Early Warning System

IFC-43238

Weigao GreenBond

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Quick Facts

Countries	China
Specific Location	Weihai, Shandong Province, and in Qionglai, Sichuan Province
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2020-06-30
Borrower	Shandong Weigao Group Medical Polymer Co., Ltd.
Sectors	Climate and Environment, Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 216.00 million
Loan Amount (USD)	$ 216.00 million
Project Cost (USD)	$ 328.00 million

Project Description

According to the bank document, Shandong Weigao Group Medical Polymer Company Limited (“Weigao”, or the “Company”), a Chinese medical consumable company listed on the Hong Kong Stock Exchange, is planning to invest in several green capital expenditure projects along its manufacturing process, which will include energy and water efficiency as well as pollution reduction measures (the “Project”). Weigao is organized into three operating divisions:

(i) Single-use consumables (infusion set, syringes, medical needles, blood bags, pre-filling syringes, blood sampling products),

(ii) orthopedic products, and

(iii) interventional products. Weigao’s manufacturing operations are situated mainly in Weihai, Shandong Province, and in Qionglai, Sichuan Province. Weigao also has a number of other subsidiaries in the group, viz.: Weigao Medical Device; Weigao Orthopedic and Argon Medical (in the United States).

IFC is considering an investment in Weigao through a long-term green bond of RMB 1 billion (approx. US$142 million equivalent) for implementation of resource efficiency and environmental protection measures, such as power optimization with retrofit transformers, wastewater recycling plant and electron beam sterilization (thereby replacing ethylene oxide) across its manufacturing operations (the “project”).

Weigao’s manufacturing operations are situated mainly in Weihai, Shandong Province, and in Qionglai, Sichuan Province.

Investment Description

- International Finance Corporation (IFC)

The Project cost is expected to be RMB 3 billion (approximately US$432 million), which will be partly financed by Weigao’s first green bond issuance and a straight senior loan from IFC. IFC has been invited to be the sole subscriber of the proposed green bond of up to RMB 1 billion (approximately US$144 million), and provider of a straight senior loan of RMB 500 million (approximately (US$72 million).

Private Actors Description

Weigao Holding Company Limited (“Weigao Holding”, or the “Sponsor”), headquartered in Weihai, Shandong province, is a private company that engages in a number of businesses including pharmaceutical.

Weigao is 50.2% owned by Weigao Holding with the remaining 49.8% owned by public shareholders.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Shandong Weigao Group Medical Polymer Company Limited	Client	-
-	-	-	-	Weigao Holding Company Limited	Parent Company	-

Contact Information

1/ Local Contact

Shandong Weigao Group Medical Polymer Co.,Ltd.

Contact: Phyllis Chan
Head of Business Development

Phone: +852 2838 1868

Email: phyllischan@weigao.com.hk

Address: Suite 801, 8th Floor, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong SAR, China

Website: http://en.weigaogroup.com/

2/ The IFC Contact

General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

3/ Local Access for Project Document

18 Xingshan Road

Weihai Torch Hi-tech Science Park

Weihai, Shandong Province

People’s Republic of China

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Environmental and Social Review Summary (ESRS)