantee period (including compensation made by the Vendors in the form of shares and cash, the same below), the Vendors shall compensate Weigao Blood Purification additionally.

The impairment amount of the Subject Assets at the end of the period refers to the transaction price of the Subject Assets minus the appraised value of the Subject Assets on the expiry date of the performance guarantee period, after deducting the impact of capital increases, capital reductions, receipt of donations, and profit distributions on the Subject Assets during the performance guarantee period. The calculation formula is as follows:

$$\begin{array}{rcl} \text{Vendors' compensation} & & \text{Impairment amount} \\ \text{amount payable due to} & = & \text{of the Subject Assets} \\ \text{impairment} & & \text{at the expiration} & - & \text{Accumulated} \\ & & \text{of the performance} & & \text{compensated} \\ & & \text{guarantee period} & & \text{amount paid during} \\ & & & & \text{the performance} \\ & & & & \text{guarantee period} \end{array}$$

(3) *Method of Compensation*

If the Vendors trigger the aforementioned profit compensation or impairment test compensation, priority should be given in using the Consideration Shares they obtained to compensate Weigao Blood Purification. Any shortfall shall be supplemented in cash as an additional compensation method. The specific number of shares shall be calculated according to the following formula and rounded up to the nearest whole number:

$$\begin{array}{rcl} \text{Number of shares each} & & \text{Compensation amount for the current period} \\ \text{Vendor is obligated} & = & \text{Issue Price (subject to the price adjustment} \\ \text{to compensate in the} & & \text{mechanism stipulated in the Sale and Purchase} \\ \text{current period} & & \text{Agreement)} \end{array}$$

If the Consideration Shares obtained by the Vendors are insufficient to cover the compensation, the shortfall shall be compensated in cash. Simultaneously, any cash dividends previously received from Weigao Blood Purification on the shares subject to compensation in the current period must be returned.

The total amount of share compensation and cash compensation provided by the Vendors to Weigao Blood Purification due to profit compensation and impairment test compensation shall not exceed the transfer consideration received by the Vendors; and the number of shares to be compensated shall be capped at the number of Consideration Shares obtained by the Vendors. The Vendors undertake that the Consideration Shares obtained shall be prioritized for fulfilling the performance compensation commitment and shall not evade compensation obligations through means such as pledging of shares. If the Vendors intend to pledge the Consideration Shares acquired through the Transaction in the future, written consent from Weigao Blood Purification must be obtained in advance.

(4) Implementation of Compensation Measures

If the Vendors trigger the profit compensation or impairment test compensation obligations stipulated in the Compensation Agreement, Weigao Blood Purification shall calculate the compensation amount and the number of shares to be compensated by the Vendors within 15 days after the qualified audit institution engaged issues the special audit opinion or impairment test report, and notify the Vendors accordingly. The Vendors shall, within 5 days of receiving the notice from Weigao Blood Purification, inform Weigao Blood Purification of the number of shares available for compensation. Weigao Blood Purification shall promptly formulate specific compensation proposals and convene board and shareholder meetings for review.

For the shares compensated by the Vendors, Weigao Blood Purification shall first adopt a share repurchase and cancellation proposal, which involves repurchasing the Vendors' shares subject to compensation in the current period at a total price of RMB1.00 and canceling them. If the aforementioned share repurchase and cancellation proposal is unable to be implemented for reasons such as the failure to obtain approvals from Weigao Blood Purification's board of directors or shareholders' meeting, Weigao Blood Purification shall have the right to require the Vendors to transfer the shares subject to compensation to the shareholders of Weigao Blood Purification other than the Vendors at zero consideration. The specific share repurchase proposal or share transfer proposal shall be formulated and implemented by Weigao Blood Purification's board of directors at that time, and the Vendors must complete the relevant procedures within the timeframe stipulated in the Compensation Agreement.

Regarding cash compensation, the Vendors shall transfer the cash compensation to the bank account designated by Weigao Blood Purification within 10 days after receiving the written notice from Weigao Blood Purification.

Letter of Non-Competition Undertakings

Following the completion of the Transaction, the Company will become the controlling shareholder of Weigao Blood Purification. On 5 January 2026, the Company executed a Letter of Non-Competition Undertakings, hereby undertaking the following to Weigao Blood Purification:

- (1) Weigao Blood Purification specializes in the research and development, production, and sales of medical devices for blood purification. Following the completion of the Transaction, Weigao Blood Purification will hold 100% of the equity in WEGO Prefills. Consequently, its principal business will be expanded to include the research and development, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems. The Company and other enterprises controlled by the Company currently do not, and will not in the future, engage, whether within or outside the territory of the PRC, independently or jointly with any third party, in any form, directly or indirectly, in any business activities that compete or may compete with the current or future principal business of Weigao Blood Purification or its subsidiaries.

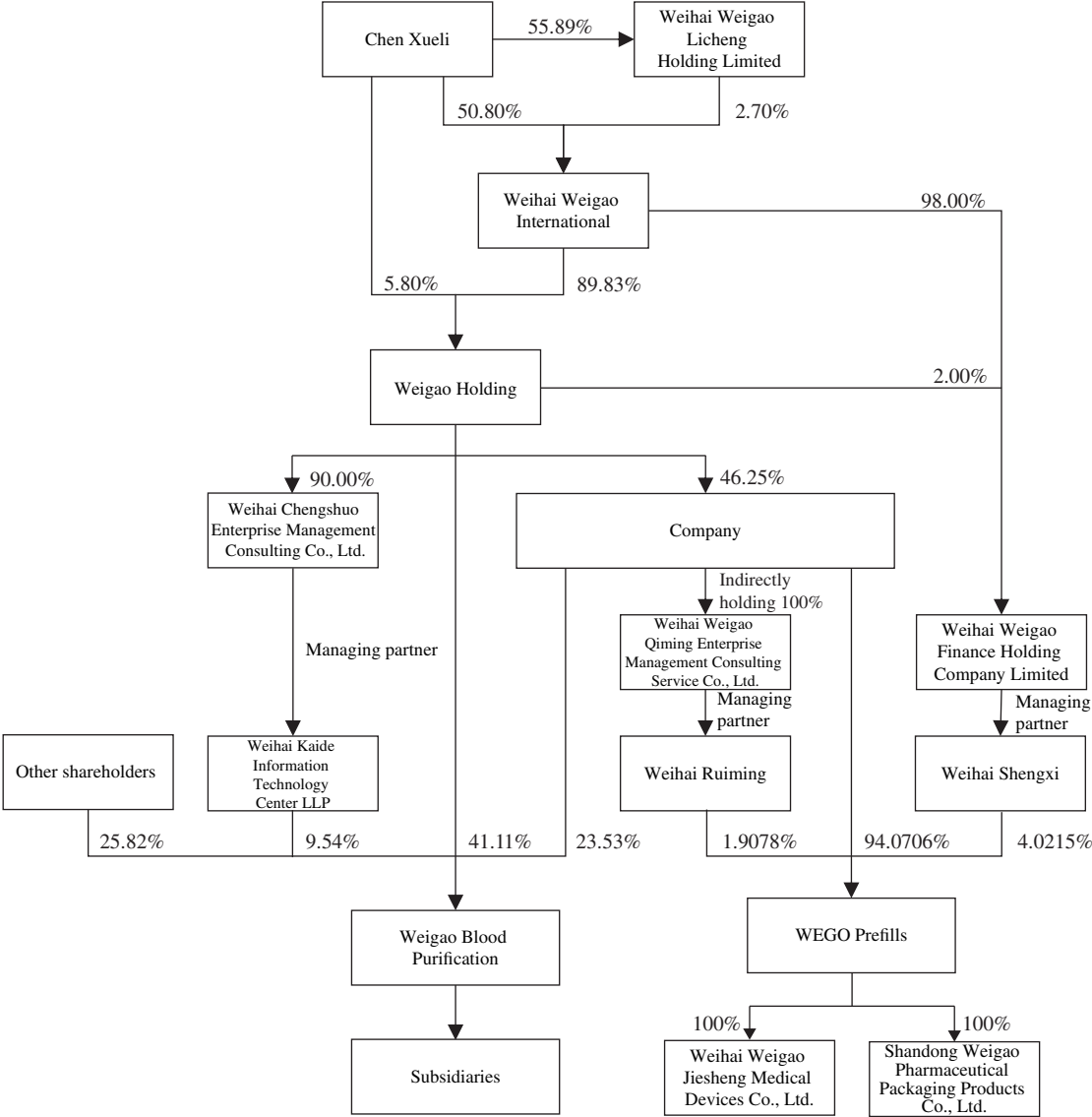
- (2) If the Company or any other enterprise controlled by the Company obtains any business opportunity from any third party that competes or may compete with the products falling within the principal business of Weigao Blood Purification following the completion of the Transaction, it shall promptly notify Weigao Blood Purification and endeavour to ensure that such opportunity is offered to Weigao Blood Purification, so as to avoid actual or potential competition in the same business with Weigao Blood Purification and to safeguard the interests of Weigao Blood Purification and its other shareholders from being prejudiced.
- (3) Following the completion of the Transaction, during the period when the Company remains the controlling shareholder of Weigao Blood Purification, should Weigao Blood Purification further expand its product and business scope, the Company and other enterprises controlled by the Company undertake not to compete with the expanded products or businesses of Weigao Blood Purification. In the event that a situation arises which may generate competition with Weigao Blood Purification's expanded products or businesses, the Company and other enterprises controlled by the Company undertake to exit from such competition with Weigao Blood Purification by means of the followings, including but not limited to: (i) ceasing the production or provision of products or services that constitute or may constitute competition; (ii) terminating the operation of businesses that constitute or may constitute competition; (iii) contributing the competing business into Weigao Blood Purification in a legal manner, subject to Weigao Blood Purification's consent; (iv) transferring the competing business to a non-related third party; (v) other methods beneficial to safeguarding the interests of Weigao Blood Purification.
- (4) The Company undertakes to exercise the shareholder rights legally and reasonably, and shall not take any action that would restrict or affect the normal business operations of Weigao Blood Purification.
- (5) In the event that the Company breaches any of the aforementioned undertakings and cause losses to Weigao Blood Purification, the Company shall be liable for compensation in accordance with the law.

The Non-Competition Undertakings are made in accordance with the relevant requirements under the A-share listing rules and the common practice in similar transactions. These undertakings shall only become binding on the Company upon the completion of the Transaction and when the Company becomes the direct controlling shareholder of Weigao Blood Purification.

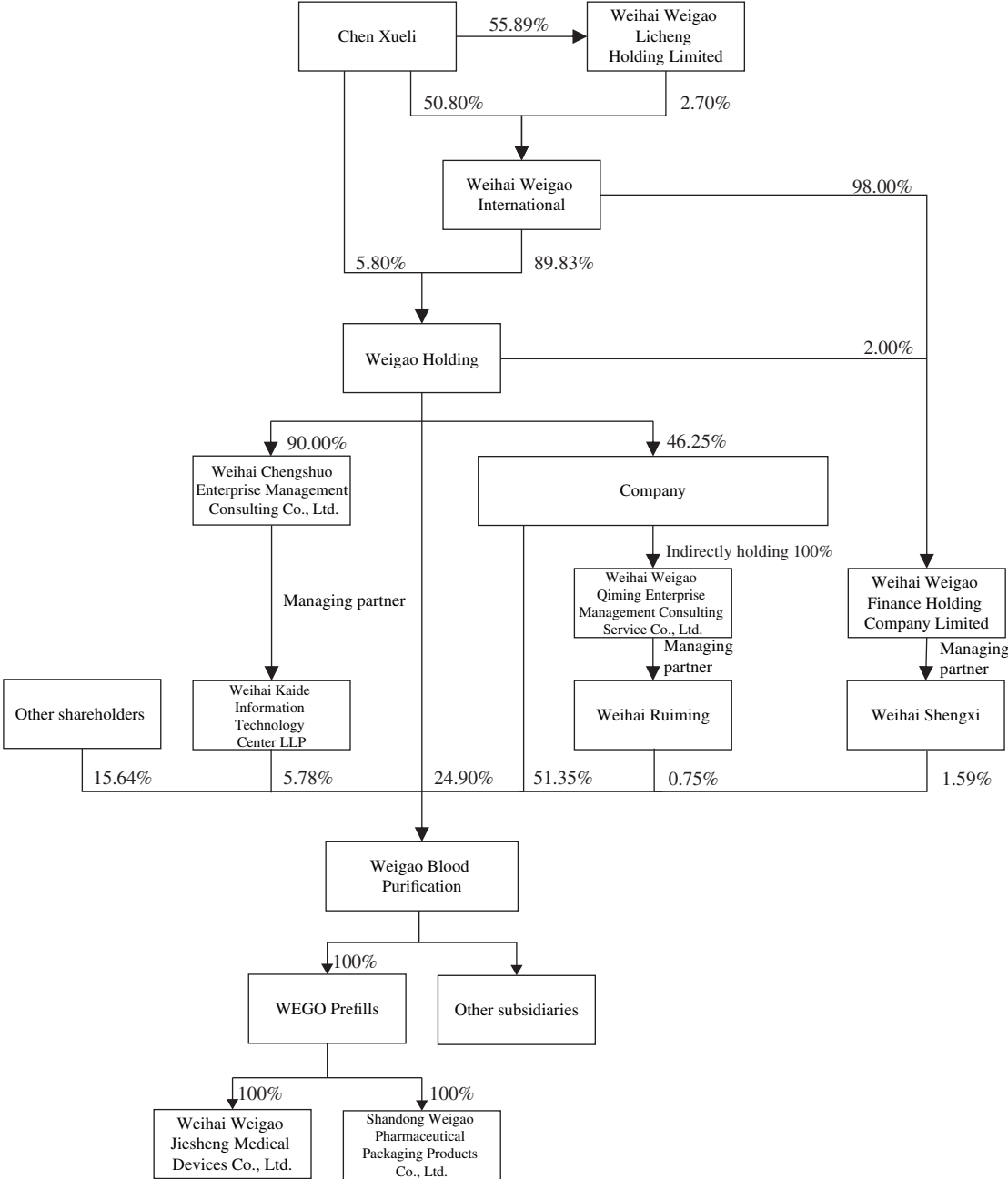
Impact of the Transaction

Following the completion of the Transaction, WEGO Prefills will become a wholly-owned subsidiary of Weigao Blood Purification, and Weigao Blood Purification will become a subsidiary of the Company. The accounts of WEGO Prefills, Weigao Blood Purification and their subsidiaries will be consolidated into the financial statements of the Company. The Group does not expect to record any gain or loss in its consolidated income statement in relation to the Disposal.

As at the date of this announcement, the shareholding structures of WEGO Prefills and Weigao Blood Purification are as follows:



Assuming the Company’s shareholding structure remains unchanged, following the completion of the Transaction, the shareholding structures of WEGO Prefills and Weigao Blood Purification are as follows:



For details regarding the information of parties involved in the Transaction and the historical financial data of WEGO Prefills and Weigao Blood Purification, please refer to the announcement of the Company dated 31 October 2025.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The reasons for the Company to conduct the Transaction mainly include two aspects:

(1) Expand the medical device business footprint and strive to become a leader in the medical consumables industry in terms of revenue scale and product categories

Through the Transaction, the Group will consolidate Weigao Blood Purification and its subsidiaries in its financial statements, and WEGO Prefills, as a subsidiary of Weigao Blood Purification, remains part of the Group's business portfolio. Weigao Blood Purification is a manufacturer of medical devices for blood purification, with the top domestic market share in China, with annual sales close to HK\$4 billion. The Transaction will enrich the Group's product portfolio and enhance the overall profitability stability and risk resilience of the Group by expanding its business to blood purification.

The Transaction will further integrate and streamline the core medical assets under the "WEGO" (威高) brand, and continuously reinforce the Group's leading position in medical devices industry. The Company's business footprints, including disposable medical devices, orthopedic medical products, interventional products, blood purification products and blood management products, will be more complete and clearer. The Company will become the "flagship" platform for medical devices under the Weigao Holding Group.

2. Capitalizing on the business synergy between WEGO Prefills and Weigao Blood Purification for joint development of new products, thereby expanding the Company's future growth

Upon completion of the Transaction, WEGO Prefills will remain a part of the Group through the consolidation of Weigao Blood Purification into the Company's financial statements. By leveraging business synergies, both parties can jointly develop a new product line of biopharmaceutical filters, further expanding the Company's presence in the biopharmaceutical sector and benefiting its overall business.

WEGO Prefills focuses on the research and development, production, and sales of pharmaceutical packaging materials including pre-filled drug delivery systems and automatic safety drug delivery systems. According to the explanation of China National Pharmaceutical Packaging Association, during the period from 2022 to 2024, the market share of WEGO Prefills' pre-filled products in China's domestic market had exceeded 50%, ranking top in the domestic industry and among the top five companies in international market in terms of sales volume. Unlike other businesses within the Group, WEGO Prefills' products are sold to and targeted at biopharmaceutical companies. Over years of operation, it has built highly valuable customer resources and enjoys strong brand reputation among pharmaceutical clients. For many biologics and vaccine manufacturers, the "WEGO" (威高) brand represents a reliable partner. Based on this advantage, WEGO Prefills has invested significant time in its strategic research on new products, establishing a strategic objective to prioritize biopharmaceutical filters as the immediate focus for upstream biopharmaceutical product development. However, it is somewhat regrettable that while possessing the valuable customer base and brand trust essential for an upstream biopharmaceutical product supplier, WEGO Prefills lacks the technical foundation for developing these products.

Weigao Blood Purification's core product is the hemodialyzer, whose most essential technology is the biomedicine membrane-related core technologies represented by hollow fiber membranes for hemodialysis. As one of the extended application areas of this technology, biopharmaceutical filters share technological commonality with the biomedical membranes used in hemodialyzers. Capitalizing on its strong biomedical membrane technology platform, Weigao Blood Purification has already developed several biopharmaceutical filter products and achieved limited validation sales of items such as hollow fiber filters. This effectively compensates for WEGO Prefills' shortcomings in research and development and product development for biopharmaceutical filters. Weigao Blood Purification enables WEGO Prefills to expand and diversify its product offerings within its existing customer base.

Therefore, through the business synergy between WEGO Prefills and Weigao Blood Purification achieved in the Transaction, both parties can jointly develop new business areas, thereby expanding the Group's future growth potential.

IMPLICATIONS UNDER THE LISTING RULES

The respective highest applicable percentage ratios for the Disposal and the Acquisition exceed 25% but below 75%/100% (as the case may be), and therefore may constitute a major transaction of the Company, which may be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As of the date of this announcement, Weigao Holding is the direct controlling shareholder of the Company. It directly and indirectly (through the Company and other controlled entities) controls Weigao Blood Purification. Mr. Chen Xueli is the ultimate controlling shareholder and beneficial owner of Weigao Holding, the Company, and Weigao Blood Purification. He is also deemed to control Weihai Shengxi. As such, Weigao Blood Purification and Weihai Shengxi are associates of Mr. Chen Xueli and therefore connected persons of the Company. In addition, the Company expects that Weigao Holding will continue to hold more than 10% of the equity interest in Weigao Blood Purification after the completion of the Transaction, and Weigao Blood Purification will become a connected subsidiary of the Company and therefore a connected person of the Company. Entering into the Transaction Documents and the Transaction constitute a connected transaction of the Company, which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Long Jing, Mr. Cong Rinan, Mr. Chen Lin and Mr. Tang Zhengpeng are concurrently serving as directors of Weigao Holding, and Mr. Wang Daoming is the director and general manager of WEGO Prefills and a limited partner of Weihai Ruiming. They have abstained from voting on the relevant resolutions on the Transaction at the board meeting of the Company. Save as disclosed above, no Director has a material interest in the Transaction or abstained from voting on the relevant board resolutions approving the Transaction. The Directors (excluding the independent non-executive Directors, whose views will be set out in the letter from the Independent Board Committee to be sent to shareholders) consider that the terms of the Supplemental Sale and Purchase Agreement and the Ancillary Documents are on normal commercial terms, fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

VALUATION OF THE SUBJECT ASSETS

Methods and conclusions of Valuation

Based on the judgment of WEGO Prefills and its management on the future development trends and business plans and in accordance with relevant laws and regulations and asset valuation standards and through conducting the valuation procedures including checking and verification, on-site investigation, market research and inquiries, valuation and estimation, the valuation of the Subject Assets as at the Valuation Benchmark Date of 30 September 2025, was conducted by China United using both the asset-based approach and the income approach.

According to the Valuation Report, the net asset (total shareholders' equity) calculated using the income approach in the valuation is approximately RMB8,510.81 million, representing a premium of approximately RMB5,125.69 million or 151.42% over the net asset of approximately RMB3,385.12 million calculated by using the asset-based approach. The main reason for the differences between the two valuation approaches are: (1) the asset-based approach is based on the replacement cost of assets as the value standard, reflecting the socially necessary labor consumed by asset investment (purchase and construction costs), which usually fluctuate with the changes in the national economy; (2) the valuation using the income approach is based on the expected return of assets as the value standard, reflecting the magnitude of the asset's operating ability (profitability), which is usually influenced by various conditions such as macroeconomic, government control, and effective use of assets.

The income approach, based on the expected returns of assets, reflects the profitability of WEGO Prefills. WEGO Prefills maintains stable operations with sustained growth in revenue and profits. It holds a high market share in pre-filled syringe products and possesses advantages in technology R&D, quality control, and distribution channels. In addition, WEGO Prefills has established long-term collaborations with numerous biopharmaceutical enterprises, enabling reliable projections of future earnings. The income approach better captures the brand competitiveness and intangible asset value, providing a comprehensive reflection of the enterprise's future earning capacity. Moreover, WEGO Prefills has formed long-term and stable partnerships with many biopharmaceutical companies, and its products such as pre-filled syringes are widely used across the biopharmaceutical industry. The income approach accounts for the future revenue generated by these products, thereby offering a more accurate representation of the company's prospective profitability. In contrast, the asset-based approach only reflects replacement costs and fails to account for the value of existing orders, customer relationships, technology R&D, and other intangible factors. Based on the above considerations, the income approach was ultimately selected in this valuation to determine the value of the Subject Assets as at the Valuation Benchmark Date.

Key assumptions for profit forecast involved in the income approach

Given that the Subject Assets are valued by independent valuers using the income approach, which involves the discounted cash flow approach as the main method, the calculations of valuation contained in the Valuation Report are regarded as profit forecasts in accordance with Rule 14.61 of the Listing Rules and are subject to the requirements of Rule 14.60A of the Listing Rules. The key assumptions include the following:

(I) General assumptions

1. Transaction assumption: It is assumed that all assets to be evaluated are already in the process of transaction, and the valuers conduct valuation based on simulated market such as the trading conditions of the assets to be evaluated.

2. Open market assumption: It is assumed that with respect to the assets traded or to be traded in the market, the transacting parties are in equal position and have opportunities and time to access sufficient market information so as to make a rational judgment on the function, purpose and transaction price of the assets. The open market assumption is made on the basis that the Subject Assets can be traded openly in the market.
3. Enterprise going-concern assumption: WEGO Prefills, as a business entity, continues to operate in accordance with its business objectives in the external environment where it operates. WEGO Prefills is responsible and competent for assuming responsibilities; and WEGO Prefills operates legally and is able to make appropriate profits to maintain its ability to continue as a going concern. For all types of business assets of WEGO Prefills, it means the ability to continue to use them as they are currently used and in the manner, scale, frequency and environment in which they are used, or to use them on a modified basis.

(II) Specific assumptions

1. It is assumed that there are no material changes in the relevant prevailing laws, regulations and policies, and the macroeconomic conditions of the country, and that there are no material changes in the political, economic and social environment of the regions where the parties to the transaction are located.
2. It is assumed that WEGO Prefills operates as a going concern assumption based on the actual condition of the assets as of the Valuation Benchmark Date.
3. It is assumed that the operators of the appraised entity are responsible and the management of WEGO Prefills is capable of performing their duties.
4. Unless otherwise specified, it is assumed that WEGO Prefills is fully in compliance with all the related laws and regulations.

5. It is assumed that the accounting policies to be adopted by WEGO Prefills in the future are generally consistent with the accounting policies adopted at the time of preparation of this report in material respects.
6. It is assumed that WEGO Prefills and its subsidiary Weihai Weigao Jiesheng Medical Devices Co., Ltd.* (威海威高潔盛醫療器材有限公司) will continue to meet the recognition standards for High and New Technology Enterprises in the future period.
7. It is assumed that WEGO Prefills will maintain its current leasing arrangements without change in the future period.
8. It is assumed that the business scope and operating method of WEGO Prefills are in line with the current direction on the basis of the existing management methods and management levels.
9. For the purposes of the valuation, it is assumed that the principal businesses, product mix, revenue and cost structures of the valuation object, as well as its sales strategies and cost control measures, will remain in their current state without significant changes in the future forecast period.
10. During the future forecast period, all expenses incurred by WEGO Prefills, will be in line with the basis as of the current level, follow the trends over recent years without significant changes and move in tandem with changes in operation scale.
11. It is projected that the production capacity expansion project of WEGO Prefills will be put into production as planned in the future forecast period.
12. Given that WEGO Prefills's monetary funds or bank deposits are subject to frequent changes during the production and operation process, and any idle funds have already been considered as surplus assets, the interest income generated from these deposits is not taken into account during the valuation. Additionally, other uncertain gains or losses beyond those associated with interest-bearing debts are also excluded from consideration.

13. There are no significant changes in related interest rates, exchange rates, tax bases and tax rates, policy-imposed levies, etc..
14. No other force majeure factors and unforeseeable factors will have a material adverse impact on the enterprise.

In the event of any material changes to future economic environment, the valuation institution shall not be responsible for deducing different valuation conclusion due to any changes of the assumptions.

Confirmation

The Company has appointed Ernst & Young to report on the arithmetic accuracy of the discounted cash flow forecast calculations used in the valuation prepared by China United. Ernst & Young has issued a report confirming that the discounted cash flow forecast was properly compiled based on the assumptions set out in the appraisal with regard to its arithmetic accuracy. For the purposes of Rule 14.60A(2) of the Listing Rules, the full text of the report issued by Ernst & Young on the arithmetic accuracy of the discounted cash flow forecast calculations is included in Appendix I to this announcement.

The Board confirms that the profit forecast in the valuation was prepared by the Board after due and careful enquiry, as set out in the letter included in Appendix II to this announcement.

Experts

The followings are the qualifications of experts who have provided opinions and/or advice contained in this announcement:

China United	Independent valuer with asset valuation qualifications in the PRC
Ernst & Young	Certified public accountants in Hong Kong

Each of the experts mentioned above has given and none of the experts has withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its names (including its qualifications) included herein in the form and context in which it is included.

As at the date of this announcement, none of the experts nor their respective subsidiaries mentioned above held any shareholding, directly or indirectly, 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.

To the best knowledge, information, and belief of the Directors after making all reasonable inquiries, each of the above experts is an independent third party to the Group and is not a connected person of the Group.

As at the date of this announcement, as far as the Directors are aware, none of the experts nor their respective subsidiaries mentioned above have any direct or indirect interest in any material assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated accounts of the Company were prepared), acquired or disposed of by, or leased to, any member of the Group, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.

EGM

The Company has established the Independent Board Committee to consider whether the terms of the Transaction and the Transaction Documents are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will issue the notice and circular of the EGM containing (i) further details of the Transaction and the Transaction Documents; (ii) the recommendation of the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) the arrangements for convening the EGM to the shareholders on or before 26 January 2026 according to the Listing Rules.

As the Transaction is subject to the fulfillment and/or waiver of relevant preconditions and may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the transaction whereby the Company and Weihai Ruiming shall receive the Consideration Shares pursuant to the Sale and Purchase Agreement in connection with the Disposal
“Ancillary Documents”	the Compensation Agreement and the Letter of Non-Competition Undertakings
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“China United” or “Independent Valuer”	China United Assets Appraisal Group Co., Ltd. (中聯資產評估集團有限公司), an independent asset valuation institution with asset valuation qualifications in the PRC, which issues an independent valuation report on the Subject Assets engaged by Weigao Blood Purification and the Company
“Company”	Shandong Weigao Group Medical Polymer Company Limited (山東威高集團醫用高分子製品股份有限公司), a joint stock limited company established in the PRC, the H shares of which are listed on the Main Board of the Stock Exchange
“Compensation Agreement”	the Profit Forecast Compensation Agreement dated 5 January 2026 entered into between WEGO Prefills Shareholders and Weigao Blood Purification

“Completion Date of Issuance”	the date on which the Consideration Shares are registered in the Company’s share account opened with China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration Shares”	Weigao Blood Purification issues new ordinary shares with a nominal value of RMB1.00 each to WEGO Prefills Shareholders pursuant to the Sale and Purchase Agreement, as the consideration to acquire the equity interests in WEGO Prefills
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the Company and Weihai Ruiming sold a total of 95.9784% equity interest in WEGO Prefills to Weigao Blood Purification pursuant to the Sale and Purchase Agreement
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Transaction

“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent board committee comprising all the independent non-executive Directors
“Independent Shareholders”	Shareholders other than Weigao Holding, Weigao International Capital Limited, Mr. Long Jing, Mr. Cong Rinan, Mr. Chen Lin, Mr. Wang Daoming and their respective associates (as defined in the Listing Rules)
“Issue Price”	the issue price of the Consideration Shares, being RMB31.29 per Consideration Share (subject to adjustment upon the events specified in the Sale and Purchase Agreement)
“Letter of Non-Competition Undertakings”	the Letter of Non-Competition Undertakings dated 5 January 2026 signed by the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Sale and Purchase Agreement”	the share issue and sale and purchase of assets agreement dated 31 October 2025 entered into between WEGO Prefills Shareholders and Weigao Blood Purification in relation to the Transaction
“PRC”	for the purpose of this announcement, it specifically refers to Mainland China, excluding Hong Kong Special Administrative Region (China), Macau Special Administrative Region (China) and Taiwan, China
“Sale and Purchase Agreement”	the Original Sale and Purchase Agreement and the Supplemental Sale and Purchase Agreement

“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Assets”	the 100% equity interest in WEGO Prefills
“Supplemental Sale and Purchase Agreement”	the supplemental agreement to the share issue and sale and purchase of assets agreement dated 5 January 2026 entered into between WEGO Prefills Shareholders and Weigao Blood Purification
“Transaction”	the transaction whereby Weigao Blood Purification acquires the 100% equity interest in WEGO Prefills from WEGO Prefills Shareholders by the way of issuance of Consideration Shares
“Transaction Documents”	the agreements and documents entered into by the Group for the purpose of the Transaction, including the Sale and Purchase Agreement and the Ancillary Documents
“Valuation Benchmark Date”	the benchmark date for the valuation (i.e. 30 September 2025), on which the Independent Valuer carried out the valuation on the Subject Assets
“Valuation Report”	the asset valuation report for the Subject Assets issued by China United dated 29 December 2025
“WEGO Prefills”	WEGO Prefills Pharmaceutical Packaging Co., Ltd.* (山東威高普瑞醫藥包裝有限公司), a company established under the laws of the PRC with limited liability. It is a non-wholly owned subsidiary of the Company

“WEGO Prefills Shareholders” or “Vendors”	any or all existing shareholders of WEGO Prefills, namely the Company, Weihai Shengxi and Weihai Ruiming
“Weigao Holding”	Weigao Holding Co., Ltd.* (威高集團有限公司), a company established under the laws of the PRC with limited liability, which directly and indirectly holds an aggregate of 46.25% of the shares of the Company and is a controlling shareholder and a connected person of the Company as at the date of this announcement
“Weigao Blood Purification”	Shandong Weigao Blood Purification Products Co., Ltd.* (山東威高血液淨化製品股份有限公司), a company established in the PRC whose shares are listed on the SSE (stock code: 603014.SH). It is a connected person of the Company
“Weihai Shengxi”	Weihai Shengxi Enterprise Management Consulting Center (Limited Partnership)* (威海盛熙企業管理諮詢中心(有限合夥)), a limited liability partnership established under the laws of the PRC. It is a connected person of the Company
“Weihai Ruiming”	Weihai Ruiming Enterprise Management Consulting Partnership (Limited Partnership)* (威海瑞明企業管理諮詢合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC
“Weihai Weigao International”	Weihai Weigao International Medical Investment Holding Co., Ltd.* (威海威高國際醫療投資控股有限公司), a company established under the laws of the PRC with limited liability. It controls the Company through Weigao Holding as at the date of this announcement. It is a controlling shareholder and a connected person of the Company

As the Transaction is subject to the satisfaction and/or waiver of the relevant conditions precedent and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Shandong Weigao Group Medical Polymer Company Limited
Long Jing
Chairman

5 January 2026

Weihai, Shandong, the PRC

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

Mr. Long Jing (*Executive Director*)

Mr. Cong Rinan (*Executive Director*)

Mr. Lu Junqiang (*Executive Director*)

Mr. Wang Daoming (*Executive Director*)

Mr. Chen Lin (*Non-executive Director*)

Mr. Tang Zhengpeng (*Non-executive Director*)

Mr. Li Guohui (*Independent Non-executive Director*)

Mrs. Meng Hong (*Independent Non-executive Director*)

Mr. Li Qiang (*Independent Non-executive Director*)

Mr. Sun Heng (*Independent Non-executive Director*)

* *For identification purposes only*

Appendix I

Set out below is the full text of the report dated 5 January 2026 prepared by the reporting accountant for the purpose of incorporating it into this Announcement.



Ernst & Young
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Quarry Bay, Hong Kong

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5 January 2026

The Board of Directors
Shandong Weigao Group Medical Polymer Co., Limited

Dear Sirs,

Shandong Weigao Group Medical Polymer Co., Limited (“the Company”, together with its subsidiaries, the “Group”)

Report from the reporting accountants on the arithmetical accuracy of the calculations of discounted cash flow forecast in connection with the valuation report

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation report dated 29 December 2025 prepared by China United Assets Appraisal Group Co., Ltd. in respect of WEGO Prefills Pharmaceutical Packaging Co., Ltd. (“**WEGO Prefills**”) as at 30 September 2025 is based. The valuation of WEGO Prefills is set out in the announcement of the Company dated 5 January 2026 (the “**Announcement**”) in connection with the transfer of 95.9784% equity interests in WEGO Prefills by the Group. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors' responsibilities

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out in the section headed “**Key assumptions for profit forecast involved in the income approach**” of the Announcement.

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of WEGO Prefills. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Ernst Young

Certified Public Accountants

Hong Kong

Appendix II

Set out below is the full text of the letter dated 5 January 2026 issued by the Board for the purpose of incorporating it into this Announcement.

Dear Sir/Madam,

Company: Shandong Weigao Group Medical Polymer Company Limited (Stock Code: 1066) (the “**Company**”)

Re: Profit forecast — confirmation letter under the requirements of Rule 14.60A(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)

Reference is made to the announcement of the Company dated 5 January 2026 in relation to the valuation report (the “**Valuation Report**”) dated 29 December 2025 prepared by China United Assets Appraisal Group Co., Ltd.* (the “**Valuer**”) in respect of the valuation of WEGO Prefills Pharmaceutical Packaging Co., Ltd.* using the income approach. The board of directors of the Company (the “**Board**”) has reviewed the basis and assumptions of the aforesaid valuation and discussed the same with the Valuer. The Board has also considered the report from Ernst & Young on 5 January 2026 in relation to the arithmetical calculations of profit forecast upon which the Valuation Report were based. Pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the Board confirmed that the profit forecasts used in the aforesaid Valuation Report have been made after due and careful enquiry.

By Order of the Board
Shandong Weigao Group Medical Polymer Company Limited
Long Jing
Chairman

5 January 2026