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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

PRELIMINARY RESULTS OF SHANDONG WEIGAO ORTHOPAEDIC DEVICE COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2023

This announcement is made by Shandong Weigao Group Medical Polymer Company Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Shandong Weigao Orthopaedic Device Company Limited (山東威高骨科材料股份有限公司) (“**Weigao Orthopaedic**”) is a subsidiary of the Company and its shares are listed on the SSE STAR Market (stock code: 688161). In compliance with the relevant requirements of Shanghai Stock Exchange, Weigao Orthopaedic has published its preliminary results announcement for the year ended 31 December 2023 (the “**Preliminary Results Announcement**”) on the information disclosure webpage of Shanghai Stock Exchange’s website at <http://star.sse.com.cn/disclosure/listannouncement/>.

The board of directors of the Company would like to draw the attention of its shareholders and public investors to the appendix of this announcement (the “**Appendix**”), which sets out the Preliminary Results Announcement prepared by Weigao Orthopaedic in accordance with the PRC Accounting Standards for Business Enterprises.

* For identification purpose only

Please note that the Preliminary Results Announcement in the Appendix was originally prepared by Weigao Orthopaedic in Chinese. If there is any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

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

Weihai, Shandong, the PRC, 28 February 2024

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. Tang Zhengpeng (*Non-Executive Director*)
Mr. Chen Lin (*Non-Executive Director*)
Mr. Li Guohui (*Independent non-executive Director*)
Mrs. Meng Hong (*Independent non-executive Director*)
Mr. Li Qiang (*Independent non-executive Director*)

Stock Code: 688161 Stock Short Name: Weigao Orthopaedic Announcement No.: 2024-006

SHANDONG WEIGAO ORTHOPAEDIC DEVICE COMPANY LIMITED

PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR 2023

The Company's board of directors and all of the directors warrant that this announcement does not contain any false statements, misleading representations or material omissions, and shall be legally responsible for the truthfulness, accuracy and completeness hereof in accordance with the laws.

The major financial data of Shandong Weigao Orthopaedic Device Company Limited (the "Company") for the year of 2023 set forth in this announcement is only the preliminary accounting data and has not been audited by an accounting firm. The specific data shall be based on those data in the 2023 annual report of the Company. Investors are advised to pay attention to the investment risks involved.

I. MAJOR FINANCIAL DATA AND INDICATORS FOR 2023

Unit: RMB'0,000

Item	Current reporting period	Corresponding period last year		Rate of increase/decrease (%)
		Before adjustment	After adjustment	After adjustment
Total operating revenue	128,387.25	184,811.65	205,797.28	-37.61
Operating profit	12,962.77	63,862.45	70,650.59	-81.65
Total profit	13,035.94	63,837.35	70,621.02	-81.54
Net profit attributable to owners of the parent company	11,242.19	54,420.58	60,072.19	-81.29
Net profit attributable to owners of the parent company after deducting non-recurring gains and losses	10,437.92	53,268.67	58,892.62	-82.28
Basic earnings per share (RMB)	0.28	1.36	1.50	-81.33
Weighted average return on net assets	2.81%	11.66%	12.58%	A decrease of 9.77 percentage points

Item	End of the Current reporting period	Beginning of the current reporting period	Rate of increase/decrease (%)
Total assets	509,819.66	601,505.53	-15.24
Owner's equity attributable to the parent company	386,936.76	500,606.52	-22.71
Share capital	40,000.00	40,000.00	-
Net assets per share attributable to owners of the parent company (RMB)	9.67	12.52	-22.76

Notes: 1. Reasons for retrospective adjustments or restatements: The Company acquired Shandong Weigao Newlife Medical Device Co., Ltd. ("Newlife Medical") on 11 January 2023, and Newlife Medical was incorporated in the scope of the Company's consolidated financial statements, and the Company and Newlife Medical were under common control of the same actual controller before and after the merger and the control was not temporary, therefore, the Company's merger with Newlife Medical was a business combination under common control. The Company retrospectively adjusted the opening data of the financial statements for 2023 and the related financial statement data for the corresponding period last year in accordance with the provisions related to business combinations under common control.

2. The opening amount of the current reporting period is the same as the ending amount last year as statutorily disclosed.

3. The above financial data and indicators are set out based on those data in the consolidated statements, but they have not been audited. The final data shall be based on those data in the 2023 annual report of the Company.

4. Any discrepancy in the figures is due to the rounding effect in the figures.

II. DETAILS OF THE OPERATING RESULTS AND FINANCIAL POSITION

(I) Operating conditions, financial position of the Company and major factors affecting the operating results during the reporting period

During the Reporting Period, the volume-based procurement of orthopedic products was implemented. Affected by the price reduction of centralized purchasing, the sales price of the Company's products dropped significantly, resulting in a higher year-on-year decline in the Company's revenue from its principal activity and gross profit margin, which had a greater impact on the Company's operating results.

During the reporting period, the Company achieved a total operating revenue of RMB1,283,872,500, representing a decrease of 37.61% over the same period of last year. Net profit attributable to owners of the parent company amounted to RMB112,421,900, representing a decrease of 81.29% over the same period of last year.

As at the end of the reporting period, the Company had total assets of RMB5,098,196,600, representing a decrease of 15.24% when compared the beginning of the reporting period, owner's equity attributable to the parent company was RMB3,869,367,600, representing a decrease of 22.71% when compared with the beginning of the reporting period, and net assets per share attributable to owners of the parent company of RMB9.67, representing a decrease of 22.76% when compared with the beginning of the reporting period.

(II) Explanation of the principal reasons for the increase or decrease by more than 30% in the items in the above table

During the Reporting Period, total turnover of the Company amounted to RMB1,283,872,500, representing a decline of 37.61% as compared with the same period of the previous year. This was mainly due to the decrease in ex-factory price of products caused by the implementation of Banded Purchasing of the National Orthopaedic high-value consumables and the impact of the discount on the purchase price given by the channel inventory gap, resulting in the decrease of the total turnover of the Company.

During the Reporting Period, the Company recorded an operating profit of RMB129,627,700, representing a decline of 81.65% as compared with the corresponding period of the previous year. Total profit was RMB130,359,400, down by 81.54% from the same period last year. Net profit attributable to owners of the parent company amounted to RMB112,421,900, a decrease of 81.29% from the same period of the previous year. Net profit attributable to owners of the parent company after extraordinary gains and losses amounted to RMB104,379,200, a decline of 82.28% from the same period of the previous year. This was mainly due to the decrease in ex-factory price of products caused by the implementation of Banded Purchasing of the National Orthopaedic high-value consumables and the impact of discount on purchase price given by the channel inventory gap, resulting in a decrease in product sales revenue and gross profit margin, which in turn led to a decrease in the Company's relevant profit indicators.

During the Reporting Period, basic earnings per share of the Company was RMB0.28, representing a decrease of 81.33% as compared with the same period last year, mainly due to a decrease in profit during the current reporting period, resulting in a decrease in basic earnings per share.

III. RISK WARNING

The major financial information of the Company for 2023 set forth in this announcement is the preliminary accounting data and has not been audited by an accounting firm. The specific information is subject to the 2023 annual report of the Company. Investors are advised to pay attention to the investment risks involved.

Announcement is hereby made.

The board of directors of
Shandong Weigao Orthopaedic Device Company Limited

29 February 2024