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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)**

## **PROFIT WARNING ANNOUNCEMENT**

This announcement is made by Shandong Weigao Group Medical Polymer Company Limited\* (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited management accounts for the six months ended 30 June 2023 (the “**Reporting Period**”) of the Company and other information currently available to the Board, the Company is expected to record a revenue of approximately RMB6,900 million for the Reporting Period, representing a decrease in the range of 1% to 5% as compared with the revenue recognized due to the accounting restatement as a result of business combination under common control of approximately RMB7,100 million for the same period last year; and a net profit attributable to the owners of the Company (excluding extraordinary items) (the “**Net Profit**”) of approximately RMB1,200 million for the Reporting Period, representing a decrease in the range of 14% to 19%, as compared with the Net Profit reported with consideration of the accounting restatement as a result of business combination under common control of approximately RMB1,400 million for the same period last year.

The Board considered that such decrease is mainly due to the impact of the both national or regional volume-based procurement policy, leading to a price reduction per product sold of certain medical devices and consumables. Despite recording growth in sales to a various extent, the overall impact brought by the price reduction per product sold could not be offset. The pace of sales growth in the first half of this year was also affected by the higher sales base of epidemic-related products recorded for the same period last year. In addition, the year-on-year increase in the US dollar interest rate exerted certain influences on the Company’s profits owing to an increase in financing costs accordingly.

The sales volume of each of the Company’s major products recorded a relatively substantial growth, maintaining and increasing our market share as well as enhancing our overall market competitiveness. The Company has actively embraced the implementation of the volume-based procurement policy in various regions. Building on the competitiveness among the Class III

hospitals, the Company actively explored the opportunities availed in the hospitals located at county-level and primary healthcare market and enhanced the coverage of each of its products therein. The Board has full confidence about the Company's long-term and sustainable development.

The Company is still in the process of preparing its consolidated accounts before finalising its consolidated interim results of the Group for the Reporting Period. The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited management accounts of the Group for the Reporting Period and the information currently available to the Board, which have not been reviewed by the Company's auditor or audit committee. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the Reporting Period, which is expected to be published on 29 August 2023.

The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules and/or the Inside Information Provisions.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

9 August 2023  
Weihai, Shandong, the PRC

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

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

*\* For identification purpose only*