

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the 2022 Annual Report. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the 2022 Annual Report. The Company would like to provide additional information in relation to the Incentive Share Scheme to fully satisfy the disclosure requirements under Rules 17.07(1) and 17.09 of the Listing Rules. This announcement should be read in conjunction with the 2022 Annual Report.

INCENTIVE SHARE SCHEME

The following is a summary of the principal terms of the Incentive Share Scheme.

1. Purpose

The purposes of the Incentive Share Scheme are to:

- (i) enable the Company to provide incentive to the Eligible Participants in order to recognise and motivate the contributions they have made or will make to the Group;
- (ii) attract and retain quality talents for the business operation, management and development of the Group;

* For identification purpose only

- (iii) align the interests of the management, the employees and the Group to ensure the realisation of the Group's development strategy and business objectives; and
- (iv) attain a long-term relationship between the Group and its employees.

2. Eligible Participants

Subject to the relevant requirements under the Listing Rules, persons eligible to receive awards under the Incentive Share Scheme include any employee (whether full-time or part-time, but excluding any Excluded Employee) of any member of the Group, or any person who, in the sole opinion of the Remuneration Committee, will contribute or has contributed to any member of the Group.

3. Total number of Shares available for issuance

The maximum number of the issuable Shares under the specific mandate of Incentive Share Scheme as approved by the Shareholders on 17 November 2014 shall not exceed 223,818,616 Shares, representing 5% of the number of Shares in issue on the Adoption Date. The Company issued 94,260,000 Shares in total under the specific mandate. As at the date of this announcement, 129,558,616 outstanding Shares remain available to issue under the specific mandate, representing approximately 2.83% of the Shares as at the date of this announcement.

4. Maximum entitlement of each participant

The maximum number of Shares that may be granted to a Selected Employee must not exceed 0.5% of the issued share capital of the Company at the date of the grant.

5. Vesting period

The length of the vesting period, vesting and other conditions (such as the length of the lock-up period) that must be satisfied for the exercise of the subscription right will be determined by the Remuneration Committee at its discretion, and may vary among the Selected Employees depending on their position, length of service with the Group and performance.

6. The period within which the share awards may be exercised by the Selected Employee under the Incentive Share Scheme

No exercise period for awarded shares was set. The Selected Employee can exercise the share awards in anytime upon vesting.

7. Details of the Incentive Share Scheme

As at 1 January 2022, 129,558,616 outstanding shares awards remain available for grant under the Incentive Share Scheme. The Company did not grant any share awards during the Reporting Period.

Details of the share awards granted to the Directors and employees of the Company were as follows:

| Category of participants | Grant date | Vesting Period | Exercisable as at 1 January 2022 | Number of share awards | | | | Exercisable as at 31 December 2022 | Subscription price upon grant (RMB) | Weighted average closing price of the shares immediately before the dates the awards were exercised or vested (HKD) |
|---------------------------------------|----------------------|----------------|----------------------------------|------------------------|---------------------------|---------------------------|------------------------|------------------------------------|-------------------------------------|---|
| | | | | Vested during the year | Exercised during the year | Cancelled during the year | Lapsed during the year | | | |
| 1. Directors | | | | | | | | | | |
| Mr. Long Jing | 11/12/2015 (batch 1) | 5 years | 960,000 | - | 480,000 | - | - | 480,000 | 2.2 | 5.59 |
| | 24/12/2021 (batch 2) | 5 years | 1,200,000 | 1,200,000 | - | - | - | 2,400,000 | 3.58 | 9.38 |
| Mr. Cong Rinan | 11/12/2015 (batch 1) | 5 years | 400,000 | - | 200,000 | - | - | 200,000 | 2.2 | 5.59 |
| | 24/12/2021 (batch 2) | 5 years | 400,000 | 400,000 | - | - | - | 800,000 | 3.58 | 9.38 |
| Mr. Ni Shili | 11/12/2015 (batch 1) | 5 years | 400,000 | - | - | - | - | 400,000 | 2.2 | 5.59 |
| | 24/12/2021 (batch 2) | 5 years | 480,000 | 480,000 | - | - | - | 960,000 | 3.58 | 9.38 |
| 2. Other Eligible Participants | | | | | | | | | | |
| - employees | 11/12/2015 (batch 1) | 5 years | 8,162,000 | - | 8,132,000 | - | - | 30,000 | 2.2 | 5.59 |
| | 24/12/2021 (batch 2) | 5 years | 7,580,000 | 7,580,000 | - | - | - | 15,160,000 | 3.58 | 9.38 |

Note:

- With respect to batch 1 of the share awards granted in 2015, a total of 1,110,000 shares were exercisable as at 31 December 2022. Such shares, together with (i) 8,812,000 shares that were repurchased by the trustee upon exercise by the directors and employees during 2022; and (ii) 4,534,000 shares that were lapsed and retained by the trustee prior to 1 January 2022 pursuant to the Incentive Share Scheme, represent the total outstanding incentive shares of 14,456,000 held by the trustee for the benefit of the Incentive Share Scheme (batch 1).
- The number of share awards and the Shares are calculated on a 1:1 basis (i.e. 1 share award = 1 Shares).

8. Amount payable

Save for the subscription price, participants are not required to pay any amount upon participation of the Incentive Share Scheme.

9. Basis for determining the subscription price

The subscription price represents the net asset value per Share as set out in the audited consolidated financial statements of the Company in the last financial year immediately preceding the grant date of the share awards.

10. Remaining life of the Incentive Share Scheme

Subject to an early termination of the Incentive Share Scheme as determined by the Remuneration Committee, the Incentive Share Scheme will be effective for a term of 10 years commencing from the Adoption Date, until 16 November 2024.

DEFINITIONS

In this announcement, in addition to the definitions in the 2022 Annual Report, the following expressions have the meanings set out below.

| | |
|---------------------------|--|
| “2022 Annual Report” | annual report of the Company for the year ended 31 December 2022; |
| “Adoption Date” | 17 November 2014, being the date on which the Incentive Share Scheme was approved at the extraordinary general meeting of the Company; |
| “Eligible Participant(s)” | has the same meaning ascribed to it under “INCENTIVE SHARE SCHEME – 2. Eligible Participants” of this announcement; |

| | |
|--------------------------|---|
| “Excluded Employee” | (i) any person not permitted under the applicable laws and regulations to participate in the Incentive Share Scheme; (ii) any person who, in the sole opinion of the Remuneration Committee, should be excluded; and (iii) any employee who has tendered his/her resignation or who has been given a notice of dismissal to terminate his/her employment contract or service contract by any member of the Group but whose employment or service has not been terminated; |
| “Remuneration Committee” | the remuneration committee established by the Board for the purpose of administering the Incentive Share Scheme; and |
| “Selected Employee” | the Eligible Participant selected by the Remuneration Committee to participate in the Incentive Share Scheme. |

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

24 July 2023
Weihai, Shandong, the PRC

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

Executive Director

Mr. Long Jing
Mr. Cong Rinan
Mr. Lu Junqiang
Mr. Ni Shili

Non-Executive Director

Mr. Tang Zhengpeng
Mr. Chen Lin

Independent non-executive Director

Mr. Li Guohui
Mrs. Meng Hong
Mr. Li Qiang