

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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

SUMMARY

For the six months ended 30 June 2025 (the “**Period**”), the unaudited revenue of Shandong Weigao Group Medical Polymer Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) was approximately RMB6,644,048,000 (same period in 2024: approximately RMB6,635,688,000), representing an increase of approximately 0.1% as compared with the same period last year, the unaudited net profit attributable to the owners of the Company was approximately RMB1,008,317,000 (same period in 2024: approximately RMB1,107,549,000), representing a decrease of approximately 9.0% as compared with the same period last year.

Net profit attributable to the owners of the Company (excluding extraordinary items) was approximately RMB967,095,000, representing a decrease of approximately 12.7% as compared to comparable figure (same period in 2024: approximately RMB1,107,549,000) over the same period last year.

The board of directors (the “**Board**”) proposed the distribution of an interim dividend for the six months ended 30 June 2025 of RMB0.0969 per share (same period in 2024: RMB0.0919 per share). The proposal is subject to the approval of shareholders of the Company (the “**Shareholders**”) at the forthcoming extraordinary general meeting.

* For identification purpose only

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025, together with the unaudited comparative figures for the same period* in 2024 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited For the six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	3	6,644,048	6,635,688
Cost of sales		(3,340,540)	(3,259,245)
Gross profit		3,303,508	3,376,443
Other income, gains and losses		117,158	191,376
Impairment losses under expected credit loss model		(12,595)	(7,490)
Selling expenses		(1,179,675)	(1,229,556)
Administration expenses		(619,961)	(574,773)
Research and development expenses		(315,532)	(301,613)
Finance costs	4	(116,773)	(128,776)
Share of results of associates		53,233	47,633
Share of results of joint ventures		(3,459)	(6,865)
Profit before taxation	5	1,225,904	1,366,379
Income tax expense	6	(168,919)	(212,809)
Profit for the Period		<u>1,056,985</u>	<u>1,153,570</u>

* The comparative figures for the prior period have been represented to reclassify certain items, mainly staff costs within selling and administrative expenses by considering the functionality of those staffs, to align with current period's presentation. This reclassification has been made to ensure that the consolidated financial statements provide relevant, comparable, and understandable information to stakeholders. The reclassification does not affect the Group's financial performance or total expenses for the period presented.

		Unaudited	
		For the six months ended	
		30 June	
		2025	2024
Notes		RMB'000	RMB'000
Other comprehensive income			
Exchange difference on translation of foreign operations		<u>(66,421)</u>	<u>17,077</u>
Total comprehensive income for the Period		<u>990,564</u>	<u>1,170,647</u>
Profit for the Period attributable to:			
Owners of the Company		1,008,317	1,107,549
Non-controlling interests		<u>48,668</u>	<u>46,021</u>
		<u>1,056,985</u>	<u>1,153,570</u>
Total comprehensive income attributable to:			
Owners of the Company		944,512	1,125,269
Non-controlling interests		<u>46,052</u>	<u>45,378</u>
		<u>990,564</u>	<u>1,170,647</u>
		RMB	RMB
Earnings per share (basic)	8	<u>0.22</u>	<u>0.25</u>
Earnings per share (diluted)	8	<u>0.22</u>	<u>0.24</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	9	6,846,633	6,533,346
Right-of-use assets		523,497	550,771
Investment properties		97,889	122,023
Goodwill		3,761,214	3,830,629
Deposits paid for acquiring property, plant and equipment		123,399	258,356
Intangible assets		1,192,959	1,304,780
Interests in associates		1,729,574	1,604,557
Interests in joint ventures		308,805	311,068
Financial assets at fair value through profit or loss		72,267	72,987
Deferred tax assets		220,217	248,543
Finance lease receivables		8,672	12,970
Loan receivables		503,434	413,391
Prepayments	11	49,397	53,888
		<u>15,437,957</u>	<u>15,317,309</u>
Current assets			
Inventories	10	2,284,388	2,528,425
Loan receivables		236,722	314,427
Trade and other receivables	11	8,196,613	7,832,235
Financial assets at fair value through profit or loss		423,202	230,701
Debt instruments at fair value through other comprehensive income		284,002	310,797
Finance lease receivables		9,956	50,556
Pledged/restricted bank deposits	12	324,179	395,089
Bank balances and cash	13	8,945,180	7,780,310
		<u>20,704,242</u>	<u>19,442,540</u>

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	Notes		
Current liabilities			
Trade and other payables	14	4,203,873	4,294,068
Contract liabilities		333,507	349,943
Borrowings		858,498	1,202,862
Taxation payable		105,906	178,792
Deferred income		8,324	9,053
Lease liabilities		36,725	38,937
Provisions		9,183	6,849
		<u>5,556,016</u>	<u>6,080,504</u>
Net current assets		<u>15,148,226</u>	<u>13,362,036</u>
Total assets less current liabilities		<u><u>30,586,183</u></u>	<u><u>28,679,345</u></u>
Capital and reserves			
Share capital		457,063	457,063
Reserves		23,647,480	23,294,580
Equity attributable to owners of the Company		24,104,543	23,751,643
Non-controlling interests		1,590,314	1,589,923
Total equity	15	<u><u>25,694,857</u></u>	<u><u>25,341,566</u></u>
Non-current liabilities			
Borrowings		3,488,176	1,803,471
Bonds payable		997,547	996,833
Trade and other payables	14	122,493	179,783
Deferred income		59,002	55,956
Deferred tax liabilities		55,915	89,628
Contract liabilities		5,547	8,382
Lease liabilities		131,621	151,043
Provisions		31,025	52,683
		<u>4,891,326</u>	<u>3,337,779</u>
		<u><u>30,586,183</u></u>	<u><u>28,679,345</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash inflow from operating activities	881,573	1,022,774
Net cash outflow from investing activities	<u>(1,556,046)</u>	<u>(447,281)</u>
Net cash before financing activities	(674,473)	575,493
Net cash inflow (outflow) from financing activities	<u>833,293</u>	<u>(261,714)</u>
Net increase in cash and cash equivalents	158,820	313,779
Cash and cash equivalents as at the beginning of the Period	<u>4,942,882</u>	<u>4,797,461</u>
Effect of foreign exchange rate changes	<u>(3,696)</u>	<u>3,841</u>
Cash and cash equivalents as at the end of the Period	<u><u>5,098,006</u></u>	<u><u>5,115,081</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Balance as at 1 January	23,751,643	22,449,121
Net profit for the Period	1,008,317	1,107,549
Dividends recognised as distribution	(555,879)	(425,093)
Share-based payments	10,805	17,592
Repurchase of shares of subsidiaries		
under a share incentive scheme	(3,903)	(80,983)
Repurchase of shares of the Company	(41,339)	–
Repurchase of shares of a subsidiary	–	(10,117)
Acquired interest in subsidiary from non-		
controlling shareholder	(1,296)	–
Exchange differences arising on translation of		
foreign operations	(63,805)	17,720
Balance as at 30 June	<u>24,104,543</u>	<u>23,075,789</u>

NOTES:

1. Overview

The Company was incorporated as a joint stock company with limited liability on 28 December 2000 in Shandong Province, the People's Republic of China (the “**PRC**”) under the Company Law of the PRC and listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in February 2004 and migrated to the main board in the Stock Exchange in July 2010. The ultimate holding company of the Company is Weihai Weigao International Medical Investment Holding Co Ltd* (威海威高國際醫療投資控股有限公司), a company registered in the PRC with limited liability. Its ultimate controlling shareholder is Mr. Chen Xue Li. The address of the registered office and principal place of business of the Company is No. 1, Wei Gao Road, Weihai, Shandong Province, PRC.

The Company and its subsidiaries are principally engaged in the research and development, production and sale of medical device products, orthopaedic products, interventional products, pharma packaging products and blood management products, and operate financing business. The unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the Company.

2. Basis of preparation and principal accounting policies

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, as appropriate.

Other than the accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendment to HKFRS Accounting Standards issued by the HKICPA, for the first time, which is mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendment to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. Revenue and segment information

The Group is principally engaged in the research and development, production and sale of medical device products, orthopaedic products, interventional products, pharma packaging products, blood management products, and operate finance lease and factoring businesses in the PRC.

For management purposes, the Group is currently organised into six operating divisions – medical device, orthopaedic, interventional, pharma packaging, blood management and others. These divisions are segmented on the basis of internal reporting of the Group that are regularly reviewed by the chief operating decision maker for allocating resources to the segments and assessing their performance.

The principal activities of the Group's operating segments are as follows:

Medical device	—	production and sale of clinical care, anesthesia and surgical related products, interventional imaging products and medical testing devices.
Orthopaedic	—	production and sale of orthopaedic products.
Interventional	—	production and sale of tumour and blood vessel interventional instruments.
Pharma packaging	—	production and sale of pre-filled syringes, flushing syringes and automatic dosing device products.
Blood management	—	production and sale of blood bag products, blood transfusion equipment and blood irradiators.
Others	—	finance lease and factoring businesses.

The segment information and results of those businesses are as follows:

For the six months ended 30 June 2025 (Unaudited)

	Medical device <i>RMB'000</i>	Orthopaedic <i>RMB'000</i>	Interventional <i>RMB'000</i>	Pharma packaging <i>RMB'000</i>	Blood management <i>RMB'000</i>	Others <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue								
External sales	3,300,160	732,864	990,265	1,166,495	454,264	–	–	6,644,048
Inter-segment sales	<u>52,041</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(52,041)</u>	<u>–</u>
Total	<u>3,352,201</u>	<u>732,864</u>	<u>990,265</u>	<u>1,166,495</u>	<u>454,264</u>	<u>–</u>	<u>(52,041)</u>	<u>6,644,048</u>
Segment profit	<u>491,478</u>	<u>151,050</u>	<u>(89,280)</u>	<u>447,595</u>	<u>31,304</u>	<u>35,087</u>	<u>–</u>	1,067,234
Depreciation of investment properties								(2,603)
Unallocated other income, gains and losses								(4,459)
Rental income of investment properties								5,830
Interest income from bank deposits								77,356
Gain from changes in fair value of financial instruments at fair value through profit or loss								(712)
Share of results of associates								53,233
Share of results of joint ventures								(3,459)
Share-based payment expenses								(4,910)
One-off expense related to value-added tax subsidy refunds								(34,539)
Gain on deemed disposal of investment in an associate								<u>72,933</u>
Profit before taxation								<u><u>1,225,904</u></u>

For the six months ended 30 June 2024 (Unaudited)

	Medical device <i>RMB'000</i>	Orthopaedic <i>RMB'000</i>	Interventional <i>RMB'000</i>	Pharma packaging <i>RMB'000</i>	Blood management <i>RMB'000</i>	Others <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue								
External sales	3,292,636	744,991	1,010,341	1,167,605	420,115	–	–	6,635,688
Inter-segment sales	30,629	–	–	–	–	–	(30,629)	–
Total	3,323,265	744,991	1,010,341	1,167,605	420,115	–	(30,629)	6,635,688
Segment profit	592,519	86,662	32,959	475,031	33,070	35,810	–	1,256,051
Depreciation of investment properties								(2,807)
Unallocated other income, gains and losses								(4,458)
Rental income of investment properties								5,706
Bank interest income								77,069
Gain from changes in fair value of financial instruments at fair value through profit or loss								5,495
Share of results of associates								47,633
Share of results of joint ventures								(6,865)
Share-based payment expenses								(11,445)
Profit before taxation								1,366,379

4. Finance costs

Finance costs for the six months ended 30 June 2025 were approximately RMB116,773,000 (same period in 2024: approximately RMB128,776,000), which were mainly interest expenses on bank and other borrowings.

5. Profit before taxation

Unaudited
For the six months ended 30 June
2025 **2024**
RMB'000 **RMB'000**

Profit before taxation has been arrived at after charging (crediting)
the followings:

Allowances for credit losses	12,595	7,490
Impairment losses on inventories	28,949	13,687
Amortization of intangible assets	145,118	130,612
Depreciation of property, plant and equipment	314,930	301,407
Depreciation of investment properties	2,603	2,807
Depreciation of right-of-use assets	23,439	20,541
Cost of inventories recognized as expenses	3,340,540	3,259,245
Staff costs, including directors' and supervisors' remuneration		
Retirement benefits scheme contribution	97,347	90,525
Salaries and other allowances	1,272,883	1,156,547
Share-based payment expenses	13,022	18,290
	<hr/>	<hr/>
Total staff costs	1,383,252	1,265,362
	<hr/>	<hr/>
Loss on disposal of property, plant and equipment	1,292	210
	<hr/>	<hr/>

6. Income tax expense

Under the Law of the People's Republic of China on Enterprise Income Tax ("EIT Law") and Implementation Regulations of EIT Law, the tax rate of PRC subsidiaries is 25%.

In accordance with the Notice of the Ministry of Finance and the State Administration of Taxation Regarding Certain Preferential Treatment Policies on Enterprise Income Tax, new and high technology enterprises are subject to income tax at a tax rate of 15%.

The Company, Weihai Jierui Medical Products Company Limited (威海潔瑞醫用製品有限公司), Shandong Weigao Orthopaedic Device Company Limited (“**Weigao Orthopaedic**”), Weigao Medical Material Co., Ltd. (威海威高醫用材料有限公司), Weigao Jiesheng Medical Devices Co., Ltd. (威高潔盛醫療器械有限公司) and Shandong Weigao Puri Pharmaceutical Packaging Co., Ltd. (山東威高普瑞醫藥包裝有限公司) were recognized as Shandong Province New and High Technology Enterprises (山東省高新技術企業), Changzhou Jianli Bangde Medical Devices Co., Ltd. (“**Changzhou Jianli Bangde**”) was recognized as Jiangsu Province New and High Technology Enterprises (江蘇省高新技術企業), and Zhejiang Liangzi Medical Devices Co., Ltd. (浙江量子醫療器械有限公司) was recognized as Zhejiang Province New and High Technology Enterprises (浙江省高新技術企業). Therefore, they are subject to income tax at a rate of 15%.

Jierui Subsidiary was recognised as a “Social Welfare Entity”. Pursuant to Cai Shui [2016] No. 52 issued by the Ministry of Finance and the State Administration of Taxation, with effect from 1 May 2016, Jierui Subsidiary is also subject to an income tax at a tax rate of 15% and an amount equivalent to the total salaries paid to staff with physical disability is further deducted from the assessable profit of Jierui Subsidiary. The tax charge provided for the period ended 30 June 2025 was made after taking these tax incentives into account.

Taxation for other PRC subsidiaries is computed at a tax rate of 25% (2024: 25%).

In the USA, the Group is subject to the Federal corporate income tax at a tax rate of 21% plus tax rate of state governments.

The Group is operating in certain jurisdictions where the Global Anti-base Erosion Rules (“**Pillar Two Rules**”) are effective or enacted but not effective. However, based on management’s best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

7. Dividends

The Board recommends the distribution of an interim dividend of RMB0.0969 per share for the six months ended 30 June 2025 (same period in 2024: RMB0.0919 per share).

8. Earnings per share

For the six months ended 30 June 2025, basic earnings per share was calculated based on the net profits attributable to shareholders of approximately RMB1,008,317,000 (same period in 2024: approximately RMB1,107,549,000) and the weighted average total number of shares of 4,543,114,720 shares (same period in 2024: 4,507,876,324 shares).

For the six months ended 30 June 2025, diluted earnings per share was RMB0.22.

9. Property, plant and equipment

	Construction in progress <i>RMB'000</i>	Freehold land <i>RMB'000</i>	Buildings <i>RMB'000</i>	Plant and machinery <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Furniture, fixtures equipment and tools <i>RMB'000</i>	Total <i>RMB'000</i>
COST							
As at 31 December 2023	1,004,329	8,634	3,934,598	3,654,346	86,209	1,261,877	9,949,993
Additions	422,662	–	479	188,273	8,499	103,733	723,646
Transfer	(588,623)	–	92,296	459,753	41	36,533	–
Transfer from investment properties	–	–	21,978	–	–	–	21,978
Transfer to investment properties	–	–	(14,922)	–	–	–	(14,922)
Disposals	–	–	(12,452)	(116,128)	(11,212)	(65,657)	(205,449)
Adjustment on exchange rate	1,100	255	2,368	5,926	66	2,604	12,319
As at 31 December 2024	839,468	8,889	4,024,345	4,192,170	83,603	1,339,090	10,487,565
Additions	475,044	–	–	94,446	938	50,838	621,266
Transfer	(96,568)	–	26,892	32,701	1,109	35,866	–
Transfer from investment properties	–	–	31,683	–	–	–	31,683
Disposals	–	–	–	(20,313)	(594)	(45,206)	(66,113)
Adjustment on exchange rate	(706)	(172)	(1,445)	(4,641)	127	(2,471)	(9,308)
As at 30 June 2025 (Unaudited)	1,217,238	8,717	4,081,475	4,294,363	85,183	1,378,117	11,065,093

	Construction in progress <i>RMB'000</i>	Freehold land <i>RMB'000</i>	Buildings <i>RMB'000</i>	Plant and machinery <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Furniture, fixtures equipment and tools <i>RMB'000</i>	Total <i>RMB'000</i>
DEPRECIATION							
As at 31 December 2023	12,455	–	924,062	1,677,038	52,512	771,503	3,437,570
Depreciation provided for the year	–	–	135,105	319,571	7,456	166,138	628,270
Impairment provided for the year	173	–	–	–	–	–	173
Transfer from investment properties	–	–	3,299	–	–	–	3,299
Transfer to investment properties	–	–	(3,982)	–	–	–	(3,982)
Eliminated on disposals	–	–	(1,478)	(43,434)	(9,765)	(61,257)	(115,934)
Adjustment on exchange rate	–	–	552	2,165	58	2,048	4,823
As at 31 December 2024	12,628	–	1,057,558	1,955,340	50,261	878,432	3,954,219
Impairment provided for the period	1,262	–	–	–	–	–	1,262
Provision for the period	–	–	75,030	169,543	3,556	66,801	314,930
Transfer from investment properties	–	–	7,548	–	–	–	7,548
Eliminated on disposals	–	–	–	(15,461)	(436)	(40,310)	(56,207)
Adjustment on exchange rate	–	–	(432)	(1,612)	94	(1,342)	(3,292)
As at 30 June 2025 (Unaudited)	<u>13,890</u>	<u>–</u>	<u>1,139,704</u>	<u>2,107,810</u>	<u>53,475</u>	<u>903,581</u>	<u>4,218,460</u>
CARRYING VALUES							
As at 30 June 2025 (Unaudited)	<u>1,203,348</u>	<u>8,717</u>	<u>2,941,771</u>	<u>2,186,553</u>	<u>31,708</u>	<u>474,536</u>	<u>6,846,633</u>
As at 31 December 2024 (Audited)	<u>826,840</u>	<u>8,889</u>	<u>2,966,787</u>	<u>2,236,830</u>	<u>33,342</u>	<u>460,658</u>	<u>6,533,346</u>

10. Inventories

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Raw materials	510,034	663,619
Finished goods	1,774,354	1,864,806
	<u>2,284,388</u>	<u>2,528,425</u>

11. Trade and other receivables

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
0 to 90 days	2,909,628	3,201,138
91 to 180 days	1,248,361	1,185,534
181 to 365 days	1,474,877	928,260
Over 365 days	848,275	763,447
	<u>6,481,141</u>	<u>6,078,379</u>
Trade receivables	6,481,141	6,078,379
Receivables from factoring business	237,372	209,704
Other receivables	758,363	852,976
Prepayments	769,134	745,064
	<u>8,246,010</u>	<u>7,886,123</u>
Analysed for reporting purposes as:		
Current assets	8,196,613	7,832,235
Non-current assets	49,397	53,888
	<u>8,246,010</u>	<u>7,886,123</u>

12. Pledged/restricted bank deposits

The amounts represented deposits pledged to banks to secure trade facilities granted to the Group and the issuance of letter of guarantee. The amounts had been pledged to secure against the short-term bank loans and bank credit facilities and are therefore classified as current assets. The bank deposits carry interest rates ranging from 0.05% to 1.1% (same period in 2024: 0.5% to 5.21%) per annum.

13. Bank balances and cash

Cash and cash equivalents

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short term cash commitments, the interest rate of which ranges from 0.05% to 0.35% (same period in 2024: 0.15% to 1.05%) per annum.

Time deposits

The Group's time deposits were issued by banks with original maturity over three months, the interest rate of which ranges from 0.8% to 4.6% (same period in 2024: 1.05% to 5.5%) per annum.

14. Trade and other payables

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
0 to 90 days	904,371	833,749
91 to 180 days	119,473	122,226
181 to 365 days	51,373	81,612
Over 365 days	94,743	129,899
Trade payables	1,169,960	1,167,486
Bills payable	446,338	926,475
Other tax payables	91,494	44,386
Construction cost and retention payables	106,708	48,503
Selling expense payables	841,852	846,875
Other payables	1,451,790	1,440,126
Dividend payable	218,224	—
	4,326,366	4,473,851
Analysed for reporting purposes as:		
Current liabilities	4,203,873	4,294,068
Non-current liabilities	122,493	179,783
	4,326,366	4,473,851

15. Movement in reserves

	Share capital <i>RMB'000</i>	Share premium reserve <i>RMB'000</i>	Statutory surplus reserve <i>RMB'000</i> <i>Note</i>	Translation reserve <i>RMB'000</i>	Share-based payments reserve <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024 (Audited)	457,063	2,743,144	261,271	216,114	275,604	(131,607)	18,627,532	22,449,121	1,543,584	23,992,705
Profit for the year	–	–	–	–	–	–	2,066,668	2,066,668	96,048	2,162,716
Other comprehensive income for the year	–	–	–	96,926	–	–	–	96,926	5,070	101,996
Total comprehensive income for the year	–	–	–	96,926	–	–	2,066,668	2,163,594	101,118	2,264,712
Reduced upon vested of incentive shares	–	–	–	–	–	34,583	–	34,583	–	34,583
Recognition of equity-settled share-based payments	–	–	–	–	34,677	–	–	34,677	1,343	36,020
Modification of share options	–	–	–	–	(69,145)	–	–	(69,145)	(7,845)	(76,990)
Repurchase of shares of a subsidiary	–	–	–	–	–	(21,820)	–	(21,820)	(21,656)	(43,476)
Dividends recognised as distribution	–	–	–	–	–	–	(839,367)	(839,367)	(26,621)	(865,988)
Appropriation of statutory surplus reserve	–	–	2,415	–	–	–	(2,415)	–	–	–
As at 31 December 2024	457,063	2,743,144	263,686	313,040	241,136	(118,844)	19,852,418	23,751,643	1,589,923	25,341,566
Profit for the period	–	–	–	–	–	–	1,008,317	1,008,317	48,668	1,056,985
Other comprehensive income for the period	–	–	–	(63,805)	–	–	–	(63,805)	(2,616)	(66,421)
Total comprehensive income for the period	–	–	–	(63,805)	–	–	1,008,317	944,512	46,052	990,564
Recognition of equity-settled share-based payments	–	–	–	–	10,805	–	–	10,805	2,217	13,022
Modification of share options	–	–	–	–	(3,903)	–	–	(3,903)	(442)	(4,345)
Acquisition of interests in subsidiaries from non-controlling shareholder	–	–	–	–	–	(1,296)	–	(1,296)	(16,677)	(17,973)
Repurchase of shares of the Company (<i>Note</i>)	–	–	–	–	–	(41,339)	–	(41,339)	–	(41,339)
Dividends recognised as distribution	–	–	–	–	–	–	(555,879)	(555,879)	(30,759)	(586,638)
As at 30 June 2025 (Unaudited)	<u>457,063</u>	<u>2,743,144</u>	<u>263,686</u>	<u>249,235</u>	<u>248,038</u>	<u>(161,479)</u>	<u>20,304,856</u>	<u>24,104,543</u>	<u>1,590,314</u>	<u>25,694,857</u>

Notes:

(a) Bases for appropriation to reserves

Appropriation to statutory surplus reserve and statutory public welfare fund has been calculated based on the net profits in the financial statement prepared under the generally accepted accounting principles in the PRC (“**PRC GAAP**”).

(b) *Statutory surplus reserve*

The Articles of Association of the companies under the Group (other than overseas companies) requires that 10% of the profit after taxation for each year (prepared in accordance with the PRC GAAP) should be transferred to the statutory surplus reserve, until it has reached 50% of the registered capital. Pursuant to the Articles of Association of the companies under the Group, under normal circumstances, statutory surplus reserve can only be used to make up for the losses, converted into share capital by way of capitalisation, and for the expansion of the Company's production and operation scope. In the event of converting the statutory surplus reserve into share capital by way of capitalisation, the balance of such reserve shall not be less than 25% of the registered capital.

(c) *Statutory public welfare fund*

According to the Company Law of the PRC and the amended Articles of Association of the Company, from 1 January 2006 onwards, the companies under the Group ceased to transfer funds from statutory public welfare fund. The statutory public welfare fund as of 31 December 2005 was part of the share capital of the shareholders, which cannot be distributed other than for the purpose of liquidation. Pursuant to the board resolution of the Company, in accordance with the Company Law of the PRC, the Company transferred an amount of RMB17,147,000 from statutory public welfare fund to the statutory surplus reserve on 1 January 2006.

(d) *Repurchase of shares of the Company*

Pursuant to the resolutions of the shareholders passed at the annual general meeting of the Company (the "AGM") held 28 May 2024, the Company granted a general mandate to its directors to repurchase shares of the Company not exceeding 10% of the aggregate nominal value of H Shares in issue (excluding any treasury shares). During the interim period, 8,132,400 ordinary shares have been repurchased with par value of RMB0.1 each, with a total consideration of HKD44,659,000 (approximately RMB41,339,000), at prices ranging from HKD4.62 to HKD6.15 per share.

According to the laws and regulations of the PRC, the distributable profit of the Company was determined at the lower of such amount computed based on the accounting principles and regulations of the PRC or the generally accepted accounting principles in Hong Kong. As of 30 June 2025, the retained earnings available for distribution to shareholders was approximately RMB10,074,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Optimisation and Upgrade of Business Segments

During the Period, the gross profit margin of the Group decreased from 50.9% for the corresponding period of last year to 49.7%, showing a month-on-month stabilization. The Group proactively responded to national and regional volume-driven procurements by lowering the selling prices of some of the products. The impact of such price cuts on gross profit margin was partially offset by the Group's reduction in production costs. Moreover, the impact of volume-driven procurements on operating profit was offset by the reduction in operating expenses. The product mix of the Group was further adjusted and optimised, thus further enhancing its risk resistance capability. Looking forward into the future, the Group will continue to enrich its product mix, and leverage the strong scalable strengths of the Company to continue maintaining and further increasing its dominant market position.

The existing major products of the Group under each business line are as follows:

- The medical device business products include clinical care, anesthesia, surgical-related products and medical testing equipment
 - The orthopaedic business products include trauma, spinal implant, artificial joints, sports injury, soft tissue repair, reconstruction implant, orthopaedic filling, and orthopaedic related surgical tools
 - Interventional business products include tumor intervention, vascular intervention, and interventional imaging
 - The pharmaceutical packaging business products include prefilled syringes, pre-filled flush syringes and automatic dosing device products
 - The blood management business products include blood collection, storage, separation, and sterilization of consumables and equipment
1. During the Period, medical device products recorded a turnover of approximately RMB3,190,538,000, representing an increase of 0.1% over the corresponding period. The Group seized the opportunity of volume-driven procurements of different products in various provinces to quickly increase its sales volume and market share. Revenue from the perioperative product portfolio demonstrated a significant growth, effectively offsetting the impact of volume-based procurements on the revenue.

2. During the Period, the orthopaedic business products recorded a turnover of approximately RMB732,864,000, representing a decrease of 1.6% over the corresponding period of last year. Facing the continued deepening of the policy impact and the new stage of industry reshaping, we grasped the opportunity for change and continued to push forward the transformation of the sales model, with significant improvement in the terminal service capability, continuing increase in customer coverage and growth in terminal surgical implantation.
3. During the Period, the interventional business products recorded a turnover of approximately RMB1,099,887,000, representing a decrease of 1.3% over the corresponding period of last year. Global business progressed in a steady manner, and the customer coverage in China continued to increase with great potential.
4. During the Period, the pharmaceutical packaging business products recorded a turnover of approximately RMB1,166,495,000, representing a decrease of 0.1% over the corresponding period of last year. The stable demand for prefilled syringes further expanded its market influence in the pre-pack bio-pharmaceuticals segment and formed a broad customer base. Sales of automatic dosing device increased rapidly, which will drive the continued growth in this business in the future.

RESEARCH AND DEVELOPMENT

For the six months ended 30 June 2025, the Group had 63 new patents and 146 patents are under application in the PRC. New product registration certificates for 63 products were obtained. The research and development for 51 products were completed for which applications for product registration certificates are underway. For overseas market, 55 new patents are under application and the research and development for 27 products were completed for which application for product registration certificates are underway.

The strategy of placing strong emphasis on research and development has enhanced the Company's core competitiveness and laid a solid foundation to fully leverage on its customer resources and also provided the Group with continuous new profit growth drivers.

As at 30 June 2025, the Group had 927 product registration certificates and 1,084 patents, of which 218 were patents on invention, in the PRC. For overseas market, the Group had 905 product registration certificates and 156 patents.

In view of the need for the strategic adjustments to product mix, the Group continued to invest in the research and development in existing products series and several new medical devices, so as to further improve its product mix under sub-classification of medical devices product types. For the six months ended 30 June 2025, total research and development expenses amounted to approximately RMB315,532,000 (same period in 2024: approximately RMB301,613,000), representing 4.7% (same period in 2024: 4.5%) of the revenue of the Group.

PRODUCTION

During the Period, the Group continued to increase its investment in capacity expansion and production facilities based on market demand and long-term development plans. We focused on introducing advanced equipment such as high-performance automated equipment, AI visual inspection, and high-efficiency moulds. Through adding intelligent production lines for core products, we not only significantly improved production efficiency but also realized the optimization and upgrading of production processes with significant improvement in automation and intelligence levels, successfully achieving a transition to high-tech processing and manufacturing. In terms of cost control, manufacturing costs have significantly decreased. By improving the supply chain to reduce material costs, combined with labour savings and manufacturing cost control measures, we ensured the implementation of “cost reduction, efficiency improvement, and quality assurance initiatives”. This has ultimately safeguarded the stability and enhancement of the Company’s overall profitability, laying a solid foundation for expanding market share through enhanced production capacity and cost advantage, and further strengthening the core competitiveness of its products.

SALES AND MARKETING

The Group continues to implement the strategy in integrating its sales channels and adjusting its product mix. Domestically, we accelerate grassroots market layout, whilst focusing on high-potential markets for comprehensive development overseas. For the six months ended 30 June 2025, the Group newly added 64 hospitals, 77 distributors to its PRC customer base. As at the publication date of this announcement, the Group has a PRC customer base of 10,307 in aggregate (including 4,062 hospitals, 419 blood stations, 1,204 other medical units and 4,622 distributors) and an overseas customer base of 7,513 in aggregate (including 3,333 hospitals, 1,870 other medical units and 2,310 distributors).

Information about the Group's revenue from external customers is presented based on the location of the customers. Sales proportion for various products by geographical regions when compared with the same period last year is set out as follows:

Turnover by Geographical Locations

Regions	Unaudited For the six months ended 30 June				Over corresponding period %
	2025 <i>RMB'000</i>	%	2024 <i>RMB'000</i>	%	
The PRC					
– Eastern and Central	2,615,195	39.4	2,706,381	40.8	(3.4)
– Northern	886,491	13.3	955,085	14.4	(7.2)
– Southern	604,369	9.1	502,560	7.6	20.3
– Northeast	418,128	6.3	419,626	6.3	(0.4)
– Southwest	377,238	5.7	382,870	5.8	(1.5)
– Northwest	118,896	1.8	107,589	1.6	10.5
PRC sub-total	5,020,317	75.6	5,074,111	76.5	(1.1)
Overseas					
– The US	723,702	10.9	670,525	10.1	7.9
– Asia and others	487,345	7.3	508,089	7.6	(4.1)
– Europe, Middle East and Africa	412,684	6.2	382,963	5.8	7.8
Overseas sub-total	1,623,731	24.4	1,561,577	23.5	4.0
Total	6,644,048	100.0	6,635,688	100.0	0.1

Comparison of sales revenue of principal products with that in the same period last year is as follows:

Product category	Unaudited		Over
	For the six months ended 30 June		corresponding
	2025	2024	period
	<i>RMB'000</i>	<i>RMB'000</i>	%
Medical device product	3,190,538	3,188,625	0.1
Orthopaedic product	732,864	744,991	(1.6)
Interventional product	1,099,887	1,114,352	(1.3)
Pharma packaging product	1,166,495	1,167,605	(0.1)
Blood management product	454,264	420,115	8.1
Total	6,644,048	6,635,688	0.1

HUMAN RESOURCES

As at 30 June 2025, the Group employed a total of 13,063 employees. The breakdown by departments when compared with last year is as follows:

Department	As at 30 June 2025	As at 31 December 2024
Production	6,755	6,440
Sales and marketing	3,225	3,180
Research and development	1,373	1,386
Finance and administration	637	622
Quality control	662	650
Management	352	354
Purchasing	59	87
Total	<u>13,063</u>	<u>12,719</u>

A total of 1,175 overseas employees reside in the US, Europe and Hong Kong. Other employees of the Group reside in Mainland China. During the Period, total cost of salaries, welfare and social benefits of the Group amounted to approximately RMB1,383,252,000 (same period in 2024: approximately RMB1,265,362,000).

Remuneration System

The Group's remuneration policy has been determined based on its performance, local consumption power and competition in human resources market. The remuneration policy so determined has become the basis of determining the salary level of employees recruited for different positions. The salary of each employee is determined according to the employee's performance, ability, employment conditions and the salary standards set by the Company. Remuneration of Directors is proposed by the Remuneration Committee with reference to the operating results of the Company, personal performance of the Directors and market competition. The remuneration of Directors is determined by the Board subject to approval by shareholders at the annual general meeting.

FINANCIAL REVIEW

For the six months ended 30 June 2025, the turnover reached approximately RMB6,644,048,000, representing an increase of approximately 0.1% over the same period last year. Net profit attributable to owners of the Company was approximately RMB1,008,317,000, representing a decrease of approximately 9.0% as compared to the same period last year.

Net profit attributable to the owners of the Company (excluding extraordinary items) was approximately RMB967,095,000, representing a decrease of approximately 12.7% as compared to comparable figure (same period in 2024: approximately RMB1,107,549,000) over the same period last year. (Note)

Note: the extraordinary items for the Period were:

- (1) The Company's equity interest in Shandong Weigao Blood Purification Products Co., Ltd. ("Weigao Blood Purification") was diluted from 26.55% to 23.90%, which is due to the public offering of new shares by Weigo Blood Purification, and generated a gain of approximately RMB72,933,000.*
- (2) One-off expenditure of RMB31,711,000.*

Liquidity and Financial Resources

The Group has maintained a sound financial position. As at 30 June 2025, the Group's cash and bank balance amounted to approximately RMB8,945,180,000. For the six months ended 30 June 2025, net cash flow from operating activities of the Group amounted to approximately RMB881,573,000, representing a sound cash flow position.

Total interest expenses of the Group for the six months ended 30 June 2025 were approximately RMB116,773,000 (same period in 2024: approximately RMB128,776,000).

Gearing Ratio

As at 30 June 2025, the gearing ratio of the Group was 22.9% (31 December 2024: 17.7%). The gearing ratio represents total debt as a percentage of total capital. Total debt is calculated as total borrowings and bonds payable. Total capital is calculated as the equity attributable to owners of the Company.

Foreign Exchange Risks

The Group's purchases and sales are mainly conducted in the PRC and the United States. Assets, liabilities and transactions in the PRC are denominated in RMB, while overseas assets and transactions are mainly denominated in US dollars. Foreign exchange risk mainly arises from unsettled borrowings denominated in foreign currencies. The Group has adopted foreign currency hedging instruments to achieve better foreign exchange risk management. The objective of the hedge is to minimise the volatility of the RMB expenditures expected to be incurred in the future to meet foreign currency liabilities. The Group's risk management policy is to partially hedge the forecasted cash flows in foreign currencies by considering the appropriate hedging instruments and costs of hedging. The Group uses foreign exchange structured derivative financial contracts to hedge its foreign currency risk. For the six months ended 30 June 2024, the Group had not encountered any material difficulty due to currency fluctuation nor had it affected its funds for operation purpose.

Due to the fluctuation in exchange rates, foreign exchange loss equivalent to RMB58,230,000 (same period in 2024: foreign exchange gain equivalent to RMB19,970,000) for the six months ended 30 June 2025 was recorded by the Company.

Material Investments in Subsidiaries/Future Material Investment Plans

1. During the Period, the Group continued to invest approximately RMB433,605,000 in the purchase of property, production facilities and plant construction for the purpose of enhancing the overall construction of the industrial zone for the Group's medical consumables.
2. The Group planned to invest RMB770,000,000 to acquire the 38.5% interest in the Songyuan Healthcare Industry Fund (松源健康醫療產業基金), which focuses on the investments in the medical and healthcare sector mainly covering medical devices, biopharmaceuticals, medical services and rehabilitation and elderly care, of which a total of RMB308,000,000 has been contributed.
3. During the Period, a new production line for pre-filled syringes and a production line for auto-injectors with a planned investment of approximately RMB250,000,000 is under construction and is expected to be successively put into operation in 2026.
4. During the Period, construction was underway for the planned investment of approximately RMB340,000,000 for upgrading and reconfiguration of the single-use consumables and orthopaedic consumables production equipment to further enhance the level of production automation.
5. In January 2023, Weigao Orthopaedic, a subsidiary of the Company acquired 100% equity interest in Shandong Weigao Newlife Medical Device Co., Ltd., a fellow subsidiary of the Company, which is principally engaged in the research and development, manufacture and sale of tissue repair product lines, at a consideration of RMB1,030,000,000. The transfer price is payable in instalments, with RMB103,000,000 is expected to be paid in the second half of the year.

Save for the above material investments and investment plans, the Group had no any future plans involving significant investments or capital assets acquisition as at 30 June 2025.

Capital Commitment

As at 30 June 2025, the capital commitment that the Group and the Company had contracted for but not provided in the financial statements amounted to approximately RMB1,030,768,000 (same period in 2024: approximately RMB1,179,123,000).

REVIEW & OUTLOOK

In the first half of 2025, the Group proactively responded to changes in the domestic medical industry and continued to advance its internationalised strategy layout, maintaining a stable growth momentum across its overall business.

In the domestic market, the diagnosis demand for medical institutions exhibited regional disparities and hierarchical difference, bringing both challenges and new development opportunities. Benefiting from continuous product innovation and channel optimization, the Group's core business segments achieved year-on-year sales growth. The Company's perioperative product portfolio for generic medical devices, which was launched since the end of last year, achieved rapid revenue growth.

In light of the in-depth facilitation of the centralized volume-based procurement policy for medical devices, certain products not subject to centralized procurement were gradually included in bulk procurement, exerting phasal pressure on the revenue growth of related business lines. To tackle such challenge, the Group improved its supply chain management through various measures, successfully reducing costs while intensifying its efforts in market expansion to propel a rapid growth in sales of related products.

In the international market, the foreign operation continued to maintain its growth momentum. We progressively focused on target markets, integrated local resources, and comprehensively expanded the markets of Weigao's superior products in the countries or regions where we operate. We devised a comprehensive planning and steady promotion in exporting our core products. Our subsidiary in USA continued to extend the product portfolio to achieve phasal results in exploring and expanding the application of existing technologies in new business areas.

It should be noted that there was no significant drop in US dollar interest rate, while overseas finance costs remained at a relative high level. Since the beginning of the year, the US dollar index has weakened, resulting in exchange losses. In responding to this, we took proactive foreign exchange risk management measures for hedging. The prolonged accounts receivable period of some domestic medical institutions increased operating costs and lowered asset turnover efficiency. To address this, the Group strengthened its internal management mechanisms and cooperated with financial institutions to shorten the collection cycle.

The generic medical device segment recorded stable revenue in the first half year. Despite continuous promotion of the centralized procurement of some products, the price decrease was narrowing down. By facilitating the growth of new product portfolios, the segment boasted strong capabilities to counter risks. At the same time, the Company made proactive deployment in common consumption market development and seized opportunities to expand its market share rapidly and enhanced its competitiveness in the industry.

In the orthopedic segment, facing the new stage of industry reshaping, we proactively adjusted marketing strategies and marketing structures and continued to facilitate sales model transformation. Our terminal service capabilities improved significantly and customer coverage continued to expand. Integrating with the market and technology development trend as well as clinical feedback, we closely centered on the innovation needs brought by changes in clinical surgical methods to expand our product lines, and focused on research and development innovations in areas such as minimally invasive spinal surgery, sports medicine, and orthopedic repair and regeneration.

In the pharmaceutical packaging business, our market position has been further reinforced. Customer loyalty was strengthened by continuously increasing production capacity to enhance its ability to serve downstream pharmaceutical manufacturers. The Group also grasped the opportunities from downstream enterprise products, business layout and product upgrading to expand sales and actively expand pharmaceutical packaging product portfolio. Auto-injectors and pen injectors witnessed a robust growth in terms of their sales volume since their launch.

In the interventional segment, revenue was stable in the first half year. With continuous new product arrangements and quickly introduced them into the markets, the revenue increased. The thrombus removal system (Cleaner Vac) was widely used in clinical academic activities in the USA and received positive market feedback.

As a leading medical device enterprise in China, the Group is committed to providing medical institutions with total solutions in various professional segments to help them improve their diagnostic and treatment capabilities and standards. The Group continued to expand and enrich its product portfolios in various specialty areas such as perioperative series, urology series, self-administration drug delivery systems, orthopedic sports medicine, biomaterials, minimally invasive spinal surgery, vascular intervention for deep vein thrombosis.

The Group continued to improve and enhance corporate governance and propel strategies for sustainable development to facilitate long-term and high-quality development. The Group highlights responsible operation and meets public demands for medical products with high-quality products. The Company stresses the green development concept and implements concepts, goals and initiatives in relation to energy conservation and emission reduction in operation.

The Group formulates development strategies and medium and long-term development plans on a rolling basis. Taking into account the changes in industry policies and the competitive landscape, clinical requirements and its own internal resources reserves, the Company proposed a three-pronged operational strategy of “platform-based”, “internationalised” and “digitalised” development and dual assurance strategies underpinned by “talents” and “innovation”. The Company intends to deliver long-term and stable value through the implementation of such strategies.

The management believes that on the back of its strategic presence in a wide range of business sectors and high-quality products, an operational strategy underpinned by persistent market adaptation and a future-oriented approach and initiatives that motivate employee creativity, the Group will continue to maintain and strengthen its leading position in the PRC market. Meanwhile, the Company will actively promote global resource sharing to achieve synergistic development in the domestic and foreign markets to support the stable growth of the Group’s operating results.

PROPOSED INTERIM DIVIDEND

The Board recommended the distribution of an interim dividend of RMB0.0969 per share (corresponding period in 2024: RMB0.0919 per share) for the six months ended 30 June 2025. Such proposal is subject to the approval by the shareholders of the Company (the “Shareholders”) at the forthcoming extraordinary general meeting (“Extraordinary General Meeting”) to be held on Thursday, 16 October 2025.

EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

Attending and Voting in the Extraordinary General Meeting

In order to determine the shareholders who are entitled to attend and vote at the Extraordinary General Meeting, the register of members of the Company for H Shares will be closed from Monday, 13 October 2025 to Thursday, 16 October 2025 (both days inclusive), during which period no transfer of H Shares will be effected. In order to qualify for attending and voting in the Extraordinary General Meeting, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company’s H Share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 10 October 2025.

In order to qualify for attending the Extraordinary General Meeting:–

Latest time to lodge in the transfer
instrument accompanied
by the share certificates.....4:30 p.m., Friday,
10 October 2025

Closure of register of members of
the Company for attendance
of the Extraordinary General Meeting..... Monday, 13 October 2025 to
Thursday, 16 October 2025

Date of Extraordinary General Meeting Thursday, 16 October 2025

Entitlement of Interim dividend

In order to determine the entitlement to the interim dividend payment, the register of members of the Company for H Shares will be closed from Wednesday, 22 October 2025 to Friday, 24 October 2025 (both days inclusive), during which period no transfer of H Shares will be effected. In order to qualify for entitlement of the interim dividend, holders of H Shares should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 21 October 2025.

In order to qualify for the interim dividend for the six months ended 30 June 2025:

Latest time to lodge in the transfer instrument accompanied
by the share certificates. 4:30 p.m., Tuesday,
21 October 2025

Closure of register of members of the Company for
entitlement of interim dividend Wednesday, 22 October 2025 to
Friday, 24 October 2025

Record date for entitlement of
interim dividend Friday, 24 October 2025

Despatch date of interim dividend. Friday, 21 November 2025

The interim dividend will be despatched at the risk of those entitled thereto to their respective registered addresses on or around Friday, 21 November 2025. The applicable exchange rate for converting RMB into Hong Kong dollar for the purpose of the interim dividend payment will be based on the average middle exchange rate of Renminbi as quoted by the People's Bank of China for the calendar week preceding 16 October 2025, the date on which the interim dividend to be declared.

INCENTIVE SHARE SCHEME

The Company adopted an incentive share scheme on 17 November 2014 (“**Incentive Share Scheme**”). The purposes of the Incentive Share Scheme are to: (i) enable the Company to provide incentive to the Eligible Participants (as defined below) 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; (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.

Subject to the relevant requirements under the Listing Rules, Eligible Participants are persons eligible to receive awards under the Incentive Share Scheme include any employee (whether full-time or part-time, but excluding any Excluded Employee as defined under the Incentive Share Scheme) of any member of the Group, or any person who, in the sole opinion of the remuneration committee of the Company, will contribute or has contributed to any member of the Group. The maximum number of the issuable Shares under the specific mandate of Incentive Share shall not exceed 223,818,616 Shares, representing 5% of the number of Shares in issue on the date of adoption of the Incentive Share Scheme.

The Company issued 94,260,000 Shares in total under the specific mandate. As at 30 June 2025, 129,558,616 outstanding Shares remain available to issue under the specific mandate, representing approximately 2.83% of the total issue share capital of the Company. The maximum number of Shares that may be granted to the Eligible Participant selected by the remuneration committee of the Company to participate in the Incentive Share Scheme (“**Selected Employees**”) must not exceed 0.5% of the issued share capital of the Company at the date of the grant. 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 of the Company at its discretion, and may vary among the Selected Employees depending on their position, length of service with the Group and performance. No exercise period for awarded shares was set. The Selected Employees can exercise the share awards in anytime upon vesting. Save for the subscription price, participants are not required to pay any amount upon participation of the Incentive Share Scheme. 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. 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 date of adoption of the Incentive Share Scheme, until 16 November 2024.

Details of the movement of the share awards granted pursuant to the Incentive Share Scheme during the Period were as follows:

		Number of share awards							Weighted average closing price of the shares immediately before the dates the awards were exercised or vested
Name of grantee	Date of grant	Exercisable as at 1 January 2025	Vested during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	Exercisable as at 30 June 2025	Subscription price upon grant (RMB)	(HKD)
Directors									
Mr. Long Jing	11/12/2015 (batch 1)	480,000	–	–	–	–	480,000	2.2	5.59
	24/12/2021 (batch 2)	4,800,000	–	–	–	–	4,800,000	3.58	9.48
Mr. Cong Rinan	11/12/2015 (batch 1)	200,000	–	–	–	–	200,000	2.2	5.59
	24/12/2021 (batch 2)	1,600,000	–	–	–	–	1,600,000	3.58	9.49
Mr. Wang Daoming	24/12/2021 (batch 2)	400,000	–	–	–	–	400,000	3.58	6.86
Other Eligible Participants									
employees	11/12/2015 (batch 1)	430,000	–	–	–	–	430,000	2.2	5.59
	24/12/2021 (batch 2)	31,840,000	–	–	–	–	31,840,000	3.58	9.50

Notes:

- With respect to batch 1 of the share awards granted in 2015, a total of 1,110,000 shares were exercisable as at 30 June 2025. Such shares, together with (i) 8,812,000 shares that were repurchased by the trustee upon exercise by the directors and employees; and (ii) 4,534,000 shares that were lapsed and retained by the trustee pursuant to the Incentive Share Scheme, represents 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).

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Position

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) of the Company, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) were as follows:

(i) Long positions in the shares and underlying shares of the Company:

Name of director	Nature of interest	Capacity	Number of H Shares held	% of H Shares in issue ^(Note 1)	Number of Domestic Shares held	% of Domestic Shares in issue ^(Note 1)	% of the total issued share capital of the Company ^(Note 1)
Mr. Long Jing (Note 2)	Personal	Beneficial Owner	480,000	0.0106	6,000,000	12.42	0.1420
Mr. Cong Rinan (Note 3)	Personal	Beneficial Owner	200,000	0.0044	2,000,000	4.14	0.0482
Mr. Wang Daoming (Note 4)	Personal	Beneficial Owner	–	–	500,000	1.04	0.0110
Mr. Chen Lin	Personal	Beneficial Owner	196,000	0.0043	–	–	0.0043

Note:

- As at 30 June 2025, the number of total issued shares of the Company was 4,562,499,924, comprising 4,514,199,924 H Shares (excluding 8,132,400 treasury shares) and 48,300,000 Domestic Shares.
- The interest disclosed represents (i) Mr. Long's personal interest in 480,000 H Shares; and (ii) 6,000,000 Domestic Shares granted pursuant to the Incentive Share Scheme.
- The interest disclosed represents (i) Mr. Cong's personal interest in 200,000 H Shares; and (ii) 2,000,000 Domestic Shares granted pursuant to the Incentive Share Scheme.
- The relevant interests are Domestic Shares granted pursuant to the Incentive Share Scheme.

(ii) **Long positions in the shares and underlying shares of the associated corporations of the Company**

Name of director	Name of associated corporation	Capacity/Nature of interest	Amount of equity interest held	% of interest in the associated corporation
Mr. Chen Lin	(1) Weihai Weigao International Medical Investment Holding Co., Ltd. ^(Note i)	Beneficial owner	RMB1,100,800	6.90%
	(2) Weigao Holding Company Limited ^(Note i)	Beneficial owner	RMB9,760,000	0.81%
Mr. Lu Junqiang	Shandong Weigao Orthopaedic Device Company Limited	Beneficial Owner	400,000 A shares ^(Note ii)	0.10%

Notes:

- (i) Weihai Weigao International Medical Investment Holding Co., Ltd. (“**Weihai Weigao International**”) holds 89.93% equity interest in Weigao Holding Company Limited (“**Weigao Holding**”), which is the controlling shareholder of the Company.
- (ii) These underlying shares were incentive share options granted to Mr. Lu Junqiang and were vested pursuant to the share award scheme of Shandong Weigao Orthopaedic Device Company Limited, a subsidiary of the Company listed on the Shanghai Stock Exchange.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any interests or short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Substantial Shareholders

As at 30 June 2025, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) or institutions have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Nature of interest	Number of H Shares held <i>(Note 2)</i>	% of total issued H share capital <i>(Note 1)</i>
Mr. Chen Xueli	Interest of controlled corporation	2,099,755,676 (L)	46.51
Weihai Weigao International	Interest of controlled corporation	2,099,755,676 (L)	46.51
Weigao Holding	Beneficial owner	1,982,755,676 (L)	43.92
	Interest of controlled corporation	117,000,000 (L)	2.59
Wego International Capital Holding Corporation Limited	Beneficial owner	117,000,000 (L)	2.59

Notes:

- As at 30 June 2025, the number of total issued shares of the Company was 4,562,499,924, comprising 4,514,199,924 H Shares (excluding 8,132,400 treasury shares) and 48,300,000 Domestic Shares.
- Wego International Capital Holding Corporation Limited (“**Wego Capital**”) is 100% owned by Weigao Holding. The Company is owned as to 46.51% by Weigao Holding, which is 89.83% owned by Weihai Weigao International. Weihai Weigao International is 50.80% owned by Mr. Chen Xueli. Accordingly, Mr. Chen Xueli and Weihai Weigao International are deemed to be interested in the shares of the Company held by Weigao Holding and Wego Capital for the purpose of Part XV of the SFO.

Save as disclosed above, as at 30 June 2025, no other persons (other than the Directors and chief executives of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

During the Period, the combined value of the Group’s contracts with its five largest suppliers, which were not of a capital nature, was less than 30 per cent of the total value of supplies purchased. The Group’s five largest customers combined contributed less than 30 per cent of its total revenue and other income during the Period.

During the Period, none of the Directors, their associates or any shareholders (which to the knowledge of the Director owned more than 5% of the Company's issued share capital) has a beneficial interest in the Group's five largest customers or suppliers.

CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of the Group's businesses. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**Code**") contained in Appendix C1 to the Listing Rules. For the six months ended 30 June 2025, the Company has complied with all the code provisions as set out in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 of the Listing Rules as the standard for securities transactions by Directors. The Company had made specific enquiry of all Directors whether they have complied with the required standard set out in the Model Code during the six months ended 30 June 2025 and all Directors confirmed that they have complied with the Model Code during the six months ended 30 June 2025.

AUDIT COMMITTEE

The audit committee of the Company currently comprises four independent non-executive Directors, being Mr. Li Guohui (chairman of the audit committee), Mrs. Meng Hong, Mr. Li Qiang and Mr. Sun Heng; and one non-executive Director, being Mr. Tang Zhengpeng. The audit committee has reviewed the unaudited consolidated financial statement of the Company for the six months ended 30 June 2025 and considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange and other laws, and adequate disclosures have been made.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, the Company repurchased a total of 8,132,400 H shares of the Company ("H Shares") on the Stock Exchange. Details of the repurchases of shares are as follows:

Month	Number of H Shares repurchased	Price per H Shares		Aggregate price (before expenses) HK\$'000
		Highest	Lowest	
		HK\$	HK\$	
February	2,086,000	5.12	4.62	10,408
April	2,944,800	6.10	5.16	16,374
May	1,797,600	5.99	5.52	10,430
June	<u>1,304,000</u>	6.15	5.23	<u>7,447</u>
	<u>8,132,400</u>			<u>44,659</u>

Subsequently, the Company repurchased a total of 677,200 H Shares in July 2025 at the aggregate price of approximately HK\$3,998,000 (before expenses).

All the repurchased H Shares are held as treasury shares.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Period was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the end of the reporting period and up to the date of this announcement.

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

27 August 2025

Weihai, Shandong, the PRC

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. Wang Daoming (*Executive Director*)
Ms. Yan Xia (*Non-executive Director*)
Mr. Chen Lin (*Non-executive Director*)
Mr. Tang Zhengpeng (*Non-executive Director*)
Mr. Li Guohui (*Independent Non-executive Director*)
Mrs. Meng Hong (*Independent Non-executive Director*)
Mr. Li Qiang (*Independent Non-executive Director*)
Mr. Sun Heng (*Independent Non-executive Director*)