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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)**

## **ANNOUNCEMENT**

### **PRELIMINARY RESULTS OF SHANDONG WEIGAO ORTHOPAEDIC DEVICE COMPANY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022 (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 2023

*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. Ni Shili (*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*)

## SHANDONG WEIGAO ORTHOPAEDIC DEVICE COMPANY LIMITED PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR OF 2022

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 for the year of 2022 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 2022 annual report of Shandong Weigao Orthopaedic Device Company Limited (the "Company"). Investors are advised to pay attention to the investment risks involved.

### I. MAJOR FINANCIAL DATA AND INDICATORS FOR 2022

Unit: RMB'0,000

Item	Current reporting period	Corresponding period last year	Rate of increase/decrease (%)
Total operating revenue	185,173.10	215,354.70	-14.01
Operating profit	63,915.26	81,147.23	-21.24
Total profit	63,890.16	80,992.71	-21.12
Net profit attributable to owners of the parent company	54,698.73	69,031.84	-20.76
Net profit attributable to owners of the parent company after deducting non-recurring gains and losses	53,557.93	67,800.76	-21.01
Basic earnings per share (RMB)	1.37	1.82	-24.73
Weighted average return on net assets	11.72%	19.76%	A decrease of 8.04 percentage points

	End of the Current reporting period	Beginning of the current reporting period	Rate of increase/decrease (%)
Total assets	575,287.97	540,327.41	6.47
Owner's equity attributable to the parent company	487,316.49	453,153.96	7.54
Share capital	40,000.00	40,000.00	-
Net assets per share attributable to owners of the parent company (RMB)	12.18	11.33	7.54

Notes: 1. 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 2022 annual report of the Company.

2. Any discrepancy arising in the decimal figures of the above rate of increase/decrease is due to the rounding effect in figures.

## II. DETAILS OF THE OPERATING RESULTS AND FINANCIAL POSITION

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

During the reporting period, the Company achieved an operating revenue of RMB1,851,731,000, representing a decrease of 14.01% over the same period of last year. Net profit attributable to owners of the parent company amounted to RMB546,987,300, representing a decrease of 20.76% over the same period of last year.

In 2022, the volume of orthopedic terminal surgeries declined due to the impact arising from the outbreak of Covid-19, which had affected the overall performance of the Company to a certain extent. At the same time, the volume-based procurement of orthopedic joints and trauma consumables was implemented one after another during the reporting period, and the bidding of the volume-based procurement of spine consumables was completed in September. As dealers and customers were cautious in purchasing, terminal surgery mainly consumed our channel inventory.

During the reporting period, the Company actively explored new models reform in the orthopedic industry, conducted sales model transformation, and constantly improved market share and customer coverage through channel integration and reinvention; At the same time, the Company constantly enriched its product reserve through independent research and development and technical cooperation, continuously launched new products made from new materials and new techniques to form a complete product echelon in maintaining the sustainable development of the Company.

As at the end of the reporting period, the Company had total assets of RMB5,752,879,700, representing an increase of 6.74% when compared the beginning of the reporting period, owner's equity attributable to the parent company of RMB4,873,164,900, representing an increase of 7.54% when compared with the beginning of the reporting period, and net assets per share attributable to owners of the parent company of RMB12.18, representing an increase of 7.54% when compared with the beginning of the reporting period.

### **III. RISK WARNING**

The major financial information set forth in this announcement is the preliminary accounting data and has not been audited by an accounting firm. The specific information will be disclosed in the 2022 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  
28 February 2023