

# BRIEFING ON THE TRANSACTION WITH WEIGAO BLOOD PURIFICATION

6 January 2026



# Transaction Progress with Weigao Blood Purification

**WEGO** 威高

On 5 January 2026, the Company announced the final consideration for the transfer of the Subject Assets (i.e. WEGO Prefills) of approximately RMB8.51 billion, with the number of Consideration Shares being 272 million shares in Weigao Blood Purification, representing 65.11% of the current total issued share capital and 39.43% of the enlarged total issued share capital of Weigao Blood Purification, respectively

On 17 October 2025, the parties entered into a letter of intent.

On 5 January 2026, details of transaction published with final consideration of WEGO Prefills confirmed.

Subject to the subsequent vetting progress, the transaction is expected to be completed in Q2-Q3 of 2026.

On 31 October 2025, preliminary transaction plan published, issue price of consideration shares in Weigao Blood Purification confirmed.

Each of Weigao Group and Weigao Blood Purification is expected to convene its shareholders' meeting to vote on the transaction in February 2026.

# Information on target assets of parties to the transaction



## WEGO Prefills

- WEGO Prefills focuses on the research and development, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems. It is committed to providing one-stop drug delivery solutions for global biopharmaceutical companies.
- Currently, Weigao Group, Weihai Shengxi, and Weihai Ruiming hold 94.07%, 4.02% and 1.91% equity interests in WEGO Prefills, respectively.

RMB million

	FY2023	FY2024	YTD Q3 2025
Revenue	1,430.28	1,673.44	1,411.89
Profit after tax	482.56	580.72	485.93

## Weigao Blood Purification

- Weigao Blood Purification is primarily engaged in the research, development, production, and sales of medical products for blood purification, focusing on hemodialysis and peritoneal dialysis, while also offering a comprehensive range of related dialysis auxiliary products. It is one of the domestic manufacturers with the most extensive product lines in blood purification medical products.
- Currently, Weigao Blood Purification is owned as to 41.11% by Weigao Holding, a controlling shareholder of Weigao Group. Weigao Group also directly holds 23.53% of the shares in Weigao Blood Purification.

RMB million

	FY2023	FY2024	YTD Q3 2025
Revenue	3,532.14	3,604.02	2,736.05
Profit after tax	442.07	449.37	340.78

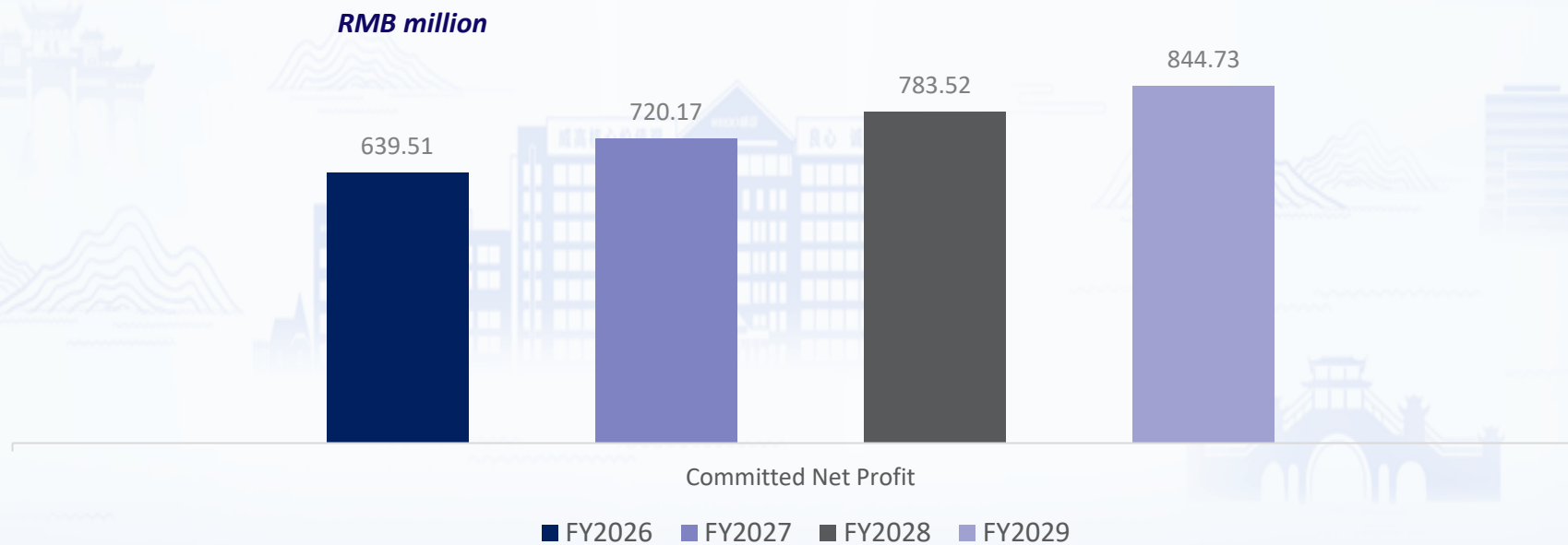
# Pricing and its basis of WEGO Prefills

- The net asset value of WEGO Prefills calculated using the income approach is approximately RMB8.51 billion, which is RMB5.12 billion higher than the net asset value of RMB3.39 billion calculated using the asset-based approach, representing a premium of 151.42%. The income approach uses the expected returns on assets as the benchmark, reflecting WEGO Prefills' profitability.
- The 2024 static P/E ratio for WEGO Prefills' consideration is 14.66x. Considering the projected revenue and profit growth of WEGO Prefills over the next two years, the conventional valuation benchmark for the pharmaceutical packaging industry, and the relevant performance guarantee requirements, this valuation is considered reasonable.

Vendor	% of shareholding in WEGO Prefills	Consideration (RMB)	Number of Consideration Shares received
The Company	94.07%	8,006,177,825.13	255,870,176
Weihai Shengxi	4.02%	342,264,102.02	10,938,450
Weihai Ruiming	1.90%	162,371,847.36	5,189,256
Total	100%	8,510,813,774.51	271,997,882

# Performance guarantee of WEGO Prefills

- The Vendors undertake that the committed net profit for each financial year during the performance guarantee period of WEGO Prefills shall be RMB639.51 million, RMB720.17 million and RMB783.52 million, respectively. If the completion date of the Transaction is deferred to 2027, the committed net profit for each financial year within the performance guarantee period shall be RMB720.17 million, RMB783.52 million and RMB844.73 million, respectively.
- If the Vendors trigger the profit compensation or impairment test compensation, **priority should be given in using the Consideration Shares they obtained to compensate Weigao Blood Purification.**



# Pricing and its basis of Weigao Blood Purification



- The issue price shall not be less than 80% of the average trading price of the shares of Weigao Blood Purification in the 20 trading days preceding the Pricing Benchmark Date, and was determined at RMB31.29 per consideration share after negotiation between parties.
- During the review period, the lowest and the highest closing price of Weigao Blood Purification was RMB35.59 per share on 20 June 2025 and RMB46.53 per share on 4 November 2025, respectively.
- The issuance price of RMB 31.29 per share is lower than the closing price range during the review period and represents a discount of approximately 12.08% to 32.75% compared to the closing price of shares of Weigao Blood Purification during the review period.

Valuation Metrics of Comparable A-Share Companies:

	P/E Ratio	P/B Ratio	P/S Ratio
Maximum	74.75	4.75	9.34
Minimum	19.85	1.90	2.18
Average	38.70	3.19	5.73
Median	21.51	2.99	6.08
<b>Weigao Blood Purification</b>	<b>29.09</b>	<b>1.87</b>	<b>3.63</b>

# Weigao Blood Purification increases dividend payout to 50%



Alongside the transaction, Weigao Blood Purification announced a dividend payout plan. The dividend payout ratios for all medical device listed companies under Weigao Holding will be increased to 50% or above in the future

## 山东威高血液净化制品股份有限公司 未来三年（2026年—2028年）股东分红回报规划

为充分保障公司股东的合法权益，为公司股东提供稳定持续的投资回报，进一步细化《山东威高血液净化制品股份有限公司章程》中关于股利分配原则的条款，增加股利分配决策透明度和可操作性，便于股东对公司经营和分配进行监督，结合公司的实际情况，制定了关于公司未来三年股东分红回报的规划，具体如下：

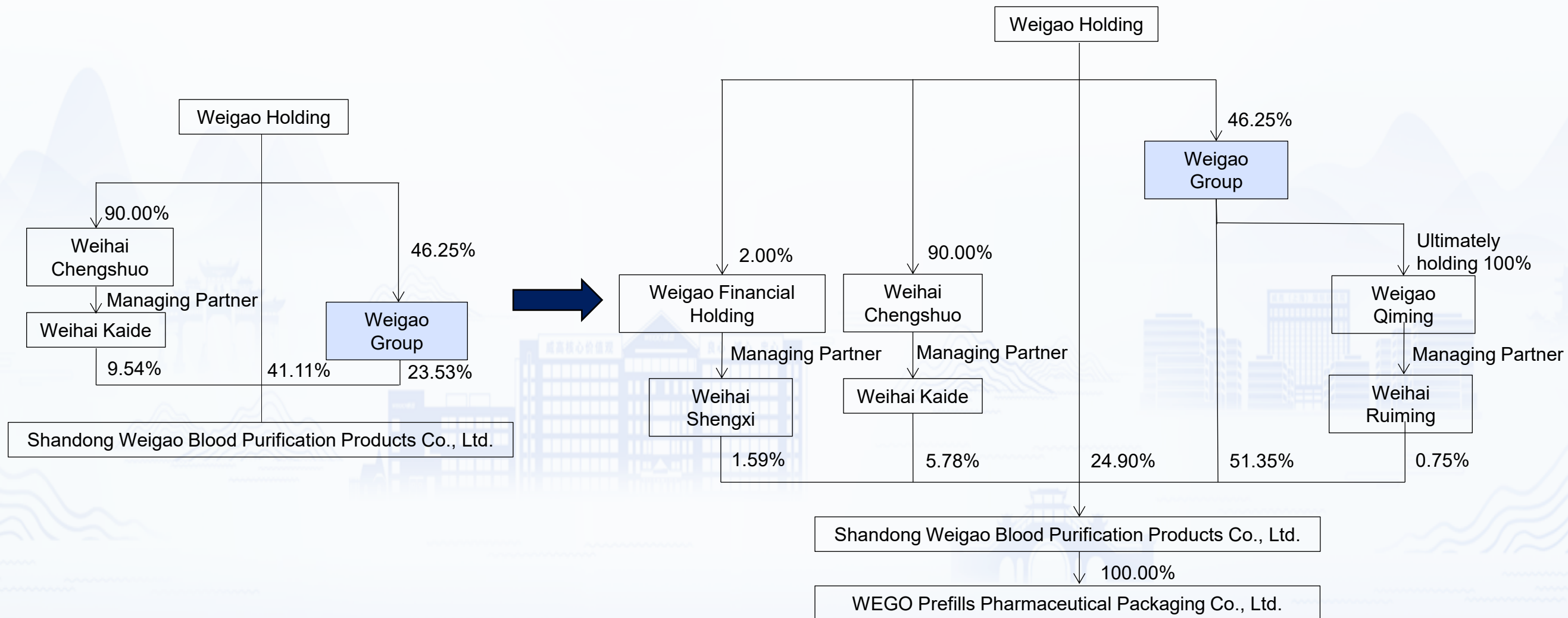
### 3. 现金分红比例的规定

在满足上述现金分红条件下，公司每年以现金方式分配的利润应不低于当年实现的可分配利润的 50%。公司在实施上述现金分配股利的同时，可以同时派发红股。

	2024 dividend payout ratio	2025 interim dividend payout	2026 dividend payout ratio (expected)
Weigao Group	50%	50%	50%
Weigao Blood Purification	/	29.89%	50%
Weigao Orthopaedic	50%	27.99%	50%

# Shareholding structure before and after the transaction

Upon completion of the transaction, shareholding of Weigao Group (including Weihai Ruiming) in Weigao Blood Purification will increase from 23.53% to 52.10%, achieving a controlling stake. Weigao Holding's direct shareholding in Weigao Blood Purification will be diluted from 41.11% to 24.90%



# Benefits of the transaction (I)

Expanding the medical device business footprint, striving to become an industry leader in both revenue scale and product diversity in the medical consumables sector

❖ Through this transaction, Weigao Group will consolidate Weigao Blood Purification and its subsidiaries into its financial statements. WEGO Prefills, as a wholly-owned subsidiary of Weigao Blood Purification, will remain within the Group's business portfolio. Weigao Blood Purification is China's **No.1 manufacturer of medical blood purification products by market share**, with annual sales approaching HKD4 billion. This transaction will enrich the Group's product portfolio, enhance overall profit stability, and strengthen risk resilience.

- **Weigao Group:** "Flagship" Platform for Weigao's medical device business
- **Core Products:** General medical consumables, perioperative consumables and equipment, interventional products, blood management solutions etc.

- **Weigao Blood Purification:** specializes in blood purification consumables, already commenced the upstream biopharmaceuticals business through its subsidiary, Weigao Lejing



- **Weigao Orthopedics:** specializes in orthopedic implants, smart devices & consumables, and tissue repair & regeneration etc.

# Benefits of the transaction (II)

Leverage the synergies between WEGO Prefills and Weigao Blood Purification to jointly develop new products, thereby expanding the Company's future growth potential

## WEGO Prefills

### Biopharmaceutical Client Resources

- ❖ WEGO Prefills has a strong brand reputation among numerous biopharmaceutical and vaccine company clients
- ❖ The “WEGO” brand stands for “a trusted partner”.

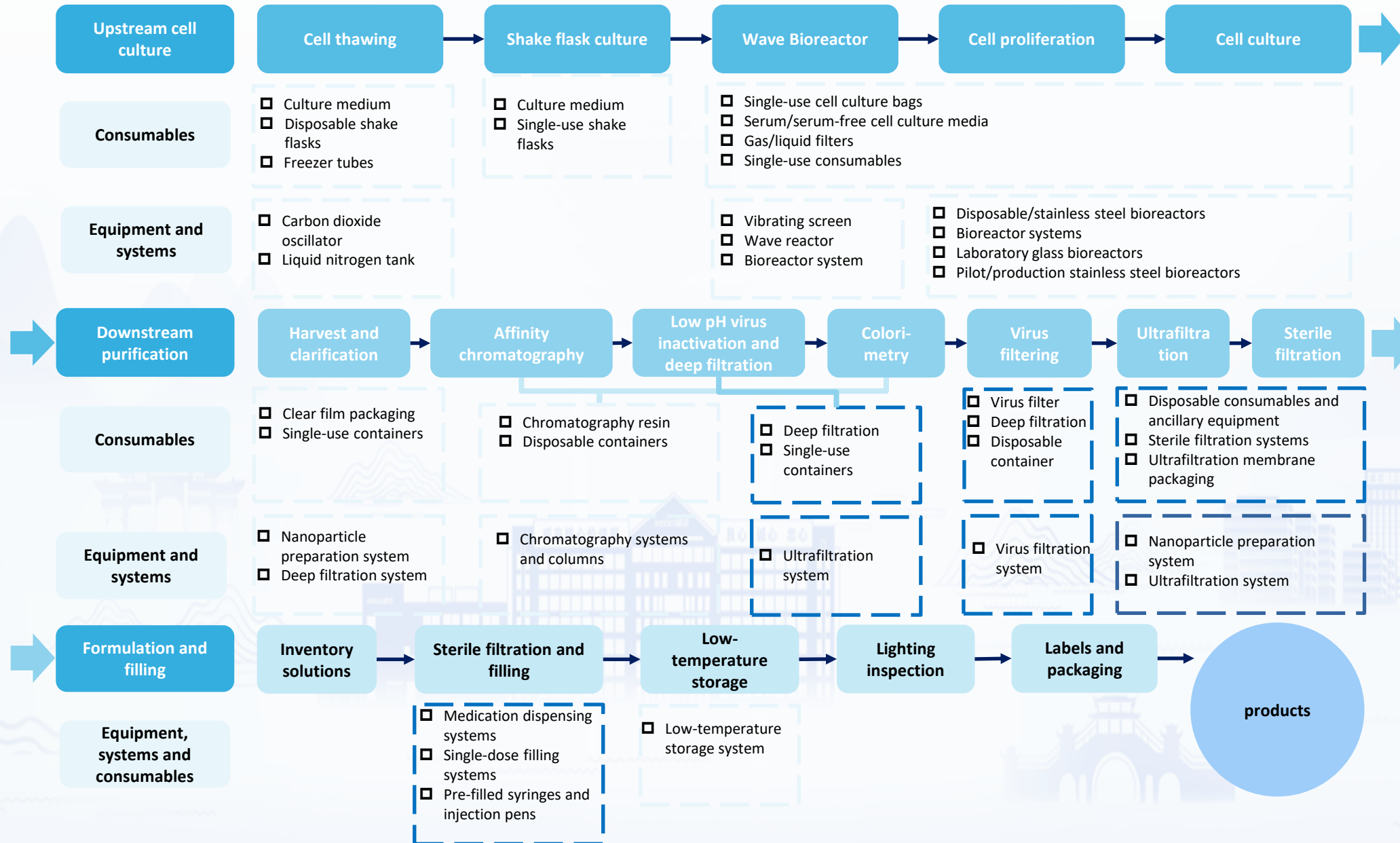


## Weigao Blood Purification

### Technology build-up and platform

- ❖ Leveraging its proprietary biomedical membrane technology platform, Weigao Blood Purification has already developed multiple biopharmaceutical filter products.
- ❖ A small volume of validation sales has been established for biopharmaceutical filtration products such as hollow fibre filters.







# Overview of bioprocess solutions industry



Source: Literature Search, Frost & Sullivan Analysis

# WEGO Prefills possesses extensive customer resources within the biopharmaceutical sector



	No. of clients	Therapy	Coverage of leading companies	Clients
Domestic	700-800	Vaccines	100% coverage among around 20 leading vaccine manufacturers	
		Heparin	Nearly full coverage of leading companies	
		Peptides	80% coverage of the top 20-30 GLP-1 companies 100% coverage of the top 10 insulin companies	
		Recombinant proteins	2/3 coverage of approximately 60 leading listed/ phase III players, with almost full coverage of the top 30 pharmaceutical companies	
		Antibodies	2/3 coverage of approximately 60 leading listed/ phase III players, with almost full coverage of the top 30 pharmaceutical companies	
		Blood	50% coverage of the top 10-15 blood products companies	
Overseas	200+	Mainly focus on antibodies, vaccines and recombinant proteins as core products		



# Weigao Blood Purification has established upstream filtration products for biopharmaceuticals

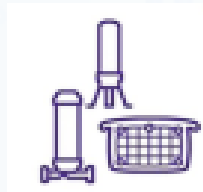
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Weigao Blood Purification has 494 R&D staff. Building upon dialysis membrane technology, it has established a subsidiary specialising in filters, developing consumables for the biopharmaceutical sector including viral filters and sterilising filters.

## Filtration Application

### Depth Filtration

Intercept unwanted particles such as cells and cell debris



### Sterilizing Filtration

Removes microorganisms and particles with molecular weights >1000kD



### Ultrafiltration

For downstream clarification, concentration, buffer exchange, desalting and component separation



### Virus-removing filtration

Eliminates potential viral contaminants in process intermediates via size exclusion



### Filtration system

Hardware



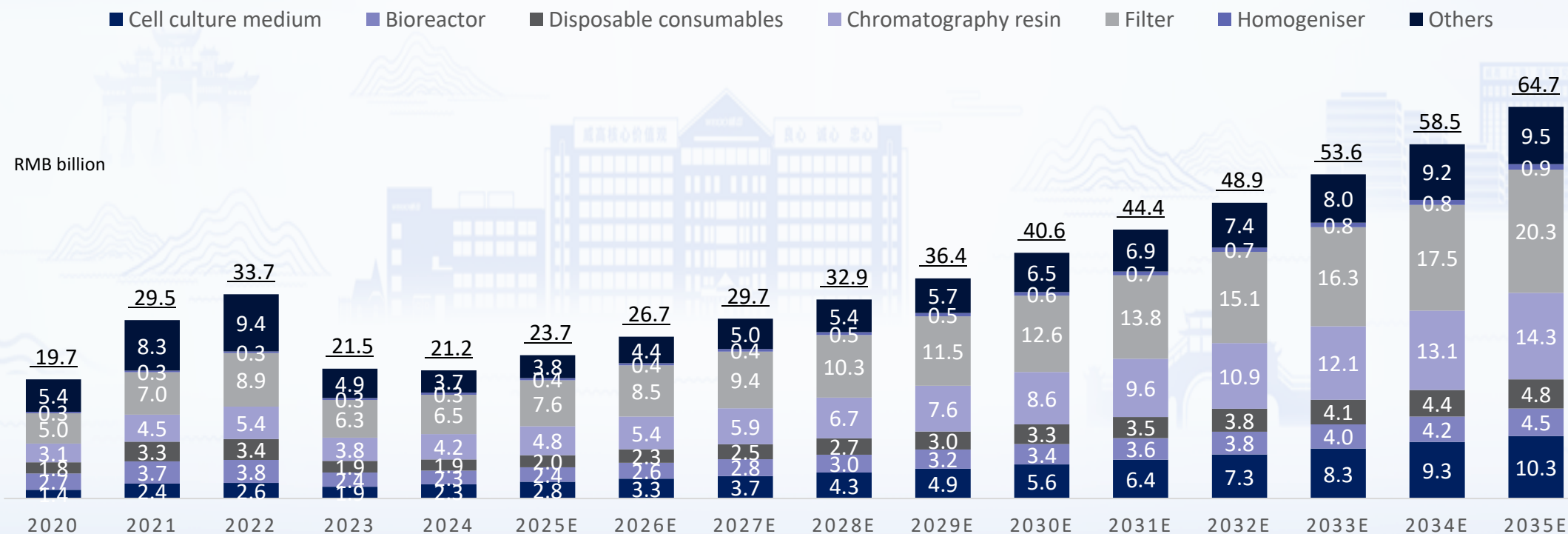
# China's upstream biopharmaceutical sector offers vast market potential



Since the second half of 2024, rapid development in innovative drugs such as antibody therapeutics and cell and gene therapies, coupled with active business development transactions, has driven a swift recovery in demand for upstream products

China Market: Overall and Segmented Upstream Biopharmaceutical Industry, 2020-2035

Period	CAGR							Total
	Cell culture medium	Bioreactor	Disposable consumables	Chromatography resin	Filter	Homogeniser	Others	
2020-2024	12.6%	-4.3%	0.6%	7.8%	6.9%	6.6%	-9.0%	1.8%
2024-2030E	15.8%	6.9%	9.7%	13.0%	11.6%	10.6%	9.9%	11.5%
2030E - 2035E	13.0%	6.0%	8.2%	10.6%	10.0%	8.6%	7.8%	9.8%

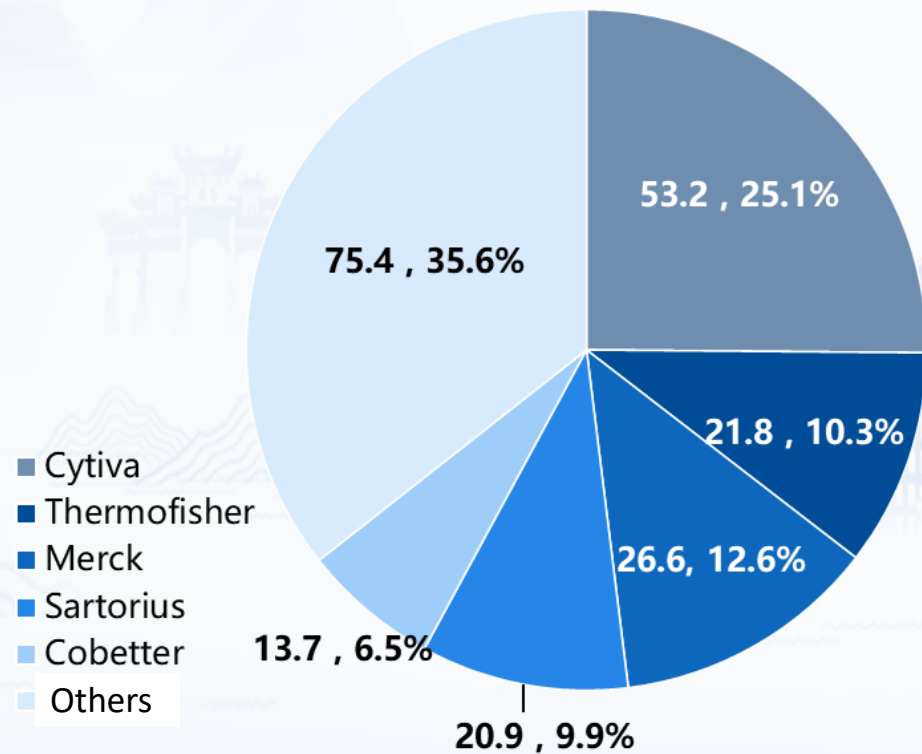


# The overall low localization rate presents significant opportunities for domestic substitution

The “Big Four” in the upstream biopharmaceutical sector command nearly 50% of the global market share. The Chinese market currently lacks domestic players capable of competing with these leading companies, indicating significant potential for domestic substitution.

Key Players' Market Share in the Global Biopharmaceutical Upstream Market in 2024

Unit: In RMB 100 million



Company Name	% of sales
Cytiva	25.1%
Thermofisher	10.3%
Merck	12.6%
Sartorius	9.9%
Cobetter	6.5%
Others	35.6%

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This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Weigao Group, and certain of the plans and objective of the management of Weigao Group. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Weigao Group to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements were based on assumptions regarding Weigao Group's present and future business strategies and the political and economic environment in which Weigao Group and its subsidiaries will operate in the future. Reliance should not be placed on these forward-looking statements, which reflect the view of Weigao Group's management as of the date of this presentation only.

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