THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

MAJOR TRANSACTION AND CONNECTED TRANSACTION AND NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

Capitalised terms used in this cover will have the same meanings as those defined in the section headed "Definitions" in this circular.

The notice convening the EGM to be held at 2/F., 1 Weigao Road, Torch Hi-tech Science Park, Weihai, Shandong Province, the PRC at 9:00 a.m. on Thursday, 12 February 2026 are set out on pages 331 to 333 of this circular.

Whether or not you are able to attend the meeting, you are strongly urged to complete and sign the enclosed forms of proxy in accordance with the instructions printed thereon and please return it to the Company's H Share registrar, Tricor Investor Services Limited, 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

26 January 2026

* *For identification purposes only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

"2014 Share Award Scheme"	the share award scheme of the Company adopted on 17 November 2014 and expired on 16 November 2024
"Acquisition"	the transaction whereby the Company and Weihai Ruiming shall receive the Consideration Shares pursuant to the Sale and Purchase Agreement in connection with the Disposal
"Ancillary Documents"	the Compensation Agreement and the Letter of Non-Competition Undertakings
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"China United" or "Independent Valuer"	China United Assets Appraisal Group Co., Ltd.（中聯資產評估集團有限公司）, an independent asset valuation institution with asset valuation qualifications in the PRC, which issues an independent valuation report on the Subject Assets commissioned by Weigao Blood Purification and the Company
"Company"	Shandong Weigao Group Medical Polymer Company Limited（山東威高集團醫用高分子製品股份有限公司）, a joint stock limited company incorporated in the PRC, the shares of which are listed on the Stock Exchange
"Compensation Agreement"	the Profit Forecast Compensation Agreement dated 5 January 2026 entered into between WEGO Prefills Shareholders and Weigao Blood Purification
"Completion Date of Issuance"	the date on which the Consideration Shares are registered in the Company's share account opened with China Securities Depository and Clearing Corporation Limited（中國證券登記結算有限責任公司）
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration Share(s)"	Weigao Blood Purification issues new ordinary shares with a nominal value of RMB1.00 each to WEGO Prefills Shareholders pursuant to the Sale and Purchase Agreement, as the consideration to acquire the equity interests in WEGO Prefills

"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"Disposal"	the Company and Weihai Ruiming sold a total of 95.9784% equity interest in WEGO Prefills to Weigao Blood Purification pursuant to the Sale and Purchase Agreement
"EGM"	the 2026 first extraordinary general meeting of the Company, to be convened and held on Thursday, 12 February 2026 to consider and, if thought fit, approve the Transaction and the Transaction Documents
"Enlarged Group"	the Group as enlarged by the consolidation of the Weigao Blood Purification as a result of the Transaction
"Gram Capital" or "Independent Financial Adviser"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser of the Company, appointed and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in connection with the Transaction, and to make recommendation as to voting
"Group"	the Company and its subsidiaries
"Guideline No.1"	the Guidelines for the Application of Regulatory Rules – Listed Companies No. 1 (監管規則適用指引 — 上市類第1號) issued by the CSRC
"H Shares"	the overseas-listed foreign invested shares in the share capital of the Company, with a nominal value of RMB0.10 each, which are held and traded in Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors

"Independent Shareholders"	Shareholders other than Weigao Holding, Wego Capital, the trustee of the 2014 Share Award Scheme, Mr. Long Jing, Mr. Cong Rinan, Mr. Chen Lin, Mr. Wang Daoming and their respective associates (as defined in the Listing Rules)
"Issue Price"	the issue price of the Consideration Shares, being RMB31.29 per Consideration Share (subject to adjustment upon the events specified in the Sale and Purchase Agreement)
"Latest Practicable Date"	21 January 2026, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication
"Letter of Non-Competition Undertakings"	the letter of non-competition undertakings dated 5 January 2026 entered into by the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Original Sale and Purchase Agreement"	the share issue and purchase of assets agreement dated 31 October 2025 entered into between WEGO Prefills Shareholders and Weigao Blood Purification in relation to the Transaction
"PRC"	for the purpose of this Circular, it specifically refers to Mainland China, excluding Hong Kong Special Administrative Region (China), Macau Special Administrative Region (China) and Taiwan, China
"Pricing Benchmark Date"	the pricing benchmark date for the issuance of the Consideration Shares, being 1 November 2025
"Restructuring Measures"	the Measures for the Administration of the Material Asset Restructuring of Listed Companies (上市公司重大資產重組管理辦法) issued by the CSRC
"RMB"	Renminbi, the lawful currency of the PRC

"Sale and Purchase Agreement"	the Original Sale and Purchase Agreement and the Supplemental Sale and Purchase Agreement
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	the issued shares of the Company, comprise both H Shares and non-listed domestic shares of RMB0.10 each in the capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)
"SSE"	Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subject Assets"	the 100% equity interest in WEGO Prefills
"Supplemental Sale and Purchase Agreement"	the supplemental agreement to the share issue and purchase of assets agreement dated 5 January 2026 entered into between WEGO Prefills Shareholders and Weigao Blood Purification
"Takeover Administration Measures"	the Measures for the Administration of the Takeover of Listed Companies (上市公司收購管理辦法) issued by the CSRC
"Transaction"	the transaction whereby Weigao Blood Purification acquires the Subject Assets from WEGO Prefills Shareholders by way of issuance of Consideration Shares
"Transaction Documents"	the agreements and documents entered into by the Group for the purpose of the Transaction, including the Sale and Purchase Agreement and the Ancillary Documents
"Valuation Benchmark Date"	the benchmark date for the valuation (being 30 September 2025), on which the Independent Valuer carried out the valuation on the Subject Assets
"Valuation Report"	the asset valuation report for the Subject Assets issued by China United dated 29 December 2025

"Wego Capital"	Wego International Capital Holding Corporation Limited (威高國際資本有限公司), a company established under the laws of Hong Kong with limited liability and is a connected person of the Company
"WEGO Prefills" or "Target Company"	WEGO Prefills Pharmaceutical Packaging Co., Ltd.* (山東威高普瑞醫藥包裝有限公司), a company established under the laws of the PRC with limited liability and is owned as to approximately 94.0706%, 4.0215% and 1.9078% by the Company, Weihai Shengxi and Weihai Ruiming, respectively as at the Latest Practicable Date
"Weigao Blood Purification"	Shandong Weigao Blood Purification Products Co., Ltd.* (山東威高血液淨化製品股份有限公司), a company established in the PRC whose A shares are listed on the SSE (stock code: 603014.SH) and is a connected person of the Company
"Weigao Holding"	Weigao Holding Co., Ltd.* (威高集團有限公司), a company established under the laws of the PRC with limited liability, which directly and indirectly holds an aggregate of 46.32% of the shares of the Company through Wego Capital and is a controlling shareholder and a connected person of the Company as at the Latest Practicable Date
"Weigao Jiesheng"	Weihai Weigao Jiesheng Medical Devices Co., Ltd.* (威海威高潔盛醫療器材有限公司), a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of WEGO Prefills
"Weigao Orthopaedic"	Shandong Weigao Orthopaedic Device Company Limited* (山東威高骨科材料股份有限公司), a company established under the laws of the PRC with limited liability whose A shares are listed on the SSE (stock code: 688161.SH) and is a subsidiary of the Company
"Weigao Pharmaceutical Packaging"	Shandong Weigao Pharmaceutical Packaging Products Co., Ltd.* (山東威高醫藥包裝製品有限公司), a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of WEGO Prefills

"Weihai Ruiming"	Weihai Ruiming Enterprise Management Consulting Partnership (Limited Partnership)*(威海瑞明企業管理諮詢合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC
"Weihai Shengxi"	Weihai Shengxi Enterprise Management Consulting Center (Limited Partnership)*(威海盛熙企業管理諮詢中心(有限合夥)), a limited liability partnership established under the laws of the PRC and is a connected person of the Company
"Weihai Weigao International"	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 established under the laws of the PRC with limited liability. It controls the Company through Weigao Holding as of the Latest Practicable Date and is a connected person of the Company
"WEGO Prefills Shareholder(s)" or "Vendor(s)"	any or all existing shareholders of WEGO Prefills, namely the Company, Weihai Shengxi and Weihai Ruiming

Amounts disclosed in this circular are expressed in RMB unless otherwise specified.

* *For identification purposes only.*

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)

Executive Directors:
Mr. Long Jing *(Chairman)*
Mr. Cong Rinan *(Chief Executive Officer)*
Mr. Lu Junqiang
Mr. Wang Daoming

Non-executive Directors:
Mr. Chen Lin
Mr. Tang Zhengpeng

Independent non-executive Directors:
Mr. Li Guohui
Mrs. Meng Hong
Mr. Li Qiang
Mr. Sun Heng

Principal place of business in the PRC:
1 Weigao Road
Torch Hi-tech Science Park
Weihai
Shandong Province
China

Principal place of business in Hong Kong:
29/F., Two Chinachem Central
26 Des Voeux Road Central
Hong Kong

26 January 2026

To Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION
AND
NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

References are made to the announcements of the Company dated 31 October 2025 and 5 January 2026 in relation to the Transaction.

The purpose of this circular is to provide you with further information regarding the Transaction and the Transaction Documents, the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, and the notice of the EGM at which the relevant ordinary resolutions will be proposed to consider and, if thought fit, approve the Transaction and the Transaction Documents.

II. THE TRANSACTION

The Company, Weihai Shengxi, Weihai Ruiming and Weigao Blood Purification have entered into the conditional Sale and Purchase Agreement and Ancillary Documents, pursuant to which Weigao Blood Purification would acquire 100% equity interest in WEGO Prefills and, as the consideration, Weigao Blood Purification would issue a corresponding number of Consideration Shares to each of the WEGO Prefills Shareholders.

(I) Principal Terms of the Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are set out below:

Parties

1) The Company, Weihai Shengxi and Weihai Ruiming (as the Vendors); and

2) Weigao Blood Purification (as the buyer)

Signing Date and Conditions Precedent for the Effectiveness of the Sale and Purchase Agreement

The Original Sale and Purchase Agreement was executed on 31 October 2025, and the Supplemental Sale and Purchase Agreement was executed on 5 January 2026.

The Sale and Purchase Agreement shall be concluded after being executed and sealed by all parties hereto and shall become effective upon the fulfillment or satisfaction of the conditions precedent agreed in the Sale and Purchase Agreement, including the approval of the Transaction by the board and general meeting of Weigao Blood Purification and the Company, approval by the other Vendors' decision-making bodies, and approval by the relevant regulatory authorities (including but not limited to the CSRC, the SSE and the Stock Exchange) for the Transaction and/or the issuance of Consideration Shares (as the case may be).

As the relevant conditions precedent primarily comprise various internal and external approval procedures, they are non-waivable. As at the Latest Practicable Date, all the internal approvals of WEGO Prefills have already been obtained; and approvals from the respective boards of directors of the Company and Weigao Blood Purification have also already been obtained, while the respective shareholders' approvals and regulatory approvals remain outstanding and are yet to be satisfied.

Subject Assets and Final Consideration

Weigao Blood Purification intends to acquire 100% equity interest in WEGO Prefills from the Vendors by the issuance of Consideration Shares. The Company, Weihai Shengxi and Weihai Ruiming shall dispose of approximately 94.0706%, 4.0215% and 1.9078% of the equity interest in WEGO Prefills, respectively.

The final consideration of the Subject Assets shall be approximately RMB8,510.81 million, which was determined through negotiations among the parties with reference to the appraised value of the Subject Assets (approximately RMB8,510.81 million) as stated in the Valuation Report issued by China United, an independent third-party asset valuation institution. The specific amount of transfer consideration and the number of Consideration Shares receivable by each Vendor (calculated at RMB31.29 per Consideration Share) are as follows:

Vendor	Shareholding held in WEGO Prefills	Amount of transfer consideration *(RMB)*	Number of Consideration Shares to be received *(Shares)*
Company	94.0706%	8,006,177,825.13	255,870,176
Weihai Shengxi	4.0215%	342,264,102.02	10,938,450
Weihai Ruiming	1.9078%	162,371,847.36	5,189,256
Total	100%	8,510,813,774.51	271,997,882

Following the signing of the Sale and Purchase Agreement and up to the Completion Date of Issuance, in the event that Weigao Blood Purification occurs any ex-dividend or ex-rights events such as dividend distributions, bonus share issues, rights offerings or capitalisation of capital reserves, the Issue Price shall be adjusted accordingly in compliance with relevant rules and regulations of the CSRC and the SSE. The number of shares to be issued shall be adjusted in accordance with the terms of the Sale and Purchase Agreement.

Proposal for the Transaction

The specific proposal for the Transaction is as follows:

1. Class, Nominal Value and Place of Listing of the Consideration Shares

   The Consideration Shares shall be domestic listed RMB ordinary shares (A shares) of Weigao Blood Purification, with a nominal value of RMB1.00 per share, and the place of listing shall be the SSE.

2. Method of Issuance and Target Subscribers

   The method for issuance shall be issuing shares to a specific target subscriber, who will be the Vendors.

3. Pricing Benchmark Date and Issue Price

(a) Pricing Benchmark Date and Issue Price

The Pricing Benchmark Date shall be the announcement date of the resolutions passed at the first session of the board of Weigao Blood Purification in which the proposals related to the Transaction were considered (i.e. 1 November 2025).

The Issue Price shall not be less than 80% of the average trading price of the shares of Weigao Blood Purification in the 20 trading days preceding the Pricing Benchmark Date (being RMB39.11 per share). As agreed among the parties, the Issue Price will be RMB31.29 per Consideration Share.

(b) During the period between the Pricing Benchmark Date and the Completion Date of the Issuance, if there are any ex-rights or ex-dividend events of Weigao Blood Purification, such as distribution of dividends, issue of bonus shares, share allotment or capital reserve capitalization, the Issue Price will be adjusted according to the following formula:

In the event of bonus issue or capital reserve capitalization: $P1 = P0/(1+n)$;

In the event of share allotment: $P1 = (P0+A\times k)/(1+k)$;

In the event of the above two items implemented simultaneously: $P1 = (P0+A\times k)/(1+n+k)$;

In the event of distribution of cash dividends: $P1 = P0-D$;

In the event that the above three items are implemented simultaneously: $P1 = (P0-D+A\times k)/(1+n+k)$.

Where: P0 is the Issue Price before adjustment; n is the rate of bonus issue or rate of capital reserve capitalization; k is the rate of shares to be allotted; A is the share price to be allotted; D is the amount of cash dividends per share; and P1 is the adjusted Issue Price.

Weigao Blood Purification did not conduct any ex-rights or ex-dividend events from the Pricing Benchmark Date to the Latest Practicable Date.

4. Number of Shares to be Issued

The number of Consideration Shares to be issued equals the consideration for the Subject Assets divided by the Issue Price. The final number of Consideration Shares to be issued shall be subject to approval by the shareholders' meeting of Weigao Blood Purification, review by the SSE, and registration by the CSRC. In the event that the Issue Price is adjusted pursuant to the events stipulated in the Sale and Purchase Agreement as mentioned above, the number of Consideration Shares to be issued shall be adjusted accordingly.

5. Lock-up Period

(a) The Vendors shall not transfer the Consideration Shares within thirty-six months following the completion of the Transaction. The lock-up period for the Consideration Shares shall automatically be extended for six months on the basis of the aforementioned lock-up period if the closing prices of the shares of Weigao Blood Purification is lower than the Issue Price for 20 consecutive trading days within six months after the completion of the Transaction or if the closing price of which at the end of the six months is lower than the Issue Price. For any shares of Weigao Blood Purification that have already been held by the Company prior to the Transaction, they shall not be transferred in any manner within 18 months after the completion of the Transaction. However, transfer of shares as permitted by applicable laws shall not be restricted.

(b) After the completion of the Transaction, any additional Consideration Shares received by the Vendors as a result of distribution of dividends, issue of bonus shares, capital reserve capitalization or share allotment or other actions of Weigao Blood Purification shall also be subject to the aforementioned lock-up period restrictions.

(c) In the event that the lock-up period for the shares subscribed by the Vendors is inconsistent with the latest regulatory requirements of the securities regulatory authorities, the Vendors agree to make corresponding adjustments in accordance with the latest requirements and regulatory advice of the securities regulatory authorities.

(d) Upon the expiry of the aforementioned lock-up period, the transfer and trading of the shares of Weigao Blood Purification by the Vendors shall be conducted in accordance with the then effective laws, regulations, and the rules of the SSE.

In addition to the aforesaid lock-up period requirements, due to the Vendors' obligations under the Compensation Agreement, the Vendors shall not transfer their Consideration Shares from the Completion Date of Issuance until the obligations under the Compensation Agreement have been fulfilled.

The lock-up arrangement for the Company as a result from the Transaction is mandatory under the PRC laws and regulations issued by the CSRC, and is a necessary condition for the Company to proceed with the Transaction. According to the Takeover Administration Measures issued by the CSRC, the issuance of shares by Weigao Blood Purification to the Company constitutes a takeover of a listed company. Article 74 of the Takeover Administration Measures stipulates that "in the takeover of a listed company, the shares held by the acquirer in the target company may not be transferred within 18 months after the completion of the takeover." According to the Restructuring Measures and the Guideline No.1, any consideration shares issued by a listed company (i.e. the Consideration Shares in this case) to a specific target who is, among other things, such listed company's controlling shareholder, de facto controller, or a connected party controlled by the aforesaid party (i.e. the Company in this case), shall not be transferred within 36 months commencing from the date of issuance of such consideration shares. In addition, the lock-up arrangements under the Compensation Agreement (as set out below) are also mandatory under the Restructuring Measures issued by the CSRC.

However, the Transaction involves the Group's strategic integration and adjustment of business layout, rather than a short-term financial investment. Therefore, the short-term share lock-up undertaking will not have any negative impact on the overall interests of the Company and its Shareholders. Upon completion of the transaction, the Company will become the direct controlling shareholder of Weigao Blood Purification, supporting the continued integration of Weigao Blood Purification and WEGO Prefills. In addition to the orderly development of existing businesses such as blood purification and prefilled syringes products, the Company will actively expand the upstream consumables business in biopharmaceuticals, thereby achieving continuous expansion and growth of the Company's business segments and enhancing returns to its Shareholders.

As such, the Company is of the view that the lock-up arrangement, resulting from the Company's acquisition of a controlling stake in Weigao Blood Purification, is fair and reasonable, and is in the best interests of the Company and its Shareholders.

6. Arrangement of Accumulated Undistributed Profits

Upon the completion of the Transaction, all the existing and new shareholders of Weigao Blood Purification upon the completion of the Transaction will be entitled to the accumulated undistributed profits of Weigao Blood Purification as of the Completion Date of the Issuance in proportion to their respective shareholdings.

Vesting of Profit and Loss of WEGO Prefills During the Transition Period

During the transition period (i.e. the period from the Valuation Benchmark Date (exclusive) to the closing date of the Transaction), any profits generated from the Subject Assets shall be enjoyed by Weigao Blood Purification, while any losses shall be borne by the Vendors. In the event that the Subject Assets incur losses during the transition period, the Vendors shall fully compensate Weigao Blood Purification in cash within 30 working days from the date of issuance of the special audit report. The compensation amount borne by each Vendor shall be determined based on their respective proportion of the Subject Assets transferred to Weigao Blood Purification.

As the Company and Weigao Blood Purification are respectively listed on the Stock Exchange and the SSE, all parties uphold the principle of strict compliance with the regulatory requirements under the applicable laws, regulations and listing rules in the PRC and Hong Kong, including Guideline No. 1 issued by the CSRC, which provides that "in a major asset restructuring of a listed company where valuation methods such as the income approach (present value of expected earnings) or the hypothetical development method, both based on future expected earnings, are adopted as the primary appraisal methods, the earnings generated during the transition period (from the valuation benchmark date to the asset delivery date) and other relevant periods shall belong to the listed company, and any losses shall be borne by the transaction counterparty." Both parties have, after arm's-length negotiation and on the premise of full compliance with applicable listing rules in both Hong Kong and the PRC, mutually agreed the above profit-sharing arrangement. The final consideration of the Transaction has been determined based on the principle of discounting cash flows as of the Valuation Benchmark Date, with future earnings (including earnings during the transition period) already reflected in the final consideration. In determining the transaction consideration payable to the Company, Weigao Blood Purification has adopted the principle of discounting all such future earnings; accordingly, those future earnings should be enjoyed by Weigao Blood Purification. Such arrangement aligns with the normal practice in a similar transaction in the PRC and regulations issued by CSRC. The Company therefore considers the profit-sharing arrangement during the transitional period to be fair and reasonable.

Closing

Within 10 working days after the Sale and Purchase Agreement becomes effective, the Vendors shall cooperate with Weigao Blood Purification to complete the transfer procedures for the Subject Assets, including signing necessary documents and processing equity change registration formalities. The transfer of the Subject Assets shall be completed within 20 working days after the Supplemental Sale and Purchase Agreement becomes effective. Weigao Blood Purification shall complete the issuance, registration, and listing procedures of the Consideration Shares within 30 working days after completing the transfer of the Subject Assets.

As the effectiveness of the Sale and Purchase Agreement and the closing of Transaction are subject to the shareholders' approvals from both the Company and Weigao Blood Purification and various regulatory approvals and filings, the Company expects that the closing of the Transaction will take place in the third quarter of 2026, provided that the A-share regulatory review and approval process proceeds smoothly.

(II) Compensation Agreement

Pursuant to the Restructuring Measures and the relevant requirements of the CSRC regarding performance compensation in major asset restructurings of listed companies, and following the friendly negotiations among all parties, the Vendors agree to make a commitment regarding the profitability of WEGO Prefills during the three accounting years following the completion of the Transaction, and agree to compensate Weigao Blood Purification accordingly in the event that the actual net profit of WEGO Prefills during the performance commitment period falls short of the committed net profit, in accordance with the terms and conditions stipulated in the Compensation Agreement.

The principal terms of the Compensation Agreement are set out below:

Parties

1. The Company, Weihai Shengxi and Weihai Ruiming (as the performance covenantors and compensating parties); and

2. Weigao Blood Purification (as the indemnified party)

Signing Date and the Effectiveness of the Compensation Agreement

5 January 2026

The Compensation Agreement shall be established upon execution and sealed by all parties and shall become effective upon the fulfillment or satisfaction of the agreed conditions precedent, which are identical to those in the Sale and Purchase Agreement.

Performance Guarantee Period

All parties agree that the performance guarantee period for the Transaction shall be three consecutive accounting years commencing from the date of completion of the Transaction (including the accounting year in which the Transaction is completed).

Committed Net Profit

All parties acknowledge and agree that the committed net profit is determined based on the forecast of future earnings of WEGO Prefills as stated in the Valuation Report. The Vendors undertake that the committed net profit for each accounting year during the performance guarantee period of WEGO Prefills shall be RMB639.5092 million (2026), RMB720.1707 million (2027) and RMB783.5229 million (2028), respectively. If the completion date of the Transaction is deferred to 2027, the committed net profit for each accounting year within the performance guarantee period shall be RMB720.1707 million (2027), RMB783.5229 million (2028) and RMB844.7308 million (2029), respectively.

The Company undertakes the committed net profit according to Article 35 of the Restructuring Measures, "where the income approach, the hypothetical development method, or other valuation methods based on expected future earnings are adopted to appraise or value the assets to be acquired and such valuation is used as a pricing reference, the listed company shall, within three years after the completion of the asset delivery or transfer, separately disclose in its annual reports the differences between the actual profit of the relevant assets and the forecasted profit, and an accounting firm shall issue a special audit opinion thereon." Further, the consideration for the Transaction was determined based on the discounted future earnings of WEGO Prefills. The Company has, through receiving such consideration, already enjoyed the relevant future economic benefits attributable to WEGO Prefills. Lastly, the committed net profits during the performance guarantee period were determined strictly based on the future net profit projections adopted under the income approach valuation and are consistent with such projections. Such arrangement aligns with the normal practice in a similar transaction in the PRC. The Company considers that the committed net profits are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Determination of Actual Net Profit

At the end of each accounting year during the performance guarantee period, Weigao Blood Purification shall engage a qualified audit institution to review the discrepancy between the actual net profit of WEGO Prefills and its committed net profit, and issue a specific audit opinion. The actual net profit shall refer to the audited consolidated net profit attributable to the owners of the parent company (being WEGO Prefills in this context) for each accounting year during the performance guarantee period, after deducting non-recurring gains and losses. The fulfillment of the performance guarantee of WEGO Prefills shall be determined based on the aforementioned specific audit opinion issued by the qualified audit institution, which shall be disclosed in the annual report of Weigao Blood Purification for the corresponding year, to be published within four months after the end of each accounting year.

Performance Guarantee Compensation

1. Profit Compensation

$$\text{Vendors' Compensation Amount for the Current Period} = \frac{\text{(Accumulated committed net profit as of the end of the current period} - \text{the accumulated actual net profit as of the end of the current period)}}{\text{Sum of the committed net profit for the respective accounting year during the performance guarantee period}} \times \text{Transaction consideration received by the Vendors for the Subject Assets in the Transaction} - \text{Accumulated compensated amount}$$

Each Vendor shall be liable for compensation to Weigao Blood Purification in proportion to the equity of WEGO Prefills they sold to Weigao Blood Purification, and they shall not bear any joint and several liability with one another. The compensation amount for each year during the performance guarantee period shall be calculated separately for each year.

The performance compensation formula has been prepared with reference to the formula stipulated in the Guideline No.1, which provides that the compensation shall be determined based on the proportion of the accumulative shortfall in net profit (up to the relevant period) to the total committed net profit for the entire compensation period, and the corresponding portion of the transaction consideration shall be returned on a proportional basis. According to such requirement, the compensation amount shall be calculated on an annual basis, based on the accumulative net profit and the compensation made for a prior year shall not be reversed in subsequent years. In other words, if the performance commitment for the first year is not met, the Company is required to compensate Weigao Blood Purification with shares; whereas if the second year outperforms the relevant performance commitment, the share compensation made for the first year would not be reversed.

Under the performance guarantee compensation mechanism, the Company is required to compensate a corresponding proportion of the Consideration Shares based on the proportion of unrealized committed net profit of WEGO Prefills, subject to a cap equal to all the Consideration Shares to be received by the Company. Accordingly, in an extreme scenario where WEGO Prefills records zero or negative net profit during the performance guarantee period, the Group's maximum compensation exposure would be all the Consideration Shares it receives. However, the Company's profit forecast for WEGO Prefills is supported by the rapid growth of the downstream biopharmaceutical industry and WEGO Prefills' leading market position in areas such as prefilled syringe products, which together provide strong assurance as to the achievability of the forecast. In light of these factors, the likelihood that WEGO Prefills will record zero net profit or incur losses during the performance guarantee period is minimal.

2. Impairment Testing and Compensation

Upon the expiration of the performance guarantee period, Weigao Blood Purification shall engage a qualified audit institution to conduct an impairment test on the Subject Assets and issue an impairment test report. If the impairment amount of the Subject Assets at the end of the period exceeds the cumulative compensation paid during the performance guarantee period (including compensation made by the Vendors in the form of shares and cash, the same below), the Vendors shall compensate Weigao Blood Purification additionally.

The impairment amount of the Subject Assets at the end of the period refers to the transaction price of the Subject Assets (i.e. the consideration of the Transaction of RMB8,510,813,774.51) minus the appraised value of the Subject Assets on the expiry date of the performance guarantee period, after deducting the impact of capital increases, capital reductions, receipt of donations, and profit distributions on the Subject Assets during the performance guarantee period. The calculation formula is as follows:

$$\text{Vendors' compensation amount payable due to impairment} = \text{Impairment amount of the Subject Assets at the expiration of the performance guarantee period} - \text{Accumulated compensated amount paid during the performance guarantee period}$$

The impairment test will be conducted by a qualified audit institution engaged specifically for this purpose after the end of the performance guarantee period (expected to be after 2028), which will carry out an impairment assessment on the Subject Assets and issue an impairment test report.

3. Method of Compensation

If the Vendors trigger the aforementioned profit compensation or impairment test compensation, priority should be given in using the Consideration Shares they obtained to compensate Weigao Blood Purification. Any shortfall shall be supplemented in cash as an additional compensation method. The specific number of shares shall be calculated according to the following formula and rounded up to the nearest whole number:

$$\text{Number of shares each Vendor is obligated to compensate in the current period} = \frac{\text{Compensation amount for the current period}}{\text{Issue Price (subject to the price adjustment mechanism stipulated in the Sale and Purchase Agreement)}}$$

If the Consideration Shares obtained by the Vendors are insufficient to cover the compensation, the shortfall shall be compensated in cash. Simultaneously, any cash dividends previously received from Weigao Blood Purification on the shares subject to compensation in the current period must be returned.

The total amount of share compensation and cash compensation provided by the Vendors to Weigao Blood Purification due to profit compensation and impairment test compensation shall not exceed the transfer consideration received by the Vendors; and the number of shares to be compensated shall be capped at the number of Consideration Shares obtained by the Vendors. The Vendors undertake that the Consideration Shares obtained shall be prioritized for fulfilling the performance compensation commitment and shall not evade compensation obligations through means such as pledging of shares. If the Vendors intend to pledge the Consideration Shares acquired through the Transaction in the future, written consent from Weigao Blood Purification must be obtained in advance.

4. Implementation of Compensation Measures

If the Vendors trigger the profit compensation or impairment test compensation obligations stipulated in the Compensation Agreement, Weigao Blood Purification shall calculate the compensation amount and the number of shares to be compensated by the Vendors within 15 days after the qualified audit institution engaged issues the special audit opinion or impairment test report, and notify the Vendors accordingly. The Vendors shall, within 5 days of receiving the notice from Weigao Blood Purification, inform Weigao Blood Purification of the number of shares available for compensation. Weigao Blood Purification shall promptly formulate specific compensation proposals and convene board and shareholder meetings for review.

For the shares compensated by the Vendors, Weigao Blood Purification shall first adopt a share repurchase and cancellation proposal, which involves repurchasing the Vendors' shares subject to compensation in the current period at a total price of RMB1.00 and canceling them. If the aforementioned share repurchase and cancellation proposal is unable to be implemented for reasons such as the failure to obtain approvals from Weigao Blood Purification's board of directors or shareholders' meeting, Weigao Blood Purification shall have the right to require the Vendors to transfer the shares subject to compensation to the shareholders of Weigao Blood Purification other than the Vendors at zero consideration. The specific share repurchase proposal or share transfer proposal shall be formulated and implemented by Weigao Blood Purification's board of directors at that time, and the Vendors must complete the relevant procedures within the timeframe stipulated in the Compensation Agreement.

Regarding cash compensation, the Vendors shall transfer the cash compensation to the bank account designated by Weigao Blood Purification within 10 days after receiving the written notice from Weigao Blood Purification.

The performance guarantee for the Transaction is based on the net profit figures stated in the Valuation Report. The future performance projections of WEGO Prefills have fully considered the current state and development trends of its industry, as well as the operational status and business development patterns of WEGO Prefills. The Board deems such projections to be reasonable.

(III) Letter of Non-Competition Undertakings

During the preparation for the A-share public offering and listing of Weigao Blood Purification, in accordance with the requirements of A-share listing rules, Weigao Holding and its de facto controller, Mr. Chen Xueli, made commitments to Weigao Blood Purification to avoid new peer-business competition. They confirmed and pledged that neither they nor other enterprises under their control (including the Group) are currently engaging in, nor will they in the future, whether within or outside the PRC, independently or in cooperation with third parties, directly or indirectly conduct any business activities in any form that compete or may potentially compete with the current and future primary business operations of Weigao Blood Purification or its subsidiaries.

Following the completion of the Transaction, the Company will become the direct controlling shareholder of Weigao Blood Purification. On 5 January 2026, the Company executed a Letter of Non-Competition Undertakings in accordance with the relevant requirements under the A-share listing rules, hereby undertaking the following to Weigao Blood Purification:

1. Weigao Blood Purification specializes in research and development, production, and sales of medical devices for blood purification. Following the completion of the Transaction, Weigao Blood Purification will hold 100% of the equity in WEGO Prefills. Consequently, its principal business will be expanded to include research and development, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems. The Company and other enterprises controlled by the Company currently do not, and will not in the future, engage, whether within or outside the territory of the PRC, independently or jointly with any third party, in any form, directly or indirectly, in any business activities that compete or may compete with the current or future principal business of Weigao Blood Purification or its subsidiaries.

2. If the Company and other enterprises controlled by the Company obtains any business opportunity from any third party that competes or may compete with the products falling within the principal business of Weigao Blood Purification following the completion of the Transaction, it shall promptly notify Weigao Blood Purification and endeavour to ensure that such opportunity is offered to Weigao Blood Purification, so as to avoid actual or potential competition in the same business with Weigao Blood Purification and to safeguard the interests of Weigao Blood Purification and its other shareholders from being prejudiced.

3. Following the completion of the Transaction, during the period when the Company remains the controlling shareholder of Weigao Blood Purification, should Weigao Blood Purification further expand its product and business scope, the Company and other enterprises controlled by the Company undertake not to compete with the expanded products or businesses of Weigao Blood Purification. In the event that a situation arises which may generate competition with Weigao Blood Purification's expanded products or businesses, the Company and other enterprises controlled by the Company undertake to exit from such competition with Weigao Blood Purification by means of the followings, including but not limited to: (i) ceasing the production or provision of products or services that constitute or may constitute competition; (ii) terminating the operation of businesses that constitute or may constitute competition; (iii) contributing the competing business into Weigao Blood Purification in a legal manner, subject to Weigao Blood Purification's consent; (iv) transferring the competing business to a non-related third party; (v) other methods beneficial to safeguarding the interests of Weigao Blood Purification.

4. The Company undertakes to exercise the shareholder rights legally and reasonably, and shall not take any action that would restrict or affect the normal business operations of Weigao Blood Purification.

5. In the event that the Company breaches any of the aforementioned undertakings and causes losses to Weigao Blood Purification, the Company shall be liable for compensation in accordance with the law.

The aforementioned non-competition undertakings are made in accordance with the relevant requirements under the A-share listing rules and the common practice in similar transactions. The Company shall only be bound by the aforementioned undertakings upon the completion of the Transaction and when the Company becomes the direct controlling shareholder of Weigao Blood Purification. The undertaking made by Weigao Holding and Mr. Chen Xuelin to Weigao Blood Purification shall remain valid.

For avoidance of doubt, although the Group is restricted from conducting the business of pre-filled drug delivery and automatic safety drug delivery systems through its subsidiaries, except for WEGO Prefills and other subsidiaries of Weigao Blood Purification, the Group is not restricted from continuing its business of production and sale of flushing syringes under the business segment of pharma packaging products. For details regarding the existing principal businesses of the Group and the division of businesses between WEGO Prefills and the Group, please refer to the following section "(VII) Impact of the Transaction – 3. Business Division between WEGO Prefills and the Group."

(IV) Information on WEGO Prefills

WEGO Prefills focuses on the research and development, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems. It is committed to providing one-stop drug delivery solutions for global biopharmaceutical companies. As of the Latest Practicable Date, the registered capital of WEGO Prefills is approximately RMB106.3 million. The Company, Weihai Shengxi, and Weihai Ruiming hold 94.0706%, 4.0215% and 1.9078% equity interests in WEGO Prefills respectively, directly and indirectly holding approximately 74.18% of the equity interest in Weigao Blood Purification. WEGO Prefills wholly owns two subsidiaries, namely Weigao Pharmaceutical Packaging and Weigao Jiesheng.

According to the consolidated financial statements prepared by WEGO Prefills in accordance with the China Accounting Standards for Business Enterprises, as at 30 September 2025, total assets of WEGO Prefills amounted to approximately RMB3,581.87 million, total liabilities amounted to approximately RMB676.13 million, and owner's equity amounted to approximately RMB2,905.74 million. The profit before and after tax of WEGO Prefills for the two years ended 31 December 2023 and 2024 and for the nine months ended 30 September 2025 were as follows:

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the nine months ended 30 September 2025**
	(In approximately RMB million)	*(In approximately RMB million)*	*(In approximately RMB million)*
	(Audited)	(Audited)	(Audited)
Profit before tax	559.77	676.02	568.12
Profit after tax	482.56	580.72	485.93

(V) Information on Weigao Blood Purification

Weigao Blood Purification is a joint stock company established on 27 December 2004 in accordance with the laws of the PRC. It is primarily engaged in the businesses of research and development, production, and sales of medical products for blood purification. Its main products include hemodialyzers, hemodialysis tubing sets, hemodialysis machines, and peritoneal dialysis solutions, covering both hemodialysis and peritoneal dialysis fields, supplemented by the sales of supporting dialysis products. It is one of the domestic manufacturers of medical products for blood purification with the most comprehensive product lines. Its shares are listed on the SSE (stock code: 603014.SH) in May 2025. As of the Latest Practicable Date, Weigao Blood Purification is controlled by Weigao Holding, a controlling Shareholder of the Company, directly and indirectly holding approximately 74.18% of the equity interest in Weigao Blood Purification (including the 23.53% held by the Company).

According to the financial statements prepared by Weigao Blood Purification in accordance with the China Accounting Standards for Business Enterprises, as at 30 September 2025, the total assets of Weigao Blood Purification amounted to approximately RMB8,468.25 million, total liabilities amounted to approximately RMB1,486.19 million, and owner's equity amounted to approximately RMB6,982.07 million. The profit before and after tax of Weigao Blood Purification for the two years ended 31 December 2023 and 2024 and for the nine months ended 30 September 2025 are as follows:

	For the year ended 31 December 2023 *(In approximately RMB million)* (Audited)	**For the year ended 31 December 2024** *(In approximately RMB million)* (Audited)	**For the nine months ended 30 September 2025** *(In approximately RMB million)* (Audited)
Profit before tax	523.81	545.68	406.41
Profit after tax	442.07	449.37	340.78

(VI) Reasons for and benefits of the Transaction

The reasons for the Company to conduct the Transaction mainly include two aspects:

1. Expand the medical device business footprint and strive to become a leader in the medical consumables industry in terms of revenue scale and product categories

Through the Transaction, the Group will consolidate Weigao Blood Purification and its subsidiaries in its financial statements, and WEGO Prefills, as a subsidiary of Weigao Blood Purification, remains part of the Group's business portfolio. Weigao Blood Purification is a leading manufacturer of medical devices for blood purification in terms of market share in the PRC, with annual sales close to HK$4 billion. The Transaction will enrich the Group's product portfolio and enhance the overall profitability stability and risk resilience of the Group by expanding its business to blood purification.

The Transaction will further integrate and optimize the core medical assets under the "WEGO"(威高) brand, continuously solidifying the Group's leading position in the medical device industry. The Company's business portfolio, encompassing disposable medical devices, orthopedic medical products, interventional products, blood purification products, and blood management products, has become more comprehensive and clearly defined. The Company will become the "flagship" platform for medical devices under Weigao Holding.

2. Capitalising on the business synergy between WEGO Prefills and Weigao Blood Purification for joint development of new products, thereby expanding the Company's future growth space

Upon completion of the Transaction, WEGO Prefills will remain a part of the Group through the consolidation of Weigao Blood Purification into the Company's financial statements. By leveraging business synergies, both parties can jointly develop a new line of biopharmaceutical filters, further expanding the Company's presence in the biopharmaceutical and manufacturing process sector and benefiting its overall business.

WEGO Prefills focuses on the research and development, production, and sales of pharmaceutical packaging materials including pre-filled drug delivery systems and automatic safety drug delivery systems. According to the explanation of China National Pharmaceutical Packaging Association, during the period from 2022 to 2024, the market share of WEGO Prefills' pre-filled products in the PRC domestic market had exceeded 50%, ranking top in the domestic industry and among the top five companies in international market in terms of sales volume. Unlike other businesses within the Group, WEGO Prefills' products are sold to and targeted at biopharmaceutical companies. Over years of operation, it has built highly valuable customer resources and enjoys strong brand reputation among pharmaceutical clients. For many biologics and vaccine manufacturers, the "WEGO"(威高) brand represents a reliable partner. Based on this advantage, WEGO Prefills has invested significant time in strategic research on new upstream biopharmaceutical products, establishing a strategic objective to prioritize biopharmaceutical filters as the immediate focus for upstream biopharmaceutical product development. However, it is somewhat regrettable that while possessing the valuable customer base and brand trust essential for an upstream biopharmaceutical product supplier, WEGO Prefills lacks the technical foundation for developing these products.

Weigao Blood Purification's core product is the hemodialyzer, whose most essential technology lies in biomedical membrane-related core technologies exemplified by hollow fiber membranes used in hemodialysis. As one of the extended application areas of this technology, biopharmaceutical filters share technological commonality with the biomedical membranes used in hemodialyzers. Capitalizing on its strong biomedical membrane technology platform, Weigao Blood Purification has already developed several biopharmaceutical filter products and achieved limited validation sales of items such as central fiber filter. This effectively compensates for WEGO Prefills' shortcomings in research and development and product development for biopharmaceutical filters. Accordingly, Weigao Blood Purification enables WEGO Prefills to expand and diversify its product offerings within its existing customer base.

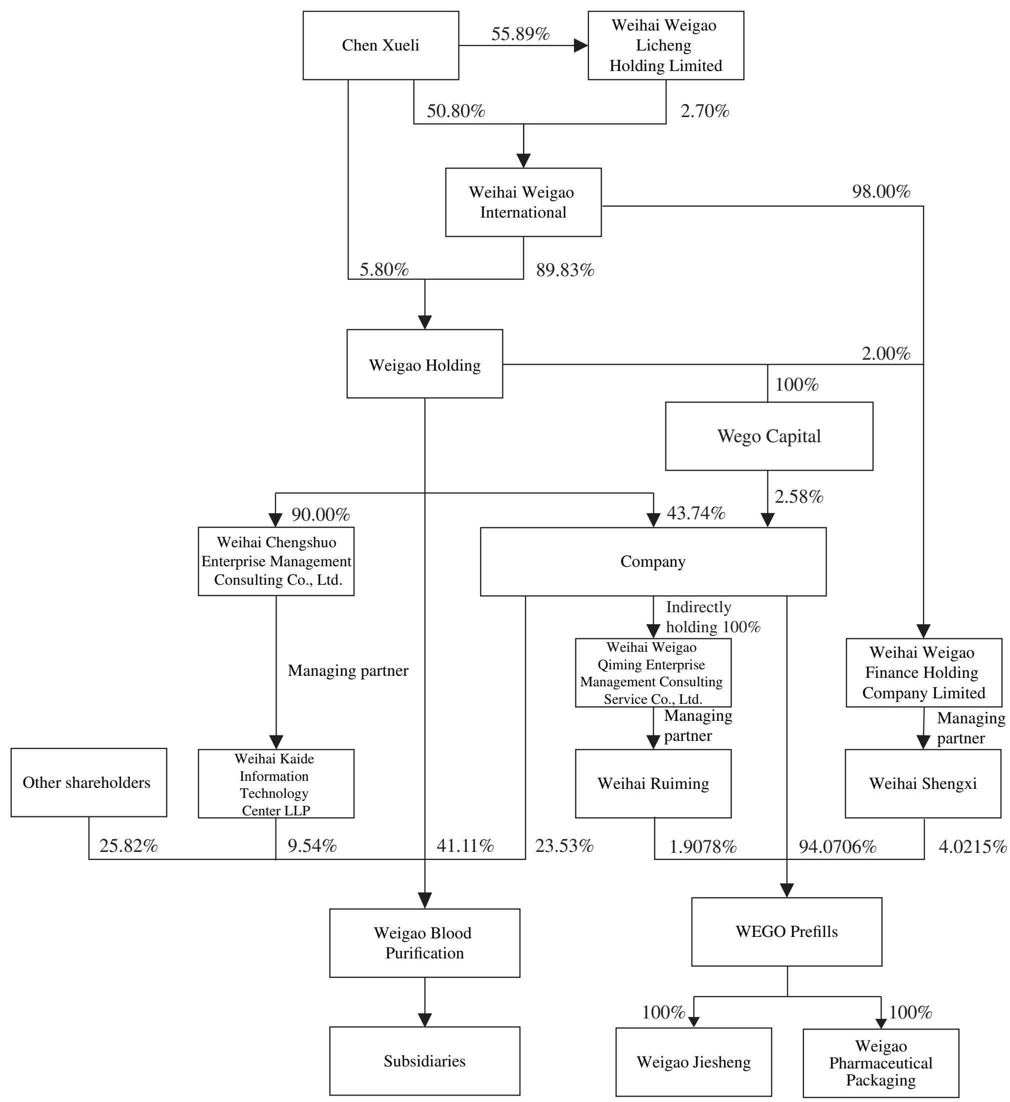
Through the Transaction, the Company will, on the one hand, consolidate Weigao Blood Purification, a leading blood purification enterprise in the PRC, into its consolidated financial statements, thereby enhancing the Company's medical device business portfolio and improving its overall profitability and risk-resilience. On the other hand, while WEGO Prefills will continue to remain within the Company's consolidated financial statements, the Company will leverage the business synergies between WEGO Prefills and Weigao Blood Purification to jointly develop new products, thereby expanding the Company's future growth potential. Based on the above factors, the Board is not aware of any material adverse impact arising from this transaction. However, if the anticipated synergies fail to materialize in the future, there may be risks that the development of new businesses, such as biopharmaceutical filters, may fall short of expectations.

The Company has also evaluated the impact of the Transaction as well as the Ancillary Documents, including the risk of potential loss of control of both Weigao Blood Purification and WEGO Prefills due to its fulfillment of compensation obligations, which may have material adverse effect of the Group. However, as the Company's profit forecast for WEGO Prefills is supported by the rapid growth of the downstream biopharmaceutical industry and WEGO Prefills' leading market position in areas such as prefilled syringe products, which together provide strong assurance as to the achievability of the forecast, the likelihood for loss of control of both Weigao Blood Purification and WEGO Prefills is minimal.

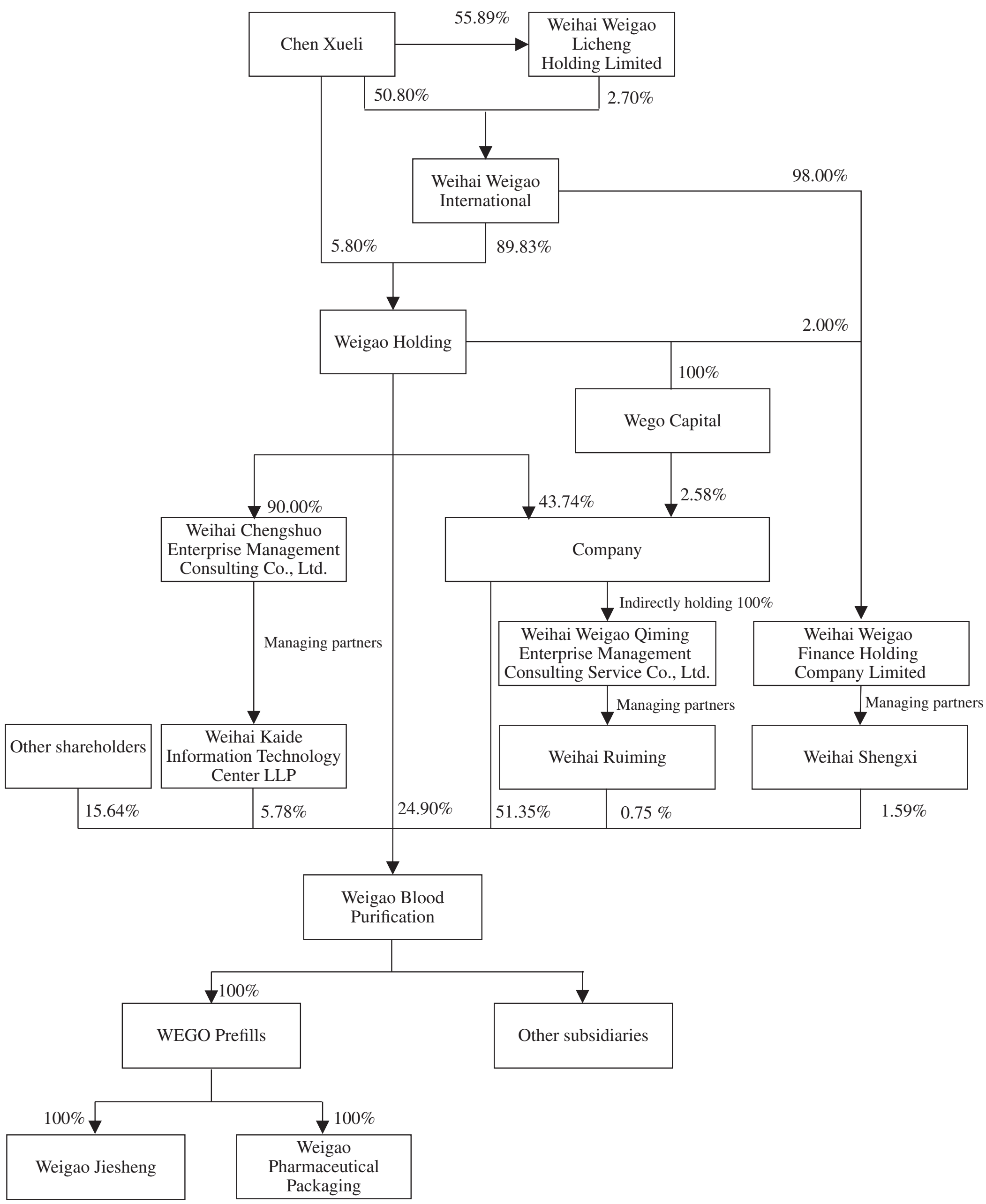
(VII) Impact of the Transaction

1. The Shareholding Structures of WEGO Prefills and Weigao Blood Purification Before and After the Completion of the Transaction

As of the Latest Practicable Date, the shareholding structures of WEGO Prefills and Weigao Blood Purification are as follows:



Assuming the Company's shareholding structure remains unchanged, following the completion of the Transaction, the shareholding structures of WEGO Prefills and Weigao Blood Purification are as follows:



2. Financial Impact of the Disposal

Upon completion of the Transaction, WEGO Prefills will be directly wholly-owned by Weigao Blood Purification, and Weigao Blood Purification will become a subsidiary of the Company. The financial statements of WEGO Prefills, Weigao Blood Purification and their respective subsidiaries will be consolidated into the Company's financial statements. As the Transaction constitutes a common control combination, the Group does not expect to recognise any gain or loss in its consolidated income statement arising from the Disposal.

As a result of the Transaction, the Company expects to record additional revenue and profit contributions from Weigao Blood Purification, and to recognise the assets and liabilities of Weigao Blood Purification following the completion of the Transaction. According to the publicly disclosed third-quarter report of Weigao Blood Purification, its revenue for the first three quarters of 2025 was RMB2,736 million, and its net profit was RMB341 million. As for the performance guarantee and compensation arrangements relating to the Transaction, an expected liability has not been recognised as the probability of such circumstances occurring is considered low. On an unaudited pro forma basis as at 30 June 2025, the Enlarged Group's total assets are increase to RMB42,986 million (from RMB36,142 million for the Group); and the Enlarged Group's total liabilities are increased to RMB11,921 million (from RMB10,447 million for the Group).

3. Business Division Between WEGO Prefills and the Group

As of the Latest Practicable Date, the principal businesses of the Group mainly consist of the following six segments:

Business Category	Main Business Content
Medical device products	Production and sale of clinical care, medical testing, anesthesia and surgical related products and other consumables
Orthopaedic products	Production and sale of orthopaedic products
Interventional products	Production and sale of tumour and blood vessel interventional instruments
Pharma packaging products	Production and sale of pre-filled syringes and flushing syringes
Blood management products	Production and sale of blood collection, irradiation, storage, separation and sterilization products
Others	Finance lease and factoring business

The Group is engaged in the orthopedic products business through Weigao Orthopaedic and its subsidiaries. Weigao Orthopaedic is listed on the SSE (A-shares), and the Group collectively holds a 73.34% equity interest in Weigao Orthopaedic.

Regarding the pharmaceutical packaging products business, the Group (i) produces and sells pre-filled syringes through WEGO Prefills, and (ii) produces and sells flushing syringes through other companies in the Group. Pre-filled syringes are specifically designed for direct drug administration or other specific medical applications and are sold as sterile empty containers without any pre-loaded medium. They serve as packaging carriers for drug loading and are purchased by pharmaceutical companies, which will fill them up with appropriate preparations (drugs or vaccines) according to product needs before final packaging. On the other hand, flushing syringes are sold pre-loaded with a flushing medium (such as physiological saline). Their core purpose is to flush intravenous catheters or cannulas to maintain patency and prevent blockages. Flushing syringes are supplied directly or through retailers to medical institutions for direct application in clinical scenarios. These two products are entirely different in nature; there is no direct or indirect competitive relationship between them, nor are they substitutable for each other. The Group currently has no business that competes with the business conducted by Weigao Blood Purification and its subsidiaries. The Group anticipates that, after the completion of the Transaction, the blood purification and pre-filled syringe related businesses will be conducted through Weigao Blood Purification and its subsidiaries. Member companies of the Group's other principal business lines will focus on their original core operations (including the production and sale of flushing syringes within the business segment of pharma packaging products), deepening their engagement in the existing main businesses of their respective segments.

(VIII) Implications under the Listing Rules

The respective highest applicable percentage ratios for the Disposal and the Acquisition exceed 25% but below 75%/100% (as the case may be), and therefore the Transaction constitutes a major transaction of the Company, which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As of the Latest Practicable Date, Weigao Holding is the direct controlling Shareholder of the Company, directly and indirectly holding approximately 46.32% of the equity interest in the Company. It directly and indirectly (through the Company and other controlled entities) holds approximately 74.18% of the equity interest in Weigao Blood Purification. Mr. Chen Xueli is the ultimate controlling shareholder and beneficial owner of Weigao Holding, the Company, and Weigao Blood Purification. He is also deemed to control Weihai Shengxi. As such, Weigao Blood Purification and Weihai Shengxi are associates of Mr. Chen Xueli and therefore connected persons of the Company. In addition, the Company expects that Weigao Holding will continue to hold more than 10% of the equity interest in Weigao Blood Purification after the completion of the Transaction, and Weigao Blood Purification will become a connected subsidiary of the Company and therefore a connected person of the Company. Entering into the Transaction Documents and the Transaction constitutes connected transactions of the Company, which are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Long Jing, Mr. Cong Rinan, Mr. Chen Lin and Mr. Tang Zhengpeng are concurrently serving as directors of Weigao Holding, and Mr. Wang Daoming is the director and general manager of WEGO Prefills and a limited partner of Weihai Ruiming. They have abstained from voting on the relevant resolutions on the Transaction at the Board meeting of the Company. Save as disclosed above, no Director has a material interest in the Transaction or abstained from voting on the relevant Board resolutions approving the Transaction.

(IX) Information on Vendors

The Company is a comprehensive solutions provider in the medical device sector in the PRC and is principally engaged in the research and development, production and sale of single use medical devices. The Group has a wide range of products, including: infusion sets, syringes, needles, orthopaedic products, interventional products, pharma packaging products and blood management products.

Weihai Ruiming is a limited liability partnership established on 21 August 2025 in accordance with the laws of the PRC, and is an employee shareholding platform for WEGO Prefills. Its managing partner is Weihai Weigao Qiming Enterprise Management Consulting Service Co., Ltd.*(威海威高啟明企業管理諮詢服務有限公司), a subsidiary of the Company. As of the Latest Practicable Date, Weihai Weigao Qiming Enterprise Management Consulting Service Co., Ltd. and 34 employees of WEGO Prefills hold 0.99% and 99.01% of the limited partnership shares of Weihai Ruiming, respectively.

Weihai Shengxi is a limited liability partnership established on 27 August 2018 in accordance with the laws of the PRC, which is primarily engaged in investment holding operations. As of the Latest Practicable Date, the managing partner of Weihai Shengxi is Weihai Weigao Finance Holding Company Limited*(威海威高金融控股有限公司), which is 100% held by Mr. Chen Xueli through Weigao Holding and Weihai Weigao International. In addition, Weihai Weigao Finance Holding Company Limited and Mr. Chen Lin, a non-executive Director, hold 10% and 90% of the limited partnership shares of Weihai Shengxi, respectively.

(X) Valuation of the Subject Assets

Independence of the Independent Valuer

China United serves as the independent valuer for the appraisal of the Subject Assets, jointly appointed by the Company and Weigao Blood Purification. China United and its responsible valuers have no relationship with any party to the Transaction other than normal business dealings, nor do they have any actual or foreseeable interests or conflicts that would affect their ability to provide the valuation services.

China United is a leading asset valuation institution in China. It ranks relatively high across multiple business categories and has completed the valuation work for numerous restructuring projects in the PRC. With extensive valuation experience and strong professional capabilities, it is fully qualified to undertake the valuation work for the Transaction.

Methods and conclusions of Valuation

Based on the judgment of WEGO Prefills and its management on the future development trends and business plans and in accordance with relevant laws and regulations and asset valuation standards and through conducting the valuation procedures including checking and verification, on-site investigation, market research and inquiries, valuation and estimation, the valuation of the Subject Assets as at the Valuation Benchmark Date of 30 September 2025, was conducted by China United using both the asset-based approach and the income approach.

According to the Valuation Report, the net asset (total shareholders' equity) calculated using the income approach in the valuation is approximately RMB8,510.81 million, representing a premium of approximately RMB5,125.69 million or 151.42% over the net asset of approximately RMB3,385.12 million calculated by using the asset-based approach. The main reason for the differences between the two valuation approaches are: (1) the asset-based approach is based on the replacement cost of assets as the valuation standard, reflecting the socially necessary labor consumed by asset investment (purchase and construction costs), which usually fluctuate with the changes in the national economy; (2) the valuation using the income approach is based on the expected return of assets as the value standard, reflecting the magnitude of the asset's operating ability (profitability), which is usually influenced by various conditions such as macroeconomic, government control, and effective use of assets.

The income approach, based on the expected returns of assets, reflects the profitability of WEGO Prefills. WEGO Prefills maintains stable operations with sustained growth in revenue and profits. It holds a high market share in pre-filled syringe products and possesses advantages in technology research and development, quality control, and distribution channels. In addition, WEGO Prefills has established long-term collaborations with numerous biopharmaceutical enterprises, enabling reliable projections of future earnings. The income approach better captures the brand competitiveness and intangible asset value, providing a comprehensive reflection of the enterprise's future earning capacity. Moreover, WEGO Prefills has formed long-term and stable partnerships with many biopharmaceutical companies, and its products such as pre-filled syringes are widely used across the biopharmaceutical industry. The income approach accounts for the future revenue generated by these products, thereby offering a more accurate representation of WEGO Prefills's prospective profitability. In contrast, the asset-based approach only reflects replacement costs and fails to account for the value of existing orders, customer relationships, technology research and development, and other intangible factors. Based on the above considerations, the income approach was ultimately selected in this valuation to determine the value of the Subject Assets as at the Valuation Benchmark Date.

Please refer to Appendix V of this circular for further details regarding the valuation of the Subject Assets.

The Board has reviewed, discussed, and agreed that the valuation methods used in the Valuation Report based on the considerations set out below:

(i) Valuation methods

The Valuation Report was prepared by China United in compliance with the relevant valuation standards and guidelines issued by the Ministry of Finance of the People's Republic of China. According to the valuation norms, the basic valuation approaches include the income approach, market approach, and asset-based approach. The valuer is required to analyze the applicability of each method and select the most appropriate one(s).

In preparing the Valuation Report, China United conducted an analysis of the actual circumstances of the Target Company and determined that:

- the asset-based approach was applicable to provide a floor value and asset-level analysis; and
- the income approach (discounted cash flow method) was the most appropriate primary method, as the Target Company has stable operating income and profit generation capability, a long operating term, high market position in prefilled syringe systems, and a clear growth outlook driven by the expanding biopharmaceutical and vaccine markets.

The valuation conclusion adopted the income approach as the primary result, which is consistent with the Target Company's business reality and prevailing market practice for similar enterprises. This selection is therefore appropriate and reasonable.

(ii) Valuation assumptions

The key assumptions in the Valuation Report include: prevailing laws and regulations and macroeconomic conditions remaining materially unchanged; the Target Company continuing as a going concern; the management team being capable of performing their duties; and other standard premises as required by valuation normative documents.

These assumptions are formulated in accordance with valuation standards and common market practice, are consistent with the actual situation of the Target Company, and are therefore reasonable.

(iii) Valuation parameters

All key parameters were determined based on the Target Company's actual operating conditions, in accordance with current valuation norms and guidelines, and are consistent with common practice in valuations for listed companies in Hong Kong and the PRC. The main parameters are considered fair and reasonable, as summarized below:

(a) Forecast period: the Target Company has an indefinite operating term. For companies without term restrictions, valuation practice commonly adopts a detailed forecast period of five full financial years, followed by a terminal value. This is consistent with the valuation conventions observed in numerous other Hong Kong-listed company valuation reports. Therefore, the selection of a five-year forecast period is reasonable.

(b) Revenue: the projected revenue during the forecast period is based on forecasted sales volume (considering the Target Company's strong market position and the robust growth outlook of downstream biopharmaceutical and vaccine markets) and unit sales price (based on historical unit prices and expected future market trends, including moderate price adjustments due to scale and competition). The revenue forecast is therefore fair and reasonable.

(c) Gross margin: the projected gross margin during the forecast period ranges between approximately 49% and 50% annually, which is closely aligned with the historical gross margin levels. The projected sales cost is therefore fair and reasonable.

(d) Expenses: the main expenses include selling expenses, administrative expenses, research and development expenses, and income tax. The projected expense ratios to revenue are consistent with historical patterns and trends, and are therefore fair and reasonable.

(e) Discount rate: the discount rate was determined using the capital asset pricing model (CAPM), with key inputs (risk-free rate, beta coefficient derived from comparable listed companies, market risk premium, etc.) selected in accordance with standard industry practice. The final discount rate falls within the typical range observed in market transactions using the income approach, which has generally been 10%-12%, and is therefore fair and reasonable.

(iv) *Selection of comparable companies: when selecting A-share comparable companies, those with negative beta values were excluded. The remaining companies were then compared based on their business scope, main business composition, and operating conditions, from which three companies with comparable businesses were identified, being Shandong Pharmaceutical Glass Co., Ltd. (山東省藥用玻璃股份有限公司, 600529.SH), Chongqing Zhengchuan Pharmaceutical Packaging Co., Ltd. (重慶正川醫藥包裝材料股份有限公司, 603976.SH) and Shandong Linuo Pharmaceutical Packaging Co., Ltd. (山東力諾醫藥包裝股份有限公司, 301188.SZ). These three listed companies selected represent the exhaustive and representative list of comparable companies based on the above criteria. In the pharmaceutical packaging materials industry, no listed company has exactly the same business scope as the appraised entity. These three selected companies are the only ones whose main business is closest to the appraised entity (involving prefilled syringes and/or pharmaceutical glass products) and meet the comparability requirements. Therefore, the selection is comprehensive, exhaustive, and representative.*

In summary, the valuation methods, assumptions, parameters and the comparable company selection criteria adopted in the Valuation Report comply with relevant valuation standards and prevailing market practice, are consistent with the actual business operations and prospects of the Target Company, and are therefore fair and reasonable. Accordingly, the Board is satisfied that the valuation conclusions are fair and reasonable.

(XI) The Independent Board Committee and the Independent Financial Adviser

The Company has established the Independent Board Committee to consider whether the terms of the Transaction and the Transaction Documents are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

III. EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The EGM will be held at 9:00 a.m. on Thursday, 12 February 2026 at 2/F., 1 Weigao Road, Torch Hi-tech Science Park, Weihai, Shandong, the PRC for the purpose of considering and approving, by the Shareholders, the resolutions regarding the Transaction and the Transaction Documents. The notice convening the EGM at which the resolutions approving the above matters will be proposed is set out on pages 331 to 333 of this circular.

As at the Latest Practicable Date, (i) Weigao Holding and its associate Wego Capital together held 2,099,755,676 Shares (representing approximately 46.32% of the total issued share capital of the Company (excluding treasury shares)); (ii) Mr. Chen Lin held 196,000 Shares (representing approximately 0.004% of the total issued share capital of the Company (excluding treasury shares)); and (iii) trustees under the 2014 Share Award Scheme hold a total of 48,300,000 domestic shares (representing approximately 1.07% of the total issued share capital of the Company (excluding treasury shares)) and 14,456,000 H Shares (representing 0.32% of the total issued share capital of the Company (excluding treasury shares)). The grantees of the 2014 Share Award Scheme include the following executive Directors of the Company:

- Mr. Long Jing holds 6,480,000 Shares (representing approximately 0.14% of the total issued share capital of the Company (excluding treasury shares));
- Mr. Cong Rinan holds 2,200,000 Shares (representing 0.05% of the total issued share capital of the Company (excluding treasury shares)); and
- Mr. Wang Daoming holds 500,000 Shares (representing 0.01% of the total issued share capital of the Company (excluding treasury shares)).

The aforementioned individuals and their associates will abstain from voting on the resolutions to be proposed at the EGM for the approval of the Transaction and the Transaction Documents.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no other Shareholder had any material interest in the matters to be considered at the EGM, and no other Shareholder was required to abstain from voting in respect of any resolution at the EGM.

The proxy form for use at the EGM is enclosed and is also published on the websites of the Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (www.weigaogroup.com). Whether or not you are able to attend the EGM, you are strongly urged to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon. For holders of H Shares, please return it to the Company's H Share registrar, Tricor Investor Services Limited, 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM, the register of members of the Company for H Shares will be closed from Monday, 9 February 2026 to Thursday, 12 February 2026 (both days inclusive), during which period no transfer of H Shares will be effected. In order to qualify for attending and voting at the EGM, 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, 6 February 2026. The record date for determining entitlements of Shareholders to attend and vote at the EGM is Thursday, 12 February 2026.

In order to qualify for attending and voting at the EGM:

Latest time to lodge in transfer instrument accompanied by the share certificates for H Shares	4:30 p.m. on Friday, 6 February 2026
Closure of register of members of the Company for attending and voting in the EGM	Monday, 9 February 2026 to Thursday, 12 February 2026 (both days inclusive)
Record date	Thursday, 12 February 2026
Date of EGM	Thursday, 12 February 2026

IV. VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote by the Shareholders at a general meeting must be taken by poll. Therefore, the resolution(s) set out in the notice convening the EGM will be voted on by poll.

V. RECOMMENDATIONS

The Directors (including the independent non-executive Directors after taking into account the advice from the Independent Financial Adviser) are of the view that, although the Transaction and the Transaction Documents were not entered into in the ordinary and usual course of business of the Group, however, they were conducted on normal commercial terms, the terms of which are fair and reasonable, and in the interests of the Company and its Shareholders as a whole. The Directors (including the independent non-executive Directors) consider that the resolutions to be proposed at the EGM to approve the Transaction and the Transaction Documents are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of all the aforesaid resolutions to be proposed at the EGM.

Other Information

Your attention is also drawn to the letters from the Independent Board Committee, the Independent Financial Adviser and other information contained in the appendices of this circular.

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

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)

26 January 2026

To the Independent Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION AND CONNECTED TRANSACTION

We refer to the circular of the Company to the Shareholders dated 26 January 2026 (the "**Circular**"), of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider and advise the Independent Shareholders as to whether the terms of the Transaction and the Transaction Documents are fair and reasonable, and are on normal commercial terms, in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed by the Company to advise the Independent Shareholders and us in these regards. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out on pages 43 to 86 of the Circular.

We wish to draw your attention to the letter from the Board set out on pages 7 to 40 of the Circular and the letter of advice from the Independent Financial Adviser set out on pages 43 to 86 of the Circular and to the appendices to the Circular.

Having considered, among other things, the details of the Transaction Documents, the advice of the Independent Financial Adviser, and the relevant information contained in the letter from the Board in the Circular, we are of the opinion that although the Transaction was not entered into in the ordinary and usual course of business of the Company, however, it was conducted on normal commercial terms, the terms of the Transaction and the Transaction Documents are fair and reasonable, and in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Transaction and the Transaction Documents.

Yours faithfully,
For and on behalf of
The Independent Board Committee of
Shandong Weigao Group Medical Polymer Company Limited
Mr. Li Guohui
Mrs. Meng Hong
Mr. Li Qiang
Mr. Sun Heng

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction for the purpose of inclusion in the Circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

26 January 2026

To: *The independent board committee and the independent shareholders of Shandong Weigao Group Medical Polymer Company Limited**

Dear Sir/Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO (1) THE DISPOSAL OF WEGO PREFILLS TO WEIGAO BLOOD PURIFICATION IN EXCHANGE FOR THE CONSIDERATION SHARES; AND
(2) THE ACQUISITION OF WEIGAO BLOOD PURIFICATION**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transaction, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 26 January 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 31 October 2025, the Company, Weihai Shengxi, Weihai Ruiming and Weigao Blood Purification entered into the Original Sale and Purchase Agreement, pursuant to which Weigao Blood Purification shall acquire 100% equity interest of WEGO Prefills (a non-wholly-owned subsidiary of the Company), which will be satisfied by Weigao Blood Purification to the shareholders of WEGO Prefills by way of issuance of the Consideration Shares.

On 5 January 2026, the Company, Weihai Shengxi, Weihai Ruiming and Weigao Blood Purification entered into the Supplemental Sale and Purchase Agreement and the Ancillary Documents. The final consideration for the transfer of the Subject Assets is approximately RMB8,510.81 million, with the number of Consideration Shares being 271,997,882 shares, representing 65.11% of the current total number of issued shares of Weigao Blood Purification and 39.43% of the enlarged total number of issued shares.

As at the Latest Practicable Date, the Company holds 23.53% equity interest in Weigao Blood Purification. Upon completion of the Transaction, WEGO Prefills will become a wholly-owned subsidiary of Weigao Blood Purification. The Group (including the Company and Weihai Ruiming) will receive a total of 261,059,432 Consideration Shares in aggregate. The Group's shareholding interest in Weigao Blood Purification shall increase to 52.10% and Weigao Blood Purification will become a subsidiary of the Company.

With reference to the Board Letter, the Transaction constitutes a major and connected transaction of the Company and is subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Li Guohui, Mrs. Meng Hong, Mr. Li Qiang and Mr. Sun Heng (being all of the independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Transaction are on normal commercial terms and are fair and reasonable; (ii) whether the Transaction is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transaction at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, we were not aware of (i) any relationships or interests between Gram Capital, the Company, Weigao Holding, Weigao Blood Purification and/or Mr. Chen Xueli; or (ii) any services (including independent financial advisory services) provided by Gram Capital to the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Apart from the normal professional fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company, the Directors, chief executive of the Company, Weigao Holding, Weigao Blood Purification, Mr. Chen Xueli and/or substantial shareholders of the Company or any of their respective associates.

Having considered the above and that none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps (including (i) the review of the financial information of the Group, WEGO Prefills and its subsidiaries ("**WEGO Prefills Group**"), Weigao Blood Purification and its subsidiaries ("**Weigao BP Group**"), the Original Sale and Purchase Agreement, the Supplemental Sale and Purchase Agreement and the Ancillary Documents, the valuation report on the value of 100% equity interest in WEGO Prefills prepared by the Independent Valuer (the "**Valuation Report**"); (ii) our discussion with the Directors; and (iii) our independent work performed on the Valuation Report (including our assessment on the independence and competence of the Independent Valuer, the term of engagement and the scope of work of the Independent Valuer and the parameters and assumptions used in the Valuation Report) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made any independent evaluation or appraisal of the assets and liabilities of WEGO Prefills, and we have not been furnished with any such evaluation or appraisal, save as and except for the Valuation Report, summary of which is set out in Appendix V to the Circular. Since we are not experts in the valuation of assets or business, we have relied solely upon the Valuation Report for the value of 100% equity interest in WEGO Prefills as at 30 September 2025 (i.e. the Valuation Benchmark Date) (the "**Valuation**").

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Weihai Shengxi, Weihai Ruiming, Weihai Blood Purification, WEGO Prefills or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

A. Background of and Reasons for the Transaction

A.1 Vendors to the Transaction

Pursuant to the Sale and Purchase Agreement, the Vendors to the Transaction are the Company, Weihai Shengxi and Weihai Ruiming. Set out below are the summarised information of each of the vendors.

A.1.1 Information on the Group

With reference to the Board Letter, the Company is a comprehensive solutions provider in the medical device sector in the PRC and is principally engaged in the research and development, production and sale of single-use medical devices. The Group has a wide range of products, which includes: infusion sets, syringes, needles, orthopaedic products, interventional products, pharma packaging products and blood management products. Among the aforesaid products, the production and sale of pre-filled syringes was conducted by the Group through WEGO Prefills Group. As at the Latest Practicable Date, Weigao Holding, being the direct controlling shareholder of the Company, directly and indirectly through Wego Capital (which is 100% owned by Weigao Holding) holds 46.32% of the Shares of the Company in aggregate.

Set out below are the consolidated financial information of the Group for the two years ended 31 December 2024 and the six months ended 30 June 2025 (together with comparative figures) prepared in accordance with the Hong Kong Financial Reporting Standards, as extracted from the Company's annual report for the year ended 31 December 2024 (the "**2024 Annual Report**") and the Company's interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**"):

	For the six months ended 30 June 2025 ("1H2025")	For the six months ended 30 June 2024 ("1H2024")	Change from 1H2024 to 1H2025	For the year ended 31 December 2024 ("FY2024")	For the year ended 31 December 2023 ("FY2023")	Change from FY2023 to FY2024
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*
	(unaudited)	(unaudited)		(audited)	(audited)	
Revenue	6,644,048	6,635,688	0.13	13,087,071	13,229,453	(1.08)
– Medical device products	3,300,160	3,292,636	0.23	6,512,192	6,961,407	(6.45)
– Orthopaedic products	732,864	744,991	(1.63)	1,439,446	1,271,203	13.23
– Interventional products	990,265	1,010,341	(1.99)	1,980,048	1,931,040	2.54
– Pharma packaging products *(Note 1)*	1,166,495	1,167,605	(0.10)	2,278,608	2,023,809	12.59
– Blood management products	454,264	420,115	8.13	876,777	1,041,994	(15.86)
Gross profit	3,303,508	3,376,443	(2.16)	6,580,631	6,643,033	(0.94)
Profit for the year/period	1,056,985	1,153,570	(8.37)	2,162,716	2,061,602	4.90

	As at 30 June 2025	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*	*RMB'000*
	(unaudited)	(audited)	(audited)
Total assets	36,142,199	34,759,849	33,670,231
– Property, plant and equipment	6,846,633	6,533,346	6,512,423
– Goodwill	3,761,214	3,830,629	3,727,790
– Intangible assets	1,192,959	1,304,780	1,507,337
– Interests in associates and joint ventures	2,038,379	1,915,625	1,810,699
– Inventories	2,284,388	2,528,425	2,495,352
– Trade receivables	6,481,141	6,078,379	5,688,487
– Cash and bank balances *(Note 2)*	9,269,359	8,175,399	7,743,706
– Other assets	4,268,126	4,393,266	4,184,437
Total liabilities	10,447,342	9,418,283	9,677,526
– Trade and other payables	4,326,366	4,473,851	4,546,147
– Borrowings	4,346,674	3,006,333	3,046,644
– Bonds payable	997,547	996,833	995,405
– Other liabilities	776,755	941,266	1,089,330
Net current assets	15,148,226	13,362,036	11,052,250
Net assets	25,694,857	25,341,566	23,992,705
Net assets attributable to the Shareholders	24,104,543	23,751,643	22,449,121

Notes:

1. Both pre-filled syringes (i.e. business conducted by WEGO Prefills Group) and flushing syringes (i.e. conducted by other subsidiaries of the Company) are categorized in the pharmaceutical packaging products segment.

2. Including pledged or restricted bank deposits, cash and cash equivalents and time deposits

Comparison of financial performance between FY2023 and FY2024

The Group's revenue slightly decreased by approximately 1.08% from approximately RMB13,229 million for FY2023 to approximately RMB13,087 million for FY2024, primarily due to the decrease in revenue from medical device products (which was mainly affected by pricing pressures of core clinical care products). Along with the decrease in the Group's revenue, the Group's gross profit decreased by approximately 0.94% from approximately RMB6,643 million for FY2023 to approximately RMB6,581 million for FY2024; while the Group's gross profit margin remained at similar level for both FY2023 and FY2024.

Despite the decrease in revenue and the corresponding decrease in gross profit as aforementioned, the Group's profit increased by approximately 4.90% from approximately RMB2,062 million for FY2023 to approximately RMB2,163 million for FY2024. With reference to the 2024 Annual Report, such increase was mainly due to (i) the decrease in selling expenses; and (ii) the increase in other income, net gains or losses (primarily consisted of interest income, rebate of value added tax, government grants, exchange gain/(loss), impairment losses on inventories based on the Group's periodic review on the new realisable value of the inventories, and gain/(loss) from changes in fair value of financial instruments at fair value through profit and loss), and share of results of associates, partially offset by the increase in income tax expense.

Comparison of financial performance between 1H2024 and 1H2025

The Group's revenue for 1H2025 remained at similar level as that for 1H2024; while the Group's gross profit for 1H2025 decreased by approximately 2.16% as compared to that for 1H2024, primarily due to the decrease in gross profit margin of approximately 1.16 percentage points from approximately 50.88% for 1H2024 to approximately 49.72% for 1H2025. With reference to the 2025 Interim Report, the decrease in the Group's gross profit margin was mainly due to the lowering of the selling prices of some of the Group's products in response to the national and regional volume-driven procurement, partially offset by the Group's reduction in production costs.

The Group's profit was approximately RMB1,057 million for 1H2025, representing a decrease of approximately 8.37% as compared to that for 1H2024. With reference to the 2025 Interim Report, such decrease was mainly due to (i) the decrease in gross profit as aforementioned; (ii) the decrease in other income, gains and losses (primarily consisted of government grants, net exchange gain/(loss), impairment losses on inventories based on the Group's periodic review on the new realisable value of the inventories, gain/(loss) from changes in fair value of financial instruments at fair value through profit and loss and gain on deemed disposal of Weigao Blood Purification as a result of its listing on the SSE), partially offset by the decrease in selling expenses and income tax expense.

Financial position

The Group's property, plant and equipment increased from approximately RMB6,512 million as at 31 December 2023 to approximately RMB6,533 million as at 31 December 2024, and further increased to approximately RMB6,847 million as at 30 June 2025. The Group's property, plant and equipment primarily consisted of buildings, plant and machinery, and construction in progress.

The Group's goodwill was approximately RMB3,761 million as at 30 June 2025, primarily consisted of the goodwill of the Group's interventional products business arising from the acquisition of Argon Medical Devices Holdings, Inc. (being a non-wholly-owned subsidiary of the Company and principally engaged in production and sale of medical devices for interventional radiology, vascular surgery, interventional cardiology and oncology) in January 2018, the consideration of which was approximately US$851 million.

The Group's intangible assets decreased from approximately RMB1,507 million as at 31 December 2023 to approximately RMB1,305 million as at 31 December 2024, and further decreased to approximately RMB1,193 million as at 30 June 2025. The Group's intangible assets primarily consisted of product technology, customer relationship and capitalised development costs and the decreases in intangible assets were mainly due to the recognition of amortisation for intangible assets with finite useful lives on a straight-line basis over their respective estimated useful life.

The Group's interests in associates and joint ventures increased from approximately RMB1,811 million as at 31 December 2023 to approximately RMB1,916 million as at 31 December 2024, and further increased to approximately RMB2,038 million as at 30 June 2025. With reference to the 2024 Annual Report and as advised by the Directors, the increases in the Group's interests in associates and joint ventures were mainly due to the increases in the Group's share of net assets of Weigao Blood Purification, being an associate of the Company.

The Group's trade receivables increased from approximately RMB5,688 million as at 31 December 2023 to approximately RMB6,078 million as at 31 December 2024, and further increased to approximately RMB6,481 million as at 30 June 2025. The Group's trade receivable turnover days (calculated using the average of the opening and closing balance of trade receivables divided by revenue for the relevant year or period and multiplied by 365 or 181 days (as the case may be)) increased from approximately 153 days for FY2023 to approximately 164 days for FY2024, and further increased to approximately 171 days for 1H2025.

The Group's cash and bank balances increased from approximately RMB7,744 million as at 31 December 2023 to approximately RMB8,175 million as at 31 December 2024, and further increased to approximately RMB9,269 million as at 30 June 2025.

The Group's borrowings slightly decreased from approximately RMB3,047 million as at 31 December 2023 to approximately RMB3,006 million as at 31 December 2024, and increased to approximately RMB4,347 million as at 30 June 2025. The aforesaid significant increase in the Group's borrowings as at 30 June 2025 was mainly due to the withdraw of a loan from International Finance Corporation with principal amount of RMB1.8 billion in 2025.

As at 30 June 2025, the Group's net current assets, net assets and net assets attributable to the Shareholders were approximately RMB15,148 million, RMB25,695 million and RMB24,105 million, respectively.

Outlook

With reference to the section headed "6. Financial and Trading Prospects" of Appendix I to the Circular and based on discussion with the Directors:

(1) Leveraging a robust quality system and extensive sales network, the Group engages in the global research and development ("**R&D**"), production, and sales of medical device and pharmaceutical packaging products. It ranks as the PRC's leading integrated medical system solutions provider by market share in the domestic market. The Group will continue to focus on its core competencies, expanding its product pipeline through proprietary R&D, driving global market expansion, and pursuing asset integration and strategic acquisitions. Building upon its existing business foundation, the Group will consistently cultivate new growth drivers to achieve its medium-to-long-term strategic objectives.

(2) Looking forward to 2026, the competitive landscape in the PRC's medical market is expected to become moderate and rational, with narrower fluctuations in product pricing. The Group will steadily increase its market share for general medical devices in the PRC while focusing on high-potential therapeutic areas such as perioperative care. The Group will push forward the launch of several new products, striving for stable yet upward growth in this segment. Meanwhile, through optimising business models and merger and acquisitions initiatives, the Group will accelerate the refinement of its mid-to-high-value specialty consumables product lines, such as orthopedics and interventional devices, while further penetrating domestic and international markets.

(3) In terms of pharmaceutical packaging, the Group maintains its leadership in cost and quality control by enhancing automation equipment utilisation, thereby strengthening its position in such a niche market. The Transaction is also expected to unlock significant growth opportunities for WEGO Prefills in upstream biopharmaceutical development by starting with filtration consumables to create strong customer resource synergies with its existing pharmaceutical packaging business.

A.1.2 Information on Weihai Shengxi and Weihai Ruiming

With reference to the Board Letter:

- Weihai Ruiming is a limited liability partnership established on 21 August 2025 in accordance with the laws of the PRC, and is an employee shareholding platform for WEGO Prefills. Its managing partner is Weihai Weigao Qiming Enterprise Management Consulting Service Co., Ltd.*（威海威高啟明企業管理諮詢服務有限公司）, a subsidiary of the Company. As of the Latest Practicable Date, Weihai Weigao Qiming Enterprise Management Consulting Service Co., Ltd. and 34 employees of WEGO Prefills hold 0.99% and 99.01% of the limited partnership shares of Weihai Ruiming, respectively.

- Weihai Shengxi is a limited liability partnership established on 27 August 2018 in accordance with the laws of the PRC, which is primarily engaged in investment holding operations. As of the Latest Practicable Date, the managing partner of Weihai Shengxi is Weihai Weigao Finance Holding Company Limited*（威海威高金融控股有限公司）, which is 100% held by Mr. Chen Xueli through Weigao Holding and Weihai Weigao International. In addition, Weihai Weigao Finance Holding Company Limited and Mr. Chen Lin, a non-executive Director, hold 10% and 90% of the limited partnership shares of Weihai Shengxi, respectively.

A.2 Target companies to the Transaction

Pursuant to the Sale and Purchase Agreement, (i) WEGO Prefills is the target company of the Disposal; and (ii) Weigao Blood Purification, being the purchaser of the Disposal, is the target company of the Acquisition as Weigao Blood Purification is the issuer of the Consideration Shares. Set out below are the summarised information of each of the vendors.

A.2.1 Information on WEGO Prefills

With reference to the Board Letter, WEGO Prefills is a company established under the laws of the PRC with limited liability. WEGO Prefills focuses on the research and development, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems. It is committed to providing one-stop drug delivery solutions for global biopharmaceutical companies. As at the Latest Practicable Date, the Company, Weihai Shengxi and Weihai Ruiming held approximately 94.0706%, 4.0215% and 1.9078% equity interests in WEGO Prefills respectively.

Set out below are the audited consolidated financial information of WEGO Prefills Group for the two years ended 31 December 2024 and for the nine months ended 30 September 2025 ("**9M2025**"), prepared in accordance the China Accounting Standards for Business Enterprises as extracted from the Board Letter:

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the nine months ended 30 September 2025**
	RMB million	*RMB million*	*RMB million*
Revenue	1,430.28	1,673.44	1,411.89
Profit before tax	559.77	676.02	568.12
Profit after tax	482.56	580.72	485.93

According to the table above, WEGO Prefills Group recorded an increase of approximately 17.00% in revenue for FY2024 as compared to FY2023. Revenue generated from pre-filled drug delivery systems was the major source of revenue of the WEGO Prefills Group, accounting for more than 95% of WEGO Prefills Group's revenue for FY2023, FY2024 and 9M2025. It was also the main driver to the increase in WEGO Prefills Group for FY2024 as a result of continuous demand of downstream biopharmaceutical companies, which further led to the increase in sales volume of pre-filled drug delivery systems.

In line with the movement of revenue from FY2023 to FY2024, WEGO Prefills Group also recorded increases of approximately 20.77% and 20.34% in profit before tax and profit after tax for FY2024 as compared to those for FY2023.

As at 30 September 2025, the total assets, total liabilities and net assets of WEGO Prefills were approximately RMB3,581.87 million, RMB676.13 million and RMB2,905.74 million, respectively.

A.2.2 Information on Weigao Blood Purification

With reference to the Board Letter, Weigao Blood Purification is a joint stock company established on 27 December 2004 in accordance with the laws of the PRC. It is primarily engaged in the businesses of research and development, production, and sales of medical products for blood purification. Its main products include hemodialyzers, hemodialysis tubing sets, hemodialysis machines, and peritoneal dialysis solutions, covering both hemodialysis and peritoneal dialysis fields, supplemented by the sales of supporting dialysis products. It is one of the domestic manufacturers of medical products for blood purification with the most comprehensive product lines. Its shares are listed on the SSE (stock code: 603014.SH) in May 2025.

As at the Latest Practicable Date, Weigao Blood Purification is controlled by Weigao Holding, a controlling shareholder of the Company directly and indirectly holding approximately 74.18% of the equity interest in Weigao Blood Purification (including the 23.53% held by the Company).

Set out below are the consolidated financial information of Weigao BP Group for the three years ended 31 December 2024 and the nine months ended 30 September 2025 (together with comparative figures), prepared in accordance to the China Accounting Standards for Business Enterprises, as extracted from the prospectus of Weigao Blood Purification dated 25 April 2025 (the "**Weigao BP Prospectus**") and the third quarterly report of Weigao Blood Purification for the nine months ended 30 September 2025 (the "**Weigao BP Q3 Report**"):

	For the year ended 31 December 2022 *RMB'000* (audited)	**For the year ended 31 December 2023** *RMB'000* (audited)	**For the year ended 31 December 2024** *RMB'000* (audited)	**For the nine months ended 30 September 2024** *RMB'000* (unaudited)	**For the nine months ended 30 September 2025** *RMB'000* (audited)
Revenue	3,426,116	3,532,144	3,604,018	2,644,762	2,736,053
Gross profit	1,470,019	1,544,966	1,524,192	1,122,020	1,113,432
Operating profit	377,037	526,816	552,395	375,450	411,535
Net profit	314,962	442,069	449,369	315,755	340,778

	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 September 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)	(audited)
Total assets	6,410,063	6,681,792	6,990,147	8,468,254
– Fixed assets	2,800,579	2,657,466	2,608,563	2,896,987
– Construction in progress	549,490	667,766	768,116	432,969
– Long-term equity investments	126,742	170,798	142,861	166,776
– Inventories	661,073	900,141	757,070	819,727
– Trade receivables	1,004,691	857,557	899,697	886,481
– Held-for-trading financial assets	Nil	70,108	330,133	981,222
– Monetary funds	588,965	646,087	818,087	1,634,780
– Other assets	678,523	711,869	665,620	649,312
Total liabilities	1,742,907	1,545,493	1,393,370	1,486,186
– Trade payables	622,443	624,874	362,584	573,492
– Contract liabilities	293,071	249,517	295,385	206,112
– Other payables	347,761	209,419	219,211	320,940
– Accrued salary	166,757	158,947	152,182	131,196
– Other liabilities	312,875	302,736	364,008	254,446
Net assets attributable to owners of the parent company	4,667,156	5,136,300	5,596,778	6,982,068

Financial performance

Weigao BP Group's revenue increased from approximately RMB3,426 million for the year ended 31 December 2022 ("**FY2022**") to approximately RMB3,532 million for FY2023, and further increased to approximately RMB3,604 million for FY2024; and Weigao BP Group's revenue was approximately RMB2,736 million for 9M2025, representing a year-on-year increase of approximately 3.45% as compared to that for the corresponding period in 2024. With reference to the financial analysis of Weigao Blood Purification as set out in Appendix II to the Circular (the "**Financial Analysis**"), the continuous increase in Weigao BP Group's revenue was primarily driven by the continuous increase in number of ESRD (end-stage renal disease) patients in the PRC and the rising treatment penetration rate, which had expanded the market size for dialysis products.

Weigao BP Group's gross profit increased from approximately RMB1,470 million for FY2022 to approximately RMB1,545 million for FY2023, and decreased to approximately RMB1,524 million for FY2024; while Weigao BP Group's gross profit margins were approximately 42.91%, 43.74% and 42.29% for FY2022, FY2023 and FY2024, respectively. With reference to the Weigao BP Prospectus, the decrease in Weigao BP Group's gross profit for FY2024 was primarily due to the decrease in average selling price of Weigao BP Group's hemodialyzers as a result of the fierce market competition and the implementation of the regional volume-driven procurement policies.

Notwithstanding the aforesaid increase in Weigao BP Group's revenue for 9M2025, Weigao BP Group's gross profit for 9M2025 remained at similar level as that for the corresponding period in 2024; while Weigao BP Group's gross profit margin further decreased to approximately 40.69% for 9M2025, representing a decrease of approximately 1.73 percentage points as compared to that for the corresponding period in 2024.

Weigao BP Group's operating profit increased from RMB377 million for FY2022 to approximately RMB527 million for FY2023, and further increased to approximately RMB552 million for FY2024. With reference to the Weigao BP Prospectus:

- the increase in Weigao BP Group's operating profit for FY2023 was mainly due to (i) the increase in Weigao BP Group's gross profit as aforementioned; (ii) the decrease in administrative expenses and R&D expenses.

- the increase in Weigao BP Group's operating profit for FY2024 was mainly due to the decrease in Weigao BP Group's selling expenses, partially offset by the decrease in Weigao BP Group's gross profit as aforementioned.

Weigao BP Group's operating profit was approximately RMB412 million for 9M2025, representing an increase of approximately 9.61% as compared to that for the corresponding period in 2024. With reference to the Weigao BP Q3 Report, such increase was mainly due to the decrease in selling expenses and R&D expenses.

Along with the aforesaid increase in Weigao BP Group's operating profit, as partially offset by the corresponding increase in income tax expenses, Weigao BP Group's net profit increased from RMB315 million for FY2022 to approximately RMB442 million for FY2023, and further increased to approximately RMB449 million for FY2024. Weigao BP Group's net profit for 9M2025 increased by approximately 7.92% to approximately RMB341 million.

Financial position

Weigao BP Group's total assets increased from approximately RMB6,410 million as at 31 December 2022 to approximately RMB8,468 million as at 30 September 2025. Weigao BP Group's total assets primarily consisted of fixed assets, construction in progress, long-term equity investments, inventories, trade receivables, held-for-trading financial assets and monetary funds. The increase in Weigao BP Group's total assets was mainly due to the proceeds received from the listing of the shares of Weigao Blood Purification (the "**WGBP Share(s)**") in May 2025.

Weigao BP Group's total liabilities decreased from approximately RMB1,743 million as at 31 December 2022 to approximately RMB1,486 million as at 30 September 2025. Weigao BP Group's total liabilities primarily consisted of trade payables, contract liabilities, other payables and accrued salary.

With reference to the Financial Analysis, Weigao BP Group's gearing ratios (calculated by dividing total liabilities by total assets) were approximately 27.19%, 23.13%, 19.93% and 17.55% as at 31 December 2022, 2023, 2024 and 30 September 2025, respectively. The continuous decrease in Weigao BP Group's gearing ratios was mainly due to the operating performance and healthy cash flow of Weigao BP Group, and the proceeds received by Weigao Blood Purification in May 2025 in connection with the initial public offering of the WGBP Shares on the SSE.

Weigao Blood Purification provided guarantees for the borrowings of Weigao Telmao (a joint venture of Weigao Blood Purification) with the total guarantee balance of approximately RMB129 million as at 30 September 2025.

As at 30 September 2025, Weigao BP Group's net assets attributable to owners of the parent company was approximately RMB6,982 million, representing the net asset value of RMB16.71 per WGBP Share ("**NAV per WGBP Share**").

A.3 Reasons for and benefits of the Transaction

The pre-filled drug delivery systems and automatic safety drug delivery systems are mainly applied in the biopharmaceutical sectors. In recent years, with the robust development of downstream industries such as biopharmaceuticals and vaccines, the market demand for pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems has grown rapidly. WEGO Prefills focuses on the research and development, production, and sales of pharmaceutical packaging materials including pre-filled drug delivery systems and automatic safety drug delivery systems. According to the explanation of China National Pharmaceutical Packaging Association, during the period from 2022 to 2024, the market share of WEGO Prefills' pre-filled products in the PRC's domestic market had exceeded 50%, ranking top in the domestic industry and among the top five companies in international market in terms of sales volume.

According to data released by Frost & Sullivan, the market size of biopharmaceuticals in the PRC increased from RMB262.2 billion in 2018 to RMB534.8 billion in 2024, with a compound annual growth rate of 12.61%. With the continuous investments in innovation as well as research and development, the advancement of preparation processes for biopharmaceuticals, as well as the strong support of relevant industrial policies, the market size of biopharmaceuticals in the PRC will maintain its trend of rapid growth. It is expected that by 2028 and 2032, the market size of biopharmaceuticals in the PRC will grow to RMB830.8 billion and RMB1,126.8 billion, respectively, with compound annual growth rates of 11.64% and 7.92%.

As WEGO Prefills Group operates in a distinct and niche sector of the biopharmaceutical industry, we were unable to independently obtain any market data or statistics on the pre-filled drug delivery system and automatic safety drug delivery system sectors other than those as stated above. Nevertheless, we had assessed the credential and creditability of the China National Pharmaceutical Packaging Association and Frost & Sullivan. Based on publicly available information, we noted that:

- China National Pharmaceutical Packaging Association is a national non-profit social organisation approved by the Ministry of Civil Affairs of the PRC and governed by the Ministry of Industry and Information Technology of the PRC. It has over 550 member enterprises, primarily consisting of pharmaceutical companies, medical packaging and excipient manufacturers, and inspection institution. It has two major technical publications, namely the "Pharmacy & Packaging" and the "Pharmaceuticals Packing & Medication Safety", providing the latest industry information, authoritative policy analysis and comprehensive updates for clinical professionals.

- Frost & Sullivan is an independent global market research and consulting company, founded in 1961, and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking and strategic and market planning for a variety of industries. Frost & Sullivan had prepared numerous industry reports which were made reference to by listing applicants on the Stock Exchange, including listing applicants that are engaged in the pharmaceutical industry.

Based on the aforesaid, we are of the view that it is appropriate to rely on the publication published by the China National Pharmaceutical Packaging Association and the industry report prepared by Frost & Sullivan in forming our view on the Transactions.

Upon completion of the Transaction, the Group will consolidate Weigao Blood Purification and its subsidiaries in its financial statements. The Transaction will enrich the Group's product portfolio and enhance the overall profitability stability and risk resilience of the Group by expanding its business to blood purification.

In addition, upon completion of the Transaction, WEGO Prefills will remain a part of the Group through the consolidation of Weigao Blood Purification into the Company's financial statements. By leveraging business synergies, both parties can jointly develop a new line of biopharmaceutical filters, further expanding the Company's presence in the biopharmaceutical and manufacturing process sector and benefiting its overall business. Through the business synergy between WEGO Prefills and Weigao Blood Purification achieved in the Transaction, both parties can jointly develop new business areas, thereby expanding the Group's future growth potential (both WEGO Prefills and Weigao Blood Purification shall be subsidiary of the Company upon completion of the Transaction). Although WEGO Prefills has invested significant time in its strategic research on new upstream biopharmaceutical products, establishing a strategic objective to prioritize biopharmaceutical filters as the immediate focus for upstream biopharmaceutical product development, it lacks the technical foundation for developing these products. On the other hand, Weigao Blood Purification's core product is the hemodialyzer, whose most essential technology is the biomedical membrane-related core technologies exemplified by hollow fiber membranes used in hemodialysis. As one of the extended application areas of this technology, biopharmaceutical filters share technological commonality with the biomedical membranes used in hemodialyzers. Capitalizing on its strong biomedical membrane technology platform, Weigao Blood Purification has already developed several biopharmaceutical filter products and achieved limited validation sales of items such as hollow fiber filter. This effectively compensates for WEGO Prefills' shortcomings in research and development and product development for biopharmaceutical filters.

In addition, the Transaction would allow the Group to expand its asset base, details of which are set out under the section headed "Possible financial effects of the Transaction" below. Given the synergy effect as mentioned above, the Transaction is expected to improve the Group's revenue and profit.

As the nature of the Transaction is not part of the Group's principal business, which is principally engaged in the research and development, production and sale of single-use medical devices, the Transaction is therefore not conducted in the ordinary and usual course of business of the Group.

Having considered the benefits of the Transaction as mentioned above, in particular, (1) the Transaction could further expand the Group's presence in the medical device business footprint; and (2) through the business synergy between WEGO Prefills and Weigao Blood Purification enabled by the Transaction, both parties can jointly develop new business areas (the new business areas in focus are specifically biopharmaceutical filters, which represent the priority for WEGO Prefills' upstream biopharmaceutical product development. Weigao Blood Purification complements this effectively, as it has already developed several biopharmaceutical filter products), thereby expanding future growth space of the Group, we are of the view that although the Transaction is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and Shareholders as a whole.

B. Principal Terms of the Transaction

Set out below are the principal terms of the Transaction, details of which are set out under the section headed "(I) Principal Terms of the Sale and Purchase Agreement" of the Board Letter:

B.1 Date

31 October 2025 (as supplemented on 5 January 2026)

B.2 Parties

(i) the Company, Weihai Shengxi and Weihai Ruiming (as the Vendors)

(ii) Weigao Blood Purification (as the buyer)

B.3 Subject Assets

Weigao Blood Purification intends to acquire 100% equity interest in WEGO Prefills from the Vendors by the issuance of the Consideration Shares. The Company, Weihai Shengxi and Weihai Ruiming shall dispose of approximately 94.0706%, 4.0215% and 1.9078% of the equity interest in WEGO Prefills, respectively.

B.4 Final consideration for the Subject Assets and basis

The final consideration of the Subject Assets shall be approximately RMB8,510.81 million, which was determined through negotiations among the parties with reference to the appraised value of the Subject Assets (approximately RMB8,510.81 million) as stated in the Valuation Report issued by China United, an independent third-party asset valuation institution. The specific amount of transfer consideration and the number of Consideration Shares receivable by each Vendor (calculated at RMB31.29 per Consideration Share) are as follows:

Vendor	**Shareholding held in WEGO Prefills**	**Amount of transfer consideration** *(RMB)*	**Number of Consideration Shares receivable** *(Shares)*
Company	94.0706%	8,006,177,825.13	255,870,176
Weihai Shengxi	4.0215%	342,264,102.02	10,938,450
Weihai Ruiming	1.9078%	162,371,847.36	5,189,256
Total	100%	8,510,813,774.51	271,997,882

Following the signing of the Sale and Purchase Agreement and up to the Completion Date of Issuance, in the event that Weigao Blood Purification occurs any ex-dividend or ex-rights events such as dividend distributions, bonus share issues, rights offerings or capitalisation of capital reserves, the Issue Price shall be adjusted accordingly in compliance with relevant rules and regulations of the CSRC and the SSE. The number of shares to be issued shall be adjusted in accordance with the terms of the Sale and Purchase Agreement.

For our due diligence purpose, we obtained the Valuation Report and the valuation explanatory. We noted that the value of 100% equity interest in WEGO Prefills was approximately RMB8,510.81 million as at 30 September 2025.

We (i) reviewed and enquired into the terms of engagement of the Independent Valuer with the Company; (ii) interviewed the Independent Valuer as to their qualification in relation to the preparation of the Valuation Report and their track records in valuation of enterprises; and (iii) reviewed the steps and due diligence measures taken by the Independent Valuer for conducting the Valuation.

B.4.1 Qualification and independence

From the mandate letter and other relevant information provided by the Independent Valuer and based on our interview with them, we are satisfied with the terms of engagement and scope of work of the Independent Valuer as well as their qualification for the preparation of the Valuation Report.

Having considered the following factors:

(i) as required under provision four of the Asset Evaluation Basic Standards*（《資產評估基本準則》）(the "**Valuation Standards**") as issued by Ministry of Finance of the PRC and updated in 2017, asset appraisal institution and its professional staff shall carry out asset appraisal activities in accordance with provisions of laws and administrative regulations, uphold to the principle of independence, objectivity and impartiality;

(ii) as required under provision six of the Valuation Standards, when asset appraisal institution and its professional staff shall carry out asset appraisal activities, they (a) should perform independently in analysing, evaluating and forming their opinion; (b) should not be affected by client or its relevant persons; and (c) should not determine the value on pre-setting basis;

(iii) the Code of Professional Ethics for Asset Evaluation*（《資產評估職業道德準則》）as issued by China Appraisal Society in 2017 sets out and emphasize the independence requirements of asset appraisal institution and certified valuers;

(iv) based on the public information and the 2025 Interim Report, none of the shareholders of the Independent Valuer owned more than 10% equity interests in the Company and none of the substantial Shareholders were shareholders of the Independent Valuer as at 30 June 2025;

(v) the Independent Valuer confirmed their independence to the Group, Weihai Ruiming, Weihai Shengxi, WEGO Prefills and Weigao Blood Purification,

we are satisfied with the independence of the Independent Valuer in respect of the preparation of the Valuation Report.

B.4.2 Valuation approach

We noted from the Valuation Report that the Valuation Report was prepared by the Independent Valuer in accordance with various requirements/standards, including the Valuation Standards as issued by the Ministry of Finance of the PRC. According to the Valuation Standards, (i) the fundamental valuation approaches of assets valuation include income approach, market approach and asset-based approach, and (ii) the valuer should analyse the applicability of the three fundamental valuation approaches and select the valuation methodology.

In preparing the Valuation Report, the Independent Valuer concluded the Valuation using income approach. We noted from the Valuation Report that the Independent Valuer had considered each of the fundamental valuation approaches and we understood that:

- Income approach considers the value of the appraised assets based on the conversion of expected economic benefits of ownership during the forecast period as it is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of its anticipated future benefits from the same or substantially similar projects with similar risk profile. As WEGO Prefills has the foundation and conditions to operate continuously, and its future economic benefits and associated risks can be reasonably quantified, income approach is applicable to the Valuation.

- Market approach refers to the comparison between the valuation target and comparable listed companies or targets of comparable transactions to conclude the value of the valuation target. Market approach relies on the sufficiency and reliability of information regarding the comparable listed companies or comparable transactions gathered by the Independent Valuer. As there were insufficient listed companies or transactions with comparable size and business activity prior to 30 September 2025 (i.e. the Valuation Benchmark Date), market approach is not applicable to the Valuation.

- Asset-based approach considers the value of the on-and-off-balance sheet assets and liabilities of the valuation target using the financial statements of the valuation target as basis. As the financial statements of WEGO Prefills as at the Valuation Benchmark Date are available to the Independent Valuer for the Independent Valuer to assess the value of the individual assets and liabilities of WEGO Prefills Group using asset-based approach, asset-based approach is applicable to the Valuation.

For our due diligence purpose, we attempted to search for (i) listed companies that engaged in the similar business as WEGO Prefills Group (being the R&D, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems) with majority of their revenue derived from such business in the PRC; and (ii) transactions in relation to the acquisition of controlling interests in companies that engaged in similar business as WEGO Prefills Group that were announced by listed companies publicly and searchable on Wind Financial Terminal during the period from 1 October 2022 to 30 September 2025, being 3 years prior to Valuation Benchmark Date. However, we were unable to identify sufficient listed companies that engaged in similar business as WEGO Prefills Group and any transactions with transaction targets that are comparable to WEGO Prefills Group, and thus we concur with the Independent Valuer that market approach in not applicable for the Valuation.

Despite that both income approach and asset-based approach are applicable to the Valuation, given that WEGO Prefills Group has a track record of operation with stable income and profits, its future economic benefits and associated risks can be reasonably quantified based on prevailing industry policies; while the valuation results under asset-based approach reflects the fair value of each individual assets and liabilities of WEGO Prefills Group without consideration of its profitability, we consider it is appropriate for the Independent Valuer to conclude the Valuation using income approach.

Given (i) that the Independent Valuer had considered the applicability of each of the three commonly adopted valuation approaches; and (ii) the aforesaid reasons for not concluding the Valuation using asset-based approach, we concur with the Independent Valuer on the adoption of income approach to conclude the Valuation. As the other fundamental valuation approaches were either not applicable or not selected to conclude the Valuation, we did not cross-check the Valuation using other valuation methodologies.

As the Independent Valuer adopted income approach in the Valuation, which is regarded as profit forecast pursuant to the Listing Rules, the Board and EY, the reporting accountants of the Company, issued their letters on profit forecast. Details of their letters are set out under Appendix VI to the Circular.

B.4.3 Valuation basis and assumption

To assess the fairness and reasonableness of the basis and underlying assumptions used in the Valuation, we obtained the underlying valuation model of WEGO Prefills (the "**Valuation Model**") from the Independent Valuer, which consisted of (i) the historical consolidated financial information of WEGO Prefills Group for the two years ended 31 December 2024 and for the nine months ended 30 September 2025; (ii) the financial projection of WEGO Prefills Group for the three months ending 31 December 2025 and the five years ending 31 December 2030; and (iii) the calculation of the discounted cash flows. We understood from the Independent Valuer that the financial projection of five-full financial year is commonly adopted for valuation of companies with no restriction on the term of operation. We also noted from valuation reports prepared by other valuation experts as contained in circulars of other Hong Kong listed companies that it is common to adopt the financial projects covering five-full financial years for valuation of businesses and enterprises under income approach. Accordingly, we consider the forecast period, which covers the remaining three months of 2025 from 30 September 2025 and the five-full financial years ending 31 December 2030 to be reasonable.

As WEGO Prefills Group has no restriction on the term of operation, with a track record of operation generating stable income and profits, the Independent Valuer assumed that WEGO Prefills Group is able to operate under going concern and thus had accounted for the future cash flows of WEGO Prefills Group beyond the forecast period with no terminal growth on the profits of WEGO Prefills Group.

We noted from the Valuation Model that the forecast revenue of WEGO Prefills Group primarily consisted of revenue from domestic and overseas sales of pre-filled drug delivery products, accounting for around 90% of WEGO Prefills Groups' forecast revenue. The forecast revenue from domestic and overseas sales of the pre-filled drug delivery products were formulated based on the estimated sales volume and estimated unit price.

In respect of the estimated domestic sales volume of the pre-filled drug delivery products, we noted from the Valuation Model that:

- the actual sales volume for FY2024 increased by approximately 27% as compared to that for FY2023;
- the estimated sales volume for the three months ended 31 December 2025 were close to the quarterly average sales volume for the nine months ended 30 September 2025, implying a year-on-year growth of approximately 10% for the year ending 31 December 2025 as compared to the actual sales volume for FY2024; and

- the estimated sales volume for each of the five years ending 31 December 2030 presented a decreasing year-on-year growth trend from approximately 9% to 8%.

In respect of the estimated domestic unit price of the pre-filled drug delivery products, we noted from the Valuation Model that:

- the average unit price decreased by approximately 5% for FY2024 as compared to that for FY2023;

- the estimated unit price for the three months ended 31 December 2025 is the same as the average unit price for FY2024 and 9M2025; and

- the unit price is estimated to decrease year-on-year by approximately 2% for the five years ending 31 December 2030.

We understood from the Directors that the historical growth in sales volume achieved by WEGO Prefills Group was primarily due to the increasing demand from downstream biopharmaceutical companies, as a result, WEGO Prefills Group maintained the market share of over 50% in the PRC's pre-filled drug delivery product market from 2022 to 2024. Given the expected competition in the PRC's pre-filled drug delivery product market, as substantiated by the historical year-on-year decrease in domestic unit price of the pre-filled drug delivery products as stated above, it is expected that the sales volume of the pre-filled drug delivery products shall maintain growth while the unit price of the pre-filled drug delivery products will present a gradual decreasing trend over the five years ending 31 December 2030. Given the aforesaid, we consider the basis adopted in formulating the estimated revenue from domestic sales of pre-filled drug delivery products are fair and reasonable.

In respect of the estimated overseas sales volume of the pre-filled drug delivery products, we noted from the Valuation Model that:

- the actual sales volume decreased by approximately 20% for FY2024 as compared to that for FY2023;

- the actual sales volume for the nine months ended 30 September 2025 was at similar level as that for FY2024 and estimated sales volume for the year ending 31 December 2025 (comprised of the actual sales volume for the nine months ended 30 September 2025 and the estimated sales volume for the three months ending 31 December 2025) implied a year-on-year growth of approximately 31% for the year ending 31 December 2025 as compared to the actual sales volume for FY2024; and

- the estimated sales volume is expected to increase by approximately 10% for each of the five years ending 31 December 2030.

In respect of the estimated overseas unit price of the pre-filled drug delivery products, we noted from the Valuation Model that:

- the average unit price increased by approximately 9% for FY2024 and as compared to that for FY2023;

- the average unit price for the nine months ended 30 September 2025 increased by approximately 9% as compared to that for FY2024, while the estimated unit price for the three months ended 31 December 2025 decreased approximately 15% as compared to that for the nine months ended 30 September 2025; and

- the unit price is estimated to decrease year-on-year by approximately 2% for the five years ending 31 December 2030.

We noted from the historical consolidated financial statements of WEGO Prefills Group that WEGO Prefills Group primarily sold its pre-filled drug delivery products in the PRC. Although WEGO Prefills Group's revenue from overseas sales for FY2024 decreased by approximately 12.32% as compared to that for FY2023, its revenue from oversea sales for 9M2025 exceeded that for FY2024, the annualised value of which represented an increase of approximately 37.64% as compared to that for FY2024. Given the stable production and sufficient supply capability of the WEGO Prefills Group, and through years of market development and preparation in the overseas markets, WEGO Prefills Group had developed a certain degree of brand awareness and achieved a certain level of market share in Asia and South America markets, and shall continue to strengthen its overseas market development. The aforesaid indicated the possible growth in the overseas markets and thus we consider the estimated growth in overseas sales volume of pre-filled drug delivery products for the forecast period, and the corresponding decrease in unit price for the forecast period to further penetrate the overseas markets, to be fair and reasonable.

The estimated cost of sales of the pre-filled drug delivery products for the three months ending 31 December 2025 and the five years ending 31 December 2030 implied the gross profit margins ranging from approximately 49% to 50%, which are at similar level as that for the two years ended 31 December 2024 and the nine months ended 30 September 2025 (ranging from approximately 51% to 52%). Therefore, we consider the estimated cost of sales of the pre-filled drug delivery products to be fair and reasonable.

We noted from the Valuation Model that the expenses of WEGO Prefills Group primarily consist of selling expenses, administrative expenses, R&D expenses and income tax expense. We noted from the Valuation Model that:

(i) WEGO Prefills Group's selling expenses (excluding share-based payments which are non-cash in nature) historically accounted for approximately 3% to 4% of its revenue for the two years ended 31 December 2024 and 9M2025, and it is estimated that the forecasted selling expenses shall account for approximately 4% of WEGO Prefills Group's revenue during the forecast period;

(ii) WEGO Prefills Group's administrative expenses (excluding share-based payments which are non-cash in nature) historically accounted for approximately 2% to 3% of its revenue for the two years ended 31 December 2024 and 9M2025, and it is estimated that the forecasted administrative expenses shall account for approximately 2% of WEGO Prefills Group's revenue during the forecast period;

(iii) WEGO Prefills Group's R&D expenses (excluding share-based payments which are non-cash in nature) historically accounted for approximately 3% of its revenue for the two years ended 31 December 2024 and 9M2025, and it is estimated that the forecasted administrative expenses shall account for approximately 3% to 5% of WEGO Prefills Group's revenue during the forecast period; and

(iv) WEGO Prefills Group's income tax expense historically implied the effective tax rates of approximately 14% to 15%, and it is estimated that the forecasted effective tax rates shall range from approximately 14% to 15%, which are consistent with the tax rate applicable to WEGO Prefills Group as qualified high and new technology enterprises.

After cross-checking the proportion of expenses to revenue, we noted that the estimated expenses of WEGO Prefills Group were in line with their historical proportion to revenue as mentioned above. Therefore, we consider the estimated expenses of WEGO Prefills Group to be fair and reasonable.

Having arrived at the forecasted net profit for the forecast period, the Independent Valuer added the non-cash expenses and took into account the capital expenditure and working capital changes to derive the net cash flows of WEGO Prefills Group during the forecast period.

We noted from the Valuation Model that the estimated capital expenditure for each year during the forecast period was determined with reference to the capital commitment of WEGO Prefills Group as at 30 September 2025. For our due diligence purpose, we verified the capital commitment of WEGO Prefills Group adopted by the Independent Valuer to that as set out in the audited consolidated financial statements of WEGO Prefills Group for the two years ended 31 December 2024 and 9M2025.

We noted from the Valuation Model that the estimated working capital changes for each year during the forecast period was determined with reference to the average inventory turnover ratio, trade receivable turnover ratio, trade payable turnover ratio and other payable turnover ratio for the two years ended 31 December 2024. For our due diligence purpose, we had recalculated the aforesaid turnover ratios based on the historical financial information of WEGO Prefills Group and the results are consistent to those adopted in the Valuation.

The discount rate adopted in the Valuation represented the cost of equity formulated by the Independent Valuer using capital asset pricing model ("**CAPM**"). We understood from the Independent Valuer that the Independent Valuer had not taken into account the cost of debt given that WEGO Prefills Group had no interest-bearing borrowings as at 30 September 2025, thus cost of debt was not applicable to the Valuation. For our due diligence purpose:

- We searched through the internet and noted that CAPM is widely adopted for the purpose of calculating the required rate of return on equity.

- We searched on the website of National Interbank Funding Center (a sub-institution directly affiliated to the People's Bank of China) and noted that the risk-free rate adopted by the Independent Valuer was in line with the interest rates of government bonds published on the website of National Interbank Funding Center.

- We obtained the list of comparable companies used for the calculation of the re-levered beta. We noted that the comparable companies were identified and selected by the Independent Valuer based on the following criteria: (1) companies listed on the SSE or the Shenzhen Stock Exchange; and (2) companies that are comparable with WEGO Prefills Group based on characteristics such as principal businesses, product type, enterprise scale and profitability. We consider the selection criteria adopted by the Independent Valuer would allow the Independent Valuer to identify companies that are comparable to WEGO Prefills Group for the purpose of deriving the re-levered beta, and thus they are fair and representative.

- We attempted to search for companies that are comparable to WEGO Prefills Group on Wind Financial Terminal based on the following criteria (1) companies listed on the SSE or the Shenzhen Stock Exchange; and (2) companies that operate in the production and sales of syringes and/or pre-filled drug delivery products and our findings are consistent to those selected by the Independent Valuer.

- We cross-checked the beta of the selected comparable companies through Wind Financial Terminal. We noted that the beta adopted by the Independent Valuer are consistent with our findings on Wind Financial Terminal.

- We noted that the market risk premium adopted by the Independent Valuer was determined with reference to the SSE Composite Index yield indicator. We had verified the yield of the SSE Composite Index based on data published on Wind Financial Terminal.

- We noted that the specific risk premium adopted by the Independent Valuer was determined based on a comparison scoresheet of WEGO Prefills Group and its comparable companies in aspects such as enterprise scale, business operation stage, business core competitiveness, upstream and downstream reliance, corporate financing ability and costs, profit stability, prepared by the Independent Valuer. Upon our request, we obtained documents from the Independent Valuer, showing that the aforesaid aspects were required to be considered for the determination of specific risk premium by the Independent Valuer internally. In addition, we also obtained ranges of adjusted parameters for each aforesaid aspect the Independent Valuer generally adopted and noted that the adjusted parameters applied for the determination of the specific risk premium for the Valuation fell within the range of those generally adopted by the Independent Valuer.

The Valuation Report sets out the general and specific assumptions made to the Valuation, details of which are set out under the section headed "(II) Valuation assumptions" of the Valuation Report as contained in Appendix V to the Circular. We consider the general and specific assumptions made by the Independent Valuer to the Valuation are those commonly used in valuations of equity interests in companies.

Based on our due diligence on the methodology and each of the parameters and assumptions used in the Valuation, in particular (1) the basis for concluding the Valuation with income approach; (2) the basis adopted in formulating the future cash flows of WEGO Prefills Group; (3) the parameters used in formulating the discount rate; and (4) the major assumptions made to the Valuation are commonly used for the valuation of equity interests in companies, and during our discussion with the Independent Valuer, we did not identify any factor which caused us to doubt the fairness and reasonableness of the methodology, principal bases, assumptions and parameters adopted in the Valuation.

B.4.4 Our conclusion on final consideration

Having considered that the final consideration for the Subject Assets of approximately RMB8,510.81 million represents the value of 100% equity interest of WEGO Prefills as set out in the Valuation, we are of the view that the final consideration for the Subject Assets is fair and reasonable.

B.5 Issue Price

Pursuant to Restructuring Measures as promulgated by the CSRC, the Issue Price shall not be less than 80% of the average trading price of the WGBP Shares in the 20 trading days preceding the Pricing Benchmark Date (being RMB39.11 per WGBP Share). As agreed among the parties, the Issue Price will be RMB31.29 per Consideration Share.

The Issue Price of RMB31.29 per Consideration Share represents:

(i) a discount of approximately 25.02% to the closing price of RMB41.73 per WGBP Share as quote on the SSE as at the Latest Practicable Date;

(ii) a discount of approximately 19.99% to the average trading price of RMB39.11 per WGBP Share as quote on the SSE for the 20 trading days preceding the Pricing Benchmark Date pursuant to the requirements of the Restructuring Measures;

(iii) a discount of approximately 20.54% to the closing price of RMB39.38 per WGBP Share as quoted on the SSE on 17 October 2025, being the last trading day immediately preceding the Pricing Benchmark Date;

(iv) a discount of approximately 19.97% to the average closing price of approximately RMB39.10 per WGBP Share as quoted on the SSE for the last 5 consecutive trading days immediately preceding the Pricing Benchmark Date;

(v) a discount of approximately 19.85% to the average closing price of approximately RMB39.04 per WGBP Share as quoted on the SSE for the last 20 consecutive trading days immediately preceding the Pricing Benchmark Date;

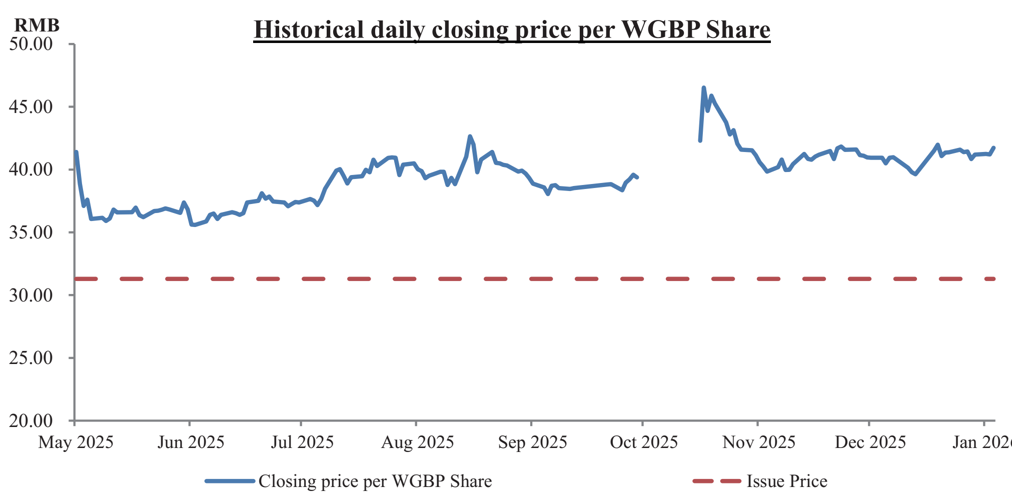
(vi) a discount of approximately 21.03% to the average closing price of approximately RMB39.62 per WGBP Share as quoted on the SSE for the last 30 consecutive trading days immediately preceding the Pricing Benchmark Date;

(vii) a discount of approximately 19.01% to the average closing price of approximately RMB38.63 per WGBP Share as quoted on the SSE for the last 90 consecutive trading days immediately preceding the Pricing Benchmark Date; and

(viii) a premium of approximately 87.22% over the NAV per WGBP Share of RMB16.71 as at 30 September 2025 based on the 417,754,066 WGBP Shares in issue as at the Latest Practicable Date (the "**NAV Premium**").

B.5.1 Historical closing price movement

To assess the fairness and reasonableness of the Issue Price, we reviewed the daily closing price of the WGBP Shares as quoted on the SSE from 19 May 2025, being approximately date of listing of the WGBP Shares on the SSE up to and including the Latest Practicable Date (the "**Review Period**"). The duration of the Review Period is exhaustive for us to perform to analyse the historical closing price of the WGBP Shares since its listing on the SSE and thus it is fair and representative. The comparison of the daily closing price of the WGBP Shares and the Issue Price is illustrated as follows:



Source: Wind Financial Terminal

Note: the trading of the WGBP Shares was halted from 20 October 2025 and resumed on 3 November 2025.

During the Review Period, the lowest and highest closing price of Shares were RMB35.59 per WGBP Share recorded on 20 June 2025 and RMB46.53 per WGBP Share recorded on 4 November 2025. The Issue Price of RMB31.29 is below the aforesaid closing prices range during the Review Period and represented discounts ranging from 12.08% to 32.75% to the closing prices of the WGBP Shares during the Review Period.

B.5.2 Comparison with comparable companies

To assess the fairness and reasonableness of the Issue Price, we conducted trading multiple analysis using price-to-earnings ratio ("**PER**"), price-to-book ratio ("**PBR**") and price-to-sales ratio ("**PSR**") by searching for companies that are listed on the stock exchanges of the PRC, which principally engaged in similar line of business as Weigao BP Group, being the R&D, production, and sales of medical products for blood purification and derived over 50% of their revenue from such business. We consider the aforesaid selection criteria would enable us to identify companies listed on stock exchanges of the same country as Weigao Blood Purification that engaged in similar line of business with similar revenue mix as Weigao BP Group. We identified five comparable companies which met the aforesaid criteria, and we had not subjectively carve out any companies that would have met the aforesaid criteria, thus they are exhaustive, fair and representative (the "**Comparable Companies**").

Set out below are the PER, PBR and PSR of the Comparable Companies based on their closing price of shares and their then latest published financial information as at 31 October 2025 (being the date prior to the Pricing Benchmark Date):

Company name (stock code)	**Principal business**	**Market capitalisation** *(RMB million)*	**PER** *(Note 1)*	**PBR** *(Note 2)*	**PSR** *(Note 3)*	**Percentage of revenue contributed from the R&D, production and sales of medical products for blood purification based on their latest published audited revenue**
Guangdong Biolight Meditech Co., Ltd.（廣東寶萊特醫用科技股份有限公司）(300246.SZ)	R&D, production, sales and service of medical devices primarily covering life information and support, and hemodialysis products for nephrology medical sector	2,307.1	N/A *(Note 4)*	1.90	2.18	76%
Jiangxi Sanxin Medtec Co., Ltd.（江西三鑫醫療科技股份有限公司）(300453.SZ)	R&D, production and sales of products for blood purification, drug delivery devices and cardiothoracic surgery	4,891.9	21.51	3.54	3.26	81%
Jafron Biomedical Co., Ltd.（健帆生物科技集團股份有限公司）(300529.SZ)	R&D, production and sales of products for blood purification	16,283.6	19.85	4.75	6.08	99%

Company name (stock code)	Principal business	Market capitalisation *(RMB million)*	PER *(Note 1)*	PBR *(Note 2)*	PSR *(Note 3)*	Percentage of revenue contributed from the R&D, production and sales of medical products for blood purification based on their latest published audited revenue
Ningbo Tianyi Medical Appliance Co., Ltd. (寧波天益醫療器械股份有限公司) (301097.SZ)	R&D, production and sales of medical devices such as medical polymer consumables for blood purification and ward nursing	3,274.5	N/A *(Note 4)*	2.77	7.82	55%
SWS Hemodialysis Care Co., Ltd. (重慶山外山血液淨化技術股份有限公司) (688410.SH)	R&D, production and sales of blood purification devices and consumables	5,298.5	74.75	2.99	9.34	89%
	Maximum:		74.75	4.75	9.34	
	Minimum:		19.85	1.90	2.18	
	Average:		38.70	3.19	5.73	
	Median:		21.51	2.99	6.08	
Weigao Blood Purification		**13,071.5** *(Note 5)*	**29.09** *(Note 6)*	**1.87** *(Note 7)*	**3.63** *(Note 8)*	**98%**

Notes:

1. The PER of the Comparable Companies were calculated based on their respective then latest published audited net profit attributable to their shareholder, their respective closing price of shares as quoted on Shanghai Stock Exchange or Shenzhen Stock Exchange (as the case may be) and their respective total issued shares as at 31 October 2025.

2. The PBR of the Comparable Companies were calculated based on their respective then latest published net assets attributable to their shareholder, their respective closing price of shares as quoted on Shanghai Stock Exchange or Shenzhen Stock Exchange (as the case may be) and their respective total issued shares as at 31 October 2025.

3. The PSR of the Comparable Companies were calculated based on their respective then latest published audited revenue, their respective closing price of shares as quoted on Shanghai Stock Exchange or Shenzhen Stock Exchange (as the case may be) and their respective total issued shares as at 31 October 2025.

4. The subject company was loss-making for the latest financial year.

5. The implied market capitalisation of Weigao Blood Purification was calculated based on the Issue Price and the number of WGBP Shares in issue as at 31 October 2025.

6. The implied PER of Weigao Blood Purification was calculated based on the Issue Price, Weigao BP Group's net profit attributable to its shareholders for FY2024 and the total number of WGBP Shares in issue as at 31 October 2025.

7. The implied PBR of Weigao Blood Purification was calculated based on the Issue Price, the NAV and the total number of WGBP Shares in issue as at 31 October 2025.

8. The implied PSR of Weigao Blood Purification was calculated based on the Issue Price, Weigao BP Group's revenue for FY2024 and the total number of WGBP Shares in issue as at 31 October 2025.

As depicted in the above table:

(i) the PER of the Comparable Companies ranged from approximately 19.85 times to 74.75 times, with average of approximately 38.70 times and median of approximately 21.51 times;

(ii) the PBR of the Comparable Companies ranged from approximately 1.90 times to 4.75 times, with average of approximately 3.19 times and median of approximately 2.99 times; and

(iii) the PSR of the Comparable Companies ranged from approximately 2.18 times to 9.34 times, with average of approximately 5.73 times and median of approximately 6.08 times.

Although the implied PER of Weigao Blood Purification is within the PER range of the Comparable Companies and is above the median of the Comparable Companies, as two of the five Comparable Companies were loss-making, we consider the number of Comparable Companies is insufficient for us to assess the fairness and reasonableness of the Issue Price in the aspect of PER. The implied PSR of Weigao Blood Purification is within the PSR range of the Comparable Companies but close to the lower-end of the aforesaid range; while the implied PBR of Weigao Blood Purification is below the PBR range of the Comparable Companies. These indicated that the Issue Price was not overvalued in the aspect of PBR and PSR.

B.5.3 Adjustment to the Issue Price

During the period between the Pricing Benchmark Date for the Transaction and the Completion Date of Issuance, if there are any ex-rights or ex-dividend events of Weigao Blood Purification, such as distribution of dividends, issue of bonus shares, share allotment or capital reserve capitalization, the Issue Price will be adjusted according to the following formula:

In the event of bonus issue or capital reserve capitalization: $P1=P0/(1+n)$;

In the event of share allotment: $P1=(P0+A\times k)/(1+k)$;

In the event of the above two items implemented simultaneously: $P1=(P0+A\times k)/(1+n+k)$;

In the event of distribution of cash dividends: $P1=P0-D$;

In the event that the above three items are implemented simultaneously: P1＝(P0-D+A×k)/(1+n+k).

Where: P0 is the Issue Price before adjustment; n is the rate of bonus issue or rate of capital reserve capitalization; k is the rate of shares to be allotted; A is the share price to be allotted; D is the amount of cash dividends per share; and P1 is the adjusted Issue Price.

Given that the adjustment arrangement to the Issue Price is in line with relevant adjustment arrangement of issue price under a material asset restructuring, we are of the view that the adjustment mechanism is fair and reasonable.

B.5.4 Our conclusion on the Issue Price

Despite the NAV Premium as represented by the Issue Price, having considered:

(i) the Issue Price is lower than the closing prices of WGBP Shares during the Review Period and represented discounts ranging from 12.08% to 32.75% to the closing prices of the WGBP Shares during the Review Period;

(ii) the Issue Price was not overvalued in the aspect of PER, PBR and PSR;

(iii) the Issue Price was determined in accordance to the Restructuring Measures; and

(iv) the adjustment mechanism of the Issue Price is fair and reasonable,

we are of the view that the Issue Price is fair and reasonable.

B.6 Vesting of Profit and Loss of WEGO Prefills During the Transition Period

During the transition period (i.e. the period from the Valuation Benchmark Date (exclusive) to the closing date of the Transaction), any profits generated from the Subject Assets shall be enjoyed by Weigao Blood Purification, while any losses shall be borne by the Vendors. In the event that the Subject Assets incur losses during the transition period, the Vendors shall fully compensate Weigao Blood Purification in cash within 30 working days from the date of issuance of the special audit report. The compensation amount borne by each Vendor shall be determined based on their respective proportion of the Subject Assets transferred to Weigao Blood Purification.

We noted from Guideline No.1 as published by CSRC on 31 July 2020 that, among other things, in a material asset restructuring of a listed company, where valuation methods was adopted based on future earnings, such as discounted cash flow method, any profit generated by the target assets shall be entitled to the listed company; and in contrast any loss incurred by the target assets shall be compensated by the counterparty to the transaction, during the transitional period (i.e. from valuation base date to competition of the transaction). The profit or loss arrangement for WEGO Prefills during the transitional period of the Transaction is in compliance with the aforesaid requirements for A-share listed companies.

Given the above and that the consideration was based on, among other things, the valuation of WEGO Prefills by income approach and such future profit was considered in the valuation, we are of the view that the profit or loss arrangement during the transitional period is on normal commercial terms.

B.7 Performance guarantee compensation

B.7.1 Performance Guarantee Period

All parties agree that the performance guarantee period for the Transaction shall be three consecutive accounting years commencing from the date of completion of the Transaction (including the accounting year in which the Transaction is completed).

B.7.2 Committed Net Profit

All parties acknowledge and agree that the committed net profit is determined based on the forecast of future earnings of WEGO Prefills as stated in the Valuation Report. The Vendors undertake that the committed net profit for each accounting year during the performance guarantee period of WEGO Prefills shall be RMB639.5092 million (2026), RMB720.1707 million (2027) and RMB783.5229 million (2028), respectively. If the completion date of the Transaction is deferred to 2027, the committed net profit for each accounting year within the performance guarantee period shall be RMB720.1707 million (2027), RMB783.5229 million (2028) and RMB844.7308 million (2029), respectively.

B.7.3 Determination of Actual Net Profit

At the end of each accounting year during the performance guarantee period, Weigao Blood Purification shall engage a qualified audit institution to review the discrepancy between the actual net profit of WEGO Prefills and its committed net profit, and issue a specific audit opinion. The fulfillment of the performance guarantee of WEGO Prefills shall be determined based on the aforementioned specific audit opinion issued by the qualified audit institution.

B.7.4 Performance Guarantee Compensation

(1) Profit Compensation

$$\text{Vendors' Compensation Amount for the Current Period} = \frac{\text{(Accumulated committed net profit as of the end of the current period} - \text{the accumulated actual net profit as of the end of the current period)}}{\text{Sum of the committed net profit for the respective accounting year during the performance guarantee period}} \times \text{Transaction consideration received by the Vendors for the Subject Assets in the Transaction} - \text{Accumulated compensated amount}$$

Each Vendor shall be liable for compensation to Weigao Blood Purification in proportion to the equity of WEGO Prefills they sold to Weigao Blood Purification, and they shall not bear any joint and several liability with one another. The compensation amount for each year during the performance guarantee period shall be calculated separately for each year.

(2) Impairment Testing and Compensation

Upon the expiration of the performance guarantee period, Weigao Blood Purification shall engage a qualified audit institution to conduct an impairment test on the Subject Assets and issue an impairment test report. If the impairment amount of the Subject Assets at the end of the period exceeds the cumulative compensation paid during the performance guarantee period (including compensation made by the Vendors in the form of shares and cash, the same below), the Vendors shall compensate Weigao Blood Purification additionally.

The impairment amount of the Subject Assets at the end of the period refers to the transaction price of the Subject Assets minus the appraised value of the Subject Assets (i.e. the consideration of the Disposal of RMB8,510,813,774.51) on the expiry date of the performance guarantee period, after deducting the impact of capital increases, capital reductions, receipt of donations, and profit distributions on the Subject Assets during the performance guarantee period. The calculation formula is as follows:

$$\text{Vendors' compensation amount payable due to impairment} = \text{Impairment amount of the Subject Assets at the expiration of the performance guarantee period} - \text{Accumulated compensated amount paid during the performance guarantee period}$$

(3) Method of Compensation

If the Vendors trigger the aforementioned profit compensation or impairment test compensation, priority should be given in using the Consideration Shares they obtained to compensate Weigao Blood Purification. Any shortfall shall be supplemented in cash as an additional compensation method. The specific number of shares shall be calculated according to the following formula and rounded up to the nearest whole number:

$$\text{Number of shares each Vendor is obligated to compensate in the current period} = \frac{\text{Compensation amount for the current period}}{\text{Issue Price (subject to the price adjustment mechanism stipulated in the Sale and Purchase Agreement)}}$$

If the Consideration Shares obtained by the Vendors are insufficient to cover the compensation, the shortfall shall be compensated in cash. Simultaneously, any cash dividends previously received from Weigao Blood Purification on the shares subject to compensation in the current period must be returned.

The total amount of share compensation and cash compensation provided by the Vendors to Weigao Blood Purification due to profit compensation and impairment test compensation shall not exceed the transfer consideration received by the Vendors; and the number of shares to be compensated shall be capped at the number of Consideration Shares obtained by the Vendors. The Vendors undertake that the Consideration Shares obtained shall be prioritized for fulfilling the performance compensation commitment and shall not evade compensation obligations through means such as pledging of shares. If the Vendors intend to pledge the Consideration Shares acquired through the Transaction in the future, written consent from Weigao Blood Purification must be obtained in advance.

(4) Implementation of Compensation Measures

If the Vendors trigger the profit compensation or impairment test compensation obligations stipulated in the Compensation Agreement, Weigao Blood Purification shall calculate the compensation amount and the number of shares to be compensated by the Vendors within 15 days after the qualified audit institution it engaged issues the special audit opinion or impairment test report, and notify the Vendors accordingly. The Vendors shall, within 5 days of receiving the notice from Weigao Blood Purification, inform Weigao Blood Purification of the number of shares available for compensation. Weigao Blood Purification shall promptly formulate specific compensation proposals and convene board and shareholder meetings for review.

For the shares compensated by the Vendors, Weigao Blood Purification shall first adopt a share repurchase and cancellation proposal, which involves repurchasing the Vendors' shares subject to compensation in the current period at a total price of RMB1.00 and canceling them. If the aforementioned share repurchase and cancellation proposal is unable to be implemented for reasons such as the failure to obtain approvals from Weigao Blood Purification's board of directors or shareholders' meeting, Weigao Blood Purification shall have the right to require the Vendors to transfer the shares subject to compensation to the shareholders of Weigao Blood Purification other than the Vendors at zero consideration. The specific share repurchase proposal or share transfer proposal shall be formulated and implemented by Weigao Blood Purification's board of directors at that time, and the Vendors must complete the relevant procedures within the timeframe stipulated in the Compensation Agreement.

Regarding cash compensation, the Vendors shall transfer the cash compensation to the bank account designated by Weigao Blood Purification within 10 days after receiving the written notice from Weigao Blood Purification.

B.7.5 Our analyses

According to the Guideline No.1, where the transaction counterparty is the controlling shareholder, actual controller, or an affiliate controlled by them of the listed company, such persons shall provide performance compensation by the shares and cash obtained from the transaction. In addition, the compensation period shall be no less than three years upon the completion of the material asset restructuring.

We also noted that the calculation for "compensation amount payable for a year", the impairment test arrangement and number of shares for compensation are in compliance with the requirements as contained in the Guidance No.1. In addition, after reviewing the process of Valuation, we noted that the committed net profit for each of 2026 to 2028 is the same as the net profit of WEGO Prefills Group for the corresponding period, as forecasted in the valuation of the 100% equity interest in WEGO Prefills.

Given (i) that the Transaction constitutes material asset restructuring of Weigao Blood Purification according to its transaction proposal dated 31 October 2025; (ii) that the performance commitment compensation arrangement (including the relevant calculations) is in compliance with the requirements as contained in the Guidance No.1; (iii) the reasons for and benefits of the Transaction to the Group; and (iv) the final consideration for the Subject Assets represents the value of 100% equity interest of WEGO Prefills as set out in the Valuation, wherein the valuation process has taken into account (among other things) the net profit of the WEGO Prefills Group for 2026 to 2028, which is consistent with the committed net profit for the corresponding period, we are of the view that the performance commitment compensation is on normal commercial terms.

B.8 Completion

Within 10 working days after the Supplemental Sale and Purchase Agreement becomes effective, the Vendors shall cooperate with Weigao Blood Purification to complete the transfer procedures for the Subject Assets, including signing necessary documents and processing equity change registration formalities. The transfer of the Subject Assets shall be completed within 20 working days after the Supplemental Sale and Purchase Agreement becomes effective. Weigao Blood Purification shall complete the issuance, registration, and listing procedures of the Consideration Shares within 30 working days after completing the transfer of the Subject Assets.

B.9 Lock-up Period

(i) The Vendors shall not transfer the Consideration Shares within thirty-six months following the completion of the Transaction. The lock-up period for the Consideration Shares shall automatically be extended for six months on the basis of the aforementioned lock-up period if the closing prices of the shares of Weigao Blood Purification is lower than the Issue Price for 20 consecutive trading days within six months after the completion of the Transaction or if the closing price of which at the end of the six months is lower than the Issue Price. For any shares of Weigao Blood Purification that have already been held by the Company prior to the Transaction, they shall not be transferred in any manner within 18 months after the completion of the Transaction. However, transfer of shares as permitted by applicable laws shall not be restricted.

(ii) After the completion of the Transaction, any additional Consideration Shares received by the Vendors as a result of distribution of dividends, issue of bonus shares, capital reserve capitalization or share allotment or other actions of Weigao Blood Purification shall also be subject to the aforementioned lock-up period restrictions.

(iii) In the event that the lock-up period for the shares subscribed by the Vendors is inconsistent with the latest regulatory requirements of the securities regulatory authorities, the Vendors agree to make corresponding adjustments in accordance with the latest requirements and regulatory advice of the securities regulatory authorities.

(iv) Upon the expiry of the aforementioned lock-up period, the transfer and trading of the shares of Weigao Blood Purification by the Vendors shall be conducted in accordance with the then effective laws, regulations, and the rules of the SSE.

In addition to the aforesaid lock-up period requirements, due to the Vendors' obligations under the Compensation Agreement, the Vendors shall not transfer their Consideration Shares from the Completion Date of Issuance until the obligations under the Compensation Agreement have been fulfilled.

According to the Restructuring Measures and the Guideline No.1, any consideration shares issued by a listed company (i.e. the Consideration Shares in this case) to a specific target who is, among other things, such listed company's controlling shareholder, de facto controller, or a connected party controlled by the aforesaid party (i.e. the Company in this case), shall not be transferred within 36 months commencing from the date of issuance of such consideration shares. If the closing prices of A shares are below the issue price of consideration shares for 20 consecutive trading days within the six-month period commencing from date of completion of acquisition, or the closing price of the A shares as at the end of the aforementioned six-month period is below the issue price of the consideration shares, the lock-up period will be automatically extended for at least six months.

Furthermore, according to the Takeover Administrative Measures, in the takeover of a listed company, the shares held by the acquirer in the target company (i.e. the WGBP Shares already held by the Company in this case) may not be transferred within 18 months after the completion of the takeover.

Given that the lock-up arrangement (including the abovementioned automatic extension mechanism) is the requirement under the Restructuring Measures in relation to the issuance of consideration shares for acquisitions by listed companies and the Takeover Administration Measures for a takeover of a listed company, we consider the lock-up arrangement is fair and reasonable.

B.10 Non-Competition Undertaking

Following the completion of the Transaction, the Company will become the controlling shareholder of Weigao Blood Purification. On 5 January 2026, the Company executed a Letter of Non-Competition Undertakings, hereby undertaking the followings to Weigao Blood Purification:

1) Weigao Blood Purification is specializes in the research and development, production, and sales of medical devices for blood purification. Following the completion of the Transaction, Weigao Blood Purification will hold 100% of the equity in WEGO Prefills. Consequently, its principal business will be expanded to include the research and development, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems. The Company and other enterprises controlled by the Company currently do not, and will not in the future, engage, whether within or outside the territory of the PRC, independently or jointly with any third party, in any form, directly or indirectly, in any business activities that compete or may compete with the current or future principal business of Weigao Blood Purification or its subsidiaries.

2) If the Company or any other enterprise controlled by the Company obtains any business opportunity from any third party that competes or may compete with the products falling within the principal business of Weigao Blood Purification following the completion of the Transaction, it shall promptly notify Weigao Blood Purification and endeavour to ensure that such opportunity is offered to Weigao Blood Purification, so as to avoid actual or potential competition in the same business with Weigao Blood Purification and to safeguard the interests of Weigao Blood Purification and its other shareholders from being compromised.

3) Following the completion of the Transaction, during the period when the Company remains the controlling shareholder of Weigao Blood Purification, should Weigao Blood Purification further expand its product and business scope, the Company and other enterprises controlled by the Company undertake not to compete with the expanded products or businesses of Weigao Blood Purification. In the event that a situation arises which may generate competition with Weigao Blood Purification's expanded products or businesses, the Company and other enterprises controlled by the Company undertake to exit from such competition with Weigao Blood Purification by means of the followings, including but not limited to: (i) ceasing the production or provision of products or services that constitute or may constitute competition; (ii) terminating the operation of businesses that constitute or may constitute competition; (iii) contributing the competing business into Weigao Blood Purification in a legal manner, subject to Weigao Blood Purification's consent; (iv) transferring the competing business to a non-related third party; (v) other methods beneficial to safeguarding the interests of Weigao Blood Purification.

4) The Company undertakes to exercise the shareholder rights legally and reasonably, and shall not take any action that would restrict or affect the normal business operations of Weigao Blood Purification.

5) In the event that the Company breaches any of the aforementioned undertakings and cause losses to Weigao Blood Purification, the Company shall be liable for compensation in accordance with the law.

The Non-Competition Undertakings are made in accordance with the relevant requirements under the A-share listing rules and the common practice in similar transactions. These undertakings shall only become binding on the Company upon the completion of the Transaction and when the Company becomes the direct controlling shareholder of Weigao Blood Purification.

B.10.1 Our analyses

In accordance with the PRC laws and regulations and the requirements of relevant regulatory authorities, solutions must be specified for the overlapping between the business of the enlarged Weigao BP Group (including WEGO Prefills Group) (the "**Enlarged Weigao BP Group**") and its controlling shareholders (i.e. the Company upon the Completion).

Given that the principal business of the Group (excluding WEGO Prefills Group) (the "**Excluded Group**") will not include the research and development, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems (i.e. principal business of WEGO Prefills Group); whereas the principal business of the Enlarged Weigao BP Group would be (i) the businesses of research and development, production, and sales of medical products for blood purification (i.e. principal business of Weigao Blood Purification); and (ii) the research and development, production, and sales of pharmaceutical packaging materials such as pre-filled drug delivery systems and automatic safety drug delivery systems (i.e. principal business of WEGO Prefills Group), there is no overlapping between the business of the Excluded Group and the Enlarged Weigao BP Group.

As the Excluded Group currently has no direct or indirect involvement in any business activities that would constitute a competition with the principal business of Weigao Blood Purification or any of its subordinated enterprise, it is reasonable for Enlarged Weigao BP Group to continue its original principal businesses and further development such businesses. Therefore, it is logically sound for the Excluded Group to transfer any business that competes with the Enlarged Group's principal business. Furthermore, the Enlarged Group possesses the expertise to operate such relevant businesses.

Based on the above analyses and having also considered the reasons for and benefits of the Transaction, we are of the view that the Non-competition Undertaking, as part of the Transaction, is fair and reasonable.

B.11 Our conclusion on the terms of the Transaction

Having considered the principal terms of the Transaction as set out above, in particular, (i) the consideration representing the valuation of WEGO Prefills; (ii) the Issue Price, transitional period arrangement and performance commitment compensation arrangement being fair and reasonable, the Non-competition Undertaking, as part of the Transaction, being fair and reasonable; and (iii) and no abnormal terms being observed, we are of the view that the terms of the Transaction are on normal commercial terms and are fair and reasonable.

C. Possible financial effects of the Transaction

With reference to the Board Letter, upon completion of the Transaction, WEGO Prefills will become a wholly-owned subsidiary of Weigao Blood Purification, and Weigao Blood Purification will become a non-wholly-owned subsidiary of the Company. Accordingly, the financial results, assets and liabilities of WEGO Prefills, Weigao Blood Purification, and their subsidiaries will be consolidated into the financial statements of the Company.

The pro forma Information of the Enlarged Group (the "**Pro Forma Information**") is included in Appendix IV to the Circular.

As extracted from the 2025 Interim Report, the unaudited consolidated total assets and total liabilities of the Group were approximately RMB36,142 million and RMB10,447 million as at 30 June 2025 respectively. According to the Pro Forma Information, the unaudited total assets and total liabilities of the Enlarged Group would be approximately RMB42,986 million and RMB11,921 million respectively as if the Transaction had been completed on 30 June 2025.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon the completion of the Transaction.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction are on normal commercial terms and are fair and reasonable; and (ii) although the Transaction is not conducted in the ordinary and usual course of business of the Group, the Transaction is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Transaction and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

* *for identification purposes only*

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the years ended 31 December 2022, 2023 and 2024 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 together with the relevant notes thereto are disclosed in the following documents, which were published on both the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.weigaogroup.com):

(a) Annual report in 2022:

English version:
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042703673.pdf

Chinese version:
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042703674_c.pdf

(b) Annual report in 2023:

English version:
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902734.pdf

Chinese version:
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902735_c.pdf

(c) Annual report in 2024:

English version:
https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042901365.pdf

Chinese version:
https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042901366_c.pdf

(d) Interim report in 2025:

English version:
https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0926/2025092600485.pdf

Chinese version:
https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0926/2025092600486_c.pdf

2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 November 2025, being the latest practicable date prior to the printing of this circular for the purpose of the preparation of this statement of indebtedness, the Enlarged Group had the following outstanding borrowings:

(a) Borrowings

The Enlarged Group's total outstanding bank borrowings amounted to approximately RMB3,848 million, comprising: (i) bank borrowings of approximately RMB3,841 million secured by credit guarantees provided by the Company or secured by accounts receivable pledged by its subsidiaries; and (ii) unsecured and unguaranteed bank borrowings of approximately RMB7 million. Details are set out as follows:

Maturity of Bank Loans	**Amount** *(RMB million)*
Within 1 year	294
Over 1 year but not exceeding 2 years	985
Over 2 years but not exceeding 5 years	1,787
5 years or above	782

(b) Debt Securities

The principal amount of approximately RMB1,000 million of the corporate bonds of the Company had been issued and had not been repaid.

Debt Security	**Principal Amount**	**Annual Coupon Rate**	**Security/Guarantee**
IFC Green Bond	RMB1,000 million	3.59%	Guaranteed by the equity interests in Weihai Jierui Medical Products Co., Ltd., Shandong Weigao Financial Leasing Co., Ltd., and Shanghai Weigao Financial Leasing Co., Ltd.; and secured by certain properties, plants and equipment of the Company

(c) Contingent Liabilities

As at 30 November 2025, the Enlarged Group had provided guarantees in respect of certain bank and other borrowings of its joint ventures, and the outstanding balance of such bank and other borrowings guaranteed amounted to RMB135 million.

(d) Mortgages and Pledges of Assets by the Group

The pledges of assets of the Enlarged Group amounted to approximately RMB548 million. The Enlarged Group has restricted bank deposits of approximately RMB394 million mainly to secure the letter of credit and credit facilities granted to the Enlarged Group amounting to approximately RMB1,175 million.

(e) Lease liability

The Enlarged Group is the lessee in respect of certain properties held under leases for its buildings and offices. For any lease with a term of more than 12 months, unless the underlying asset is of low value, the Enlarged Group recognized a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. As at 30 November 2025, the Enlarged Group's total lease liability amounted to RMB159 million.

Save as disclosed above, as at the close of business on 30 November 2025, the Enlarged Group did not have outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other contingent liabilities. Since 30 November 2025, being the date on which the indebtedness of the Enlarged Group was determined, and up to the Latest Practicable Date, the Directors confirm that there has been no material change in the Enlarged Group's indebtedness and contingent liabilities.

3. IMPACT OF THE TRANSACTION ON EARNINGS, ASSETS AND LIABILITIES OF THE ENLARGED GROUP

Please refer to the section headed "(VII) Impact of the Transaction – 2. Financial Impact of the Disposal" in the Letter from the Board of this circular.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances of the Enlarged Group, credit facilities that are currently available, expected internally generated funds and the impact of the Transaction, the working capital available to the Enlarged Group is sufficient for the Enlarged Group's requirements for at least 12 months from the date of this circular. The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

5. RISKS FACED BY THE ENLARGED GROUP

Foreign Exchange Risk of the Enlarged Group

The procurement and sales activities of the Enlarged Group are primarily concentrated in China and the United States. Assets, liabilities and transactions within mainland China are denominated in RMB, while overseas assets and transactions are mainly denominated in US Dollars. The foreign exchange risk primarily arises from outstanding foreign currency borrowings. To enhance foreign exchange risk management, the Enlarged Group has adopted foreign currency hedging instruments. The objective of such hedging is to minimise the volatility of RMB cash outflows that may be required for settling anticipated future foreign currency liabilities. In line with its risk management policy, the Enlarged Group partially hedges forecast foreign currency cash flows after considering the suitability of hedging tools and associated costs. Hedging of foreign exchange risk is carried out through structured foreign exchange derivative contracts. During the year ended 31 December 2025, the Enlarged Group did not encounter any significant difficulties due to exchange rate fluctuations, nor was its operating capital adversely affected.

Risks Related to the Operations of Weigao Blood Purification and WEGO Prefills

(i) Risk of Intensifying Market Competition

Through years of deep engagement in the industry, WEGO Prefills has established long-term, stable cooperative relationships with numerous biopharmaceutical companies both in China and abroad. However, should competitors seek to capture market share by improving operational efficiency, introducing technological innovations, enhancing production processes, or implementing substantial price reductions, WEGO Prefills may face heightened competition in the market. This could, in turn, lead to a decline in the WEGO Prefills' profit margins or a loss of market share.

The domestic market for haemodialysis equipment and consumables is highly competitive. Weigao Blood Purification has secured a certain share of the market in this segment in China. However, as other domestic and foreign manufacturers increase the scale of production and intensify sales and marketing efforts for their haemodialysis products, the level of market competition faced by the Company may gradually intensify. If Weigao Blood Purification is unable to sustain its product competitiveness through continuous technological research and development, or fails to respond promptly to the diverse needs of customers, it may face the risk of losing out to competitors in the process of client acquisition.

(ii) Risk of Demand Fluctuations in Downstream Industries

WEGO Prefills serves a broad base of biopharmaceutical companies both in China and overseas. The business climate of the biopharmaceutical industry therefore has a direct bearing on the operating performance of WEGO Prefills. Should the growth of the biopharmaceutical sector slow down or experience significant adverse developments in the future, demand for WEGO Prefills' products may be affected, which could in turn have an unfavourable impact on its operating results.

(iii) Risk of Changes in Industry Policies

The pharmaceutical industry has long been subject to relatively stringent regulation both in China and overseas. In developed markets such as Europe and the United States, the regulatory framework and related policies and legislation governing the pharmaceutical sector are already relatively mature. In China, with the gradual deepening of healthcare system reforms, relevant industrial policies and regulatory systems have become increasingly well-developed and comprehensive. In recent years, regulatory policies relating to pharmaceutical packaging materials in China have been progressively upgraded. Notable examples include the promulgation of the *Good Manufacturing Practice for Pharmaceutical Products (Revised 2010)* – comprising the Appendices on Excipients and on Pharmaceutical Packaging Materials – as well as updates to the *Pharmacopoeia of the People's Republic of China*. At the same time, the continued advancement of healthcare reform within China may lead to changes in the operational policies applicable to the medical device industry.

If Weigao Blood Purification or WEGO Prefills fails to keep abreast of changes in regulatory policies both in China and overseas, and does not promptly adjust its business strategies and enhance its management capabilities in accordance with regulatory requirements so as to adapt to policy and legislative developments across various markets, the operations and production of these companies may be materially adversely affected.

6. FINANCIAL AND TRADING PROSPECTS

Leveraging a robust quality system and extensive sales network, the Enlarged Group engages in the global research and development, production, and sales of medical device and pharmaceutical packaging products. It ranks as the PRC's leading integrated medical system solutions provider by market share in the domestic market. The Enlarged Group will continue to focus on its core competencies, expanding its product pipeline through proprietary research and development, driving global market expansion, and pursuing asset integration and strategic acquisitions. Building upon its existing business foundation, the Enlarged Group will consistently cultivate new growth drivers to achieve its medium-to-long-term strategic objectives.

Looking forward to 2026, the competitive landscape in the PRC's medical market is expected to become moderate and rational, with narrower fluctuations in product pricing. The Enlarged Group will steadily increase its market share for general medical devices in the PRC while focusing on high-potential therapeutic areas such as perioperative care. The Enlarged Group will push forward the launch of several new products, striving for stable yet upward growth in this segment. Meanwhile, through optimising business models and M&A initiatives, the Enlarged Group will accelerate the refinement of its mid-to-high-value specialty consumables product lines, such as orthopedics and interventional devices, while further penetrating domestic and international markets.

In terms of pharmaceutical packaging, the Enlarged Group maintains its leadership in cost and quality control by enhancing automation equipment utilisation, thereby strengthening its position in such a niche market. The Transaction is also expected to unlock significant growth opportunities for WEGO Prefills in upstream biopharmaceutical development by starting with filtration consumables to create strong customer resource synergies with its existing pharmaceutical packaging business.

Following the Transaction, the product pipeline of the Enlarged Group will be further enriched, extending its coverage to blood purification and upstream biopharmaceutical operations. This will significantly enhance the Company's resilience against risks in the current highly competitive environment and enable more stable performance growth. The patient base for blood purification products will continue to grow alongside societal aging, presenting relatively inelastic demand in the medium to long term. Concurrently, the upstream biopharmaceutical sector is experiencing rapid expansion with low domestic production rates. The addition of these two new business segments provides ample room for the Enlarged Group's medium-to-long-term development over the next five to ten years.

Beyond restructuring, the Enlarged Group will intensify efforts to consolidate its general medical device segment and accelerate optimization of the mid-to-high-value specialty consumables segment. Through introducing new products, adjusting sales structures, and sharing sales channels and resources. While striving for steady growth in market share across all segments, the Enlarged Group will fully leverage its existing platform synergies to develop comprehensive integrated solutions across multiple fields and product lines. This approach will reduce procurement and usage costs for customers, enhance satisfaction among hospitals and patients, and further elevate the influence of the "WEGO"(威高) brand.

*The following sets out the management's discussion and analysis of Weigao Blood Purification for the three years ended 31 December 2022, 2023, and 2024 (referred to as "**2022**", "**2023**", and "**2024**", respectively) and for the nine months ended 30 September 2025 (the "**First Three Quarters of 2025**", collectively with 2022, 2023, and 2024 referred to as the "**Track Record Period**"), which is prepared based on the financial information of Weigao Blood Purification contained in Appendix III of this circular.*

BUSINESS REVIEW

Weigao Blood Purification completed the listing and issuance of its A Shares (the "**Listing and Issuance of A Shares**") on the SSE on 19 May 2025. Weigao Blood Purification is principally engaged in the businesses of research and development, production, and sales of medical products for blood purification purpose. The main products of Weigao Blood Purification include hemodialyzers, hemodialysis tubing sets, hemodialysis machines, and peritoneal dialysis solutions, covering both hemodialysis and peritoneal dialysis fields, supplemented by the sales of supporting dialysis products. It is one of the domestic manufacturers of medical products for blood purification with the most comprehensive product lines.

In terms of hemodialysis business, according to Frost & Sullivan, in 2023, Weigao Blood Purification held a market share of 32.5% in the domestic hemodialyzers sector, ranking the top in the entire industry. Its market share in the domestic hemodialysis tubing sets segment was 31.8%, also ranking the top in the entire industry. The hemodialysis machines exclusively sold by Weigao Blood Purification under the authorization from Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd. ("**Weigao Nikkiso**") and Nikkiso Company Limited (日機裝株式會社) held a market share of 24.6% in the PRC, ranking second in the entire industry. In terms of peritoneal dialysis business, Weigao Blood Purification collaborated with Terumo Corporation (泰爾茂株式會社), an internationally renowned blood purification company. Through their joint venture Weigao Terumo (Weihai) Medical Products Co., Ltd. ("**Weigao Terumo**"), they have developed and produced the PRC's first approved neutral peritoneal dialysis solutions. Weigao Blood Purification is authorized to distribute the peritoneal dialysis solution manufactured by Weigao Terumo in the PRC exclusively. According to Frost & Sullivan, in 2022, the market share of peritoneal dialysis solution exclusively distributed by Weigao Blood Purification under the authorization of Weigao Terumo in the PRC was 3.6%, ranking fifth in the entire industry.

The hemodialysis membrane serves as the core component of the hemodialyzer and a key factor for determining the safety and validity of hemodialysis. To break the long-standing monopoly of international manufacturers in the Chinese hemodialyzer market and achieve domestic substitution, Weigao Blood Purification has continuously pursued research and development in core technologies for biomedical membranes which are exemplified by hollow fiber membranes for hemodialysis. This has systematically created a biomedical membrane technology platform for sustained innovation and cross-domain research and development translation potential. Particularly, in terms of hemodialyzer applications, Weigao Blood Purification has mastered the key membrane manufacturing technologies and production processes for hemodialysis machines. It is one of the domestic manufacturers in the PRC's blood purification industry that relatively early achieved breakthroughs in hollow fiber membrane technology for hemodialysis. It is also among the first domestic manufacturers to possess key technologies such as the measurement of nano-scale sidewall pore structures in hollow fiber membranes. The series of products such as hemodialysis machines independently developed by Weigao Blood Purification have achieved, matched, or surpassed the key performance indicators – such as clearance rate, ultrafiltration coefficient, and sieving coefficient – of mainstream products from leading international manufacturers, positioning them at an industry-leading level. Leveraging its extensive experience gained from years of intensive industry involvement, Weigao Blood Purification was among the early domestic enterprises to achieve standardized production of hemodialysis machines. Furthermore, Weigao Blood Purification has contributed to the formulation of key industry standards, including *Blood Hemodialysis Machines*, *Blood Hemodialysis Filter*, *Blood Hemofilter and Blood Concentrator for Hemodialysis and related Treatment* and *Extracorporeal Blood Circuit for Hemodialysis and Related Blood Purification Treatment Devices*.

During the Track Record Period, the products of Weigao Blood Purification were sold across 31 provinces, municipalities, and autonomous regions in the PRC, ultimately reaching over 6,000 medical institutions including hospitals and dialysis centers, of which more than 1,000 were tertiary hospitals. From first- and second-tier cities to third- and fourth-tier cities, then deep into counties, towns, and townships, and from large tertiary hospitals to primary and secondary hospitals, then further to community and township health centers, Weigao Blood Purification has consistently adhered to and strived to meet the comprehensive demand of numerous dialysis patients in the PRC, actively fulfilling its corporate mission of "Sustaining Life, Delivering Care".

FINANCIAL REVIEW

Revenue

During the Track Record Period, the turnover of Weigao Blood Purification comprised revenue from principal activities and other business income. Among these, revenue from principal activities is primarily derived from the sales of hemodialyzers, hemodialysis tubing sets, hemodialysis machines, peritoneal dialysis products, and related dialysis accessories. Other business income mainly included revenue from other trade-related products, as well as rental income and maintenance service fees.

Weigao Blood Purification's revenues from its principal activities were approximately RMB3,294.36 million, RMB3,453.62 million, and RMB3,534.53 million in 2022, 2023, and 2024, respectively. For the nine months ended 30 September 2024 (the "**First Three Quarters of 2024**") and the First Three Quarters of 2025, the turnover of Weigao Blood Purification was approximately RMB2,644.76 million and RMB2,736.05 million, respectively. The year-on-year growth in revenue from its principal activities in 2023, 2024, and the First Three Quarters of 2025 was primarily driven by the continuous increase in the number of end-stage renal disease (ESRD) patients and the rising treatment penetration rate, which has expanded the market size for dialysis products. This growth was further supported by multiple favorable factors, including Weigao Blood Purification's well-rounded product portfolio, strong core competitiveness, high market recognition, as well as the continuous optimization of its sales network and ample customer resource reserves.

Weigao Blood Purification's other business revenue was approximately RMB131.76 million, RMB78.52 million, RMB69.49 million and RMB53.74 million in 2022, 2023, 2024, and the First Three Quarters of 2025, respectively. Revenue from other businesses accounts for a relatively low proportion of operating revenue and is not a primary source of income. The scale of this business varies according to business needs.

Operating Costs

In 2022, 2023, and 2024, the operating costs of Weigao Blood Purification were approximately RMB1,956.10 million, RMB1,987.18 million, and RMB2,079.83 million, respectively. For the First Three Quarters of 2024 and the First Three Quarters of 2025, the operating costs were approximately RMB1,522.74 million and RMB1,622.62 million, respectively. In 2022, 2023, and 2024, as the scale of turnover was expanded, the operating costs of Weigao Blood Purification increased year by year.

Sales and Distribution Expenses

Sales and distribution expenses include employee compensation, market education and research fees, and business entertainment expenses, etc. In 2022, 2023, and 2024, sales and distribution expenses of Weigao Blood Purification were approximately RMB686.61 million, RMB688.00 million, and RMB630.39 million, respectively. For the First Three Quarters of 2024 and the First Three Quarters of 2025, sales and distribution expenses were approximately RMB474.17 million and RMB446.05 million, respectively. In 2022, 2023, and 2024, Weigao Blood Purification continued to enhance the management of sales expenses, with sales and distribution expenses generally showing a downward trend.

Administrative Expenses

Administrative expenses include employee compensation, depreciation and amortization, consulting fees, etc. In 2022, 2023, and 2024, administrative expenses of Weigao Blood Purification were approximately RMB198.06 million, RMB169.25 million, and RMB170.67 million, respectively. For the First Three Quarters of 2024 and the First Three Quarters of 2025, administrative expenses were approximately RMB123.96 million and RMB132.27 million, respectively. In 2022, 2023, and 2024, benefiting from the management scale effects generated by Weigao Blood Purification's substantial business operations and its efficient operational management mechanisms, the administrative expenses of Weigao Blood Purification generally exhibited a downward trend.

Research and Development Expenses

In 2022, 2023, and 2024, research and development expenses of Weigao Blood Purification were approximately RMB182.84 million, RMB154.86 million and RMB164.70 million, respectively. For the First Three Quarters of 2024 and the First Three Quarters of 2025, research and development expenses were approximately RMB121.91 million and RMB105.71 million, respectively. Since 2023, the research and development department of Weigao Blood Purification has recruited a significant number of additional research and development personnel, leading to an increase in employee compensation in its expenses. At the same time, in 2023, following the completion of certain research and development projects of Weigao Blood Purification, material consumption and testing fees in research and development expenses decreased.

Finance Costs

In 2022, 2023, and 2024, finance costs of Weigao Blood Purification were approximately RMB8.60 million, RMB-4.23 million and RMB-5.93 million, respectively. For the First Three Quarters of 2024 and the First Three Quarters of 2025, finance costs were approximately RMB-2.21 million and RMB0.51 million, respectively. In 2022, 2023, and 2024, the continuous decline in finance costs of Weigao Blood Purification was primarily due to receiving monetary capital injection from shareholders in 2022. Weigao Blood Purification utilized these injected funds to repay borrowings, resulting in a sustained decrease in interest expenses.

Investment Income

In 2022, 2023, and 2024, investment income of Weigao Blood Purification was approximately RMB26.34 million, RMB25.79 million and RMB36.22 million, respectively. For the First Three Quarters of 2024 and the First Three Quarters of 2025, investment income was approximately RMB31.74 million and RMB33.72 million, respectively. In 2022, 2023, and 2024, the amount of investment income as recorded by Weigao Blood Purification mainly consisted of income from long-term equity investments, accounting for a relatively low proportion of net profit.

Gross Profit and Gross Profit Margin

In 2022, 2023 and 2024, Weigao Blood Purification's gross profit amounted to approximately RMB1,470.02 million, RMB1,544.97 million and RMB1,524.19 million, respectively; gross profit margins were 42.91%, 43.74% and 42.29%. For the First Three Quarters of 2024 and the First Three Quarters of 2025, gross profit amounted to approximately RMB1,122.02 million and RMB1,113.43 million, respectively, with gross profit margin of 42.42% and 40.69%. In 2022, 2023 and 2024, Weigao Blood Purification's gross profit margin remained stable overall.

Income Tax Expense

Weigao Blood Purification's income tax expense comprises Chinese corporate income tax and other surcharges. In 2022, 2023 and 2024, Weigao Blood Purification's income tax expenses were approximately RMB50.88 million, RMB81.74 million and RMB96.31 million, respectively. For the First Three Quarters of 2024 and the First Three Quarters of 2025, income tax expenses amounted to approximately RMB54.73 million and RMB65.63 million, respectively.

Net Profit

As stated above, in 2022, 2023 and 2024, Weigao Blood Purification's net profit amounted to approximately RMB314.96 million, RMB442.07 million and RMB449.37 million, respectively. For the First Three Quarters of 2024 and the First Three Quarters of 2025, net profit amounted to approximately RMB315.76 million and RMB340.78 million, respectively.

Liquidity, Financial Resources and Capital Structure

Weigao Blood Purification's operating cash flows constitute the primary source of its liquidity, which has been utilised for business operations and investment in development projects. As of 31 December 2022, 2023 and 2024 and 30 September 2025, Weigao Blood Purification's cash and cash equivalents denominated in RMB amounted to approximately RMB588.96 million, RMB646.09 million, RMB818.09 million and RMB1,634.78 million, respectively, and short-term borrowings amounted to RMB41.84 million, RMB6.64 million, RMB3.18 million and RMB0 million, respectively. As of 31 December 2022, 2023 and 2024, Weigao Blood Purification's short-term borrowings primarily comprised borrowings from banks to support production and operations with maturity dates within one year. Weigao Blood Purification had no long-term borrowings. As at 31 December 2022, 31 December 2023 and 31 December 2024, its short-term borrowings comprised borrowings with a maturity of less than one year obtained from banks for production and operational needs. All such borrowings interest rates generally ranging from 3% to 4.1%. As at the end of November 2025, Weigao Blood Purification had credit facilities of RMB2,145.00 million.

As of 31 December 2022, 2023 and 2024 and 30 September 2025, Weigao Blood Purification's total assets amounted to approximately RMB6,410.06 million, RMB6,681.79 million, RMB6,990.15 million, and RMB8,468.25 million, respectively, total liabilities amounted to approximately RMB1,742.91 million, RMB1,545.49 million, RMB1,393.37 million and RMB1,486.19 million, respectively, while total owner's equity amounted to approximately RMB4,667.16 million, RMB5,136.30 million, RMB5,596.78 million and RMB6,982.07 million, respectively.

To strengthen its financial control, Weigao Blood Purification has formulated fiscal policies and objectives, and has implemented a comprehensive budget system to control costs, maintain a reasonable asset-liability structure, ensure sufficient working capital and effectively reduce financial risks. Weigao Blood Purification formulates and implements its financing plans based on its business operations and funding needs, with a view to meeting working capital requirements and reducing financial risks. It completed the Listing and Issuance of A Shares in May 2025 and currently has sufficient cash on hand; accordingly, it does not have any significant bank financing needs in the near term. In terms of treasury policies, while actively deploying its funds for project construction and the procurement of production materials in the ordinary course of business, Weigao Blood Purification also makes appropriate investments in wealth management products to enhance the overall efficiency of its capital utilisation. During the Track Record Period, Weigao Blood Purification conducted its principal operations in the PRC, with revenue and expenditure denominated in RMB. Therefore, it did not utilise financial instruments for hedging purposes nor leverage currency borrowings or other hedging instruments to hedge against net foreign currency investments.

Major Investments, Acquisitions and Disposals

During the Track Record Period, Weigao Blood Purification made no major investments (referring to investments representing 5% or more of Weigao Blood Purification's total assets as of the year-end date) nor had any major acquisitions or disposals involving subsidiaries, associates or joint ventures.

Future Plans for Material Investments and Acquisition of Capital Assets

As of 30 September 2025, the future plans for major investments and acquisition of capital assets of Weigao Blood Purification are as follows, all of which are conducted to enhance production capacity, research and development strength, and management efficiency based on its main business:

1. Intelligent Production and Construction Project of Weigao Blood Purification: With a total investment amount of RMB342.56 million, it is intended to utilise RMB247.55 million of the proceeds from the listing and issuance of A Shares to produce hemodialysis tubes and hemodialyzers, upgrade automated production lines, and other supporting renovation projects, etc.;

2. Construction Project of Dialyzer (Ganzhou) Production Base: With a total investment amount of RMB226.66 million, it is intended to utilise RMB170.00 million of the proceeds from the listing and issuance of A Shares mainly for the construction of production workshops, sterilization workshops, and related supporting facilities and environmental protection facilities;

3. Construction Project of research and development Center for New High-Performance Consumables Products and Equipment for Blood Purification of Weigao: With a total investment amount of RMB285.36 million, it is intended to utilise RMB206.29 million of the proceeds from the listing and issuance of A Shares to transform the existing research and development base of Weigao Blood Purification; and

4. Digital Information Technology Platform Construction Project of Weigao Blood Purification: With a total investment amount of RMB98.66 million, it is intended to utilise RMB70.94 million of the proceeds from the listing and issuance of A Shares to develop and upgrade a comprehensive and professional information system platform covering research and development, production, sales, quality inspection, finance, administration, and other areas of its business, so as to reduce costs, increase efficiency, improve quality and enhance operational efficiency.

Gearing Ratio

As of 31 December 2022, 2023, 2024 and 30 September 2025, the gearing ratios of Weigao Blood Purification were approximately 27.19%, 23.13%, 19.93% and 17.55% respectively. The gearing ratio is calculated as total liabilities divided by total assets.

The gearing ratio of Weigao Blood Purification has shown a continuous downward trend, which is mainly due to the operating performance and healthy cash flow of Weigao Blood Purification, as well as the increase in proceeds in May 2025.

Pledge

As of 31 December 2022, 2023, 2024 and 30 September 2025, Weigao Blood Purification pledged assets with carrying amounts of approximately RMB50.26 million, RMB39.70 million, RMB25.24 million and RMB1.98 million, respectively, were primarily pledged for issuing notes payable or pledge borrowings. The pledged assets mainly comprise cash, trade receivables, notes receivable and receivables financing. The cash pledged represents restricted bank deposits frozen for the issuance of bank acceptance notes and letters of guarantee. The restricted trade receivables, notes receivable and receivables financing primarily relate to the discounting of relevant notes with financial institutions to obtain funds, or the pledging of such notes to financial institutions for the issuance of bank acceptance notes.

Contingent Liabilities

As of 31 December 2022, 2023, 2024 and 30 September 2025, Weigao Blood Purification provided guarantees for the borrowing of Weigao Telmao(威高泰爾茂), a joint venture, as stipulated in the joint venture contract. Full provision was made for the impact of such guarantees on the operating results of Weigao Blood Purification. As of 30 September 2025, the total guarantee balance provided by Weigao Blood Purification for Weigao Telmao amounted to RMB128.55 million.

Foreign Exchange Risk

During the Track Record Period, the principal activities of Weigao Blood Purification were conducted in the PRC, and its income and expenses were denominated in Reminbi. Therefore, Weigao Blood Purification was not exposed to material risks relating to foreign exchange rate fluctuation and did not enter into any contracts to hedge its exposure to foreign exchange risks.

Employee and Remuneration Policy

As of 31 December 2022, 2023 and 2024, the number of employees of Weigao Blood Purification was approximately 3,572, 3,568, and 3,483, respectively. The cash paid to and on behalf of employees was approximately RMB493.32 million, RMB596.84 million and RMB570.03 million in 2022, 2023 and 2024, respectively. The employee remuneration plan of Weigao Blood Purification complies with the PRC industry standards, including basic salary and other allowances. Weigao Blood Purification also contributes to social security benefit schemes for employees in accordance with the PRC and local government labor law and regulations. Such social security contributions include pensions, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident funds. In addition, Weigao Blood Purification also regularly provides training courses for staff to enhance their skills.

Future Business Outlook

In the future, Weigao Blood Purification will continue to deeply cultivate the hemodialysis segment, focusing on innovative research and development of blood dialyzers. By optimizing the membrane material formula and hollow fiber structure, Weigao Blood Purification will improve the clearance rate of medium and large molecular toxins and biocompatibility, and consolidate its leading position in the PRC market. In the upstream market of biopharmaceuticals, Weigao Blood Purification has completed the technical research and development and product trial production of biopharmaceutical filters such as hollow fiber tangential flow filter and hollow fiber virus filter based on its own technology platform. Weigao Blood Purification will subsequently leverage this Transaction to integrate the technological experience and product offering of WEGO Prefills and expand its product lines into the pharmaceutical packaging materials sector. Simultaneously, by fully leveraging the technological advantages of Weigao Blood Purification in hollow fiber filtration and the rich customer resources of WEGO Prefills in the biopharmaceutical field, both parties can mutually empower each other in terms of product technology reserves and sales channels in the biopharmaceutical filter business, and jointly explore the upstream business market of biopharmaceuticals with a focus on biopharmaceutical filters.

For other information on the other results of operations and financial condition of Weigao Blood Purification, please refer to the disclosure documents published by Weigao Blood Purification on the SSE website:

- Weigao Blood Purification's prospectus for the Listing and Issuance of A Shares (website address: static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2025-05-14/603014_20250514_I5EA.pdf)

- Weigao Blood Purification's interim report for 2025 (website address: static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2025-08-28/603014_20250828_1AH4.pdf)

- Weigao Blood Purification's third quarter report for 2025 (website address: static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2025-10-31/603014_20251031_O1ZQ.pdf)

The following is the full text of the audit report of Weigao Blood Purification prepared by the reporting accountants of the Company, which has been compiled for inclusion in this circular.

Audit Report

Ernst & Young Hua Ming (2026) Zhuan Zi No. 70065792_J01
Shandong Weigao Blood Purification Products Co., Ltd.

To the Board of Directors of Shandong Weigao Blood Purification Products Co., Ltd.,

I. AUDIT OPINION

We have audited the financial statements of Shandong Weigao Blood Purification Products Co., Ltd., which include the consolidated and company balance sheets as of 31 December 2022, 31 December 2023, 31 December 2024, and 30 September 2025, the consolidated and company income statements, statements of changes in shareholders' equity and statements of cash flows for the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025 and the relevant notes to the financial statements.

In our opinion, the accompanying financial statements of Shandong Weigao Blood Purification Products Co., Ltd. are prepared, in all material respects, in accordance with the basis of preparation described in Note II to the financial statements.

II. BASIS FOR AUDIT OPINION

We conducted our audit in accordance with China Standards on Auditing ("**CSAs**"). The section titled "Auditor's Responsibilities for the Audit of the Financial Statements" in this report further describes our responsibilities under these standards. In accordance with the China's CPA Independence Standard No. 1 – Requirements for Independence of Financial Statement Audit and Review Business and the Code of Ethics for Chinese Certified Public Accountants, we remain independent of Shandong Weigao Blood Purification Products Co., Ltd. and have fulfilled other ethical responsibilities. We have complied with the independence requirements for auditing public interest entities during the audit process. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. EMPHASIS OF MATTER – BASIS OF PREPARATION

We remind users of the financial statements to pay attention to the explanations regarding the basis of preparation of the financial statements as stated in Note II of the financial statements. The preparation of financial statements by Shandong Weigao Blood Purification Products Co., Ltd. serves the special purpose of Shandong Weigao Group Medical Polymer Company Limited's planned acquisition of Shandong Weigao Blood Purification Products Co., Ltd. Therefore, the financial statements are not applicable for other purposes. This paragraph does not affect the published audit opinion.

IV. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is also provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report, including those in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements as a whole.

Key Audit Matters:	How the Matter Was Addressed in the Audit:
Revenue Recognition	
For the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025, the revenue recognised in the consolidated financial statements of Shandong Weigao Blood Purification Products Co., Ltd. and its subsidiaries (hereinafter referred to as "the Group") were RMB3,426,115,656.30, RMB3,532,144,003.15, RMB3,604,017,778.24, and RMB2,736,052,670.24, respectively. For the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025, the revenue recognised in the company financial statements of Shandong Weigao Blood Purification Products Co., Ltd. were RMB3,022,812,584.27, RMB3,040,126,333.58, RMB2,911,704,592.00, and RMB2,041,843,440.79, respectively.	Our audit procedures performed on revenue recognition mainly included, but were not limited to: 1) Understanding, testing, and evaluating the design and operating effectiveness of the Group's internal controls related to revenue; 2) Obtaining significant sales contracts, reviewing key terms and conditions, and assessing whether revenue recognition complies with the requirements of the Accounting Standards for Business Enterprises;

Key Audit Matters:	How the Matter Was Addressed in the Audit:
The revenue generated from contracts between the Group and its customers primarily consists of sales revenue from hemodialyzers, hemodialysis machines, blood dialysis tubing, peritoneal dialysis solutions, and dialysis-related products. The Group identifies performance obligations in accordance with the contracts and conducts a comprehensive analysis to determine the timing of revenue recognition based on when the control over the services or goods involved is transferred. The sales income from hemodialyzers, hemodialysis machines, blood dialysis tubing, peritoneal dialysis solutions, and dialysis-related products serve as the Group's primary source of profit. Given the risk that sales revenue may not be appropriately recognised, we have identified revenue recognition as a key audit matter. For details regarding the disclosure of revenue, please refer to Note III.22, Note VI.36, and Note XV.5.	3) Performing analytical procedures, reviewing revenue and gross profit margin, evaluating the reasonableness of their fluctuations, and conducting comparative analysis with comparable companies in the same industry; 4) Selecting samples to perform accounts receivable confirmation procedures and performing alternative procedures for customers who did not respond; 5) Performing test of details by selecting samples from revenue transactions during each annual period of the reporting period, obtaining supporting documentation, and verifying whether the relevant revenue was recognised in accordance with the Accounting Standards for Business Enterprises; 6) Performing cut-off testing by selecting samples from revenue transactions before and after the balance sheet date, examining supporting documentation, and evaluating whether the relevant revenue was recorded in the appropriate accounting period; 7) Reviewing the disclosures related to revenue in the notes to the financial statements to assess whether they comply with the requirements of the Accounting Standards for Business Enterprises.

V. OTHER MATTERS – RESTRICTIONS ON THE USE OF THE AUDIT REPORT

Our report is intended solely for the use of the relevant management of Shandong Weigao Group Medical Polymer Company Limited and Shandong Weigao Blood Purification Products Co., Ltd., as well as the users of the report as stipulated by laws and administrative regulations in relation to the Acquisition, and should not be used by any other parties.

VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of Shandong Weigao Blood Purification Products Co., Ltd. is responsible for the preparation of the financial statements in accordance with the basis described in Note II, and for designing, implementing, and maintaining adequate internal control to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the ability of Shandong Weigao Blood Purification Products Co., Ltd. to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumption unless the management either intends to liquidate the Company, cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Shandong Weigao Blood Purification Products Co., Ltd.

VII. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement caused by fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if there is a reasonable possibility that they could individually or in aggregate influence the economic decisions of users taken on the basis of the financial statements.

In performing the audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism. We also:

(1) Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence as a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or override of internal control.

(2) Obtain an understanding of internal control relevant to the audit to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of its internal control.

(3) Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures.

(4) Conclude on the appropriateness of management's use of the going concern assumption. Based on the audit evidence obtained, we also conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Shandong Weigao Blood Purification Products Co., Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw users' attention to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the information available up to the date of the audit report. However, future events or conditions may cause Shandong Weigao Blood Purification Products Co., Ltd. to cease operating as a going concern.

(5) Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Shandong Weigao Blood Purification Products Co., Ltd. to express an audit opinion on the financial statements. We are responsible for directing, supervising, and performing the group audit and remain solely accountable for the audit opinion.

We communicate with those charged with governance regarding the planned scope and timing of the audit, significant audit findings, and any internal control deficiencies identified during the audit that are deemed worthy of attention.

We also provide those charged with governance with declarations regarding compliance with ethical requirements related to independence and communicate all relationships and other matters that could reasonably be considered to affect our independence, along with related safeguards (if applicable).

From the matters communicated with those charged with governance, we determine those that are of most significance to the audit of the financial statements for the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025 and are therefore key audit matters. We describe these matters in the audit report unless: laws or regulations prohibit public disclosure; or in rare circumstances, we determine that the adverse consequences of communicating a matter in the audit report would reasonably outweigh the public interest benefits.

Ernst & Young Hua Ming LLP
(Special General Partnership)

Certified Public Accountant of China: Li Huihua
(Engagement Partner)

Beijing, China

Certified Public Accountant of China: Yu Luke

26 January 2026

Consolidated Balance Sheet

31 December 2022, 31 December 2023, 31 December 2024, and 30 September 2025

RMB

Assets	Note VI	30 September 2025	31 December 2024	31 December 2023	31 December 2022
Current assets					
Currency funds	1	1,634,780,402.86	818,086,750.60	646,087,183.43	588,964,670.94
Financial assets held for trading	2	981,222,218.07	330,133,382.45	70,108,197.26	–
Notes receivable	3	7,720,460.06	7,710,950.50	15,445,735.64	44,052,589.61
Accounts receivable	4	886,481,205.50	899,696,906.62	857,557,136.88	1,004,690,867.55
Receivables financing	5	36,791,932.29	27,426,910.64	56,831,381.27	49,069,403.94
Prepayments	6	45,478,670.39	29,423,335.79	18,335,699.35	30,515,520.51
Other receivables	7	9,941,219.09	15,148,972.68	18,357,073.23	29,521,150.48
Inventories	8	819,727,406.96	757,070,482.05	900,140,891.40	661,072,736.07
Non-current assets due within one year	9	–	166,672.56	212,389.38	212,389.38
Other current assets	10	92,392,722.81	91,714,259.78	69,519,567.16	31,693,817.59
Total current assets		4,514,536,238.03	2,976,578,623.67	2,652,595,255.00	2,439,793,146.07
Non-current assets					
Long-term receivables	12	–	152,050.96	287,165.98	458,147.82
Long-term equity investments	13	166,775,521.26	142,860,734.28	170,798,000.03	126,742,318.59
Investment properties	14	89,180,358.92	92,069,559.61	115,249,587.77	67,056,073.76
Fixed assets	15	2,896,986,552.63	2,608,563,422.74	2,657,466,493.37	2,800,578,734.73
Construction in progress	16	432,968,900.76	768,116,087.69	667,766,075.06	549,489,591.10
Right-of-use assets	17	4,101,946.22	7,740,444.45	4,566,090.02	4,334,426.99
Intangible assets	18	289,542,914.47	295,660,904.25	302,793,749.06	297,792,153.88
Long-term prepaid expenses	19	7,852,235.22	7,761,287.63	11,481,893.90	15,991,242.00
Deferred tax assets	20	60,611,806.80	62,554,520.46	62,880,576.22	68,903,599.02
Other non-current assets	21	5,697,978.32	28,089,454.78	35,907,404.97	38,923,609.09
Total non-current assets		3,953,718,214.60	4,013,568,466.85	4,029,197,036.38	3,970,269,896.98
Total assets		8,468,254,452.63	6,990,147,090.52	6,681,792,291.38	6,410,063,043.05

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

Liabilities and owners' equity	*Note VI*	**30 September 2025**	**31 December 2024**	**31 December 2023**	**31 December 2022**
Current liabilities					
Short-term borrowings	*23*	–	3,177,000.00	6,644,718.06	41,842,531.50
Notes payable		–	56,311,537.94	24,126,163.71	88,299,068.19
Accounts payable	*24*	573,491,645.15	362,583,978.69	624,873,909.64	622,443,274.70
Contract liabilities	*25*	206,111,854.40	295,384,937.01	249,516,602.66	293,070,815.24
Employee benefits payable	*26*	131,196,429.79	152,181,823.62	158,946,813.61	166,756,934.42
Taxes payable	*27*	29,868,600.03	78,584,562.90	67,883,243.95	71,044,067.36
Other payables		320,939,747.83	219,211,165.41	209,418,802.65	347,760,912.92
Non-current liabilities due within one year		5,022,721.55	5,476,379.99	2,874,241.57	1,922,896.17
Other current liabilities	*28*	145,369,668.10	138,845,583.49	110,180,288.91	9,579,905.88
Total current liabilities		1,412,000,666.85	1,311,756,969.05	1,454,464,784.76	1,642,720,406.38
Non-current liabilities:					
Lease liabilities	*29*	110,927.33	2,645,974.63	1,035,650.24	1,833,865.87
Deferred income	*30*	74,074,388.03	78,966,581.48	89,992,284.24	98,352,987.04
Total non-current liabilities		74,185,315.36	81,612,556.11	91,027,934.48	100,186,852.91
Total liabilities		1,486,185,982.21	1,393,369,525.16	1,545,492,719.24	1,742,907,259.29
Shareholders' equity					
Share capital	*31*	417,754,066.00	370,254,659.00	370,254,659.00	370,254,659.00
Capital reserves	*32*	4,763,260,196.95	3,700,364,454.34	3,689,394,204.53	3,662,181,734.85
Other comprehensive loss	*33*	(232,092.95)	(172,839.60)	(311,716.33)	(173,665.05)
Surplus reserves	*34*	200,365,749.66	200,365,749.66	159,579,307.05	112,679,962.53
Unappropriated profit	*35*	1,600,920,550.76	1,325,965,541.96	917,383,117.89	522,213,092.43
Total shareholders' equity attributable to owners of the parent company		6,982,068,470.42	5,596,777,565.36	5,136,299,572.14	4,667,155,783.76
Total shareholders' equity		6,982,068,470.42	5,596,777,565.36	5,136,299,572.14	4,667,155,783.76
Total liabilities and shareholders' equity		8,468,254,452.63	6,990,147,090.52	6,681,792,291.38	6,410,063,043.05

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

Consolidated Income Sheet

For the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025

RMB

	Note VI	For the nine months ended 30 September 2025	2024	2023	2022
Revenue	36	2,736,052,670.24	3,604,017,778.24	3,532,144,003.15	3,426,115,656.30
Less: Cost of sales	36	1,622,620,708.78	2,079,825,544.72	1,987,178,241.95	1,956,096,770.67
Taxes and surcharges		38,627,463.44	50,342,276.86	43,453,964.84	42,562,241.72
Selling expenses	37	446,047,832.47	630,390,685.99	688,001,479.05	686,611,368.01
Administrative expenses	38	132,273,878.93	170,669,726.84	169,251,016.99	198,055,377.93
Research and development expenses	39	105,705,786.32	164,697,342.22	154,856,047.92	182,842,380.47
Finance expenses	40	508,267.91	(5,929,962.63)	(4,234,501.00)	8,596,952.20
Including: Interest expenses		283,020.98	601,103.86	847,221.93	18,329,699.18
Interest income		1,593,221.93	4,341,891.10	3,283,209.28	3,494,859.59
Add: Other income	41	17,076,905.61	48,740,333.97	29,040,254.73	27,333,747.91
Investment income	42	33,720,777.75	36,223,385.35	25,790,100.03	26,337,918.02
Including: Investment income in joint ventures		22,139,625.01	31,743,773.10	25,214,979.83	28,824,415.11
Fair value gains	43	998,835.62	223,382.45	108,197.26	–
Impairment losses on credit	44	(22,782,858.05)	(38,707,199.70)	(19,303,550.84)	(25,370,787.89)
Impairment losses on asset	45	(7,772,260.54)	(8,309,733.72)	(2,551,132.44)	(2,600,871.19)
Gains/(losses) on disposal of assets		24,614.94	202,826.74	93,961.18	(14,045.23)
Operating profit		411,534,747.72	552,395,159.33	526,815,583.32	377,036,526.92
Add: Non-operating income		583,025.99	1,334,673.26	1,380,828.09	442,073.29
Less: Non-operating expenses		5,712,368.48	8,047,180.99	4,387,569.62	11,637,340.00
Total profit		406,405,405.23	545,682,651.60	523,808,841.79	365,841,260.21
Less: Income tax expenses	46	65,627,345.88	96,313,784.92	81,739,471.81	50,879,395.52
Net profit		340,778,059.35	449,368,866.68	442,069,369.98	314,961,864.69
Classified by continuity of operation					
Net profit from continuing operations		340,778,059.35	449,368,866.68	442,069,369.98	314,961,864.69
Classified by ownership					
Net profit attributable to shareholders of the parent company		340,778,059.35	449,368,866.68	442,069,369.98	314,961,864.69

	Note VI	For the nine months ended 30 September 2025	2024	2023	2022
Other comprehensive (loss)/income (net of tax)		(59,253.35)	138,876.73	(138,051.28)	190,666.54
Other comprehensive (loss)/income (net of tax) attributable to shareholders of the parent company		(59,253.35)	138,876.73	(138,051.28)	190,666.54
Other comprehensive (loss)/income that will be reclassified to profit or loss		(59,253.35)	138,876.73	(138,051.28)	190,666.54
Receivables financing changes in fair value		(59,253.35)	138,876.73	(138,051.28)	190,666.54
Total comprehensive income		340,718,806.00	449,507,743.41	441,931,318.70	315,152,531.23
Including:					
Total comprehensive income attributable to shareholders of the parent company		340,718,806.00	449,507,743.41	441,931,318.70	315,152,531.23
Earnings per share					
Basic earnings per share		0.85	1.21	1.19	0.87
Diluted earnings per share		0.85	1.21	1.19	0.87

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Changes in Shareholders' Equity

For the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025

RMB

For the nine months ended 30 September 2025

	Shareholders' equity attributable to the parent company						
	Share capital	Capital reserves	Other comprehensive loss	Surplus reserves	Unappropriated profit	Subtotal	Total shareholders' equity
I. Opening balance for the period	370,254,659.00	3,700,364,454.34	(172,839.60)	200,365,749.66	1,325,965,541.96	5,596,777,565.36	5,596,777,565.36
II. Changes for the period							
(I) Total comprehensive income	–	–	(59,253.35)	–	340,778,059.35	340,718,806.00	340,718,806.00
(II) Capital contribution and reduction by shareholders							
1. Ordinary shares contributed by shareholders	41,139,407.00	936,751,696.87	–	–	–	977,891,103.87	977,891,103.87
2. Share-based payment recognised in shareholders' equity	–	6,766,845.74	–	–	–	6,766,845.74	6,766,845.74
3. Private placement under the Restricted Stock Incentive Plan	6,360,000.00	119,377,200.00	–	–	–	125,737,200.00	125,737,200.00
(III) Profit distribution							
1. Distribution to shareholders	–	–	–	–	(65,823,050.55)	(65,823,050.55)	(65,823,050.55)
III. Closing balance for the period	417,754,066.00	4,763,260,196.95	(232,092.95)	200,365,749.66	1,600,920,550.76	6,982,068,470.42	6,982,068,470.42

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

2024

	Shareholders' equity attributable to the parent company						
	Share capital	Capital reserves	Other comprehensive loss	Surplus reserves	Unappropriated profit	Subtotal	Total shareholders' equity
I. Opening balance for the year	370,254,659.00	3,689,394,204.53	(311,716.33)	159,579,307.05	917,383,117.89	5,136,299,572.14	5,136,299,572.14
II. Changes for the year							
(I) Total comprehensive income	–	–	138,876.73	–	449,368,866.68	449,507,743.41	449,507,743.41
(II) Capital contribution and reduction by shareholders							
1. Share-based payment recognised in shareholders' equity	–	10,970,249.81	–	–	–	10,970,249.81	10,970,249.81
(III) Profit distribution							
1. Appropriation to surplus reserve	–	–	–	40,786,442.61	(40,786,442.61)	–	–
III. Closing balance for the year	370,254,659.00	3,700,364,454.34	(172,839.60)	200,365,749.66	1,325,965,541.96	5,596,777,565.36	5,596,777,565.36

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

2023

	Shareholders' equity attributable to the parent company						
	Share capital	Capital reserves	Other comprehensive loss	Surplus reserves	Unappropriated profit	Subtotal	Total shareholders' equity
I. Opening balance for the year	370,254,659.00	3,662,181,734.85	(173,665.05)	112,679,962.53	522,213,092.43	4,667,155,783.76	4,667,155,783.76
II. Changes for the year							
(I) Total comprehensive income	–	–	(138,051.28)	–	442,069,369.98	441,931,318.70	441,931,318.70
(II) Capital contribution and reduction by shareholders							
1. Share-based payment recognised in shareholders' equity	–	26,997,049.68	–	–	–	26,997,049.68	26,997,049.68
2. Others *(note)*	–	215,420.00	–	–	–	215,420.00	215,420.00
(III) Profit distribution							
1. Appropriation to surplus reserve	–	–	–	46,899,344.52	(46,899,344.52)	–	–
III. Closing balance for the year	370,254,659.00	3,689,394,204.53	(311,716.33)	159,579,307.05	917,383,117.89	5,136,299,572.14	5,136,299,572.14

Note: Weigao Holding issued bonuses to the employees of the Company, and recognised capital reserves of RMB215,420.00 in 2023.

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

2022

	Shareholders' equity attributable to the parent company						
	Share capital	Capital reserves	Other comprehensive loss	Surplus reserves	Unappropriated profit	Subtotal	Total shareholders' equity
I. Opening balance for the year	350,000,000.00	3,006,924,867.59	(364,331.59)	64,714,672.45	255,216,517.82	3,676,491,726.27	3,676,491,726.27
II. Changes for the year							
(I) Total comprehensive income	–	–	190,666.54	–	314,961,864.69	315,152,531.23	315,152,531.23
(II) Capital contribution and reduction by shareholders							
1. Ordinary shares contributed by shareholders	20,254,659.00	602,293,567.44	–	–	–	622,548,226.44	622,548,226.44
2. Share-based payment recognised in shareholders' equity	–	52,963,299.82	–	–	–	52,963,299.82	52,963,299.82
(III) Profit distribution							
1. Appropriation to surplus reserve	–	–	–	47,965,290.08	(47,965,290.08)	–	–
III. Closing balance for the year	370,254,659.00	3,662,181,734.85	(173,665.05)	112,679,962.53	522,213,092.43	4,667,155,783.76	4,667,155,783.76

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

Consolidated Cash Flow Statement

For the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025

RMB

	Note VI	For the nine months ended 30 September 2025	2024	2023	2022
I. Cash flows from operating activities:					
Cash received from sales of goods and provision of services		2,887,600,409.78	4,064,369,964.29	4,374,681,379.47	3,850,208,053.90
Tax rebates received		21,243,231.07	30,664,823.29	12,806,823.46	78,942,758.99
Cash received from other activities relating to operations		17,877,459.45	45,942,417.26	40,491,468.99	34,489,354.43
Sub-total of cash inflows from operating activities		2,926,721,100.30	4,140,977,204.84	4,427,979,671.92	3,963,640,167.32
Cash paid for goods and services		1,423,232,534.75	2,128,950,738.15	2,636,584,284.74	1,922,930,004.94
Cash paid to and on behalf of employees		448,326,158.68	570,031,670.95	596,835,134.12	493,324,898.82
Cash paid for various types of taxes		287,013,907.78	373,726,429.58	315,093,025.49	282,430,364.57
Cash paid for other activities relating to operations		282,807,815.35	495,965,517.69	591,329,882.60	537,626,952.99
Sub-total of cash outflows from operating activities		2,441,380,416.56	3,568,674,356.37	4,139,842,326.95	3,236,312,221.32
Net cash flow from operating activities	47	485,340,683.74	572,302,848.47	288,137,344.97	727,327,946.00
II. Cash flow from investing activities:					
Cash received from returns of investments		4,858,007,879.30	2,413,000,000.00	567,537,604.10	72,203,770.65
Cash received from gains in investment		11,581,152.75	55,997,126.09	890,550.33	19,471,006.86
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		2,953,610.83	3,877,914.52	6,865,342.77	8,095,440.25
Sub-total of cash inflows from investing activities		4,872,542,642.88	2,472,875,040.61	575,293,497.20	99,770,217.76

	Note VI	For the nine months ended 30 September 2025	2024	2023	2022
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		125,385,485.03	179,300,543.64	232,806,802.21	279,798,780.72
Cash paid for investments		5,508,097,879.30	2,672,910,000.00	530,000,000.00	62,000,000.00
Sub-total of cash outflows from investing activities		5,633,483,364.33	2,852,210,543.64	762,806,802.21	341,798,780.72
Net cash flows used in investing activities		(760,940,721.45)	(379,335,503.03)	(187,513,305.01)	(242,028,562.96)
III. Cash flows from financing activities:					
Cash received from investments by others		1,215,931,485.50	–	–	624,214,989.18
Cash received from borrowings		–	3,177,000.00	6,644,718.06	480,068,361.91
Cash received from other activities relating to financing		–	–	100,000.00	15,000,000.00
Sub-total of cash inflows from financing activities		1,215,931,485.50	3,177,000.00	6,744,718.06	1,119,283,351.09
Cash paid for repayment of debts		–	–	41,800,000.00	1,238,200,798.51
Cash payments for distribution of dividends, profits or interest expenses		–	–	488,450.41	18,843,592.59
Cash paid for other activities relating to financing		104,121,461.97	18,621,863.01	11,805,232.31	84,353,194.12
Sub-total of cash outflows from financing activities		104,121,461.97	18,621,863.01	54,093,682.72	1,341,397,585.22
Net cash flows from/(used in) financing activities		1,111,810,023.53	(15,444,863.01)	(47,348,964.66)	(222,114,234.13)

	Note VI	For the nine months ended 30 September 2025	2024	2023	2022
IV. Effect of foreign exchange rate changes on cash and cash equivalents		559,014.71	(506,173.16)	839,240.75	3,262,282.11
V. Net increase in cash and cash equivalents		836,769,000.53	177,016,309.27	54,114,316.05	266,447,431.02
Add: opening balance of cash and cash equivalents		796,026,491.87	619,010,182.60	564,895,866.55	298,448,435.53
VI. Closing balance of cash and cash equivalents	49	1,632,795,492.40	796,026,491.87	619,010,182.60	564,895,866.55

The financial statement is signed by the following persons:

Legal representative: Song Xiushan

Chief Financial Officer: Zhang Jingang

Head of Accounting Department: Zhang Jingang

The accompanying notes form an integral part of these financial statements

Balance Sheet

31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025

RMB

Assets	Note XV	30 September 2025	31 December 2024	31 December 2023	31 December 2022
Current assets					
Currency funds		1,296,469,831.29	705,781,091.79	554,476,091.35	469,342,448.62
Financial assets held for trading		981,222,218.07	330,133,382.45	70,108,197.26	–
Notes receivable		5,390,460.06	7,080,883.30	15,045,735.64	41,952,589.61
Accounts receivable	1	961,707,634.89	738,789,969.61	719,708,280.88	778,536,629.23
Receivables financing		32,467,281.25	23,619,746.75	55,658,241.21	49,030,000.56
Prepayments		13,526,437.42	14,762,597.48	12,039,502.80	15,110,126.47
Other receivables	2	727,915,657.89	815,852,920.61	735,973,925.24	589,936,266.86
Inventories		478,799,101.10	455,428,256.33	653,293,818.11	412,089,952.71
Other current assets		3,805,383.94	19,574,961.48	15,052,506.77	3,267,527.98
Total current assets		4,501,304,005.91	3,111,023,809.80	2,831,356,299.26	2,359,265,542.04
Non-current assets					
Debt investments	3	–	93,000,000.00	93,000,000.00	93,000,000.00
Long-term equity investments	4	916,100,344.26	604,442,439.65	595,377,188.13	560,575,154.76
Investment properties		132,469,828.19	136,976,038.27	176,307,349.17	130,845,099.46
Fixed assets		1,985,526,341.58	1,894,708,606.07	1,970,161,473.32	2,095,195,514.16
Construction in progress		206,901,743.51	380,568,434.34	330,610,958.20	355,514,553.68
Right-of-use assets		3,481,572.39	6,440,573.06	2,645,721.78	4,334,426.99
Intangible assets		254,861,215.19	260,223,568.01	266,603,627.93	260,683,036.57
Long-term prepaid expenses		5,424,765.61	7,492,917.61	11,475,539.02	15,910,547.75
Deferred tax assets		52,664,792.79	55,517,164.36	48,058,038.04	49,085,086.53
Other non-current assets		25,226.00	403,946.00	4,870,600.57	17,947,893.03
Total non-current assets		3,557,455,829.52	3,439,773,687.37	3,499,110,496.16	3,583,091,312.93
Total assets		8,058,759,835.43	6,550,797,497.17	6,330,466,795.42	5,942,356,854.97

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

Liabilities and shareholders' equity	30 September 2025	31 December 2024	31 December 2023	31 December 2022
Current liabilities				
Short-term borrowings	–	3,177,000.00	6,644,718.06	41,842,531.50
Notes payable	–	56,311,537.94	26,538,726.00	88,299,068.19
Accounts payable	482,172,075.22	300,992,045.01	516,371,002.86	466,571,968.63
Contract liabilities	73,573,859.63	100,676,143.07	93,684,039.22	120,559,649.38
Employee benefits payable	96,619,228.30	113,285,205.14	127,315,695.84	140,381,785.74
Taxes payable	20,714,786.98	68,565,057.51	65,468,220.81	64,300,474.84
Other payables	252,551,513.14	153,388,081.27	173,669,395.36	288,980,247.53
Non-current liabilities due within one year	4,534,581.91	4,325,872.93	1,922,896.17	1,922,896.17
Other current liabilities	141,940,492.62	133,331,893.86	113,768,436.05	11,718,768.67
Total current liabilities	1,072,106,537.80	934,052,836.73	1,125,383,130.37	1,224,577,390.65
Non-current liabilities:				
Lease liabilities	75,367.21	2,424,283.10	–	1,833,865.87
Deferred income	31,518,571.17	40,231,852.24	49,974,153.76	56,896,455.32
Total non-current liabilities	31,593,938.38	42,656,135.34	49,974,153.76	58,730,321.19
Total liabilities	1,103,700,476.18	976,708,972.07	1,175,357,284.13	1,283,307,711.84
Shareholders' equity				
Share capital	417,754,066.00	370,254,659.00	370,254,659.00	370,254,659.00
Capital reserves	4,550,372,545.26	3,487,476,802.65	3,476,506,552.84	3,449,294,083.16
Other comprehensive loss	(232,092.95)	(162,541.24)	(306,879.10)	(161,332.39)
Surplus reserves	200,365,749.66	200,365,749.66	159,579,307.05	112,679,962.53
Unappropriated profit	1,786,799,091.28	1,516,153,855.03	1,149,075,871.50	726,981,770.83
Total shareholders' equity	6,955,059,359.25	5,574,088,525.10	5,155,109,511.29	4,659,049,143.13
Total liabilities and shareholders' equity	8,058,759,835.43	6,550,797,497.17	6,330,466,795.42	5,942,356,854.97

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

Income Statement

For the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025

RMB

	Note XV	**For the nine months ended 30 September 2025**	**2024**	**2023**	**2022**
Revenue	*5*	2,041,843,440.79	2,911,704,592.00	3,040,126,333.58	3,022,812,584.27
Less: Cost of sales	*5*	1,187,854,605.14	1,754,276,286.73	1,733,083,852.05	1,750,968,790.28
Taxes and surcharges		26,905,599.17	38,980,583.24	34,773,102.04	34,956,977.17
Selling expenses		321,519,941.68	450,587,199.09	510,370,292.71	523,562,131.07
Administrative expenses		78,757,276.58	93,317,521.94	92,360,343.68	125,497,641.38
Research and development expenses		90,975,957.34	147,951,793.44	149,284,414.15	178,313,607.01
Finance expenses		(376,833.94)	(2,958,991.05)	(758,936.26)	8,892,220.89
Including: Interest expenses		246,858.40	508,327.87	730,889.91	18,329,699.18
Interest income		1,274,721.21	3,691,055.77	2,618,892.40	4,190,685.88
Add: Other income		15,076,130.55	36,821,325.78	14,242,376.80	17,890,138.68
Investment income	*6*	42,802,274.84	47,730,820.14	27,368,784.25	135,367,869.87
Including: Investment income in associates and joint ventures		28,638,712.21	38,713,875.35	22,313,310.78	41,825,769.29
Fair value gains		998,835.62	223,382.45	108,197.26	–
Credit impairment reversal/ (losses)		964,042.83	(31,384,034.06)	(15,203,010.56)	67,366,875.58
Impairment losses on asset		(7,014,260.95)	(5,722,798.67)	(2,731,614.88)	(82,950,661.22)
Gains from disposal of assets		24,109.95	215,159.64	71,428.93	9,373.70
Operating profit		389,058,027.66	477,434,053.89	544,869,427.01	538,304,813.08
Add: Non-operating income		553,141.85	900,232.70	1,229,213.00	179,376.30
Less: Non-operating expenses		2,362,315.90	6,112,363.51	4,236,071.30	5,655,080.32
Total profit		387,248,853.61	472,221,923.08	541,862,568.71	532,829,109.06
Less: Income tax expenses		50,780,566.81	64,357,496.94	72,869,123.52	53,176,208.28
Net profit		336,468,286.80	407,864,426.14	468,993,445.19	479,652,900.78
Including: Net profit from continuing operations		336,468,286.80	407,864,426.14	468,993,445.19	479,652,900.78
Other comprehensive (loss)/income (net of tax)		(69,551.71)	144,337.86	(145,546.71)	202,999.20
Other comprehensive (loss)/income that will be reclassified to profit or loss		(69,551.71)	144,337.86	(145,546.71)	202,999.20
Receivables financing changes in fair value		(69,551.71)	144,337.86	(145,546.71)	202,999.20
Total comprehensive income		336,398,735.09	408,008,764.00	468,847,898.48	479,855,899.98

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

Statement of Changes in Shareholders' Equity

For the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025

RMB

For the nine months ended 30 September 2025

	Share capital	Capital reserves	Other comprehensive loss	Surplus reserves	Unappropriated profit	Total shareholders' equity
I. Opening balance for the period	370,254,659.00	3,487,476,802.65	(162,541.24)	200,365,749.66	1,516,153,855.03	5,574,088,525.10
II. Changes for the period						
(I) Total comprehensive income	–	–	(69,551.71)	–	336,468,286.80	336,398,735.09
(II) Capital contribution and reduction by shareholders						
1. Ordinary shares contributed by shareholders	41,139,407.00	936,751,696.87	–	–	–	977,891,103.87
2. Share-based payment recognised in shareholders' equity	–	6,766,845.74	–	–	–	6,766,845.74
3. Private placement under the Restricted Stock Incentive Plan	6,360,000.00	119,377,200.00	–	–	–	125,737,200.00
(III) Profit distribution						
1. Distribution to shareholders	–	–	–	–	(65,823,050.55)	(65,823,050.55)
III. Closing balance for the period	417,754,066.00	4,550,372,545.26	(232,092.95)	200,365,749.66	1,786,799,091.28	6,955,059,359.25

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

2024

	Share capital	Capital reserves	Other comprehensive loss	Surplus reserves	Unappropriated profit	Total shareholders' equity
I. Opening balance for the year	370,254,659.00	3,476,506,552.84	(306,879.10)	159,579,307.05	1,149,075,871.50	5,155,109,511.29
II. Changes for the year						
(I) Total comprehensive income	–	–	144,337.86	–	407,864,426.14	408,008,764.00
(II) Capital contribution and reduction by shareholders						
1. Share-based payment recognised in shareholders' equity	–	10,970,249.81	–	–	–	10,970,249.81
(III) Profit distribution						
1. Appropriation to surplus reserve	–	–	–	40,786,442.61	(40,786,442.61)	–
III. Closing balance for the year	370,254,659.00	3,487,476,802.65	(162,541.24)	200,365,749.66	1,516,153,855.03	5,574,088,525.10

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

2023

	Share capital	Capital reserves	Other comprehensive loss	Surplus reserves	Unappropriated profit	Total shareholders' equity
I. Opening balance for the year	370,254,659.00	3,449,294,083.16	(161,332.39)	112,679,962.53	726,981,770.83	4,659,049,143.13
II. Changes for the year						
(I) Total comprehensive income	–	–	(145,546.71)	–	468,993,445.19	468,847,898.48
(II) Capital contribution and reduction by shareholders						
1. Share-based payment recognised in shareholders' equity	–	26,997,049.68	–	–	–	26,997,049.68
2. Others	–	215,420.00	–	–	–	215,420.00
(III) Profit distribution						
1. Appropriation to surplus reserve	–	–	–	46,899,344.52	(46,899,344.52)	–
III. Closing balance for the year	370,254,659.00	3,476,506,552.84	(306,879.10)	159,579,307.05	1,149,075,871.50	5,155,109,511.29

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

2022

	Share capital	Capital reserves	Other comprehensive loss	Surplus reserves	Unappropriated profit	Total shareholders' equity
I. Opening balance for the year	350,000,000.00	2,794,037,215.90	(364,331.59)	64,714,672.45	295,294,160.13	3,503,681,716.89
II. Changes for the year						
(I) Total comprehensive income	–	–	202,999.20	–	479,652,900.78	479,855,899.98
(II) Capital contribution and reduction by shareholders						
1. Ordinary shares contributed by shareholders	20,254,659.00	602,293,567.44	–	–	–	622,548,226.44
2. Share-based payment recognised in shareholders' equity	–	52,963,299.82	–	–	–	52,963,299.82
(III) Profit distribution						
1. Appropriation to surplus reserve	–	–	–	47,965,290.08	(47,965,290.08)	–
III. Closing balance for the year	370,254,659.00	3,449,294,083.16	(161,332.39)	112,679,962.53	726,981,770.83	4,659,049,143.13

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

For the years of 2022, 2023, 2024, and for the nine months ended 30 September 2025

RMB

	For the nine months ended 30 September 2025	2024	2023	2022
I. Cash flows from operating activities:				
Cash received from sales of goods and provision of services	2,028,200,191.44	3,040,237,910.76	3,048,555,831.13	3,081,725,161.28
Cash received from other activities relating to operations	8,190,712.55	31,513,843.01	12,352,281.02	15,755,699.93
Sub-total of cash inflows from operating activities	2,036,390,903.99	3,071,751,753.77	3,060,908,112.15	3,097,480,861.21
Cash paid for goods and services	1,012,270,499.50	1,418,666,177.98	1,691,639,661.63	1,485,057,859.63
Cash paid to and on behalf of employees	318,537,128.33	397,922,581.83	447,159,823.94	356,444,745.46
Cash paid for various types of taxes	235,938,459.88	307,012,378.52	166,771,262.11	212,990,498.27
Cash paid for other activities relating to operations	101,045,368.23	389,682,829.02	453,160,667.97	440,318,156.36
Sub-total of cash outflows from operating activities	1,667,791,455.94	2,513,283,967.35	2,758,731,415.65	2,494,811,259.72
Net cash flow from operating activities	368,599,448.05	558,467,786.42	302,176,696.50	602,669,601.49
II. Cash flow from investing activities:				
Cash received from returns of investments	4,736,558,569.52	2,413,000,000.00	548,179,570.70	153,027,637.26
Cash received from gains in investment	14,163,562.64	60,534,458.62	5,370,903.60	113,995,942.32
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	3,828,765.58	3,359,381.02	6,929,764.37	7,492,443.43
Cash received from other activities relating to investments	–	38,091,629.53	35,511,867.57	68,916,925.99
Sub-total of cash inflows from investing activities	4,754,550,897.74	2,514,985,469.17	595,992,106.24	343,432,949.00
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	62,262,843.86	95,757,116.47	68,541,713.50	92,385,668.99
Cash paid for investments	5,563,517,761.93	2,687,910,000.00	512,100,000.00	291,500,000.00
Cash paid for other activities relating to investments	–	120,643,098.14	191,144,837.60	130,999,418.70

	For the nine months ended 30 September 2025	2024	2023	2022
Sub-total of cash outflows from investing activities	5,625,780,605.79	2,904,310,214.61	771,786,551.10	514,885,087.69
Net cash flows used in investing activities	(871,229,708.05)	(389,324,745.44)	(175,794,444.86)	(171,452,138.69)
III. Cash flows from financing activities:				
Cash received from investments by others	1,215,931,485.51	–	–	624,214,989.18
Cash received from borrowings	–	3,177,000.00	6,644,718.06	480,068,361.91
Cash received from other activities relating to financing	–	–	100,000.00	15,000,000.00
Sub-total of cash inflows from financing activities	1,215,931,485.51	3,177,000.00	6,744,718.06	1,119,283,351.09
Cash paid for repayment of debts	–	–	41,800,000.00	1,212,614,793.91
Cash payments for distribution of dividends, profits or interest expenses	–	–	488,450.43	18,843,592.59
Cash paid for other activities relating to financing	102,537,137.76	16,846,680.84	10,910,565.64	84,353,194.12
Sub-total of cash outflows from financing activities	102,537,137.76	16,846,680.84	53,199,016.07	1,315,811,580.62
Net cash flows from/(used in) financing activities	1,113,394,347.75	(13,669,680.84)	(46,454,298.01)	(196,528,229.53)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	0.02	0.03	0.03	1,264,631.39
V. Net increase in cash and cash equivalents	610,764,087.77	155,473,360.17	79,927,953.66	235,953,864.66
Add: opening balance of cash and cash equivalents	683,720,833.06	528,247,472.89	448,319,519.23	212,365,654.57
VI. Closing balance of cash and cash equivalents	1,294,484,920.83	683,720,833.06	528,247,472.89	448,319,519.23

The financial statement is signed by the following persons:

Legal representative:	Chief Financial Officer:	Head of Accounting Department:
Song Xiushan	Zhang Jingang	Zhang Jingang

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the years of 2022, 2023, and 2024, and the nine months ended 30 September 2025

I. Basic information

Shandong Weigao Blood Purification Products Co., Ltd. (hereinafter referred to as the "**Company**" or "**Weigao Blood Purification**"), formerly known as Weihai Weigao Blood Purification Products Co., Ltd., was established on 27 December 2004. It is a limited liability company registered in Weihai, Shandong Province, the People's Republic of China, with an indefinite term starting from 27 December 2004. Its unified social credit code is 91371000769746944L, and the legal representative is Song Xiushan. The Company is located at No. 7 Weigao West Road, Torch Hi-tech Industrial Development Park, Weihai City, Shandong Province. The Company and its subsidiaries (collectively referred to as the "**Group**") are primarily engaged in the businesses of research and development, production, and sales of medical products for blood purification.

Approved by the "Approval of the Registration for the Initial Public Offering of Shares by Shandong Weigao Blood Purification Products Co., Ltd." (CSRC Approval [2025] No. 526) issued by the China Securities Regulatory Commission (CSRC), the Company completed its initial public offering on the main board of the Shanghai Stock Exchange on 19 May 2025. A total of 41,139,407 RMB-denominated ordinary shares (A shares) were issued at a price of RMB26.50 per share. Following the issuance, the Company's registered capital amounted to RMB411,394,066.00, with a total 41,139,407 shares. This change was verified by Ernst & Young Hua Ming LLP, and the Capital Verification Report (EYHM (2025) Yan Zi No. 70065792_J02) was issued to confirm the matter.

Pursuant to the authorisation granted by the relevant resolutions regarding issues such as the "Proposal on the Company's 2025 Restricted Share Incentive Plan (Draft) and its Summary" passed at the shareholders' meeting of the Company on 15 September 2025 and the "Proposal on Granting Restricted Shares to Eligible Employees under the 2025 Restricted Share Incentive Plan" that was deliberated and passed at the 15th meeting of the second board of directors of the Company, the Company granted a total of 6,360,000 restricted shares to 120 eligible employees. As of 19 September 2025, the Company had received a total currency fund consideration for restricted share subscription of RMB125,737,200 by the 120 eligible employees. Upon completion of granting the aforementioned restricted shares, the registered capital of the Company is RMB417,754,066, with a total of 417,754,066 shares. This change was verified by Ernst & Young Hua Ming LLP, and the Capital Verification Report (EYHM (2025) Yan Zi No. 70065792_J03) was issued to confirm the matter.

The parent company of the Group is Weigao Holding, and the ultimate controlling party of the Group is Chen Xueli.

The financial statements were authorised to issue by the management of the Company on 26 January 2026.

II. Basis of preparation of the financial statements

The primary preparation purpose of these financial statements is to disclose the consolidated and separate financial statements of the Group and the Company for the nine months ended 30 September 2025, and for the years of 2024, 2023, and 2022, for the transaction involving the acquisition of Shandong Weigao Blood Purification Products Co., Ltd. by Shandong Weigao Group Medical Polymer Company Limited. They are not intended for any other purpose.

The financial statements have been prepared on a going concern basis.

Statement of compliance with ASBEs

The financial statements have been prepared in accordance with the ASBEs, and presented truly and completely the financial position of the Company and the Group as at 31 December 2022, 31 December 2023, 31 December 2024, and 30 September 2025 and their financial performance and cash flows for the years of 2022, 2023, 2024 and the nine months ended 30 September 2025.

III. Major accounting policies and significant estimates

The financial information presented in the financial statements of the Company and the Group for the years of 2022, 2023, 2024 and the nine months ended 30 September 2025 has been prepared in accordance with the material accounting policies and accounting estimates set out below, which have been formulated based on ABSEs.

1. Accounting period

The accounting year of the Group is from 1 January to 31 December of each calendar year.

2. Functional currency

The Company's reporting currency and presentation currency is Renminbi ("**RMB**") The amounts were denominated in RMB, unless otherwise stated.

The Group's subsidiaries and joint ventures determine their own functional currency according to the major economic environment in which they operate the business. In preparation of these financial statements, their functional currencies are translated into RMB.

3. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

A business combination involving entities under common control is a business combination in which all the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Assets and liabilities (including goodwill arising from the acquisition of the combined party or parties by the ultimate controlling party) obtained by the combining party shall be measured at their respective carrying amounts as recorded by the ultimate controlling party in the financial statements at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued) is adjusted against capital premium under capital reserves. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

A business combination not involving entities under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination not involving entities under common control shall be measured at fair value at the acquisition date. Where the fair value of combination consideration exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, which is subsequently measured at cost less accumulated impairment losses. Where the fair value of combination consideration is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the fair value of combination consideration. If after that reassessment, the fair value of combination consideration is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference in profit or loss for the period.

4. Consolidated of financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and all of its subsidiaries. A subsidiary is an entity (including an entity, a separable part of an investee, and a structured entity controlled by the Company) which is under the control of the Company. An investor controls an investee if, and only if, the investor has the following three elements: power over the investee; rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

Where the accounting policies adopted or accounting periods of subsidiaries are probably inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies and accounting period used by the Company in preparing the consolidated financial statements. All assets, liabilities, equity, income, expenses and cash flows arising from intra-group transactions are eliminated in full on consolidation.

Where a subsidiary is acquired through a business combination not involving entities under common control, the financial performance and cash flows of the acquiree shall be included in the consolidated financial statements of the Group from the date the Group obtains control until the date that such control ceases. In the preparation of the consolidated financial statements, the financial statements of an acquired subsidiary shall be adjusted based on the fair value of the subsidiary's identifiable assets, liabilities or contingent liabilities determined at the acquisition date.

Where a subsidiary is acquired through a business combination involving entities under common control, the acquiree's financial performance and cash flows shall be included in the consolidated financial statements as if the acquiree was under the control of the Group at the very beginning and the comparative amounts recorded in the consolidated financial statements of the Group shall be restated accordingly.

If a change in any facts and circumstances gives rise to one or more changes in the three elements of control, the Group will reassess whether it controls the investee or not.

A change in non-controlling interests that does not result in the loss of control over the subsidiary is accounted for as an equity transaction.

5. Classification of joint arrangement and joint operation

A joint arrangement comprises two types: joint operation and joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The Group recognises in relation to its interest in a joint operation, its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

6. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash, subject to an insignificant risk of changes in value.

7. Foreign currency business

For foreign currency transactions, the Group translates the amount of foreign currency into the amount of functional currency.

On initial recognition of a foreign currency transaction, the amount of the foreign currency is translated into the functional currency at the spot exchange rate on the first day of the month of the transaction, and the capital contributions by the investor in the foreign currency are translated at the spot exchange rate prevailing on the day of the transaction. As at the end of the reporting period, monetary items denominated in foreign currencies are translated into the functional currency using the spot exchange rates prevailing at the end of the reporting period. Exchange differences arising from the differences arising from settlement or translation of monetary items are recognised in profit or loss for the period, with the exception of exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation, which are capitalised as part of the cost of the qualifying asset during the capitalisation period. Non-monetary items denominated in foreign currencies measured at historical cost are translated at the spot exchange rate prevailing on initial recognition and the amount denominated in the functional currency is not changed. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the day the fair value is determined. Differences between the re-translated functional currency amount and the original functional currency amount are recognised in profit or loss for the period or as other comprehensive income depending on the nature of the non-monetary items.

Cash flows arising from foreign currency transactions are translated at the average exchange rate of the transaction period of cash flows. The effect of exchange rate changes on cash is regarded as a reconciling item and presented separately in the statement of cash flows.

8. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e., removed from the balance sheet) when:

(1) the rights to receive cash flows from the financial asset have expired;

(2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through arrangement"; and either has transferred substantially all the risks and rewards of the financial asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

The Group derecognises a financial liability only when the underlying obligation is settled, discharged or expires. An agreement to replace the original financial liability with a new financial liability with substantially different terms with the same creditor, or to modify the original financial liability's terms substantially, is accounted for as the derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the new financial liability should be recognised in profit or loss for the period.

All regular means of purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular means of purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace pursuant to the provisions of the terms of an agreement. Trade date is the date that the Group commits to purchasing or selling the financial assets.

Classification and measurement of financial assets

At initial recognition, the classification of financial assets depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but trade receivables or notes receivable arising from the sales of goods or rendering of services that do not contain significant financing components or for which the Group does not consider the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are immediately recognised in profit or loss for the period. For other financial assets, relevant transaction costs are included in their initial recognised amounts.

Subsequent measurement of financial assets is determined by their classification:

Financial assets at amortised cost (debt instrument investments)

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of this kind of financial asset is recognised using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instrument investments)

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial assets are held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of such financial asset is recognised based on the effective interest method. Changes in fair values are recognised in other comprehensive income, with the exception of interest income, impairment losses and exchange differences, which are recognised in profit or loss for the period. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is transferred to profit or loss.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with changes in fair value recognised in profit or loss for the period.

Classification and measurement of financial liabilities

Except for financial guarantee contracts and financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, on initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss and financial liabilities measured at amortised cost. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the period, and the related transaction costs of financial liabilities measured at amortised cost are recognised in their initial amount.

Subsequent measurement of financial liabilities is determined by its classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held for trading financial liabilities (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Held for trading financial liabilities (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand the accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Financial liabilities measured at amortised cost

For such financial liabilities, subsequent measurement is made at amortised cost using the effective interest method.

Impairment of financial instruments

Based on expected credit losses ("**ECLs**") the Group recognises an allowance for ECLs for financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income, lease receivables and financial guarantee contracts.

For receivables and lease receivables that do not contain a significant financing component, the Group uses the simplified approach to recognise a loss allowance based on lifetime ECLs.

For financial assets and financial guarantee contracts other than those measured with the simplified approach, the Group evaluates at each balance sheet date whether its credit risk has significantly increased since initial recognition. The financial assets for which credit risk has not significantly increased since initial recognition are considered to be in stage one, for which the Group shall measure loss provisions based on the amount of expected credit losses for the next 12 months and shall compute interest income according to the book value and effective interest rate; the financial assets for which credit risk has significantly increased since initial recognition but are not credit-impaired are considered to be in stage two, for which the Group shall measure loss provisions based on the amount of expected credit losses for the entire lifetime and shall compute interest income according to the book value and effective interest rate; the financial assets for which credit impairment has occurred after initial recognition are considered to be in stage three, for which the Group shall measure loss provisions based on the amount of expected credit losses for the entire lifetime and shall compute interest income according to the amortised cost and effective interest rate.

Please refer to Note VII.1 for the disclosure of the Group's criteria for judging the significant increase in credit risk and the definition of credit-impaired financial assets.

The Group measures expected credit losses on a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the end of the reporting period about past events, current conditions and forecasts of future economic conditions.

Grouping and basis of determination for impairment provisions on a portfolio basis based on credit risk characteristics

Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit losses for financial instruments comprising accounts receivable and other receivables based on common risk characteristics and ageing portfolios. The Group has classified these into the following portfolio: accounts receivable from external customers.

Ageing method for credit risk characteristics portfolio based on ageing

The Group determines the ageing based on the invoice date.

Criteria for individual impairment assessment of bad debt provisions

If a counterparty exhibits significantly different credit risk characteristics compared to others within the same portfolio, the Group assesses its ECLs on an individual basis and recognises impairment provisions accordingly.

Write-off of impairment provision

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of the financial assets, the Group will write off the book value of the financial assets directly.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is recognised in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured at fair value on initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of the amount of provisions for ECLs at the balance sheet date and the amount initially recognised less the cumulative amortisation recognised in accordance with the guidance for revenue recognition.

Transfer of financial assets

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group does not derecognise those financial assets when it retains substantially all the risks and rewards of the ownership.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments of such financial assets are as follows: the Group derecognises financial assets when it has not retained control of them, and the associated assets and liabilities are recognised at the same time. If the Group retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred asset and recognises an associated liability.

Continuing involvement that takes the form of a financial guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the financial guarantee. The amount of the financial guarantee is the maximum amount of consideration that the Group could be required to repay.

9. Inventories

Inventories include raw materials, work in progress, finished goods, turnover materials, goods in transit, and goods consigned for processing.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing and other costs. The actual cost of inventories upon delivery is calculated using the weighted average method. Turnover materials include low value consumables and packing materials, etc., which are accounted for on the immediate write-off basis.

The perpetual inventory system is maintained for the stock system.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost, inventories are written down and recorded in profit or loss for the period. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to make the sale and relevant taxes. When providing impairment for inventory, provisions shall be made on an individual inventory item basis. Inventory items that are related to a product line produced and sold in the same region and have the same or similar end uses or purposes that are difficult to measure separately from other items may be combined for the purpose of providing for inventory impairment.

10. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and joint ventures.

A long-term equity investment is measured at its initial investment cost on acquisition. For a long-term equity investment acquired through business combination involving entities under common control, the initial investment cost is the attributable share of the carrying amounts of the owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between the initial investment cost and the carrying amount of the consideration is adjusted against capital reserve (If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings). For a long-term equity investment acquired through business combination not involving entities under common control, the initial investment cost of the long-term equity investment is the cost of the combination (If the business combination not involving entities under common control is achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity investment held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date). For a long-term equity investment acquired other than long-term equity investments formed through business combinations, the initial investment cost is recognised as follows: if acquired by cash, the initial investment cost is recognised at the purchase price actually paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition of long-term equity investments; if acquired through issuing equity securities, the initial investment cost is recognised at the fair value of the equity securities issued.

The long-term equity investments which the Company can exercise control over the investee are accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the long-term equity investment is measured at initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profits distribution declared by the investee.

For long-term equity investments over which the Group has joint control, the Group accounts for such long-term equity investments using the equity method. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after a long-term equity investment is acquired, the Group recognises its share of the net profit or loss and other comprehensive income of the investee as investment income or loss and other comprehensive income, respectively, and adjusts the carrying amount of the long-term equity investment. The Group recognises its share of the investee's profit or loss based on the fair value of the investee's identifiable assets and others at the acquisition date after making appropriate adjustments using the Group's accounting policies and periods. Unrealised profit or loss from transactions with its joint ventures are eliminated to the extent of the Group's investments in joint ventures (except for those transactions relating to impairment loss of assets which shall be recognised fully), provided that invested or sold assets constituting business shall be excluded. The Group shall reduce the carrying amount of the investments for shares of profits or cash dividends declared of the investee. However, the share of net loss is only recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment is reduced to zero, except that the Group has the obligations to assume additional losses. Changes in the owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are correspondingly adjusted to the carrying amount of the long-term equity investments and recognised in the owners' equity.

11. Investment properties

Investment properties are the properties to earn rentals or for capital appreciation or both.

Investment properties are initially measured at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

The Group's investment properties are subsequently measured using the cost method.

Depreciation of investment properties is calculated using the straight-line method. The useful lives, estimated net residual value rate and annual depreciation rate for investment properties are as follows:

	Useful life	Percentage of estimated residual value	Annual depreciation rate
Houses and buildings	30 years	5%	3.17%

12. *Fixed assets*

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in the current profit or loss or the cost of related assets as incurred according to the beneficiaries.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

Depreciation of fixed assets is calculated using the straight-line method. The useful lives, percentages of estimated residual value and annual depreciation rates of various fixed assets are as follows:

	Useful life	Percentage of estimated residual value	Annual depreciation rate
Houses and buildings	10-30 years	5%	3.17%-9.50%
Machinery equipment	5-10 years	5%	9.50%-19.00%
Transportation facility	4-10 years	5%	9.50%-23.75%
Other equipment	1.5-10 years	5%	9.50%-63.33%

Where parts of a fixed assets have different useful lives or provide economic benefits to the enterprise in a different pattern, different depreciation rates shall be applied.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and makes adjustments if necessary.

13. Construction in progress

The cost of construction in progress is measured at the actual construction expenditures, including necessary construction expenditures incurred during the construction period, borrowing costs subject to capitalisation before the construction can be put into use and other related expenditures.

Construction in progress is transferred into fixed assets when it is ready for its intended use. The criteria are as follows:

	Criteria of transfer to fixed assets
Houses and buildings	Completion of acceptance of physical construction and fire protection works for houses, completion of acceptance of purification and decoration for factories
Machinery equipment	Completion of installation of equipment and other supporting facilities, with trial production passing acceptance check
Other equipment	Completion of installation of related equipment and other supporting facilities

14. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Other borrowing costs incurred are recorded in the profit or loss for the period.

The capitalisation of borrowing costs commences only when the expenditures for the asset and the borrowing costs have been incurred, and the activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in the profit or loss for the period.

During capitalisation, the amount of interest eligible for capitalisation for each accounting period is recognised using the following methods: where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation are the actual interest costs incurred during the current period less any temporary interest or investment income; where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation are determined by applying a capitalisation rate to the excess amounts of cumulative expenditures on the asset over the weighted average of cumulative expenditures on the asset of specific borrowings multiplying the weight average rate of general borrowings.

Capitalisation of borrowing costs is suspended during the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the interruption lasts continuously for more than three months. The borrowing costs incurred during the interruption period shall be recognised as expenses and included in the current period's profit or loss until the acquisition, construction or production activities of the asset resume.

15. Intangible assets

The intangible assets are amortised using the straight-line method over their useful lives. The useful lives are as follows:

	Useful life	Basis
Land use rights	50 years	Term of land use rights
Software	1-10 years	Expected useful life

16. Research and development expenditures

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in the profit or loss for the period as incurred.

Expenditure on the development phase is capitalised only when the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in the profit or loss for the period when incurred.

17. Long-term deferred expenditures

Long-term deferred expenses are amortised using the straight-line method, the amortisation periods are as follow:

	Amortisation period
Employee benefits	5-10 years
Others	3-6 years

18. Impairment of assets

The impairment of assets (other than the impairment of inventories, deferred tax assets and financial assets) is determined in the following methods: the Group assesses at balance sheet date whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets and impairment tests are performed. An intangible asset that is not ready for use shall be tested for impairment at least at each year end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. Identification of an asset group shall be based on whether there are major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. The reduction is recognised in profit or loss for the period. A provision for impairment loss of the asset is recognised accordingly.

Once the above impairment loss of the asset is recognised, it cannot be reversed in subsequent accounting periods.

19. Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits and post-employment benefits.

Short-term employee benefits

During the accounting period in which the employees render services, the amount of short-term employee benefits actually incurred should be recognised as a liability and be recognised in profit or loss for the period or in cost of related assets.

Post-employment benefits (defined contribution plan)

For the employees of the Group participating in the pension insurance and unemployment insurance schemes administrated by the local governments, the related expenditures are recorded in cost of related assets or profit or loss in the period when they incurred.

20. Share-based payments

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves. If such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the satisfaction of a specified performance condition, at each balance sheet date during the vesting period, the Group recognises the services received for the period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest.

Where the terms of an equity-settled share-based payment are modified, as a minimum, services obtained are recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where equity-settled share-based award is cancelled, it shall be treated as if it had vested on the date of cancellation, and the unrecognised amount shall be recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

21. Provisions

An obligation related to a contingency shall be recognised by the Group as a provision when the obligation is a present obligation of the Group and it is probable that an outflow of economic benefits from the Group will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. The carrying amount of the provisions shall be reviewed and adjusted appropriately at each balance sheet date to reflect the current best estimate.

Financial guarantee contracts that are subsequently measured at an amount equal to expected credit losses are presented in other current liabilities.

22. Revenue from contracts with customers

The Group recognises revenue when it has fulfilled its performance obligations under the contract, i.e., when the customer acquires control of relevant goods or services. Acquiring control over the goods or services refers to the ability to direct the use of the goods or the provision of services and to derive substantially all the economic benefits therefrom.

Contracts for the sale of goods and installation service

Contracts for sales of goods between the Group and its customers usually contain multiple commitments including transferring blood purification equipment and consumables, such as blood hemodialysis devices, blood dialyzers, blood dialysis pipelines, peritoneal dialysis fluid, and related dialysis supporting products, as well as providing installation services, with specific commitments varying depending on agreements with customers. Since customers can benefit from the above goods or services separately or together with other readily available resources, and there are no significant integration, significant modifications, customisation, or high correlation between the above goods or services, the Group treats them as distinct goods, each constituting a separate performance obligation. The Group recognises revenue based on a comprehensive consideration of the following factors: a present right to payment for goods; the transfer of major risks and rewards in relation to the ownership of goods; the transfer of the legal ownership of goods; and the transfer of physical possession of goods and the customer's acceptance of goods. For domestic sales, the Group delivers goods to the locations specified by customers in accordance with contracts. For sales requiring installation and commissioning, sales revenue is recognised upon completion of installation, commissioning, and acceptance. For sales not requiring installation and commissioning, revenue is recognised upon customers' receipt confirmation. For overseas sales requiring installation and commissioning, sales revenue is recognised upon completion of installation, commissioning, and acceptance. For overseas sales not requiring installation and commissioning: for sales under free-on-board (FOB) and cost, insurance, and freight (CIF) terms, the Group recognises sales revenue when the goods pass the ship's rail at the designated port of shipment after completing customs export declaration procedures; for sales under delivery-duty-paid (DDP) terms, sales revenue is recognised after the Group completing import clearance procedures at the designated destination and delivering the goods to customers; for sales under EX-Works (EXW) terms, sales revenue is recognised when the designated carrier collects the goods from the Group's premises, which indicates the fulfilment of delivery obligations.

Sales with additional purchase options

Certain contracts between the Group and its customers include arrangements for rebates in kind, representing sales with additional purchase options. For rebates in-kind granted based on a customer reaching specified purchase volumes, or price discounts applicable only to future purchases, the Group accounts for them as sales with additional purchase options. When such rebates are assessed to provide a material right to customer, they are treated as a separate performance obligation, and the transaction consideration is allocated accordingly. At the balance sheet date, based on actual transaction circumstances, the Group makes a reasonable estimate of the likelihood of the customer exercising this option. The amount of the allocated transaction consideration is recorded as a reduction of revenue. When the rebate in-kind is actually executed, the corresponding revenue is recognised based on the allocated transaction consideration.

23. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities in the balance sheet according to the relationship between contractual performance obligations and customer payments. Contract assets and contract liabilities under the same contract are presented on a net basis after offsetting.

Contract assets

A right to receive consideration for goods or services transferred to a customer before the customer has actually paid the consideration or before it becomes due (and this right depends on factors other than the passage of time) is recognised as a contract asset; it is subsequently reclassified as an account receivable when the unconditional right to collect payment is obtained.

Contract liabilities

An obligation to transfer goods or services to a customer for which the Group has received customer consideration or the Group has obtained the right to receive customer consideration unconditionally is recognised as a contract liability.

24. Government grants

A government grant is recognised only when the Group can comply with the conditions attached to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

Asset-related government grants are recognised when the government document designates that the government grants are used for acquiring, constructing or forming long-term assets. If the government document is inexplicit, the Group should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are for acquiring, constructing or forming long-term assets. Otherwise, the government grants should be income related.

Government grants related to income shall be accounted for accordingly as follows: those to be used as compensation for future expenses or losses shall be recognised as deferred income and recorded in profit or loss for the period or offset against related expenses over the periods in which the related costs are recognised; those to be used as compensation for related expenses or losses already incurred shall be recognised directly in the profit or loss for the period or offset against relevant costs.

Government grants related to assets shall be recognised as deferred income to be recognised in profit or loss by annual instalments on a reasonable and systematic basis over the useful lives of the assets (However, government grants measured at a nominal amount shall be recognised directly in profit or loss for the period.) If the assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the rest of the remaining deferred income shall be reclassified to profit or loss for the period when the assets are disposed of.

25. Deferred tax

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the carrying amounts of certain assets or liabilities and their tax base, or on the temporary differences between the carrying amount of items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(1) When the taxable temporary difference arises from the initial recognition of an asset or liability in transactions that are not business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction, and the initial recognition of assets and liabilities does not arise any taxable temporary differences and deductible temporary differences at the same amount;

(2) In respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except:

(1) When the deductible temporary differences do not arise from business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction, and the initial recognition of assets and liabilities does not arise any taxable temporary differences and deductible temporary differences at the same amount;

(2) In respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. At the balance sheet date, the carrying amount of deferred tax assets that are not recognised before, is reviewed and recognised to the extent that it is probable that available taxable profits in the future will allow entire or part of the benefit of deferred tax assets to be utilised.

Deferred tax assets and deferred tax liabilities are offset and the net amount is presented if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

26. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or group of identified assets for a period of time in exchange for consideration.

(1) As lessee

The Group recognised right-of-use assets and lease liabilities for leases except for short-term leases and leases of low-value assets.

For a contract that contains a lease component and non-lease component(s), the Group will allocate the consideration in the contract to each component on the basis of their respective relative stand-alone price.

At the commencement date of the lease, the Group recognises the right to use the leased asset over the lease term as a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of- use asset comprises: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date of the lease less any lease incentives received; any initial direct cost incurred; and an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group remeasures the lease liability for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments and in-substance fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related asset as required. The Group remeasures the lease liability at the present value of revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss for the period on a straight-line basis over the lease term.

(2) As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date. For a contract that contains lease components and non-lease components, the Group will allocate the consideration in the contract to each component on the basis of their respective relative stand-alone price.

Rental income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss for the period. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss for the period as incurred. Initial direct costs are capitalised and amortised on the same basis as the recognition of rental income over the lease term, and are included in the profit or loss for the period by instalments.

27. Fair value measurements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 – based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 – based on unobservable inputs for the relevant asset and liability.

At each balance sheet date, for assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation.

28. Significant accounting judgments and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainties about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(1) Judgments

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Operating lease – Group as lessor

The Group has entered into lease contracts on its investment properties. The Group has determined, based on evaluation of the terms and conditions of the lease contracts, that it retains substantially all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Determination of a separate performance obligation

Usually, the Group includes two promises to transfer goods or services in connection with sales of blood dialyzes, including sales of goods and installation services in the contract signed with the customer. Since customers can benefit from each of the two promised goods or services on its own, and the Group's promise to transfer each of the above goods or services can be separately identifiable. The two promises to transfer goods or services constitute separate performance obligations.

Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. Factors considered by the Group in determining the business model include enterprise evaluation, the method of reporting the results of financial assets to key management, risks affecting the performance of financial assets and risk management, as well as the form of remuneration received by the relevant management. In assessing whether the business model is aimed at receiving contractual cash flows, the Group is required to analyse and exercise judgement in respect of the reasons, timing, frequency and values of any disposals prior to maturity.

Characteristics of contractual cash flows

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets. Judgement is required to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding, including the judgement on whether there is any significant difference from the benchmark cash flows when assessing modifications to the time value of money, and the judgment of whether the fair value of prepayment features is minimal where the financial assets include such prepayment features.

(2) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Impairment of financial instruments

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgements and estimates, the Group infers the projected movements of the debtor's credit risk according to past repayment records, economic policies, macroeconomic indicators and industry risks, etc. Different estimates may affect the impairment provision, and the amount of impairment provision may not equal to the actual amount of impairment loss in the future.

Impairment of non-current assets other than financial assets (excluding goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Impairment test is performed when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its present value of future cash flows. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Net realisable value of inventories

The Group determines the net realisable value of its inventories based on an assessment of their marketability. The net realisable value is calculated as the estimated selling price in the ordinary course of business, less any estimated costs of completion, estimated selling expenses, and relevant tax amounts. These estimates are made based on prevailing market conditions and the Group's experience in selling similar goods or services in the past.

Estimated useful lives of fixed assets, investment properties, and intangible assets

The Group revisits the estimated useful lives for its fixed assets, investment properties, and intangible assets at least at each year end. The estimated useful lives are determined by management by reference to the historical experience of similar assets and anticipated renovation in technologies. When there are significant changes in previous estimates, the Group should adjust the depreciation and amortisation expenses in future periods.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, to the extent that it is likely that taxable profit will be available against which the losses can be utilised. Significant management judgments are needed to determine the amount of the deferred tax assets that should be recognised, based upon the estimate the timing and amount of taxable profit in the future together with tax planning strategies.

Incremental borrowing rate for the lessee

Where the implied interest rate cannot be available, the Group adopts the incremental borrowing rate for the lessee as the discount rate for calculating the present value of lease payment. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own conditions, underlying assets, the lease term, the amount of lease liabilities that are specific to the lease to determine the applicable incremental borrowing rate.

IV. Taxation

1. Principal tax items and tax rates

	Tax base	**Tax rate**
Value-added tax ("**VAT**")	Difference arising from the deduction of deductible input VAT from sales revenue and output VAT based on applicable tax rate	13.00%, 9.00%, 6.00%
Property tax	Ad valorem collection for the property value less 30%	1.20%
	Ad valorem collection for rents	12.00%
Corporate income tax	Taxable income	25.00%, 22.00%, 20.00%, 8.25% or 16.50%, 15.00%
Urban maintenance and construction tax	Actual payment of turnover tax	7.00%, 5.00%
Education surcharge	Actual payment of turnover tax	3.00%
Local education surcharge	Actual payment of turnover tax	2.00%

The entities subject to different corporate income tax rates are as follows:

	Income tax rate
Shandong Weigao Blood Purification Products Co., Ltd.	15%
Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd.	20%
WEGO HEALTHCARE (HK) LIMITED	Profits tax rate for the first HK$2 million of assessable profits is reduced to 8.25%, and profits thereafter continue to be taxed at 16.5%
PT WEGO HEALTHCARE INDONESIA	22%

Note: Except for the aforementioned companies, the applicable income tax rate for other companies within the Group is 25%.

2. Tax benefits

The Company obtained the High and New Technology Enterprise Certificate (Certificate No.: GR202037000404, with a validity period of three years) jointly issued by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration on 17 August 2020. In accordance with the provisions of the Enterprise Income Tax Law of the People's Republic of China, the Company enjoys the preferential tax policies for high and new technology enterprises and applies a 15% corporate income tax rate for 2022. The Company was recognised as a high and new technology enterprise by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration on 20 January 2024, and obtained the High and New Technology Enterprise Certificate (Certificate No.: GR202337006534, with a validity period of three years, issued on 7 December 2023). In accordance with the provisions of the Enterprise Income Tax Law of the People's Republic of China, the Company enjoys the preferential tax policies for high and new technology enterprises and applies a 15% corporate income tax rate for 2023, 2024, and the nine months ended 30 September 2025.

According to the Article 1 of the *Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementation of Preferential Income Tax Policies for Small and Micro Enterprises* (Ministry of Finance State Taxation Administration Announcement No.13 of 2022), from 2022 to 2024, for small and low-profit enterprises, 25% of the annual taxable income exceeding RMB1 million and up to RMB3 million shall be taxable and subject to enterprise income tax at a rate of 20%. According to the *Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax and Fee Policies with Respect to Further Supporting the Development of Small and Micro Enterprises and Individual Businesses* (Ministry of Finance State Taxation Administration Announcement No.12 of 2023), from 1 January 2023 to 31 December 2027, for small and low-profit enterprises, 25% of the annual taxable income shall be taxable and subject to enterprise income tax at a rate of 20%. For 2022, 2023, 2024, and the nine months ended 30 September 2025, the Company's subsidiary, Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd., qualified as a small and micro enterprise and applied the aforementioned preferential policies.

Pursuant to the *Notice of the Ministry of Finance and the State Taxation Administration on Issues Concerning the Implementation of the Catalog of Corporate Income Tax Preferential Items for Environmental Protection Specialised Equipment, the Catalog of Corporate Income Tax Preferential Items for Energy-saving and Water-saving Specialised Equipment, and the Catalog of Corporate Income Tax Preferential Items for Work Safety Specialised Equipment* (Caishui [2008] No. 48), for specialised equipment used for environmental protection, energy-saving and water-saving, and work safety that are purchased and actually used by an enterprise on or after 1 January 2008, and that fall within the scope specified in the *Catalog of Corporate Income Tax Preferential Items for Environmental Protection Specialised Equipment*, the *Catalog of Corporate Income Tax Preferential Items for Energy-saving and Water-saving Specialised Equipment*, and the *Catalog of Corporate Income Tax Preferential Items for Work Safety Specialised Equipment*, 10% of the investment amount in such equipment may be credited against the enterprise's taxable income for the current year. If the credit is insufficient in the current year, the balance may be carried forward for credit in the subsequent five tax years. For 2022, 2023, 2024, and the nine months ended 30 September 2025, the Company applied the aforementioned preferential policy.

In accordance with the *Announcement of the State Taxation Administration on Matters Concerning the Handling of the Refund of the Period-end Uncredited VAT* (Announcement [2019] No. 20 of State Taxation Administration) and the *Announcement on Further Strengthening the Implementation of the Policies Regarding the Rebate of Period-End VAT Retained* (Announcement No. 14 [2022] of the Ministry of Finance and the State Taxation Administration), upon approval by the Weihai Torch Hi-Tech Science Park Tax Bureau of the State Taxation Administration, the Qionglai Tax Bureau of the State Taxation Administration, and the Ganzhou Zhanggong District Tax Bureau of the State Taxation Administration, for 2022, Weigao Blood Purification (Chengdu) Co., Ltd., a subsidiary of the Company, received a VAT refund for uncredited input tax amounting to RMB72,644,494.38. For 2023, it received a VAT refund for uncredited input tax amounting to RMB6,915,619.36. For the nine months ended 30 September 2025, Weigao Blood Purification Products (Ganzhou) Co., Ltd., a subsidiary of the Company, received a VAT refund for uncredited input tax amounting to RMB29,792,927.20.

According to the *Announcement on Relevant Policies for Deepening the VAT Reform* (Caishui [2019] No. 39) issued by the Ministry of Finance, for 2022, 2023, 2024, and the nine months ended 30 September 2025, the dialyzers, dialysis powder/solution, and other consumables exported and sold by the Company's subsidiary, Weigao Medical (Shenzhen) Co., Ltd., were subject to a VAT export rebate rate of 13%.

According to the *Notice on Issues Concerning Urban Land Use Tax for High and New Technology Enterprises* (Lu Caishui [2019] No. 5) and the *Announcement on the Extension of Administrative Normative Documents for the Second Half of 2021* (Lu Caifa [2021] No. 6) issued by the Shandong Provincial Department of Finance, for 2022, 2023, 2024, and the nine months ended 30 September 2025, the Company calculated and paid urban land use tax at 50% of the current standard tax amount.

According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Value-added Tax Additional Deduction for Enterprises in Advanced Manufacturing Industries* (Announcement of the Ministry of Finance and the State Taxation Administration No. 43 of [2023]), from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are allowed to deduct an additional 5% of the deductible input VAT for the current period from the payable VAT amount. For 2023, 2024, and the nine months ended 30 September 2025, the Company applied the aforementioned preferential policy.

V. Consolidation scope for consolidated financial statements

1. *Subsidiaries*

The details of the Company's subsidiaries are as follows:

	Principal places of business	Place of registration	Nature of business	Registered capital	Percentage of shareholding (%)	
					Direct	Indirect
Subsidiaries acquired by way of establishment or investment						
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	Weihai City, Shandong Province	Weihai City, Shandong Province	Sale	RMB100 million	100.00	–
Weigao Blood Purification Products (Shanghai) Company Limited	Shanghai City	Shanghai City	Sale	RMB80 million	100.00	–
Weigao Medical Devices (Chengdu) Co., Ltd.	Chengdu City, Sichuan Province	Chengdu City, Sichuan Province	Sale	RMB10 million	100.00	–
Weigao Medical (Shenzhen) Co., Ltd.	Shenzhen City, Guangdong Province	Shenzhen City	Sale	RMB20 million	100.00	–
Weigao Blood Purification (Chengdu) Company Limited	Chengdu City, Sichuan Province	Chengdu City, Sichuan Province	Manufacture	RMB300 million	100.00	–
Weigao Blood Purification Products (Ganzhou) Company Limited	Ganzhou City, Jiangxi Province	Ganzhou City, Jiangxi Province	Manufacture	RMB270 million	100.00	–
Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd.	Shanghai City	Shanghai City	Research and development	RMB10 million	100.00	–
Shandong Akesuo Medical Technology Co., Ltd.	Weihai City, Shandong Province	Weihai City, Shandong Province	Research and development	RMB20 million	90.00	10.00
Shandong Weigao Lejing Biotechnology Co., Ltd.	Weihai City, Shandong Province	Weihai City, Shandong Province	Research and development	RMB20 million	90.00	1.35
Weihai Heshun Medical Technology Co., Ltd.	Weihai City, Shandong Province	Weihai City, Shandong Province	Research and development	RMB0.30 million	100.00	–
WEGO HEALTHCARE (HK) LIMITED	Hong Kong	Hong Kong	Sale	HKD4 million	–	100.00
WEGO HEALTHCARE-ECUADOR S.A.S.	Ecuador	Ecuador	Sale	USD0.12 million	–	100.00
PT WEGO HEALTHCARE INDONESIA	Indonesia	Indonesia	Sale	IDR 10.1 billion	–	100.00
Subsidiary acquired by business combinations involving entities under common control						
Shandong Weigao Dongyuan Pharmaceutical Co., Ltd.	Weihai City, Shandong Province	Weihai City, Shandong Province	Sale	RMB10 million	90.00	10.00

In 2022, the Company injected capital of RMB75,000,000.00 into Weigao Blood Purification Products (Shanghai) Company Limited, RMB80,000,000.00 into Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd., RMB64,500,000.00 into Weigao Blood Purification Products (Ganzhou) Company Limited; RMB10,000,000.00 into Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd. WEGO HEALTHCARE (HK) LIMITED injected capital of USD120,000.00 into WEGO HEALTHCARE-ECUADOR S.A.S.

In 2023, the Company injected capital of RMB1,100,000.00 into Weigao Blood Purification Products (Ganzhou) Company Limited and RMB1,000,000.00 into Shandong Akesuo Medical Technology Co., Ltd.

In 2024, the Company injected capital of RMB8,000,000.00 into Weigao Medical Devices (Chengdu) Co., Ltd. and RMB7,000,000.00 into Shandong Akesuo Medical Technology Co., Ltd.

For the nine months ended 30 September 2025, Shandong Weigao Lejing Biotechnology Co., Ltd. and Weihai Heshun Medical Technology Co., Ltd. were newly established subsidiaries during the current period.

VI. Notes to major items in the consolidated financial statements

1. *Currency funds*

	30 September 2025	2024	2023	2022
Cash	63,958.22	67,130.82	64,278.00	68,089.43
Bank deposits	1,632,731,534.18	795,959,361.05	618,945,904.60	564,827,777.12
Other currency funds	1,984,910.46	22,060,258.73	27,077,000.83	24,068,804.39
Total	1,634,780,402.86	818,086,750.60	646,087,183.43	588,964,670.94

2. *Financial assets held for trading*

	30 September 2025	2024	2023	2022
Financial assets at fair value through profit or loss Wealth management products	981,222,218.07	330,133,382.45	70,108,197.26	–
Total	981,222,218.07	330,133,382.45	70,108,197.26	–

3. Notes receivable

Notes receivable are categorised and presented as follows:

	30 September 2025	2024	2023	2022
Bank acceptance bills	7,720,460.06	7,710,950.50	15,445,735.64	28,747,274.88
Commercial acceptance bills	–	–	–	15,624,270.64
	7,720,460.06	7,710,950.50	15,445,735.64	44,371,545.52
Less: Impairment allowance	–	–	–	318,955.91
Total	7,720,460.06	7,710,950.50	15,445,735.64	44,052,589.61

The movements in impairment allowance for notes receivable are as follows:

	Opening balance	Provision for the period/year	Recovery or reversal for the period/year	Write-off for the period/year	Closing balance
For the nine months ended 30 September 2025	–	–	–	–	–
2024	–	–	–	–	–
2023	318,955.91	–	(318,955.91)	–	–
2022	34,977.25	318,955.91	(34,977.25)	–	318,955.91

4. *Accounts receivable*

An aging analysis of accounts receivable is as follows:

	30 September 2025	2024	2023	2022
Within 1 year	815,075,368.33	814,008,922.14	774,815,444.39	892,975,228.33
1 to 2 years	113,389,270.07	130,384,396.28	117,127,036.82	160,771,736.26
2 to 3 years	42,016,343.86	33,767,137.48	41,770,451.28	14,851,431.11
Over 3 years	37,711,776.27	32,757,634.43	17,234,767.49	14,648,005.39
	1,008,192,758.53	1,010,918,090.33	950,947,699.98	1,083,246,401.09
Less: Impairment allowance	121,711,553.03	111,221,183.71	93,390,563.10	78,555,533.54
Total	886,481,205.50	899,696,906.62	857,557,136.88	1,004,690,867.55

The movements in impairment allowance for accounts receivable are as follows:

	Opening balance	Provision for the period/year	Recovery or reversal for the period/year	Write-off for the period/year	Closing balance
For the nine months ended 30 September 2025	111,221,183.71	14,024,854.23	(3,018,967.29)	(515,517.62)	121,711,553.03
2024	93,390,563.10	21,950,437.34	(3,257,237.92)	(862,578.81)	111,221,183.71
2023	78,555,533.54	22,517,847.40	(1,334,829.45)	(6,347,988.39)	93,390,563.10
2022	41,323,180.79	37,232,352.75	–	–	78,555,533.54

Accounts receivable are categorised and disclosed by the method of provision for impairment allowance as follows:

30 September 2025

	Gross carrying amount		Impairment allowance		Carrying amount
	Amount	*Percentage (%)*	*Amount*	*Percentage (%)*	
Impairment allowance based on collective assessment by credit risk characteristics	1,008,192,758.53	100.00	121,711,553.03	12.07	886,481,205.50

2024

	Gross carrying amount		Impairment allowance		Carrying amount
	Amount	*Percentage (%)*	*Amount*	*Percentage (%)*	
Impairment allowance based on collective assessment by credit risk characteristics	1,010,918,090.33	100.00	111,221,183.71	11.00	899,696,906.62

2023

	Gross carrying amount		Impairment allowance		Carrying amount
	Amount	*Percentage (%)*	*Amount*	*Percentage (%)*	
Impairment allowance based on collective assessment by credit risk characteristics	950,947,699.98	100.00	93,390,563.10	9.82	857,557,136.88

2022

	Gross carrying amount		Impairment allowance		Carrying amount
	Amount	*Percentage (%)*	*Amount*	*Percentage (%)*	
Impairment allowance based on collective assessment by credit risk characteristics	1,083,246,401.09	100.00	78,555,533.54	7.25	1,004,690,867.55

The expected credit losses on accounts receivable of the Group by age are as follows:

For the nine months ended 30 September 2025

	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime expected credit losses
Within 1 year	815,075,368.33	2.90	23,676,388.00
1 to 2 years	113,389,270.07	22.03	24,974,382.84
2 to 3 years	42,016,343.86	84.13	35,349,005.92
Over 3 years	37,711,776.27	100.00	37,711,776.27
Total	1,008,192,758.53		121,711,553.03

31 December 2024

	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime expected credit losses
Within 1 year	814,008,922.14	2.68	21,821,921.13
1 to 2 years	130,384,396.28	21.61	28,170,365.66
2 to 3 years	33,767,137.48	84.32	28,471,262.49
Over 3 years	32,757,634.43	100.00	32,757,634.43
Total	1,010,918,090.33		111,221,183.71

31 December 2023

	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime expected credit losses
Within 1 year	774,815,444.39	2.34	18,150,136.65
1 to 2 years	117,127,036.82	20.90	24,474,076.92
2 to 3 years	41,770,451.28	80.28	33,531,582.04
Over 3 years	17,234,767.49	100.00	17,234,767.49
Total	950,947,699.98		93,390,563.10

31 December 2022

	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime expected credit losses
Within 1 year	892,975,228.33	2.19	19,524,935.73
1 to 2 years	160,771,736.26	20.25	32,554,418.24
2 to 3 years	14,851,431.11	79.64	11,828,174.18
Over 3 years	14,648,005.39	100.00	14,648,005.39
Total	1,083,246,401.09		78,555,533.54

5. *Receivables financing*

	30 September 2025	2024	2023	2022
Bank acceptance bills	36,050,932.29	25,762,191.83	49,931,381.27	47,569,403.94
Supply chain notes	741,000.00	1,664,718.81	6,900,000.00	1,500,000.00
Total	36,791,932.29	27,426,910.64	56,831,381.27	49,069,403.94

6. *Prepayments*

	30 September 2025		2024		2023		2022	
	Gross carrying amount	*Percentage (%)*	*Gross carrying amount*	*Percentage (%)*	*Gross carrying amount*	*Percentage (%)*	*Gross carrying amount*	*Percentage (%)*
Within 1 year	43,340,111.10	95.30	27,585,951.61	93.76	17,389,294.02	94.84	28,489,847.33	93.36
1 to 2 years	1,700,543.92	3.74	1,588,014.51	5.40	867,994.41	4.73	1,784,631.96	5.85
2 to 3 years	320,793.26	0.71	245,034.02	0.83	27,861.82	0.15	104,383.00	0.34
Over 3 years	117,222.11	0.26	4,335.65	0.01	50,549.10	0.28	136,658.22	0.45
Total	45,478,670.39	100.00	29,423,335.79	100.00	18,335,699.35	100.00	30,515,520.51	100.00

All prepayments are relate to purchase of goods and services

7. *Other receivables*

An aging analysis of other receivables is as follows:

	30 September 2025	2024	2023	2022
Within 1 year	11,446,876.56	10,149,300.75	13,474,706.41	19,522,903.60
1 to 2 years	1,158,269.93	4,424,192.58	2,065,881.55	5,809,771.18
2 to 3 years	1,103,611.35	1,512,279.54	2,254,387.35	5,730,957.15
Over 3 years	3,417,943.32	4,689,884.81	4,379,500.20	2,907,201.09
	17,126,701.16	20,775,657.68	22,174,475.51	33,970,833.02
Less: Impairment allowance	7,185,482.07	5,626,685.00	3,817,402.28	4,449,682.54
Total	9,941,219.09	15,148,972.68	18,357,073.23	29,521,150.48

Other receivables are categorised by nature as follows:

	30 September 2025	2024	2023	2022
Security deposits	7,655,821.25	9,183,982.60	10,278,230.95	19,137,625.69
Petty cash	2,005,135.00	5,600,625.07	3,534,302.26	7,012,642.25
Current accounts	3,720,259.68	2,277,149.18	4,486,737.81	4,484,219.93
Others	3,745,485.23	3,713,900.83	3,875,204.49	3,336,345.15
	17,126,701.16	20,775,657.68	22,174,475.51	33,970,833.02
Less: Impairment allowance	7,185,482.07	5,626,685.00	3,817,402.28	4,449,682.54
Total	9,941,219.09	15,148,972.68	18,357,073.23	29,521,150.48

The changes in impairment allowance for the 12-month expected credit losses on other receivables are as follows:

For the nine months ended 30 September 2025

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit-impaired)	Stage 3 Lifetime expected credit losses (credit-impaired)	Total
Opening balance	5,626,685.00	–	–	5,626,685.00
Provision for the period	1,561,166.07	–	–	1,561,166.07
Reversal for the period	(2,369.00)	–	–	(2,369.00)
Closing balance	7,185,482.07	–	–	7,185,482.07

2024

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit-impaired)	Stage 3 Lifetime expected credit losses (credit-impaired)	Total
Opening balance	3,817,402.28	–	–	3,817,402.28
Provision for the year	1,831,461.16	–	–	1,831,461.16
Reversal for the year	(22,178.44)	–	–	(22,178.44)
Closing balance	5,626,685.00	–	–	5,626,685.00

2023

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit-impaired)	Stage 3 Lifetime expected credit losses (credit-impaired)	Total
Opening balance	4,449,682.54	–	–	4,449,682.54
Provision for the year	2,176,418.78	–	–	2,176,418.78
Reversal for the year	(2,808,699.04)	–	–	(2,808,699.04)
Closing balance	3,817,402.28	–	–	3,817,402.28

2022

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit-impaired)	Stage 3 Lifetime expected credit losses (credit-impaired)	Total
Opening balance	6,391,455.41	–	–	6,391,455.41
Provision for the year	646,621.95	–	–	646,621.95
Reversal for the year	(2,588,394.82)	–	–	(2,588,394.82)
Closing balance	4,449,682.54	–	–	4,449,682.54

8. *Inventories*

	30 September 2025		
	Gross carrying amount	Provision for write-down	Carrying amount
Raw materials	76,714,862.81	–	76,714,862.81
Work in progress	37,751,273.04	–	37,751,273.04
Finished goods	511,603,425.84	(12,029,062.06)	499,574,363.78
Turnover materials	9,927,410.83	–	9,927,410.83
Goods in transit	187,661,051.89	(509,696.90)	187,151,354.99
Consigned processing materials	8,608,141.51	–	8,608,141.51
Total	832,266,165.92	(12,538,758.96)	819,727,406.96

	2024		
	Gross carrying amount	Provision for write-down	Carrying amount
Raw materials	54,053,730.87	–	54,053,730.87
Work in progress	56,928,290.81	–	56,928,290.81
Finished goods	433,262,001.71	(9,859,357.08)	423,402,644.63
Turnover materials	9,428,119.95	–	9,428,119.95
Goods in transit	207,970,688.79	(157,089.24)	207,813,599.55
Consigned processing materials	5,444,096.24	–	5,444,096.24
Total	767,086,928.37	(10,016,446.32)	757,070,482.05

	2023		
	Gross carrying amount	Provision for write-down	Carrying amount
Raw materials	55,744,918.53	–	55,744,918.53
Work in progress	63,299,813.73	–	63,299,813.73
Finished goods	593,161,735.33	(6,541,531.22)	586,620,204.11
Turnover materials	11,397,872.00	–	11,397,872.00
Goods in transit	177,628,491.01	(74,971.68)	177,553,519.33
Consigned processing materials	5,524,563.70	–	5,524,563.70
Total	906,757,394.30	(6,616,502.90)	900,140,891.40

	2022		
	Gross carrying amount	Provision for write-down	Carrying amount
Raw materials	71,221,675.11	–	71,221,675.11
Work in progress	49,139,475.38	–	49,139,475.38
Finished goods	296,340,046.12	(4,588,458.56)	291,751,587.56
Turnover materials	9,728,050.43	–	9,728,050.43
Goods in transit	229,106,512.44	(20,616.79)	229,085,895.65
Consigned processing materials	10,146,051.94	–	10,146,051.94
Total	665,681,811.42	(4,609,075.35)	661,072,736.07

The movements in provision for write-down of inventories are as follows:

For the nine months ended 30 September 2025

	Opening balance	Provision for the period	Decrease for the period		Closing balance
			Reversal or transfer	Others	
Finished goods	9,859,357.08	7,528,609.94	(5,358,904.96)	–	12,029,062.06
Goods in transit	157,089.24	390,790.60	(38,182.94)	–	509,696.90
Total	10,016,446.32	7,919,400.54	(5,397,087.90)	–	12,538,758.96

2024

	Opening balance	Provision for the year	Decrease for the year		Closing balance
			Reversal or transfer	Others	
Finished goods	6,541,531.22	8,205,334.93	(4,191,038.20)	(696,470.87)	9,859,357.08
Goods in transit	74,971.68	104,398.79	(22,281.23)	–	157,089.24
Total	6,616,502.90	8,309,733.72	(4,213,319.43)	(696,470.87)	10,016,446.32

2023

	Opening balance	Provision for the year	Decrease for the year		Closing balance
			Reversal or transfer	Others	
Finished goods	4,588,458.56	2,496,777.55	(543,704.89)	–	6,541,531.22
Goods in transit	20,616.79	54,354.89	–	–	74,971.68
Total	4,609,075.35	2,551,132.44	(543,704.89)	–	6,616,502.90

2022

	Opening balance	Provision for the year	Decrease for the year		Closing balance
			Reversal or transfer	Others	
Finished goods	1,697,336.87	2,891,121.69	–	–	4,588,458.56
Goods in transit	310,867.29	–	(290,250.50)	–	20,616.79
Total	2,008,204.16	2,891,121.69	(290,250.50)	–	4,609,075.35

9. Non-current assets due within one year

	30 September 2025	2024	2023	2022
Long-term receivables due within one year	–	166,672.56	212,389.38	212,389.38

10. Other current assets

	30 September 2025	2024	2023	2022
Input VAT to be credited	10,811,328.49	12,868,950.57	11,780,542.56	5,568,447.48
Input VAT to be verified	71,284,889.84	60,242,560.68	41,286,780.89	22,715,942.95
Prepaid corporation income tax	10,232,013.25	1,886,436.41	4,556,922.12	3,409,427.16
Uncredited VAT	–	1,948,222.93	2,688,435.91	–
Listing expenses	–	14,689,783.73	8,160,929.38	–
Others	64,491.23	78,305.46	1,045,956.30	–
Total	92,392,722.81	91,714,259.78	69,519,567.16	31,693,817.59

11. Debt investments

The information of debt investments is as follows:

	30 September 2025		
	Gross carrying amount	Provision for impairment	Carrying amount
Entrusted loans	–	–	–

	2024		
	Gross carrying amount	Provision for impairment	Carrying amount
Entrusted loans	–	–	–

	2023		
	Gross carrying amount	Provision for impairment	Carrying amount
Entrusted loans	–	–	–

	2022		
	Gross carrying amount	Provision for impairment	Carrying amount
Entrusted loans	105,000,000.00	(105,000,000.00)	–

The changes in impairment allowance for debt investments are as follows:

	Opening balance	Increase for the period/year	Decrease for the period/year	Closing balance
For the nine months ended 30 September 2025	–	–	–	–
2024	–	–	–	–
2023	105,000,000.00	–	(105,000,000.00)	–
2022	110,000,000.00	–	(5,000,000.00)	105,000,000.00

The changes in impairment allowance for the 12-month expected credit losses and the lifetime expected credit losses on debt investments are as follows:

For the nine months ended 30 September 2025

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit loss (not yet credit-impaired)	Stage 3 Lifetime expected credit loss (credit-impaired)	Total
Opening balance	–	–	–	–
Reversal for the period	–	–	–	–
Closing balance	–	–	–	–

2024

	Stage 1 12-month expected credit loss	Stage 2 Lifetime expected credit loss (not yet credit-impaired)	Stage 3 Lifetime expected credit loss (credit-impaired)	Total
Opening balance	–	–	–	–
Reversal for the year	–	–	–	–
Closing balance	–	–	–	–

2023

	Stage 1 12-month expected credit loss	Stage 2 Lifetime expected credit loss (not yet credit-impaired)	Stage 3 Lifetime expected credit loss (credit impairment)	Total
Opening balance	–	–	105,000,000.00	105,000,000.00
Reversal for the year	–	–	(105,000,000.00)	(105,000,000.00)
Closing balance	–	–	–	–

2022

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit loss (not yet credit-impaired)	Stage 3 Lifetime expected credit loss (credit-impaired)	Total
Opening balance	–	–	110,000,000.00	110,000,000.00
Reversal for the year	–	–	(5,000,000.00)	(5,000,000.00)
Closing balance	–	–	105,000,000.00	105,000,000.00

12. Long-term receivables

	30 September 2025	2024	2023	2022
Installment sales of goods	–	318,723.52	499,555.36	670,537.20
Less: Long-term receivables due within one year	–	166,672.56	212,389.38	212,389.38
Total	–	152,050.96	287,165.98	458,147.82

As at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, the Group considered that there was no need to recognise provision for credit impairment for long-term receivables.

13. Long-term equity investments

(1) Breakdown of long-term equity investments

	30 September 2025	2024	2023	2022
Joint ventures				
Weigao Terumo (Weihai) Medical Products Co., Ltd.	–	–	–	–
Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd.	166,775,521.26	142,860,734.28	170,798,000.03	126,742,318.59
Less: Provision for impairment	–	–	–	–
Total	166,775,521.26	142,860,734.28	170,798,000.03	126,742,318.59

(2) Material joint ventures

	Principal places of business/ registration	Nature of business	Whether strategic to the Group's activities or not	Percentage of shareholding (%) Direct	Percentage of shareholding (%) Indirect	Accounting treatment
Joint ventures						
Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd.	Weihai City, Shandong Province	Production and sales of dialysis equipment	Yes	51.00	–	Equity method
Weigao Terumo (Weihai) Medical Products Co., Ltd.	Weihai City, Shandong Province	Production and sales of peritoneal dialysis products	Yes	50.00	–	Equity method

In April 2010, the Company entered into a joint venture agreement with a third party to establish Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd. The registered capital of Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd is USD11,000,000.00. The Company contributed USD5,610,000.00 in cash, representing a 51% share of the capital. Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd has a total of six board members, three of whom are appointed by the Company. According to Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd's articles of association and the Joint Venture Contract of Weigao Nikkiso, resolutions at the shareholders' meeting require the unanimous approval of all joint venture parties. Board meetings are valid only if attended by more than two-thirds of the directors. Major matters concerning Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd. require the unanimous approval of all directors present at the board meeting, while other matters require the approval of more than two-thirds of the directors present at the board meeting. Therefore, the Company and the third party jointly control Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd.

In March 2012, the Company entered into a joint venture agreement with a third party to establish Weigao Terumo (Weihai) Medical Products Co., Ltd. The registered capital of Weigao Terumo (Weihai) Medical Products Co., Ltd is RMB160,000,000.00. The Company contributed RMB80,000,000.00 in cash, representing a 50% share of the capital. Weigao Terumo (Weihai) Medical Products Co., Ltd has a total of six board members, three of whom are appointed by the Company. According to Weigao Terumo (Weihai) Medical Products Co., Ltd's articles of association and the Joint Venture Contract of Weigao Terumo, all shareholders exercise voting rights in proportion to their share of the capital. Resolutions on matters such as amendments to the articles of association require the unanimous approval of all shareholders at the shareholders' meeting. Board meetings are valid only if attended by more than two-thirds of the directors. Major matters concerning Weigao Terumo (Weihai) Medical Products Co., Ltd. require the unanimous approval of all directors present at the board meeting, while other matters require the approval of more than half of the directors. Therefore, the Company and the third party jointly control Weigao Terumo (Weihai) Medical Products Co., Ltd.

(3) Key financial information of material joint ventures

The financial information of Weigao Terumo (Weihai) Medical Products Co., Ltd. is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

	30 September 2025	**2024**	**2023**	**2022**
Current assets	365,366,933.47	329,304,730.14	367,187,941.90	301,143,279.79
Including: Cash and cash equivalents	41,881,450.63	104,202,986.11	40,455,055.87	63,414,461.43
Non-current assets	31,387,008.97	35,224,719.55	41,905,379.65	42,251,573.60
Total assets	396,753,942.44	364,529,449.69	409,093,321.55	343,394,853.39
Current liabilities	63,957,199.39	79,031,647.79	67,217,088.66	86,378,862.85
Non-current liabilities	5,785,917.05	5,378,715.08	6,978,193.62	8,501,640.36
Total liabilities	69,743,116.44	84,410,362.87	74,195,282.28	94,880,503.21
Shareholders' equity attributable to the parent company	327,010,826.00	280,119,086.82	334,898,039.27	248,514,350.18
Share of net assets based on the proportion of equity interest	166,775,521.26	142,860,734.28	170,798,000.03	126,742,318.59
Carrying amount of investments	166,775,521.26	142,860,734.28	170,798,000.03	126,742,318.59

	30 September 2025	2024	2023	2022
Revenue	530,963,461.50	478,924,998.57	623,602,812.41	499,854,856.72
Finance expenses -Interest income	361,236.59	967,482.26	1,341,500.45	933,825.68
Finance expenses – Interest expenses	(241,961.79)	(1,159,868.38)	(43,153.77)	(530,263.85)
Income tax expenses	(15,630,579.73)	(15,002,176.44)	(29,621,673.02)	(27,850,813.33)
Net profit	46,891,739.17	45,221,047.55	86,383,689.10	81,516,771.34
Total comprehensive income	46,891,739.17	45,221,047.55	86,383,689.10	81,516,771.34
Dividend received	–	51,000,000.00	–	19,380,000.00

(4) Key financial information of immaterial joint ventures

The key financial information of Weigao Terumo (Weihai) Medical Products Co., Ltd., a joint venture that is immaterial to the Group is as follows.

	30 September 2025	2024	2023	2022
Joint ventures				
Carrying amount of investments				
Aggregate of the following items computed based on shareholding percentage				
Net profit /(loss)	4,840,442.63	2,629,077.75	(3,061,680.13)	775,978.79
Total comprehensive income / (loss)	4,840,442.63	2,629,077.75	(3,061,680.13)	775,978.79

14. *Investment properties*

Subsequent measurement using cost model:

For the nine months ended 30 September 2025

	Buildings
Opening and closing balance	122,495,943.08
Accumulated depreciation	
Opening balance	30,426,383.47
Provision	2,889,200.69
Closing balance	33,315,584.16
Carrying amount	
As at the end of the period	89,180,358.92
As at the beginning of the period	92,069,559.61

2024

	Buildings
Cost	
Opening balance	145,511,124.96
Transfer from construction in progress	97,087.38
Other transfers out	(23,112,269.26)
Closing balance	122,495,943.08
Accumulated depreciation	
Opening balance	30,261,537.19
Provision	3,873,647.83
Other transfers out	(3,708,801.55)
Closing balance	30,426,383.47
Carrying amount	
As at the end of the year	92,069,559.61
As at the beginning of the year	115,249,587.77

2023

	Buildings
Cost	
Opening balance	89,725,467.63
Transfer from fixed assets	55,785,657.33
Closing balance	145,511,124.96
Accumulated depreciation	
Opening balance	22,669,393.87
Transfer from fixed assets	2,975,034.04
Provision	4,617,109.28
Closing balance	30,261,537.19
Carrying amount	
As at the end of the year	115,249,587.77
As at the beginning of the year	67,056,073.76

2022

	Buildings
Cost	
Opening balance	89,670,421.76
Transfer from fixed assets	55,045.87
Closing balance	89,725,467.63
Accumulated depreciation	
Opening balance	19,817,917.79
Provision	2,851,476.08
Closing balance	22,669,393.87
Carrying amount	
As at the end of the year	67,056,073.76
As at the beginning of the year	69,852,503.97

15. *Fixed assets*

For the nine months ended 30 September 2025

	Buildings	Machinery equipment	Motor vehicles	Other equipment	Total
Cost					
Opening balance	2,175,081,506.79	1,710,880,282.34	16,294,177.04	155,807,574.59	4,058,063,540.76
Acquisitions	–	12,211,645.22	1,191,696.99	3,209,580.42	16,612,922.63
Transfer from construction in progress	165,743,321.02	273,486,021.68	118,920.35	8,833,981.39	448,182,244.44
Disposal and retirement	–	(15,001,946.71)	(19,683.86)	(1,354,337.28)	(16,375,967.85)
Transfer to construction in progress	–	(65,515,626.16)	–	–	(65,515,626.16)
Closing balance	2,340,824,827.81	1,916,060,376.37	17,585,110.52	166,496,799.12	4,440,967,113.82
Accumulated depreciation					
Opening balance	341,794,218.57	987,847,834.57	11,219,853.05	108,638,211.83	1,449,500,118.02
Provision	53,702,386.07	103,775,639.06	1,236,674.86	12,820,094.81	171,534,794.80
Disposal and retirement	–	(12,903,287.06)	(2,257.27)	(1,174,366.84)	(14,079,911.17)
Transfer to construction in progress	–	(62,974,440.46)	–	–	(62,974,440.46)
Closing balance	395,496,604.64	1,015,745,746.11	12,454,270.64	120,283,939.80	1,543,980,561.19
Carrying amount					
As at the end of the period	1,945,328,223.17	900,314,630.26	5,130,839.88	46,212,859.32	2,896,986,552.63
As at the beginning of the period	1,833,287,288.22	723,032,447.77	5,074,323.99	47,169,362.76	2,608,563,422.74

2024

	Buildings	Machinery equipment	Motor vehicles	Other equipment	Total
Cost					
Opening balance	2,106,199,138.13	1,640,832,403.72	15,932,526.66	138,178,742.52	3,901,142,811.03
Acquisitions	–	8,910,834.70	1,647,595.22	17,325,981.81	27,884,411.73
Transfer from construction in progress	45,770,099.40	86,222,495.03	–	1,899,620.69	133,892,215.12
Disposal and retirement	–	(25,085,451.11)	(1,285,944.84)	(1,596,770.43)	(27,968,166.38)
Transfer from investment properties	23,112,269.26	–	–	–	23,112,269.26
Closing balance	2,175,081,506.79	1,710,880,282.34	16,294,177.04	155,807,574.59	4,058,063,540.76
Accumulated depreciation					
Opening balance	268,735,361.37	872,687,688.80	10,316,725.68	91,936,541.81	1,243,676,317.66
Provision	69,350,055.65	134,342,981.27	1,970,225.32	18,103,135.20	223,766,397.44
Disposal and retirement	–	(19,182,835.50)	(1,067,097.95)	(1,401,465.18)	(21,651,398.63)
Transfer from investment properties	3,708,801.55	–	–	–	3,708,801.55
Closing balance	341,794,218.57	987,847,834.57	11,219,853.05	108,638,211.83	1,449,500,118.02
Carrying amount					
As at the end of the year	1,833,287,288.22	723,032,447.77	5,074,323.99	47,169,362.76	2,608,563,422.74
As at the beginning of the year	1,837,463,776.76	768,144,714.92	5,615,800.98	46,242,200.71	2,657,466,493.37

2023

	Buildings	Machinery equipment	Motor vehicles	Other equipment	Total
Cost					
Opening balance	2,079,657,825.67	1,628,190,323.86	13,266,437.46	127,608,080.39	3,848,722,667.38
Acquisitions	6,701,605.60	12,673,807.67	3,022,394.26	13,826,397.19	36,224,204.72
Transfer from construction in progress	52,364,460.05	27,690,735.75	–	1,444,429.37	81,499,625.17
Other increase	23,260,904.14	–	–	–	23,260,904.14
Disposal and retirement	–	(27,722,463.56)	(356,305.06)	(4,700,164.43)	(32,778,933.05)
Transfer to investment properties	(55,785,657.33)	–	–	–	(55,785,657.33)
Closing balance	2,106,199,138.13	1,640,832,403.72	15,932,526.66	138,178,742.52	3,901,142,811.03
Accumulated depreciation					
Opening balance	205,837,777.79	755,355,790.59	8,481,300.69	78,469,063.58	1,048,143,932.65
Provision	65,872,617.62	135,173,858.25	2,147,250.54	17,667,610.50	220,861,336.91
Disposal and retirement	–	(17,841,960.04)	(311,825.55)	(4,200,132.27)	(22,353,917.86)
Transfer to investment properties	(2,975,034.04)	–	–	–	(2,975,034.04)
Closing balance	268,735,361.37	872,687,688.80	10,316,725.68	91,936,541.81	1,243,676,317.66
Carrying amount					
As at the end of the year	1,837,463,776.76	768,144,714.92	5,615,800.98	46,242,200.71	2,657,466,493.37
As at the beginning of the year	1,873,820,047.88	872,834,533.27	4,785,136.77	49,139,016.81	2,800,578,734.73

2022

	Buildings	Machinery equipment	Motor vehicles	Other equipment	Total
Cost					
Opening balance	1,528,378,819.57	1,591,066,025.75	12,634,951.63	110,557,668.95	3,242,637,465.90
Acquisitions	–	60,114,590.50	994,723.52	15,368,977.18	76,478,291.20
Transfer from construction in progress	449,369,907.81	11,646,852.52	–	2,454,624.05	463,471,384.38
Other increase	101,964,144.16	–	–	–	101,964,144.16
Disposal and retirement	–	(34,637,144.91)	(363,237.69)	(773,189.79)	(35,773,572.39)
Transfer to investment properties	(55,045.87)	–	–	–	(55,045.87)
Closing balance	2,079,657,825.67	1,628,190,323.86	13,266,437.46	127,608,080.39	3,848,722,667.38
Accumulated depreciation					
Opening balance	147,856,187.25	630,162,278.74	6,675,566.76	63,785,637.75	848,479,670.50
Provision	57,981,590.54	149,014,820.80	1,929,007.42	15,395,405.34	224,320,824.10
Disposal and retirement	–	(23,821,308.95)	(123,273.49)	(711,979.51)	(24,656,561.95)
Closing balance	205,837,777.79	755,355,790.59	8,481,300.69	78,469,063.58	1,048,143,932.65
Carrying amount					
As at the end of the year	1,873,820,047.88	872,834,533.27	4,785,136.77	49,139,016.81	2,800,578,734.73
As at the beginning of the year	1,380,522,632.32	960,903,747.01	5,959,384.87	46,772,031.20	2,394,157,795.40

Fixed assets leased out through operating leases are as follows:

For the nine months ended 30 September 2025

	Buildings	Machinery equipment	Total
Cost			
Opening balance	336,451,929.76	12,762,724.51	349,214,654.27
Transfer from construction in progress	560,477.16	–	560,477.16
Closing balance	337,012,406.92	12,762,724.51	349,775,131.43
Accumulated depreciation			
Opening balance	61,086,664.49	5,488,873.48	66,575,537.97
Provision	8,446,014.99	939,627.77	9,385,642.76
Closing balance	69,532,679.48	6,428,501.25	75,961,180.73
Carrying amount			
As at the end of the period	267,479,727.44	6,334,223.26	273,813,950.70
As at the beginning of the period	275,365,265.27	7,273,851.03	282,639,116.30

2024

	Buildings	Machinery equipment	Total
Cost			
Opening balance	333,383,802.42	12,762,724.51	346,146,526.93
Other increase	3,068,127.34	–	3,068,127.34
Closing balance	336,451,929.76	12,762,724.51	349,214,654.27
Accumulated depreciation			
Opening balance	50,584,343.56	3,609,617.96	54,193,961.52
Provision	10,502,320.93	1,879,255.52	12,381,576.45
Closing balance	61,086,664.49	5,488,873.48	66,575,537.97
Carrying amount			
As at the end of the year	275,365,265.27	7,273,851.03	282,639,116.30
As at the beginning of the year	282,799,458.86	9,153,106.55	291,952,565.41

2023

	Buildings	Machinery equipment	Total
Cost			
Opening balance	238,011,380.38	12,918,337.25	250,929,717.63
Other increase	15,132,024.99	–	15,132,024.99
Closing balance	253,143,405.37	12,918,337.25	266,061,742.62
Accumulated depreciation			
Opening balance	36,458,078.62	2,038,484.36	38,496,562.98
Provision	7,803,436.93	1,844,932.31	9,648,369.24
Closing balance	44,261,515.55	3,883,416.67	48,144,932.22
Carrying amount			
As at the end of the year	208,881,889.82	9,034,920.58	217,916,810.40
As at the beginning of the year	201,553,301.76	10,879,852.89	212,433,154.65

2022

	Buildings	Machinery equipment	Total
Cost			
Opening balance	286,894,809.19	5,739,683.58	292,634,492.77
Acquisitions	–	7,422,016.52	7,422,016.52
Other increase	35,968,119.42	–	35,968,119.42
Closing balance	322,862,928.61	13,161,700.10	336,024,628.71
Accumulated depreciation			
Opening balance	35,724,839.27	582,157.83	36,306,997.10
Provision	9,799,154.88	1,473,666.14	11,272,821.02
Closing balance	45,523,994.15	2,055,823.97	47,579,818.12
Carrying amount			
As at the end of the year	277,338,934.46	11,105,876.13	288,444,810.59
As at the beginning of the year	251,169,969.92	5,157,525.75	256,327,495.67

16. Construction in progress

For the nine months ended 30 September 2025

	Opening balance	Increases during the period	Transfer to fixed assets during the period	Other decrease	Closing balance
Weigao Blood Purification (Weihai) Plant	380,568,434.34	47,319,700.47	(220,986,391.30)	–	206,901,743.51
Weigao Blood Purification (Ganzhou) Plant	262,688,337.16	59,537,580.08	(223,739,244.84)	–	98,486,672.40
Weigao Blood Purification (Chengdu) Plant	124,859,316.19	6,177,776.96	(3,456,608.30)	–	127,580,484.85
Total	768,116,087.69	113,035,057.51	(448,182,244.44)	–	432,968,900.76

2024

	Opening balance	Increases during the year	Transfer to fixed assets during the period	Other decrease	Closing balance
Weigao Blood Purification (Weihai) Plant	330,610,958.20	108,329,981.97	(55,964,838.48)	(2,407,667.35)	380,568,434.34
Weigao Blood Purification (Ganzhou) Plant	211,043,696.55	51,644,640.61	–	–	262,688,337.16
Weigao Blood Purification (Chengdu) Plant	126,111,420.31	76,772,359.90	(78,024,464.02)	–	124,859,316.19
Total	667,766,075.06	236,746,982.48	(133,989,302.50)	(2,407,667.35)	768,116,087.69

2023

	Opening balance	Increases during the year	Transfer to fixed assets during the year	Other decrease	Closing balance
Weigao Blood Purification (Weihai) Plant	355,514,553.68	56,998,894.90	(80,455,386.55)	(1,447,103.83)	330,610,958.20
Weigao Blood Purification (Ganzhou) Plant	81,904,994.39	129,138,702.16	–	–	211,043,696.55
Weigao Blood Purification (Chengdu) Plant	112,070,043.03	15,085,615.90	(1,044,238.62)	–	126,111,420.31
Total	549,489,591.10	201,223,212.96	(81,499,625.17)	(1,447,103.83)	667,766,075.06

2022

	Opening balance	Increases during the year	Transfer to fixed assets during the year	Other decrease	Closing balance
Weigao Blood Purification (Weihai) Plant	735,779,570.24	67,076,892.21	(447,102,826.21)	(239,082.56)	355,514,553.68
Weigao Blood Purification (Ganzhou) Plant	13,897,495.76	68,007,498.63	–	–	81,904,994.39
Weigao Blood Purification (Chengdu) Plant	74,592,044.36	53,846,556.84	(16,368,558.17)	–	112,070,043.03
Total	824,269,110.36	188,930,947.68	(463,471,384.38)	(239,082.56)	549,489,591.10

17. *Right-of-use assets*

For the nine months ended 30 September 2025

	Buildings
Cost	
Opening balance	56,328,460.09
Increase	2,130,127.20
Closing balance	58,458,587.29
Accumulated depreciation	
Opening balance	48,588,015.64
Provision	5,768,625.43
Closing balance	54,356,641.07
Carrying amount	
As at the end of the period	4,101,946.22
As at the beginning of the period	7,740,444.45

2024

	Buildings
Cost	
Opening balance	45,137,255.36
Increase	11,191,204.73
Closing balance	56,328,460.09
Accumulated depreciation	
Opening balance	40,571,165.34
Provision	8,016,850.30
Closing balance	48,588,015.64
Carrying amount	
As at the end of the year	7,740,444.45
As at the beginning of the year	4,566,090.02

2023

	Buildings
Cost	
Opening balance	37,909,525.68
Increase	7,227,729.68
Closing balance	45,137,255.36
Accumulated depreciation	
Opening balance	33,575,098.69
Provision	6,996,066.65
Closing balance	40,571,165.34
Carrying amount	
As at the end of the year	4,566,090.02
As at the beginning of the year	4,334,426.99

2022

	Buildings
Cost	
Opening balance	28,999,494.24
Increase	8,910,031.44
Closing balance	37,909,525.68
Accumulated depreciation	
Opening balance	28,215,454.07
Provision	5,359,644.62
Closing balance	33,575,098.69
Carrying amount	
As at the end of the year	4,334,426.99
As at the beginning of the year	784,040.17

18. Intangible assets

For the nine months ended 30 September 2025

	Land use rights	Software	Total
Cost			
Opening balance	355,230,895.54	14,110,713.63	369,341,609.17
Acquisitions	–	39,491.15	39,491.15
Closing balance	355,230,895.54	14,150,204.78	369,381,100.32
Accumulated amortisation			
Opening balance	63,254,876.73	10,425,828.19	73,680,704.92
Provision	5,672,283.35	485,197.58	6,157,480.93
Closing balance	68,927,160.08	10,911,025.77	79,838,185.85
Carrying amount			
As at the end of the period	286,303,735.46	3,239,179.01	289,542,914.47
As at the beginning of the period	291,976,018.81	3,684,885.44	295,660,904.25

2024

	Land use rights	Software	Total
Cost			
Opening balance	355,230,895.54	12,438,068.97	367,668,964.51
Acquisitions	–	1,672,644.66	1,672,644.66
Closing balance	355,230,895.54	14,110,713.63	369,341,609.17
Accumulated amortisation			
Opening balance	55,691,832.27	9,183,383.18	64,875,215.45
Provision	7,563,044.46	1,242,445.01	8,805,489.47
Closing balance	63,254,876.73	10,425,828.19	73,680,704.92
Carrying amount			
As at the end of the year	291,976,018.81	3,684,885.44	295,660,904.25
As at the beginning of the year	299,539,063.27	3,254,685.79	302,793,749.06

2023

	Land use rights	Software	Total
Cost			
Opening balance	341,657,098.54	12,341,142.01	353,998,240.55
Acquisitions	13,573,797.00	96,926.96	13,670,723.96
Closing balance	355,230,895.54	12,438,068.97	367,668,964.51
Accumulated amortisation			
Opening balance	48,293,752.17	7,912,334.50	56,206,086.67
Provision	7,398,080.10	1,271,048.68	8,669,128.78
Closing balance	55,691,832.27	9,183,383.18	64,875,215.45
Carrying amount			
As at the end of the year	299,539,063.27	3,254,685.79	302,793,749.06
As at the beginning of the year	293,363,346.37	4,428,807.51	297,792,153.88

2022

	Land use rights	Software	Total
Cost			
Opening balance	341,657,098.54	12,111,706.38	353,768,804.92
Acquisitions	–	229,435.63	229,435.63
Closing balance	341,657,098.54	12,341,142.01	353,998,240.55
Accumulated amortisation			
Opening balance	41,176,719.71	6,675,923.14	47,852,642.85
Provision	7,117,032.46	1,236,411.36	8,353,443.82
Closing balance	48,293,752.17	7,912,334.50	56,206,086.67
Carrying amount			
As at the end of the year	293,363,346.37	4,428,807.51	297,792,153.88
As at the beginning of the year	300,480,378.83	5,435,783.24	305,916,162.07

19. *Long-term deferred expenditures*

	30 September 2025	2024	2023	2022
Employee benefits	5,424,765.61	7,492,917.61	11,475,539.02	15,910,547.75
Others	2,427,469.61	268,370.02	6,354.88	80,694.25
Total	7,852,235.22	7,761,287.63	11,481,893.90	15,991,242.00

20. *Deferred tax assets/liabilities*

(1) Gross deferred tax assets before offsetting

	30 September 2025	
	Deductible temporary differences	Deferred income tax assets
Provisions for asset impairment	135,812,708.20	27,885,625.58
Financial guarantee contracts	135,032,264.76	20,254,839.71
Unrealised profits from internal transactions	65,884,862.18	16,471,215.55
Deferred income	7,964,033.78	1,194,605.07
Lease liabilities	4,871,248.35	1,150,849.17
Deductible losses	2,429,336.86	607,334.21
Receivables financing changes in fair value	273,050.53	40,957.58
Total	352,267,504.66	67,605,426.87

	2024	
	Deductible temporary differences	Deferred income tax assets
Financial guarantee contracts	124,814,090.72	18,722,113.61
Provisions for asset impairment	123,424,899.42	25,302,377.38
Unrealised profits from internal transactions	72,258,912.16	18,064,728.04
Deferred income	13,640,913.58	2,046,137.04
Lease liabilities	7,995,686.02	1,986,729.70
Deductible losses	2,429,336.86	607,334.21
Adjustments to gain or loss of long-term equity investments	2,262,699.88	339,404.98
Receivables financing changes in fair value	191,225.00	28,683.75
Total	347,017,763.64	67,097,508.71

	2023	
	Deductible temporary differences	Deferred income tax assets
Financial guarantee contracts	106,609,373.16	15,991,405.97
Provisions for asset impairment	101,180,658.72	20,587,935.41
Unrealised profits from internal transactions	74,445,743.88	18,611,435.97
Deductible losses	36,916,433.54	9,228,776.18
Deferred income	19,334,680.05	2,900,202.01
Lease liabilities	3,909,891.81	785,183.34
Accrued expenses	1,402,153.10	350,538.29
Receivables financing changes in fair value	361,034.27	54,155.14
Total	344,159,968.53	68,509,632.31

	2022	
	Deductible temporary differences	Deferred income tax assets
Provisions for asset impairment	190,794,936.17	33,739,084.74
Unrealised profits from internal transactions	81,412,734.18	20,353,183.55
Deductible losses	52,020,806.52	13,004,869.44
Deferred income	22,208,446.56	3,331,266.98
Adjustments to gain or loss of long-term equity investments	12,289,886.01	1,843,482.90
Lease liabilities	3,756,762.04	563,514.31
Accrued expenses	2,295,759.99	573,940.00
Receivables financing changes in fair value	189,802.81	28,470.42
Total	364,969,134.28	73,437,812.34

(2) *Gross deferred tax liabilities before offsetting*

	30 September 2025	
	Taxable temporary differences	Deferred income tax liabilities
Adjustments to gain or loss of long-term equity investments	26,376,012.33	3,956,401.85
Depreciation of fixed assets	11,343,517.70	2,156,074.15
Right-of-use assets	3,788,831.30	881,144.07
Total	41,508,361.33	6,993,620.07

	2024	
	Taxable temporary differences	Deferred income tax liabilities
Depreciation of fixed assets	13,705,491.14	2,695,109.97
Right-of-use assets	7,439,164.54	1,847,878.28
Total	21,144,655.68	4,542,988.25

	2023	
	Taxable temporary differences	Deferred income tax liabilities
Depreciation of fixed assets	15,821,531.37	3,167,140.09
Right-of-use assets	4,566,090.02	958,402.28
Adjustments to gain or loss of long-term equity investments	10,023,424.77	1,503,513.72
Total	30,411,046.16	5,629,056.09

	2022	
	Taxable temporary differences	Deferred income tax liabilities
Depreciation of fixed assets	17,747,067.84	3,584,392.86
Right-of-use assets	4,334,426.99	717,366.30
Interest income	1,549,694.43	232,454.16
Total	23,631,189.26	4,534,213.32

(3) Deferred tax assets or liabilities presented on a net basis after offsetting

	30 September 2025		2024	
	Offset amount	Balance after offsetting	Offset amount	Balance after offsetting
Deferred income tax assets	6,993,620.07	60,611,806.80	4,542,988.25	62,554,520.46
Deferred income tax liabilities	6,993,620.07	–	4,542,988.25	–

	2023		2022	
	Offset amount	Balance after offsetting	Offset amount	Balance after offsetting
Deferred income tax assets	5,629,056.09	62,880,576.22	4,534,213.32	68,903,599.02
Deferred income tax liabilities	5,629,056.09	–	4,534,213.32	–

(4) Details of unrecognised deferred income tax assets

	30 September 2025	2024	2023	2022
Deductible temporary differences	6,829,090.28	10,761,867.13	24,890,035.94	55,171,972.52
Deductible losses	145,786,365.24	166,513,623.81	167,827,020.02	142,502,578.11
Total	152,615,455.52	177,275,490.94	192,717,055.96	197,674,550.63

(5) Maturity analysis of deductible losses on unrecognised deferred tax assets

	30 September 2025	2024	2023	2022
2023	–	–	–	2,222,830.25
2024	–	–	19,338,848.20	19,338,848.20
2025	–	25,467,461.01	29,858,115.53	29,858,115.53
2026	21,669,416.12	40,686,304.36	42,645,391.20	47,723,466.97
2027	39,256,258.25	39,264,717.17	43,359,317.16	43,359,317.16
2028	31,937,868.30	32,625,347.93	32,625,347.93	–
2029	28,469,793.34	28,469,793.34	–	–
2030 and onwards	24,453,029.23	–	–	–
Total	145,786,365.24	166,513,623.81	167,827,020.02	142,502,578.11

PT WEGO HEALTHCARE INDONESIA, a subsidiary of the Group, was established in Indonesia and according to the local tax laws, its tax losses are deductible for a period of 5 years. The Group's subsidiaries, including Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd., Weigao Blood Purification Products (Ganzhou) Co., Ltd., Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd. and Shandong Akesuo Medical Technology Co., Ltd. were established in Mainland China and according to tax laws in China, their tax losses are deductible for a period of 5 years.

As it is unlikely for the companies incurring the aforesaid deductible temporary differences and deductible losses to report profit in future, there is insufficient profit available to offset the loss and the Group did not recognise deferred tax asset in respect of the aforesaid deductible temporary differences and deductible losses.

The Group recognises deferred tax assets arising from deductible temporary differences to the extent that it is probable that taxable income will be available against which deductible temporary differences and deductible tax losses can be utilised in future periods, calculated at the tax rates applicable to the periods during which the assets are expected to be recovered or the liabilities are expected to be settled.

21. *Other non-current assets*

	30 September 2025	2024	2023	2022
Prepaid engineering equipment payments	2,893,364.21	529,946.00	10,453,376.42	25,887,703.84
Uncredited VAT	399,526.11	25,469,480.78	20,443,993.55	7,459,680.25
Others	2,405,088.00	2,090,028.00	5,010,035.00	5,576,225.00
Total	5,697,978.32	28,089,454.78	35,907,404.97	38,923,609.09

22. *Assets subject to restriction on ownership or right of use*

30 September 2025

	Book balance	Book value	Type of restriction	Restriction
Currency funds	1,984,910.46	1,984,910.46	Frozen	Deposits for acceptance bills and deposits for guarantee letter

2024

	Book balance	Book value	Type of restriction	Restriction
Currency funds	22,060,258.73	22,060,258.73	Frozen	Deposits for acceptance bills and deposits for guarantee letter
Accounts receivable	2,140,000.00	2,140,000.00	Pledge	Pledged for borrowings
Receivables financing	1,037,000.00	1,037,000.00	Pledge	Pledged for borrowings
Total	25,237,258.73	25,237,258.73		

2023

	Book balance	Book value	Type of restriction	Restriction
Currency funds	27,077,000.83	27,077,000.83	Frozen	Deposits for acceptance bills and deposits for guarantee letter
Receivables financing	6,900,000.00	6,900,000.00	Pledge	Pledged for borrowings
Notes receivable	3,462,682.00	3,462,682.00	Pledge	Pledged to issue notes payable
Fixed assets	2,263,535.75	2,263,535.75	Preservation	Preservative measures
Total	39,703,218.58	39,703,218.58		

2022

	Book balance	Book value	Type of restriction	Restriction
Currency funds	24,068,804.39	24,068,804.39	Frozen	Deposits for acceptance bills, deposits for guarantee letter and deposits for letter of credit
Receivables financing	26,187,824.60	26,187,824.60	Pledge	Pledged to issue notes payable
Total	50,256,628.99	50,256,628.99		

23. *Short-term borrowings*

Classification of short-term borrowings

	30 September 2025	2024	2023	2022
Pledge borrowings	–	3,177,000.00	6,644,718.06	–
Unsecured borrowings	–	–	–	41,842,531.50
Total	–	3,177,000.00	6,644,718.06	41,842,531.50

24. *Accounts payable*

Accounts payable are non-interest bearing and are generally settled within an agreed period.

An ageing analysis of accounts payable is as follows:

	30 September 2025	2024	2023	2022
Within 1 year	568,749,035.32	358,745,734.11	622,532,861.88	611,284,852.53
1 to 2 years	3,069,615.44	2,313,539.29	1,056,978.01	9,283,469.43
2 to 3 years	816,879.83	805,906.27	442,313.77	245,955.91
Over 3 years	856,114.56	718,799.02	841,755.98	1,628,996.83
Total	573,491,645.15	362,583,978.69	624,873,909.64	622,443,274.70

The ageing of accounts payable was calculated from the date the procurement was made.

25. Contract liabilities

	30 September 2025	2024	2023	2022
Advance receipts	206,111,854.40	295,384,937.01	249,516,602.66	293,070,815.24

26. Employee benefits payable

For the nine months ended 30 September 2025

	Opening balance	Increases during the period	Decreases during the period	Closing balance
Wages, bonuses, allowances and subsidies	94,999,156.40	421,870,153.30	454,826,915.73	62,042,393.97
Staff welfare	3,207,971.13	32,398,635.11	22,550,760.78	13,055,845.46
Social insurance contribution	320,615.96	23,689,916.94	23,723,248.08	287,284.82
Including: Medical insurance contribution	309,363.41	22,308,464.36	22,345,895.95	271,931.82
Workers' compensation insurance premium	9,220.16	1,153,883.04	1,151,673.76	11,429.44
Maternity insurance premium	2,032.39	227,569.54	225,678.37	3,923.56
Housing provident fund	203,493.18	8,173,671.29	8,168,903.48	208,260.99
Trade union funds and staff education funds	52,861,297.02	6,583,495.02	4,381,140.97	55,063,651.07
	151,592,533.69	492,715,871.66	513,650,969.04	130,657,436.31
Defined contribution plan	589,289.93	30,066,586.31	30,116,882.76	538,993.48
Including: Basic pension insurance contribution	572,072.12	28,889,015.49	28,938,064.67	523,022.94
Unemployment insurance contribution	17,217.81	1,177,570.82	1,178,818.09	15,970.54
Total	152,181,823.62	522,782,457.97	543,767,851.80	131,196,429.79

2024

	Opening balance	Increases during the year	Decreases during the year	Closing balance
Wages, bonuses, allowances and subsidies	107,113,405.48	448,078,834.27	460,193,083.35	94,999,156.40
Staff welfare	1,855,913.33	30,710,976.65	29,358,918.85	3,207,971.13
Social insurance contribution	283,598.35	20,532,399.11	20,495,381.50	320,615.96
Including: Medical insurance contribution	271,094.85	18,834,489.44	18,796,220.88	309,363.41
Workers' compensation insurance premium	11,055.13	1,622,096.65	1,623,931.62	9,220.16
Maternity insurance premium	1,448.37	75,813.02	75,229.00	2,032.39
Housing provident fund	146,469.01	10,393,929.64	10,336,905.47	203,493.18
Trade union funds and staff education funds	49,073,326.40	14,392,705.30	10,604,734.68	52,861,297.02
	158,472,712.57	524,108,844.97	530,989,023.85	151,592,533.69
Defined contribution plan	474,101.04	38,947,158.10	38,831,969.21	589,289.93
Including: Basic pension insurance contribution	461,667.76	37,435,407.13	37,325,002.77	572,072.12
Unemployment insurance contribution	12,433.28	1,511,750.97	1,506,966.44	17,217.81
Total	158,946,813.61	563,056,003.07	569,820,993.06	152,181,823.62

2023

	Opening balance	Increases during the year	Decreases during the year	Closing balance
Wages, bonuses, allowances and subsidies	119,171,947.42	479,755,674.74	491,814,216.68	107,113,405.48
Staff welfare	3,944,318.33	28,955,110.10	31,043,515.10	1,855,913.33
Social insurance contribution	253,973.14	21,882,515.87	21,852,890.66	283,598.35
Including: Medical insurance contribution	245,993.22	19,653,326.78	19,628,225.15	271,094.85
Workers' compensation insurance premium	6,060.59	2,158,645.87	2,153,651.33	11,055.13
Maternity insurance premium	1,919.33	70,543.22	71,014.18	1,448.37
Housing provident fund	166,525.26	10,921,264.95	10,941,321.20	146,469.01
Trade union funds and staff education funds	42,782,248.37	14,841,276.22	8,550,198.19	49,073,326.40
	166,319,012.52	556,355,841.88	564,202,141.83	158,472,712.57
Defined contribution plan	437,921.90	37,332,405.99	37,296,226.85	474,101.04
Including: Basic pension insurance contribution	424,109.94	35,915,660.06	35,878,102.24	461,667.76
Unemployment insurance contribution	13,811.96	1,416,745.93	1,418,124.61	12,433.28
Total	166,756,934.42	593,688,247.87	601,498,368.68	158,946,813.61

2022

	Opening balance	Increases during the year	Decreases during the year	Closing balance
Wages, bonuses, allowances and subsidies	98,761,667.20	423,438,633.55	403,028,353.33	119,171,947.42
Staff welfare	1,075,356.53	26,167,867.43	23,298,905.63	3,944,318.33
Social insurance contribution	217,303.43	19,472,561.37	19,435,891.66	253,973.14
Including: Medical insurance contribution	209,031.82	17,787,979.58	17,751,018.18	245,993.22
Workers' compensation insurance premium	7,942.44	1,604,234.20	1,606,116.05	6,060.59
Maternity insurance premium	329.17	80,347.59	78,757.43	1,919.33
Housing provident fund	136,073.39	9,912,744.75	9,882,292.88	166,525.26
Trade union funds and staff education funds	32,691,118.25	13,115,519.11	3,024,388.99	42,782,248.37
	132,881,518.80	492,107,326.21	458,669,832.49	166,319,012.52
Defined contribution plan	364,479.24	35,362,236.42	35,288,793.76	437,921.90
Including: Basic pension insurance contribution	351,893.51	34,055,606.06	33,983,389.63	424,109.94
Unemployment insurance contribution	12,585.73	1,306,630.36	1,305,404.13	13,811.96
Total	133,245,998.04	527,469,562.63	493,958,626.25	166,756,934.42

27. *Taxes payable*

	30 September 2025	2024	2023	2022
Value-added tax	11,965,885.09	33,406,840.64	40,132,766.77	48,933,135.29
Corporate income tax	10,005,264.93	36,189,469.71	18,030,563.89	10,076,078.79
Individual income tax	1,213,715.42	913,761.92	1,124,439.81	1,578,824.49
Property tax	3,414,110.63	3,199,655.76	3,010,396.58	3,006,002.67
Land use tax	1,052,188.55	1,052,188.55	97,591.79	978,473.66
Urban maintenance and construction tax	890,352.14	1,987,395.31	2,909,580.54	3,505,046.51
Other taxes	627,799.69	385,680.37	458,328.99	408,244.09
Education surcharge	420,169.26	870,341.48	1,272,036.80	1,535,556.21
Local education surcharge	279,114.32	579,229.16	847,538.78	1,022,705.65
Total	29,868,600.03	78,584,562.90	67,883,243.95	71,044,067.36

28. *Other current liabilities*

	30 September 2025	2024	2023	2022
Financial guarantee contracts	135,032,264.76	124,814,090.72	106,609,373.16	–
Unsettled output VAT	10,337,403.34	14,031,492.77	3,570,915.75	9,579,905.88
Total	145,369,668.10	138,845,583.49	110,180,288.91	9,579,905.88

29. *Lease liabilities*

	30 September 2025	2024	2023	2022
Lease liabilities arising from houses and buildings	5,133,648.88	8,122,354.62	3,909,891.81	3,756,762.04
Less: Due within one year	5,022,721.55	5,476,379.99	2,874,241.57	1,922,896.17
Total	110,927.33	2,645,974.63	1,035,650.24	1,833,865.87

A maturity analysis of lease liabilities is as follows:

	30 September 2025	2024	2023	2022
Within 1 year	5,022,721.55	5,476,379.99	2,874,241.57	1,922,896.17
1 to 2 years	110,927.33	2,240,255.80	1,035,650.24	1,833,865.87
More than 2 years	–	405,718.83	–	–
Total	5,133,648.88	8,122,354.62	3,909,891.81	3,756,762.04

30. *Deferred income*

	30 September 2025	2024	2023	2022
Government grants	74,074,388.03	78,966,581.48	89,992,284.24	98,352,987.04

31. *Share capital*

For the nine months ended 30 September 2025

	Opening balance	Changes for the period			Closing balance
		Capital increase *(Note 2, Note 3)*	Capitalisation of capital reserves	Subtotal	
Share capital	370,254,659.00	47,499,407.00	–	47,499,407.00	417,754,066.00

2024

	Opening balance	Changes for the year			Closing balance
		Capital increase	Capitalisation of capital reserves	Subtotal	
Share capital	370,254,659.00	–	–	–	370,254,659.00

2023

	Opening balance	Changes for the year			Closing balance
		Capital increase	Capitalisation of capital reserves	Subtotal	
Share capital	370,254,659.00	–	–	–	370,254,659.00

2022

	Opening balance	Changes for the year			Closing balance
		Capital increase *(Note 1)*	Capitalisation of capital reserves	Subtotal	
Share capital	350,000,000.00	20,254,659.00	–	20,254,659.00	370,254,659.00

Note 1: On 9 March 2022, a resolution was passed at the shareholders' meeting of the Company to increase its registered capital by RMB20,254,659.00, which was subscribed for by Xiamen Huaxing Lingpei Venture Investment Partnership (Limited Partnership), Tianjin Huaxing Zhikai Venture Investment Partnership (Limited Partnership), Jiaxing Chenyi Huihong Equity Investment Partnership (Limited Partnership), Sunshine Life Insurance Corporation Limited, Jiangxi Jilin Xinsheng Enterprise Management Co., Ltd., Jiaxing Renying Equity Investment Partnership (Limited Partnership), Grand Begonia Limited Partnership, Rosy Vigor Asia L.P., XJ Champion HK Limited, HLC Healthcare III HK Limited, and Eastern Handson Holdings Limited (collectively, the "**Investors**"). Concurrently, Weigao Holding transferred RMB23,026,280.00 of registered capital held by it to the Investors. Following these changes, the registered capital amounted to RMB370,254,659.00. The Investors contributed RMB624,214,989.18 in cash. After deducting expenses related to this capital increase totaling RMB1,666,762.74, the paid-in capital increased by RMB20,254,659.00, and the capital reserves-share premium increased by RMB602,293,567.44. These changes were verified by Ernst & Young Hua Ming LLP, which issued the Capital Verification Report (EYHM (2022) Yan Zi No. 61753482_J01).

Note 2: Approved by the *Approval of the Registration for the Initial Public Offering of Shares by Shandong Weigao Blood Purification Products Co., Ltd.* (CSRC Approval [2025] No. 526) issued by the CSRC, and with the consent of the Shanghai Stock Exchange, the shares of the Company were listed for trading on the Shanghai Stock Exchange on 19 May 2025. A total of 41,139,407 RMB-denominated ordinary shares (A shares) of the Company were issued for the first time at a price of RMB26.50 per share. Following the issuance, the Company's registered capital amounted to RMB411,394,066.00, with a total of 41,139,407 shares. This change was verified by Ernst & Young Hua Ming LLP, which issued the Capital Verification Report (EYHM (2025) Yan Zi No. 70065792_J02).

Note 3: Pursuant to the authorisation granted by the relevant resolutions in the *Proposal on the Company's 2025 Restricted Share Incentive Plan (Draft) and its Summary* passed at the shareholders' meeting of the Company on 15 September 2025, and the *Proposal on Granting Restricted Shares to Eligible Employees under the 2025 Restricted Share Incentive Plan* deliberated and passed at the 15th meeting of the second session of board of directors of the Company, the Company granted a total of 6,360,000 restricted shares to 120 eligible employees. As of 19 September 2025, the Company had received the subscription payments of RMB125,737,200 for restricted shares from the 120 eligible employees in the form of currency funds. Upon completion of the aforementioned grant, the registered capital of the Company amounted to RMB417,754,066, with a total of 417,754,066 shares. This change was verified by Ernst & Young Hua Ming LLP, which issued the Capital Verification Report (EYHM (2025) Yan Zi No. 70065792_J03).

32. *Capital reserves*

For the nine months ended 30 September 2025

	Opening balance	Increases for the period	Decreases for the period	Closing balance
Share premium *(Note 3)*	2,969,715,115.51	1,056,128,896.87	–	4,025,844,012.38
Disposal of subsidiaries under common control	207,037,108.12	–	–	207,037,108.12
Share-based payments *(Note X)*	161,951,877.57	6,766,845.74	–	168,718,723.31
Others	361,660,353.14	–	–	361,660,353.14
Total	3,700,364,454.34	1,062,895,742.61	–	4,763,260,196.95

2024

	Opening balance	Increases for the year	Decreases for the year	Closing balance
Share premium	2,969,715,115.51	–	–	2,969,715,115.51
Disposal of subsidiaries under common control	207,037,108.12	–	–	207,037,108.12
Share-based payments *(Note X)*	150,981,627.76	10,970,249.81	–	161,951,877.57
Others	361,660,353.14	–	–	361,660,353.14
Total	3,689,394,204.53	10,970,249.81	–	3,700,364,454.34

2023

	Opening balance	Increases for the year	Decreases for the year	Closing balance
Share premium	2,969,715,115.51	–	–	2,969,715,115.51
Disposal of subsidiaries under common control	207,037,108.12	–	–	207,037,108.12
Share-based payments *(Note X)*	123,984,578.08	26,997,049.68	–	150,981,627.76
Others *(Note 2)*	361,444,933.14	215,420.00	–	361,660,353.14
Total	3,662,181,734.85	27,212,469.68	–	3,689,394,204.53

2022

	Opening balance	Increases for the year	Decreases for the year	Closing balance
Share premium *(Note 1)*	2,367,421,548.07	602,293,567.44	–	2,969,715,115.51
Disposal of subsidiaries under common control	207,037,108.12	–	–	207,037,108.12
Share-based payments *(Note X)*	71,021,278.26	52,963,299.82	–	123,984,578.08
Others	361,444,933.14	–	–	361,444,933.14
Total	3,006,924,867.59	655,256,867.26	–	3,662,181,734.85

Note 1: In March 2022, the Investors injected capital into the Company, increasing the capital reserves by RMB602,293,567.44. Refer to Note I to Note VI.31 for details.

Note 2: Weigao Holding issued bonuses to the employees of the Company, and recognised capital reserves of RMB215,420.00 in 2023.

Note 3: In May 2025, the Company was approved to publicly issue RMB-denominated ordinary shares (A shares) to the public for the first time, increasing the capital reserves by RMB1,049,054,878.50. Refer to Note II to Note VI. 31 for details. In addition, the listing expenses related to the issuance amounting to RMB112,303,181.62 were included in the period as capital expenditures, offsetting against the capital reserves recognised in the previous period. In September 2025, the Company received the subscription payments for restricted shares from the 120 eligible employees in the form of currency funds, increasing the capital reserves by RMB119,377,200.00. Refer to Note III to Note VI.31 for details.

33. *Other comprehensive loss*

Accumulated balance of other comprehensive loss attributable to the shareholders of the parent company in the consolidated balance sheet:

For the nine months ended 30 September 2025

	1 January 2025	Movements	30 September 2025
Changes in fair value of receivables financing	(172,839.60)	(59,253.35)	(232,092.95)

2024

	1 January 2024	Movements	31 December 2024
Changes in fair value of receivables financing	(311,716.33)	138,876.73	(172,839.60)

2023

	1 January 2023	Movements	31 December 2023
Changes in fair value of receivables financing	(173,665.05)	(138,051.28)	(311,716.33)

2022

	1 January 2022	Movements	31 December 2022
Changes in fair value of receivables financing	(364,331.59)	190,666.54	(173,665.05)

Amount of other comprehensive loss:

For the nine months ended 30 September 2025

	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company
Other comprehensive income that will be reclassified to profit or loss			
Changes in fair value of receivables financing	(71,527.18)	(12,273.83)	(59,253.35)

2024

	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company
Other comprehensive income that will be reclassified to profit or loss			
Changes in fair value of receivables financing	164,348.12	25,471.39	138,876.73

2023

	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company
Other comprehensive income that will be reclassified to profit or loss			
Changes in fair value of receivables financing	(163,736.00)	(25,684.72)	(138,051.28)

2022

	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company
Other comprehensive income that will be reclassified to profit or loss			
Changes in fair value of receivables financing	226,489.93	35,823.39	190,666.54

34. Surplus reserves

For the nine months ended 30 September 2025

	Opening balance	Increases for the period	Decreases for the period	Closing balance
Statutory surplus reserves	200,365,749.66	–	–	200,365,749.66

2024

	Opening balance	Increases for the year	Decreases for the year	Closing balance
Statutory surplus reserves	159,579,307.05	40,786,442.61	–	200,365,749.66

2023

	Opening balance	Increases for the year	Decreases for the year	Closing balance
Statutory surplus reserves	112,679,962.53	46,899,344.52	–	159,579,307.05

2022

	Opening balance	Increases for the year	Decreases for the year	Closing balance
Statutory surplus reserves	64,714,672.45	47,965,290.08	–	112,679,962.53

Pursuant to the stipulations of the Company Law of the PRC and the Articles of Associations of the Company, the Company shall make provision for statutory surplus reserves at the amount of 10% of net profit. Provision for statutory surplus reserves is optional if the aggregate balance of the statutory surplus reserves exceeds 50% of the Company's registered capital.

35. Unappropriated profit

	30 September 2025	2024	2023	2022
Unappropriated profit at the beginning of the period/year	1,325,965,541.96	917,383,117.89	522,213,092.43	255,216,517.82
Net profit attributable to the shareholders of the parent company	340,778,059.35	449,368,866.68	442,069,369.98	314,961,864.69
Less: Appropriation to statutory surplus reserves	–	40,786,442.61	46,899,344.52	47,965,290.08
Cash dividends payable	65,823,050.55	–	–	–
Unappropriated profit at the end of the period/year	1,600,920,550.76	1,325,965,541.96	917,383,117.89	522,213,092.43

36. Revenue

	For the nine months ended 30 September 2025	2024	2023	2022
Principal businesses	2,682,315,306.20	3,534,529,712.80	3,453,623,362.22	3,294,359,219.41
Other businesses	53,737,364.04	69,488,065.44	78,520,640.93	131,756,436.89
Total	2,736,052,670.24	3,604,017,778.24	3,532,144,003.15	3,426,115,656.30

The breakdown of revenue from contracts with customers is as follows:

	For the nine months ended 30 September 2025	2024	2023	2022
Product type				
Hemodialysis consumables	2,165,589,164.39	2,911,399,578.14	2,775,153,045.51	2,610,912,007.24
Hemodialysis devices	516,726,141.81	623,130,134.66	678,470,316.71	683,447,212.17
Others	53,737,364.04	69,488,065.44	78,520,640.93	131,756,436.89
Total	2,736,052,670.24	3,604,017,778.24	3,532,144,003.15	3,426,115,656.30
Operating region				
Chinese Mainland	2,506,217,525.54	3,401,057,136.31	3,402,203,721.43	3,361,140,659.36
Other countries and regions	229,835,144.70	202,960,641.93	129,940,281.72	64,974,996.94
Total	2,736,052,670.24	3,604,017,778.24	3,532,144,003.15	3,426,115,656.30
Timing of product transfer				
At a point in time	2,722,884,850.36	3,588,543,949.01	3,515,979,491.51	3,413,065,325.82
Others	13,167,819.88	15,473,829.23	16,164,511.64	13,050,330.48
Total	2,736,052,670.24	3,604,017,778.24	3,532,144,003.15	3,426,115,656.30

The recognised revenue is derived from:

	For the nine months ended 30 September 2025	2024	2023	2022
The opening carrying amount of contract liabilities	193,061,512.95	244,514,281.74	257,078,419.58	135,317,897.85

Information about the Group's performance obligations is as follows:

Sales of goods and installation services

For domestic sales, the performance obligation is fulfilled at the point when the goods are signed for or accepted by the customer; for overseas sales requiring installation and commissioning, the performance obligation is fulfilled at the point when the goods are accepted, while for those not requiring installation and commissioning, sales under free-on-hand (FOB) and cost insurance, and freight (CIF) trade terms fulfill the performance obligation at the point when the goods are loaded onto the vessel as the time of transfer of control over the goods, and sales under delivery duty paid (DDP) and Ex Works (EXW) trade terms fulfill the performance obligation at the point when the goods are delivered to the customer. The contract price is usually received in advance, while for other customers with credit terms, the contract price is generally due within 30 to 360 days after delivery of the goods.

37. Selling expenses

	For the nine months ended 30 September 2025	2024	2023	2022
Employee benefits	180,070,319.25	248,309,826.19	250,816,570.58	243,236,470.04
Marketing expenses	157,444,578.20	202,662,190.06	257,807,487.15	273,836,778.11
Business entertainment expenses	42,693,048.39	79,776,283.67	68,861,021.14	61,073,949.89
Travelling expenses	22,054,683.29	41,767,071.51	46,585,835.47	31,857,614.86
Depreciation and amortization	14,464,900.10	23,444,162.70	25,704,971.07	29,251,774.63
Rental expenses	9,368,353.23	7,211,306.42	6,507,996.87	7,336,848.25
Equity incentive expenses	2,076,306.83	2,978,113.93	10,061,012.31	20,267,929.44
Others	17,875,643.18	24,241,731.51	21,656,584.46	19,750,002.79
Total	446,047,832.47	630,390,685.99	688,001,479.05	686,611,368.01

38. *Administrative expenses*

	For the nine months ended 30 September 2025	2024	2023	2022
Depreciation and amortization expenses	43,184,154.04	55,907,955.14	56,509,737.79	46,115,269.08
Employee benefits	41,486,396.87	55,671,870.35	52,704,262.84	52,097,000.36
Consulting fees	13,284,168.82	5,172,184.69	5,582,531.78	45,037,314.00
Business entertainment expenses	7,843,779.50	14,574,522.84	13,346,699.46	8,446,074.94
Office expenses	7,608,214.44	10,923,276.76	10,942,091.70	7,400,237.84
Equity incentive expenses	4,025,102.20	7,576,284.44	14,001,575.45	26,721,664.86
Others	14,842,063.06	20,843,632.62	16,164,117.97	12,237,816.85
Total	132,273,878.93	170,669,726.84	169,251,016.99	198,055,377.93

39. *Research and development expenses*

	For the nine months ended 30 September 2025	2024	2023	2022
Employee benefits	53,728,437.66	64,855,721.56	57,072,430.56	44,829,276.45
Material consumption	15,797,826.77	27,217,188.03	23,384,719.78	42,889,798.69
Testing fees	11,134,301.80	28,917,635.57	26,848,643.46	42,421,643.92
Depreciation and amortization expenses	10,629,318.50	17,899,195.86	23,910,365.38	24,386,293.64
Power expenses	4,096,762.94	6,280,496.74	5,547,622.97	7,152,413.86
Office expenses	852,321.47	3,853,672.20	1,880,792.25	1,082,582.64
Equity incentive expenses	530,136.22	415,851.44	2,934,461.92	5,973,705.52
Others	8,936,680.96	15,257,580.82	13,277,011.60	14,106,665.75
Total	105,705,786.32	164,697,342.22	154,856,047.92	182,842,380.47

40. *Finance expenses*

	For the nine months ended 30 September 2025	2024	2023	2022
Interest expenses	283,020.98	601,103.86	847,221.93	18,329,699.18
Less: Interest income	1,593,221.93	4,341,891.10	3,283,209.28	3,494,859.59
Foreign exchange gains and losses	1,000,764.29	(2,728,632.06)	(2,383,690.05)	(7,525,623.54)
Others	817,704.57	539,456.67	585,176.40	1,287,736.15
Total	508,267.91	(5,929,962.63)	(4,234,501.00)	8,596,952.20

41. Other income

	For the nine months ended 30 September 2025	2024	2023	2022
Government grants related to daily activities	10,637,441.63	26,828,000.48	28,723,422.49	26,519,726.34
VAT additional deduction	6,089,698.94	21,499,614.54	–	–
Refund of handling fee for withholding individual income tax	349,765.04	412,718.95	316,832.24	814,021.57
Total	17,076,905.61	48,740,333.97	29,040,254.73	27,333,747.91

42. Investment income

	For the nine months ended 30 September 2025	2024	2023	2022
Long-term equity investment income under the equity method	22,139,625.01	31,743,773.10	25,214,979.83	28,824,415.11
Investment income from financial assets held for trading during the holding period	11,745,173.31	4,888,928.83	890,550.33	(2,088,078.37)
Loss on notes discounted	(164,020.57)	(409,316.58)	(315,430.13)	(398,418.72)
Total	33,720,777.75	36,223,385.35	25,790,100.03	26,337,918.02

43. Gains on changes in fair value

	For the nine months ended 30 September 2025	2024	2023	2022
Financial assets held for trading	998,835.62	223,382.45	108,197.26	–
Including: Bank wealth management products	998,835.62	223,382.45	108,197.26	–

44. *Credit impairment losses*

	For the nine months ended 30 September 2025	2024	2023	2022
Impairment reversal for notes receivable	–	–	318,955.91	(283,978.66)
Impairment loss for accounts receivable	(11,005,886.94)	(18,693,199.42)	(21,183,017.95)	(37,232,352.75)
Impairment (loss)/reversal for other receivables	(1,558,797.07)	(1,809,282.72)	632,280.26	1,941,772.87
Expected credit loss for financial guarantee contracts	(10,218,174.04)	(18,204,717.56)	(106,609,373.16)	–
Impairment reversal for entrusted loans	–	–	107,537,604.10	10,203,770.65
Total	(22,782,858.05)	(38,707,199.70)	(19,303,550.84)	(25,370,787.89)

45. *Impairment losses of asset*

	For the nine months ended 30 September 2025	2024	2023	2022
Loss for write-down of inventories	(7,772,260.54)	(8,309,733.72)	(2,551,132.44)	(2,600,871.19)

46. *Income tax expenses*

	For the nine months ended 30 September 2025	2024	2023	2022
Current income tax expenses	63,672,358.39	96,013,200.55	75,690,764.29	65,231,184.86
Deferred income tax expenses	1,954,987.49	300,584.37	6,048,707.52	(14,351,789.34)
Total	65,627,345.88	96,313,784.92	81,739,471.81	50,879,395.52

The reconciliation between income tax expenses and profit before income tax is presented as follows:

	For the nine months ended 30 September 2025	2024	2023	2022
Total profit	406,405,405.23	545,682,651.60	523,808,841.79	365,841,260.21
Tax at the applicable tax rate (Note)	60,960,810.78	81,852,397.74	78,571,326.27	54,876,189.03
Effect of different tax rates for subsidiaries	4,696,004.44	9,540,687.55	(805,106.58)	(7,274,498.54)
Effect of income not subject to tax	–	(7,650,000.00)	–	(2,907,000.00)
Effect of non-deductible costs, expenses and losses	10,140,152.53	28,429,476.01	11,969,861.14	10,571,734.92
Effect of utilizing previously unrecognised deductible losses arising from deferred tax assets in prior periods	(6,459,149.85)	(2,013,686.63)	(837,882.50)	–
Effect of deductible temporary differences or deductible losses arising from currently unrecognised deferred tax assets	10,435,007.61	8,332,494.37	12,458,502.78	20,945,351.88
Additional deduction of research and development expenses	(14,145,479.63)	(22,177,584.12)	(19,429,441.22)	(24,083,568.99)
Additional deduction of fixed assets	–	–	–	(1,281,998.30)
Others	–	–	(187,788.08)	33,185.52
Income tax expenses	65,627,345.88	96,313,784.92	81,739,471.81	50,879,395.52

Note: The income tax of the Group in mainland China is calculated based on the taxable profit arising from mainland China and the applicable tax rate. Tax arising from the taxable profit in any other jurisdiction is calculated at the respective statutory tax rate according to the country or jurisdiction in which the Group operates.

47. *Cash flows from operating activities*

Reconciliation of profit to net cash flows from operating activities:

	For the nine months ended 30 September 2025	2024	2023	2022
Profit	340,778,059.35	449,368,866.68	442,069,369.98	314,961,864.69
Add: Credit impairment losses	22,782,858.05	38,707,199.70	19,303,550.84	25,370,787.89
Provisions for asset impairment	7,772,260.54	8,309,733.72	2,551,132.44	2,600,871.19
Depreciation of fixed assets	170,534,285.02	220,548,803.16	219,513,991.75	223,671,513.54
Depreciation of right-of-use assets	5,768,625.43	8,016,850.30	6,996,066.65	5,359,644.62
Amortization of intangible assets	6,157,480.93	8,805,489.47	8,391,607.24	7,651,249.08
Depreciation and amortization of investment properties	2,889,200.69	3,873,647.83	4,617,109.28	2,851,476.08
Amortization of long-term prepaid expenses	2,422,448.64	4,271,849.01	5,755,368.10	5,372,412.65
(Gains)/losses from disposal of assets	(24,614.94)	(202,826.74)	(93,961.18)	14,045.23
Losses on retirement of fixed assets	2,007,751.16	2,754,019.97	3,653,633.60	3,007,524.96
Gains on changes in fair value	(998,835.62)	(223,382.45)	(108,197.26)	–
Finance expenses	842,035.69	1,106,705.24	7,981.18	16,458,397.70
Investment income	(33,720,777.75)	(36,223,385.35)	(25,790,100.03)	(26,337,918.02)
Decrease/(increase) in deferred tax assets	1,954,987.49	300,584.37	6,048,707.52	(14,351,789.34)
(Increase)/decrease in inventories	(72,511,379.63)	142,767,170.51	(262,403,139.56)	(117,451,678.13)
(Increase)/decrease in operating receivables	(6,943,447.43)	(120,612,440.38)	27,495,108.34	(188,050,207.88)
(Increase)/decrease in operating payables	27,773,661.00	(170,236,286.38)	(196,983,353.60)	413,236,451.92
Share-based payments and others	7,856,085.12	10,970,249.81	27,112,469.68	52,963,299.82
Net cash flows from operating activities	485,340,683.74	572,302,848.47	288,137,344.97	727,327,946.00

48. *Net changes in cash and cash equivalents*

	For the nine months ended 30 September 2025	2024	2023	2022
Closing balance of cash	1,632,795,492.40	796,026,491.87	619,010,182.60	564,895,866.55
Less: Opening balance of cash	796,026,491.87	619,010,182.60	564,895,866.55	298,448,435.53
Net increase in cash and cash equivalents	836,769,000.53	177,016,309.27	54,114,316.05	266,447,431.02

49. Cash and cash equivalents

	For the nine months ended 30 September 2025	2024	2023	2022
Cash	1,632,795,492.40	796,026,491.87	619,010,182.60	564,895,866.55
Including: Cash on hand	63,958.22	67,130.82	64,278.00	68,089.43
Bank deposits on demand	1,632,731,534.18	795,959,361.05	618,945,904.60	564,827,777.12
Closing balance of cash and cash equivalents	1,632,795,492.40	796,026,491.87	619,010,182.60	564,895,866.55

50. Leases

(1) As a lessee

	For the nine months ended 30 September 2025	2024	2023	2022
Interest expense on lease liabilities	283,020.98	598,530.41	401,303.02	365,369.40
Expenses relating to short-term leases under the simplified approach recognised in profit or loss	2,563,202.16	1,105,305.89	885,825.73	973,779.27
Total cash outflow for leases	5,615,967.98	9,366,714.55	8,361,728.65	6,813,335.63
Gains or losses arising from sale-and-leaseback transactions	–	–	–	896,815.69
Cash inflow from sale-and-leaseback transactions	–	–	–	15,000,000.00
Cash outflow from sale-and-leaseback transactions	–	–	–	76,846,875.02

Leased assets of the Group include houses and buildings used in its operations. The lease terms of such houses and buildings usually range from 1 to 3 years.

On 26 September 2019, the Company entered into a sale-and-leaseback contract with SPDB Financial Leasing Co., Ltd., aiming to transfer part of its production equipment to SPDB Financial Leasing Co., Ltd. at a consideration of RMB300,000,000.00 while leasing back such production equipment. The contract stipulates a leasing term of 3 years with an annual leasing interest rate of 5.2250% in the total amount of RMB325,123,541.67. At the end of the leasing term, the Company may repurchase such production equipment at a price of RMB1.00. As SPDB Financial Leasing Co., Ltd., as both the purchaser and lessor, has not acquired the major risks and rewards incidental to the ownership of the underlying assets, and the underlying assets remained under the control and use of the lessee, the transfer of the underlying assets does not constitute a sale.

For right-of-use assets, please refer to Note VI. 17; For practical expedients of short-term leases and leases of low-value assets, please refer to Note III. 26; for lease liabilities, please refer to Note VI. 29.

(2) As a lessor

The Group leases out part of its houses and buildings with leasing terms ranging from 1 to 20 years, forming operating leases. The Group also leases out part of its equipment with leasing terms ranging from 2 to 3 years, forming operating leases.

Operating leases

The gains and losses related to operating leases are presented as follows:

	For the nine months ended 30 September 2025	**2024**	**2023**	**2022**
Rental income	13,167,819.88	15,473,829.23	16,164,511.64	13,050,330.48

Based on the leasing contracts signed with lessees, the minimum lease receivables undiscounted are as follows:

	30 September 2025	2024	2023	2022
Within 1 year (inclusive)	5,302,934.45	10,238,450.16	15,982,216.70	7,564,322.40
1 to 2 years (inclusive)	4,244,156.02	5,275,513.92	8,251,493.52	6,580,300.40
2 to 3 years (inclusive)	4,130,412.42	4,229,340.22	5,197,379.04	4,257,058.04
3 to 4 years (inclusive)	4,130,412.42	4,132,247.28	4,466,533.04	3,657,058.04
4 to 5 years (inclusive)	3,040,501.37	4,130,412.42	4,336,933.04	3,657,058.04
Over 5 years	3,674,369.66	7,167,085.26	15,816,305.74	14,472,084.76
Total	24,522,786.34	35,173,049.26	54,050,861.08	40,187,881.68

For investment properties and fixed assets leased out under operating leases, refer to Note VI. 14 and Note VI. 15.

VII. Risks associated with financial instruments

1. Financial instrument risk

The Group is exposed to a variety of financial instrument risks in its ordinary course of activities, which primarily include credit risk, liquidity risk and market risk. The Group's risk management policies in respect of these are summarized below.

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies specify specific risks and cover a wide range of areas such as market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's operations to determine whether to update the risk management policies and systems. The Group's risk management is carried out in accordance with the policies approved by the board. The board identifies, evaluates and avoids relevant risks by working closely with other business units of the Group. The Group's internal audit department conducts regular audits on risk management controls and procedures, and reports the results of such audits to the Group's Audit Committee.

The Group diversifies its exposure to financial instruments through an appropriately diversified portfolio of investments and businesses and reduces the risk of concentration in any single industry, in a particular geographic region or with a particular counterparty by establishing appropriate risk management policies.

(1) Credit risk

The Group trades only with accredited, reputable third parties. In accordance with the Group's policy, credit checks are required to be performed on all customers who request to transact on credit. In addition, the Group monitors its balances of trade receivables on an ongoing basis to ensure that the Group is not exposed to significant risk of bad debts. The Group does not offer credit terms for transactions that are not settled in the functional currency of the relevant operating unit, unless specifically approved by the Group's credit control department.

As the counterparties of currency funds and bank acceptance bills receivable are reputable banks with high credit ratings, these financial instruments have low credit risks.

The Group's other financial assets include commercial acceptance bills receivable, accounts receivable, debt investments and other receivables, which are subject to credit risk arising from default of the counterparties, with a maximum exposure equal to the total carrying amount of these instruments.

The Group is also exposed to credit risk arising from providing financial guarantees, please refer to Note VI. 28.

No collateral is required as the Group only transacts with approved and reputable third parties. Concentrations of credit risk are managed by customer/counterparty, geographical region and industry intensively. There are no significant concentrations of credit risk within the Group as the Group has accounts due from customer bases across extensive sectors and industries. The Group holds credit enhancement from Sinosure for some balances of accounts receivable from regions outside mainland China.

Criteria for determining significant increase in credit risk

At each balance sheet date, the Group assesses whether the credit risk associated with relevant financial instruments has increased significantly since initial recognition. The Group's main criteria for determining a significant increase in credit risk are more than 30 days overdue, or significant changes in one or more of the following indicators: seriously adverse changes in the debtor's operating environment, internal and external credit ratings, actual or expected operating results, etc.

No significant increase in credit risk

As at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, other receivables overdue for more than 30 days were deemed to have not experienced a significant increase in credit risk due to their nature as deposits or security funds, and the Group still provided for impairment allowances based on expected credit losses over the next 12 months.

Definition of credit-impaired assets

The Group's primary criterion for determining that a credit impairment has occurred is more than 90 days overdue. However, in certain circumstances the Group also considers a credit impairment to have occurred if internal or external information indicates that the contractual amount may not be recoverable in full before considering any credit enhancements held.

Credit impairment of financial assets may be a joint result of multiple events, rather than a single identifiable event.

Credit risk exposure

Accounts receivable, other receivables and financial guarantee contracts are subject to different changes of credit risks. For details on the carrying amount of accounts receivable and the specific provisions for lifetime expected credit losses, please refer to Note VI. 4. For details on the carrying amount of other receivables and the specific provisions for 12-month expected credit losses, please refer to Note VI. 7. For details on the carrying amount of debt investments and the specific provisions for lifetime expected credit losses, please refer to Note VI. 11. For details on the credit risk exposure of financial guarantee contracts and the specific provisions for lifetime expected credit losses, please refer to Note VI. 28.

(2) Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of financing with a variety of financing instruments. The Group finances its operations with funds generated from operations and borrowings.

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

30 September 2025

	Within 1 year	1 to 2 years	2 to 3 years	Total
Accounts payable	573,491,645.15	–	–	573,491,645.15
Other payables	320,939,747.83	–	–	320,939,747.83
Non-current liabilities due within one year	5,181,110.45	–	–	5,181,110.45
Lease liabilities	–	114,084.65	–	114,084.65
Total	899,612,503.43	114,084.65	–	899,726,588.08

2024

	Within 1 year	1 to 2 years	2 to 3 years	Total
Short-term borrowings	3,177,000.00	–	–	3,177,000.00
Notes payable	56,311,537.94	–	–	56,311,537.94
Accounts payable	362,583,978.69	–	–	362,583,978.69
Other payables	219,211,165.41	–	–	219,211,165.41
Non-current liabilities due within one year	5,739,706.79	–	–	5,739,706.79
Lease liabilities	–	2,870,403.64	4,105.04	2,874,508.68
Total	647,023,388.83	2,870,403.64	4,105.04	649,897,897.51

2023

	Within 1 year	1 to 2 years	2 to 3 years	Total
Short-term borrowings	6,900,000.00	–	–	6,900,000.00
Notes payable	24,126,163.71	–	–	24,126,163.71
Accounts payable	624,873,909.64	–	–	624,873,909.64
Other payables	209,418,802.65	–	–	209,418,802.65
Non-current liabilities due within one year	2,874,241.57	–	–	2,874,241.57
Lease liabilities	–	1,116,373.33	–	1,116,373.33
Total	868,193,117.57	1,116,373.33	–	869,309,490.90

2022

	Within 1 year	1 to 2 years	2 to 3 years	Total
Short-term borrowings	42,280,916.16	–	–	42,280,916.16
Notes payable	88,299,068.19	–	–	88,299,068.19
Accounts payable	622,443,274.70	–	–	622,443,274.70
Other payables	347,760,912.92	–	–	347,760,912.92
Non-current liabilities due within one year	1,972,729.00	–	–	1,972,729.00
Lease liabilities	–	1,972,729.00	–	1,972,729.00
Total	1,102,756,900.97	1,972,729.00	–	1,104,729,629.97

(3) Market risk

The Group holds limited interest-bearing financial instruments and has no significant interest rate risk.

Currency risk

The Group has currency exposures arising from sales or purchases by operating units in currencies other than the units' functional currencies.

2. Capital management

The primary objectives of the Group's capital management are to ensure the Group's ability to continue as a going concern and to maintain sound capital ratios to support business development and maximise shareholders' value.

The Group manages the capital structure and makes adjustments in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the profit distribution to shareholders, return capital to shareholders or issue new shares. There were no changes in capital management objectives, policies or procedures during the nine months ended 30 September 2025 and the years of 2024, 2023 and 2022.

The Group manages capital using a leverage ratio, which is defined as the ratio of net liabilities to capital plus net liabilities. Net liabilities refer to the sum of short-term borrowings, non-current liabilities due within one year and lease liabilities less currency funds. Capital includes shareholders' equity. The Group's leverage ratios at the balance sheet date are as follows:

	30 September 2025	2024	2023	2022
Short-term borrowings	–	3,177,000.00	6,644,718.06	41,842,531.50
Non-current liabilities due within one year	5,022,721.55	5,476,379.99	2,874,241.57	1,922,896.17
Lease liabilities	110,927.33	2,645,974.63	1,035,650.24	1,833,865.87
Less: Currency funds	1,634,780,402.86	818,086,750.60	646,087,183.43	588,964,670.94
Net liabilities	(1,629,646,753.98)	(806,787,395.98)	(635,532,573.56)	(543,365,377.40)
Capital	6,982,068,470.42	5,596,777,565.36	5,136,299,572.14	4,667,155,783.76
Capital and net liabilities	5,352,421,716.44	4,789,990,169.38	4,500,766,998.58	4,123,790,406.36
Leverage ratio	–30.45%	–16.84%	–14.12%	–13.18%

3. *Transfer of financial assets*

Transferred financial assets that are not derecognised in their entirety

As at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, the carrying amounts of bank acceptance bills, commercial acceptance bills and supply chain bills endorsed or discounted by the Group were RMB3,393,683.21, RMB5,815,540.26, RMB8,782,863.00 and RMB31,335,863.44 respectively. In the opinion of the Group, the Group retained substantially all the risks and rewards, including the relevant default risks, and accordingly, it continued to recognise the full carrying amount of the bills and the associated trade payables settled or recognise short-term borrowings. Subsequent to the endorsement or discounting, the Group did not retain any rights on the use of the endorsed bills, including the sale, transfer or pledge of the endorsed bills to any other third parties. As of 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, the carrying amounts of accounts payable settled by the Group were RMB3,393,683.21, RMB2,638,540.26, RMB1,882,863.00 and RMB31,335,863.44, respectively.

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, the carrying amount of unmatured bank acceptance bills and supply chain bills endorsed or discounted by the Group were RMB82,829,636.67, RMB101,873,432.91, RMB75,974,481.70 and RMB68,855,283.96, respectively. The bills had maturity dates of 1 to 12 months as at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022. If acceptance banks dishonored the bills, the holder may exercise the right of recourse against any or several or all of the persons liable for the bill of exchange including the Group in disregard of the order of precedence ("Continuing Involvement") according to relevant provisions of the Law of Negotiable Instruments. The Group considered that it has transferred substantially all the risks and rewards of the bills. Therefore, the Group has derecognised carrying amounts of the bills and the related accounts payable that have been settled. The maximum loss and the undiscounted cash flow of Continuous Involvement and repurchase are equal to the carrying amounts of the bills. The Group believes that the fair value of Continuous Involvement is insignificant.

For the nine months ended 30 September 2025, 2024 and 2023, the Group recognised losses of RMB164,020.57, RMB97,513.82 and RMB81,660.90, respectively, on the transfer dates. In 2022, the Group did not incur any related losses. The Group had no current or accumulated income or expense related to Continuous Involvement of financial assets which had been derecognised. Endorsement and discounting were recorded evenly during the year.

VIII. Disclosure of Fair Value

1. Assets and liabilities measured at fair value

30 September 2025

	Input used in fair value measurement			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets				
Ongoing fair value measurements				
Bank wealth management products	–	981,222,218.07	–	981,222,218.07
Financial assets at fair value through profit or loss				
Receivables financing	–	36,791,932.29	–	36,791,932.29
Total	–	1,018,014,150.36	–	1,018,014,150.36

2024

	Input used in fair value measurement			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets				
Ongoing fair value measurements				
Bank wealth management products	–	330,133,382.45	–	330,133,382.45
Financial assets at fair value through other comprehensive income				
Receivables financing	–	27,426,910.64	–	27,426,910.64
Total	–	357,560,293.09	–	357,560,293.09

2023

	Input used in fair value measurement			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets				
Ongoing fair value measurements				
Bank wealth management products	–	70,108,197.26	–	70,108,197.26
Financial assets at fair value through profit or loss				
Receivables financing	–	56,831,381.27	–	56,831,381.27
Total	–	126,939,578.53	–	126,939,578.53

2022

	Input used in fair value measurement			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets				
Financial assets at fair value through other comprehensive income				
Receivables financing	–	49,069,403.94	–	49,069,403.94

2. Level 1 fair value measurement

The fair value of the listed equity instrument investment shall be determined based on the market quotation.

3. Level 2 fair value measurement

The fair value of wealth management products of banks and receivables financing are calculated by discounting the future cash flows using the market yield currently available for other financial instruments with similar contract terms, credit risk and residual term as the discount rate. As at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, the Group's exposure to nonperformance risk associated with the wealth management products of banks and receivables financing is assessed as insignificant.

4. Level 3 fair value measurements

The Group's finance department, headed by the finance manager, is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each balance sheet date, the finance department analyses the changes in the values of financial instruments and determines the major inputs applicable to the valuation. The valuation is reviewed and approved by the chief financial officer.

IX. Related party relationships and transactions

1. Criteria for identifying related parties

The following parties constitute the Company's related parties:

(1) The parent company of the Company;

(2) The subsidiaries of the Company;

(3) Other entities which are controlled by the parent company of the Company;

(4) An investor who has joint control over the Company;

(5) An investor who can exercise significant influence over the Company;

(6) A joint venture of the Group;

(7) An associate of the Group;

(8) Joint ventures or associates of other members (including parent company and subsidiaries) within the same group as the Company;

(9) An associate or joint venture of an entity that exercises joint control over the Company;

(10) A joint venture of entities with significant influence over the Company;

(11) Major individual investors of the Company and their close family members;

(12) Key management personnel of the Company or parent company, and their close family members;

(13) Other entities controlled or jointly controlled or significantly influenced by the Company's principal individual investors, key management personnel or close family members of such individuals (not related party if significantly influenced by the same third party);

2. Parent company and subsidiaries

	Place of registration	Nature of business	Registered capital	Shareholding ratio in the Company (%)
Weigao Holding	Weihai, Shandong Province	Manufacturing	RMB1,200 million	41.11

The ultimate controlling party of the Company is Mr. Chen Xueli.

Details of subsidiaries are set out in Note V.1.

3. Other related parties

	Relationship with related parties
Gas station of Weigao Holding Company Limited	Controlled by Weigao Holding
Weigao (Shandong) Information Technology Co., Ltd.	Controlled by Weigao Holding
Shandong Weigao Tuowei Medical Instruments Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Foosin Medical Suplies Inc., Ltd.	Controlled by Weigao Holding
Kinhely Bio-Tech Co., Ltd.	Controlled by Weigao Holding
Shandong Weixin Health Technology Co., Ltd.	Controlled by Weigao Holding
Hubei Weigao Bairuikang Medical Technology Co., Ltd.	Controlled by Weigao Holding
Weinan Weigao Hengtong Medical Technology Co., Ltd.	Controlled by Weigao Holding
Anhui Weigao Pharmaceutical Technology Co., Ltd.	Controlled by Weigao Holding
Xinyang Weigao Pharmaceutical Technology Co., Ltd.	Controlled by Weigao Holding
WEIGAO Medical Ghana Limited	Controlled by Weigao Holding
Ningxia Weigao Guheng Pharmaceutical Technology Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Import & Export Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Artificial Liver Co., Ltd.	Controlled by Weigao Holding
Shandong Quelin Health Technology Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Automotive Services Co., Ltd.	Controlled by Weigao Holding
Shandong Qifu Guangji Supply Chain Co., Ltd.	Controlled by Weigao Holding
Shandong Qifu Urban Services Co., Ltd.	Controlled by Weigao Holding
Shandong Weigao Culture & Tourism Industry Development Co., Ltd.	Controlled by Weigao Holding
Weihai Fuxin Security Services Co., Ltd.	Controlled by Weigao Holding

	Relationship with related parties
Shandong Baiqing Puhui Technology Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Construction Co., Ltd.	Controlled by Weigao Holding
Weihai High District Limin Hospital Co., Ltd.	Controlled by Weigao Holding
Shandong Weigao Xuntong Information Technology Co., Ltd.	Controlled by Weigao Holding
Shandong Zhiyitang Health Management Services Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Energy Conservation Technology Co., Ltd.	Controlled by Weigao Holding
Weihai Qifu Modern Agricultural Eco-Park Co., Ltd.	Controlled by Weigao Holding
Weihai Wantong Real Estate Co., Ltd.	Controlled by Weigao Holding
Jinan Ruixinming Medical Technology Co., Ltd.	Controlled by Weigao Holding
Shanghai Boxiu Biotechnology Co., Ltd.	Controlled by Weigao Holding
Shandong Qifu Health Technology Co., Ltd	Controlled by Weigao Holding
NeuroVasc Technologies, Inc.	Controlled by Weigao Holding
Shandong Visee Medical Devices Co., Ltd.	Controlled by Weigao Holding
Weihai Weixin Medical Equipment Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Health Technology Co., Ltd.	Controlled by Weigao Holding
Shandong Weigao Haisheng Medical Equipment Co., Ltd.	Controlled by Weigao Holding
Shandong Weigao Medical Engineering Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Ecology Plant (Sports) Park Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Shengxiang Business Management Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Logistics Holdings Co., Ltd.	Controlled by Weigao Holding
Shandong Weray Surgical Medical Products Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Yangquan Biological Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Yikang Nursing Care Products Co., Ltd.	Controlled by Weigao Holding
Weigao Pharmaceuticals (Chengdu) Co., Ltd.	Controlled by Weigao Holding
Weihai Guyuan Trading Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Haisheng Medical Equipment Co., Ltd.	Controlled by Weigao Holding
Weigao Hengke Hospital Management Services (Shanghai) Co., Ltd.	Controlled by Weigao Holding
Sichuan Weigao Guheng Pharmaceutical Technology Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Medical Sterilization & Supply Co., Ltd.	Controlled by Weigao Holding
Shanghai Perli Medical Materials Co., Ltd.	Controlled by Weigao Holding

	Relationship with related parties
Weihai Weigao Real Estate Development Co., Ltd.	Controlled by Weigao Holding
Weigao Nephrology Medical Devices (Ganzhou) Co., Ltd.	Controlled by Weigao Holding
Weigao Kindergarten at Huancui District, Weihai	Controlled by Weigao Holding
Shanghai Weigao Baoling Pharmaceutical Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Building Materials Technology Co., Ltd.	Controlled by Weigao Holding
Weihai Weigao Surgical Medical Technology Co., Ltd.	Controlled by Weigao Holding
Shandong Weigao Health Nutrition Co., Ltd.	Controlled by Weigao Holding
Shandong Weigao Nuorun Medical Laboratory Co., Ltd.	Controlled by Weigao Holding
Weigao shares and its controlled entities	Controlled by Weigao Holding
Shanghai Gucheng and its controlled entities and affiliated entities in which it holds shares	Controlled by Weigao Holding
Weigao Nephrology and its controlled entities	Controlled by Weigao Holding
Weigao Healthcare Holdings and its controlled entities and affiliated entities in which it holds shares	Controlled by Weigao Holding
Weihai Weigao Dishang Guesthouse Co., Ltd.	An investee company of Weigao Holding
Sinopharm Holdings (Weihai) Weigao Pharmaceutical Co., Ltd.	An investee company of Weigao Holding
Shanghai Pollagen Medical Materials Co., Ltd.	An investee company of Weigao Holding
Zhejiang Weigao Automatic Equipment Co., Ltd.	An investee company of Weigao Holding
Shandong Weihong Medical Technology Co., Ltd.	An investee company of Weigao Holding
Huasheng Medical Technology Co., Ltd.	An investee company of Weigao Holding
Weihai Construction Engineering Survey, Design and Review Center Co., Ltd.	An investee company of Weigao Holding
Weihai Desheng Technology Testing Co., Ltd.	Previously controlled by Weigao Holding
Qingdao Ruiyuantai Medical Technology Co., Ltd.	Previously controlled by Weigao Holding
Jiangxi Weigao Medical Equipment Co., Ltd.	Controlled by the same ultimate controlling party
Shandong Weigao Education Industry Development Co., Ltd.	Controlled by the same ultimate controlling party
Weihai Zhipu Catering Services Co., Ltd.	Controlled by the same ultimate controlling party
Weihai Weigao Food Co., Ltd.	Controlled by the same ultimate controlling party
Weihai Weigao Hot Spring Hotel Co., Ltd.	Controlled by the same ultimate controlling party

	Relationship with related parties
Shandong Yihuijia Trading Co., Ltd.	Controlled by the same ultimate controlling party
Weihai Wego Qiquan Medical Equipment Co., Ltd.	Controlled by the same ultimate controlling party
Procurement Branch of Weigao Holding Company Limited	Controlled by the same ultimate controlling party
Weihai Lantian Technology Co., Ltd.	Controlled by the same ultimate controlling party
Trade Union Federation of Weigao Holding Company Limited	Controlled by the same ultimate controlling party
Shaanxi Weigao Zhiyuan Medical Technology Co., Ltd.	An investee company of the ultimate controlling party
Weihai Rendong Trading Co., Ltd.	Controlled by associated natural persons
Shanghai Quelin Health Technology Co., Ltd.	Controlled by associated natural persons
Entities controlled by Weihai Qiyun and Weihai Luyun	Other related entities *(Note 2)*
Hebei Maidesi Trading Co., Ltd.	Other related entities *(Note 1)*
Hangzhou Qinda Technology Co., Ltd.	Other related entities *(Note 1)*
Guangxi Nanning Qianqian Trading Co., Ltd.	Other related entities *(Note 1)*
Henan Ruiyang Medical Technology Co., Ltd.	Other related entities *(Note 1)*
Guangxi Yili Trading Co., Ltd.	Other related entities *(Note 1)*
Hefei Wanda Medical Instruments Co., Ltd.	Other related entities *(Note 1)*
Jiangsu Xingpu Medical Instruments Co., Ltd.	Other related entities *(Note 1)*
Baoding Zhukang Medical Instruments Sales Co., Ltd.	Other related entities *(Note 1)*
Aksu Tianyu Weiye Electronic Technology & Commerce Co., Ltd.	Other related entities *(Note 1)*
Guangxi Nanning Weisukang Medical Instruments Co., Ltd.	Other related entities *(Note 1)*
Alar Tianyu Weiye Trading Co., Ltd.	Other related entities *(Note 1)*
Hangzhou Canrui Trading Co., Ltd.	Other related entities *(Note 1)*
Guangxi Mingxin Medical Technology Co., Ltd.	Other related entities *(Note 1)*
Jiangxi Aiding Medical Instruments Co., Ltd.	Other related entities *(Note 1)*
Hangzhou Qinyishang Technology Co., Ltd.	Other related entities *(Note 1)*
Weihai Youyao Trading Co., Ltd.	Other related entities *(Note 1)*
BenQ Biotech (Shanghai) Co., Ltd	Other related entities *(Note 1)*
Chen Xiaoyun	Other related parties
Wang Ji	Other related parties

	Relationship with related parties
Mu Changjun	Other related parties
Hu Yunyong	Other related parties

Note 1: Entities involving former employee shareholdings, which are disclosed in a manner comparable to related party disclosures applying the principle of prudence;

Note 2: Entities controlled by or subject to significant influence from the aforementioned parties are also considered related parties of the Company.

4. Related party transactions

(1) Related party transactions of goods and services

Purchase of goods and services from related parties

	Details of related transactions	For the nine months ended 30 September 2025	2024	2023	2022
Joint ventures	Purchase of goods and services	675,641,328.40	626,546,005.66	694,729,261.87	563,443,035.87
Entities controlled by Weigao Holding	Purchase of goods and services	80,447,722.83	137,055,821.16	174,571,534.19	157,872,212.37
Other related entities	Purchase of goods and services	6,552,925.31	12,064,991.65	45,661,770.73	52,161,134.56
Equity-invested entities of Weigao Holding	Purchase of goods and services	3,841,852.48	10,473,358.99	10,654,841.68	514,731.69
Entities previously controlled by Weigao Holding	Purchase of goods and services	2,528,216.54	4,416,903.39	5,107,641.98	5,675,605.38
Other related parties	Purchase of goods and services	1,886,216.00	–	444,410.66	1,006,831.86
Entities under the control of the same ultimate controlling party	Purchase of goods and services	592,195.13	3,312,904.00	2,822,703.72	3,203,963.44
Total		771,490,456.69	793,869,984.85	933,992,164.83	783,877,515.17

Sales of goods and rendering of services to related parties

	Details of related transactions	For the nine months ended 30 September 2025	2024	2023	2022
Entities controlled by Weigao Holding	Hemodialysis products, peritoneal dialysis products and others	218,988,195.89	359,920,183.37	402,643,583.98	406,031,937.12
Other related entities	Hemodialysis products, consumables and others	71,021,433.80	90,904,320.58	81,478,911.78	86,270,502.51
Entities under the control of the same ultimate controlling party	Others	5,926,479.56	831,139.81	1,142,721.63	–
Equity-invested entities of Weigao Holding	Hemodialysis products and others	1,756,234.89	2,480,665.46	2,516,134.80	2,409,974.76
Equity-invested entities of the ultimate controlling party	Hemodialysis products and others	1,306,123.96	1,534,690.35	3,353,801.83	1,885,149.11
Joint ventures	Hemodialysis products and others	8,930.22	205,299.32	203,410.73	199,884.94
Entities previously controlled by Weigao Holding	Hemodialysis products	–	–	488,495.58	–
Total		299,007,398.32	455,876,298.89	491,827,060.33	496,797,448.44

The prices of the purchase of goods and services, as well as the sale of goods and provision of services, between the Group and related parties are determined through negotiations between the two parties with reference to market prices.

Collection and payment of accounts payables/receivables on behalf of related parties

The Group has conducted collection and payment of goods on behalf of Weihai Weigao Life Technology Co., Ltd., as follows:

	Details of related transaction	For the nine months ended 30 September 2025	2024	2023	2022
Sales amount involving collection and payment of goods on behalf of related parties	Sale of goods	–	–	–	17,994,579.97
Less: purchase amount involving collection and payment of goods on behalf of related parties	Purchase of goods	–	–	–	17,454,796.08
Income from agency fees		–	–	–	539,783.89

(2) Leases with related parties

As a lessor

	Types of leased assets	For the nine months ended 30 September 2025	2024	2023	2022
Entities controlled by Weigao Holding	Building(s)	5,941,918.75	6,416,147.36	6,715,390.07	4,721,826.54
Joint ventures	Building(s)	3,025,028.34	4,244,835.35	4,335,454.48	4,033,371.08
Other related entities	Building(s)	1,919,539.62	2,559,386.09	2,643,542.14	2,262,863.04
Equity-invested entities of Weigao Holding	Building(s)	855,960.30	1,046,173.71	–	–
Total		11,742,447.01	14,266,542.51	13,694,386.69	11,018,060.66

As a lessee

For the nine months ended 30 September 2025

	Types of leased assets	Rent paid	Interest expense on lease liabilities	Increase in right of use assets
Entities controlled by Weigao Holding	Warehouse	1,559,873.50	57,783.93	2,130,127.20

2024

	Types of leased assets	Rent paid	Interest expense on lease liabilities	Increase in right of use assets
Entities controlled by Weigao Holding	Warehouse	2,036,990.40	57,319.39	178,692.93

2023

	Types of leased assets	Rent paid	Interest expense on lease liabilities	Increase in right of use assets
Entities controlled by Weigao Holding	Warehouse	1,972,729.00	138,863.13	–

2022

	Types of leased assets	Rent paid	Interest expense on lease liabilities	Increase in right of use assets
Enterprises controlled by Weigao Holding	Warehouse	1,972,729.00	235,884.33	5,493,606.71

(3) Related party guarantees

Acceptance of related party guarantees

For the nine months ended 30 September 2025, 2024 and 2023, the Group did not accept any guarantees from other related parties.

2022

		Guarantee amount	Commencement date of guarantee	Maturity date of guarantee	Whether guarantee has been performed as at the end of the year
Weigao Holding	*(a)*	47,690,088.34	2022-06-02	2023-06-01	No

(a) In 2022, Weigao Holding Company Limited provided guarantees for free for the Group to issue letters of credit, with a guarantee amount of RMB47,690,088.34.

Provision of related party guarantees

30 September 2025

		Guarantee amount	Commencement date of guarantee	Maturity date of guarantee	Whether guarantee has been performed as at the end of the year
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	6,706,900.18	2025/6/19	2026/6/19	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	5,000,418.26	2025/7/24	2026/7/24	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	8,682,366.97	2025/8/14	2026/8/14	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	8,389,445.03	2025/9/22	2026/9/22	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	9,879,105.97	2025/2/20	2026/2/20	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	9,988,821.97	2025/3/24	2026/3/24	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	9,420,387.10	2025/4/23	2026/4/23	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	9,963,429.22	2025/5/21	2026/5/21	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	2,508,760.00	2025/7/16	2026/7/16	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	8,238,094.53	2025/9/26	2026/9/26	No
Wego Terumo (Weihai) Medical Products Co., Ltd.	*(c)*	20,000,000.00	2025/6/27	2026/6/27	No

2024

		Guarantee amount	Commencement date of guarantee	Maturity date of guarantee	Whether guarantee has been performed
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	5,329,402.26	2024/1/22	2024/11/18	Yes
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	5,594,555.86	2024/2/20	2025/2/20	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	6,326,880.39	2024/3/20	2025/3/20	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	5,424,713.00	2024/4/26	2025/4/25	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	6,372,157.00	2024/5/22	2025/5/17	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	5,369,920.00	2024/6/19	2025/6/18	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(d)*	10,000,000.00	2024/7/1	2025/7/1	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	8,954,855.83	2024/7/23	2025/7/23	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	5,115,897.46	2024/8/20	2025/8/20	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	7,717,172.38	2024/9/18	2025/9/18	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(d)*	12,000,000.00	2024/10/21	2025/10/21	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	7,702,741.33	2024/10/22	2025/10/22	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	9,610,905.89	2024/11/15	2025/11/15	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	7,653,968.38	2024/12/18	2025/12/18	No

2023

		Guarantee amount	Commencement date of guarantee	Maturity date of guarantee	Whether guarantee has been performed
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(a)*	53,963,736.30	2023-06-26	2026-06-25	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	40,000,000.00	2023-06-28	2024-06-27	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	5,957,856.00	2023-11-21	2024-11-20	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(b)*	10,999,606.84	2023-12-26	2024-12-25	No
Weigao Terumo (Weihai) Medical Products Co., Ltd.	*(c)*	2,000,000.00	2023-12-15	2024-12-26	No

(a) The Group and Weigao Holding entered into financial guarantee contracts separately with Bank of Beijing Co., Ltd., Jinan Branch, whereby the Group and Weigao Holding respectively provided irrevocable joint and several guarantees for the bank loans granted by Bank of Beijing Co., Ltd., Jinan Branch to Weigao Terumo (Weihai) Medical Products Co., Ltd. For 2023, 2024 and the nine months ended 30 September 2025, Bank of Beijing Co., Ltd., Jinan Branch granted bank loans to Weigao Terumo (Weihai) Medical Products Co., Ltd. with principal amounts of RMB66,957,462.84, RMB64,006,379.78 and RMB49,998,598.79 respectively. For 2023, 2024 and the nine months ended 30 September 2025, Weigao Terumo (Weihai) Medical Products Co., Ltd. repaid RMB10,000,000.00, RMB63,881,420.96 and RMB39,817,547.39 of the borrowings to the bank respectively. As at 30 September 2025, the aforementioned guarantees remained in force.

(b) In 2023, the Group entered into a financial guarantee contract with Industrial Bank Co., Ltd., Weihai Branch, whereby the Group provided an irrevocable joint and several guarantee for the bank loan granted by Industrial Bank Co., Ltd.,Weihai Branch to Weigao Terumo (Weihai) Medical Products Co., Ltd. For 2023, 2024 and the nine months ended 30 September 2025, Industrial Bank Co., Ltd., Weihai Branch granted bank loans to Weigao Terumo (Weihai) Medical Products Co., Ltd. with principal amounts of RMB2,000,000.00, RMB17,166,790.00 and RMB2,000,000.00 respectively. For 2023, 2024 and the nine months ended 30 September 2025, Weigao Terumo (Weihai) Medical Products Co., Ltd. repaid RMB37,166,790.00 of the borrowings to the bank. As at 30 September 2025, the aforementioned guarantee remained in force.

(c) On 26 June 2023, the Group and Weigao Holding entered into financial guarantee contracts separately with CMB Financial Leasing Co., Ltd., whereby the Group and Weigao Holding respectively provided irrevocable joint and several guarantees for the finance lease with a total rental amount of RMB64,756,483.56 granted by CMB Financial Leasing Co., Ltd. to Weigao Terumo (Weihai) Medical Products Co., Ltd., with the guarantee period from 26 June 2023 to 25 June 2026. As at 30 September 2025, Weigao Terumo (Weihai) Medical Products Co., Ltd. had repaid RMB43,118,048.08 of the rentals. As at 30 September 2025, the aforementioned guarantees remained in force.

(d) On 26 June 2024, the Group and Weigao Holding entered into financial guarantee contracts separately with Weihai Commercial Bank Co., Ltd., Dongcheng Sub-branch, whereby the Group and Weigao Holding provided irrevocable joint and several guarantees for the bank loans granted by Weihai Commercial Bank Co., Ltd., Dongcheng Sub-branch to Weigao Terumo (Weihai) Medical Products Co., Ltd. For 2024 and the nine months ended 30 September 2025, Weihai Commercial Bank Co., Ltd., Dongcheng Sub-branch granted bank loans to Weigao Terumo (Weihai) Medical Products Co., Ltd. with principal amounts of RMB37,000,000.00 and RMB28,779,130.44 respectively. As at 30 September 2025, Weigao Terumo (Weihai) Medical Products Co., Ltd. had repaid RMB37,000,000.00 of the borrowings to the bank, and the aforementioned guarantees remained in force.

(4) Funds borrowing and lending between related parties

Funds borrowing

For the nine months ended 30 September 2025 and the years of 2024, 2023 and 2022, the Group did not borrow any funds from related parties.

Funds lending

For the nine months ended 30 September 2025, the years of 2024 and 2023, the Group did not lend any funds to related parties.

2022

	Placements from others	**Commencement date**	**Maturity date**
Weigao Terumo (Weihai) Medical Products Co., Ltd.	5,000,000.00	2022-10-31	2027-10-30
Weigao Terumo (Weihai) Medical Products Co., Ltd.	5,000,000.00	2022-12-27	2027-12-26

On 26 June 2023, Weigao Terumo (Weihai) Medical Products Co., Ltd. (hereinafter referred to as "**Terumo**") entered into a finance lease contract with CMB Financial Leasing Co., Ltd. and obtained a transfer price of RMB60,000,000.00 for the leased assets. On 28 June 2023, Terumo signed a loan contract with Bank of Beijing Co., Ltd., Jinan Branch and obtained a bank loan of RMB50,000,000.00. On 6 November 2023, Terumo repaid RMB5,000,000.00 of the borrowing to Bank of Beijing. On 21 November 2023, Terumo signed a loan contract with Bank of Beijing Co., Ltd., Jinan Branch and obtained a bank loan of RMB5,957,856.00. On 29 November 2023, Terumo repaid RMB5,000,000.00 of the borrowing to Bank of Beijing. On 15 December 2023, Terumo signed a loan contract with Industrial Bank Co., Ltd., Weihai Branch and obtained a bank loan of RMB2,000,000.00. On 26 December 2023, Terumo signed a loan contract with Bank of Beijing Co., Ltd., Jinan Branch and obtained a bank loan of RMB10,999,606.84. On 26 December 2023, Terumo repaid RMB10,792,747.26 of the rental to CMB Financial Leasing Co., Ltd. In 2023, Terumo repaid RMB107,537,604.10 of funds to the Group.

As stated in Note IX 4(3)(a), Note IX 4(3)(c) and Note IX 4(3)(d), the Group and Weigao Holding respectively provided irrevocable joint and several guarantees for the aforementioned finance leases and bank loans of Terumo. As stated in Note IX 4(3)(b), the Group provided an irrevocable joint and several guarantee for the aforementioned bank loan from Industrial Bank to Terumo.

	For the nine months ended 30 September 2025	**2024**	**2023**	**2022**
Interest income from funds lending	–	–	2,537,604.10	5,203,770.65

(5) Key management compensation

	For the nine months ended 30 September 2025	2024	2023	2022
Key management compensation	9,283,796.50	17,085,730.74	24,331,444.61	36,501,778.82
Including: Share-based payment expense	2,696,461.64	6,956,269.15	13,191,105.02	25,174,901.82

(6) Others related party transactions

	Details of related transaction	For the nine months ended 30 September 2025	2024	2023	2022
Collecting utilities fees for payment on behalf of related parties					
Associates	Utilities fees	11,229,187.18	12,069,270.51	11,896,497.35	9,643,139.62
Enterprises controlled by Weigao Holding	Utilities fees	982,345.54	1,316,387.73	1,542,786.54	1,392,337.48
Other related enterprises	Utilities fees	843,671.67	573,360.53	859,851.25	17,742.98
Equity-invested enterprises of Weigao Holding	Utilities fees	33,728.93	17,895.59	–	–
Other related parties	Utilities fees	–	12,974.19	25,387.81	20,527.03
Total		13,088,933.32	13,989,888.55	14,324,522.95	11,073,747.11
Collecting government grants for payment on behalf of related parties					
Weigao Holding	Government grants	–	–	–	1,400,000.00
Collecting other fees for payment on behalf of related parties					
Enterprises controlled by Weigao Holding	Meal expenses	–	274,591.50	–	1,825,070.23
Enterprises under the control of the same ultimate controlling party	Others	–	8,130.00	8,880.00	49,118.00
Associates	Meal and other expenses	–	–	–	276,691.50
Other related enterprises	Meal expenses	–	–	–	77,168.50
Other related parties	Meal expenses	–	–	–	155,952.50
Total		–	282,721.50	8,880.00	2,384,000.73

	Details of related transaction	For the nine months ended 30 September 2025	2024	2023	2022
Payment of collected and paid amounts on behalf of related parties					
Enterprises controlled by Weigao Holding	Utilities fees	1,970.69	1,996,168.15	2,339,351.52	362,412.95
Other related enterprises	Water and electricity expenses	–	1,167,501.87	3,219,850.04	10,450,070.83
Total		1,970.69	3,163,670.02	5,559,201.56	10,812,483.78
Transfer of related parties' assets					
Enterprises controlled by Weigao Holding	Disposal of fixed assets	47,102.76	90,278.24	–	–
Other related parties	Disposal of fixed assets	–	261,946.91	–	–
Total		47,102.76	352,225.15	–	–

5. *Balances of amounts due from related parties*

(1) Accounts receivable

	30 September 2025		2024		2023		2022	
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Book balance	Provision for bad debt
Enterprises controlled by Weigao Holding	78,421,744.27	3,384,031.86	89,449,057.18	3,056,908.08	71,902,689.12	1,894,025.97	131,031,582.70	3,895,315.70
Other related enterprises	58,986,618.22	1,689,329.22	45,417,529.94	1,217,189.80	26,712,881.63	625,081.42	64,052,445.25	4,531,213.57
Enterprises under the control of the same ultimate controlling party	3,387,660.32	97,019.86	645,821.11	17,308.01	1,109,516.00	25,962.67	179,882.74	36,426.25
Equity-invested enterprises of Weigao Holding	480,082.79	13,749.18	586,715.02	15,723.96	462,534.40	10,823.30	671,393.00	14,703.51
Equity-invested enterprises of the ultimate controlling party	–	–	–	–	2,865,946.84	67,063.16	–	–
Total	141,276,105.60	5,184,130.12	136,099,123.25	4,307,129.85	103,053,567.99	2,622,956.52	195,935,303.69	8,477,659.03

(2) Accounts receivable financing

	30 September 2025		2024		2023		2022	
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Book balance	Provision for bad debt
Enterprises controlled by Weigao Holding	2,187,177.55	–	–	–	4,161,301.37	–	–	–

(3) Notes receivable

	30 September 2025	2024	2023	2022
Enterprises controlled by Weigao Holding	426,572.79	–	–	–
Equity-invested enterprises of Weigao Holding	310,998.90	–	–	–
Total	737,571.69	–	–	–

(4) Prepayments

	30 September 2025	2024	2023	2022
Enterprises controlled by Weigao Holding	295,512.79	1,161,751.34	756,240.90	2,065,602.75
Other related enterprises	–	312,433.04	3,451.33	–
Associates	–	–	9,752.91	–
Enterprises previously controlled by Weigao Holding	–	–	1,924,620.00	1,070,454.00
Enterprises under the control of the same ultimate controlling party	–	–	39,400.00	–
Equity-invested enterprises of Weigao Holding	–	–	–	118,452.76
Total	295,512.79	1,474,181.38	2,733,465.14	3,254,509.51

(5) Other receivables

	30 September 2025		2024		2023		2022	
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Book balance	Provision for bad debt
Equity-invested enterprises of Weigao Holding	331,747.80	–	–	–	–	–	–	–
Enterprises controlled by Weigao Holding	248,999.74	–	729,199.46	88,284.86	464,543.65	16,973.08	1,412,574.55	141,121.81
Other related enterprises	–	–	–	–	–	–	376,927.39	5,124.61
Enterprises under the control of the same ultimate controlling party	–	–	–	–	–	–	159,275.00	2,165.46
Total	580,747.54	–	729,199.46	88,284.86	464,543.65	16,973.08	1,948,776.94	148,411.88

(6) Debt investment

	30 September 2025		2024		2023		2022	
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Book balance	Provision for bad debt
Weigao Terumo (Weihai) Medical Products Co., Ltd.	–	–	–	–	–	–	105,000,000.00	105,000,000.00

(7) Other non-current assets

	30 September 2025	2024	2023	2022
Enterprises controlled by Weigao Holding	–	–	–	1,501,370.00
Equity-invested enterprises of Weigao Holding	–	–	–	231,000.00
Total	–	–	–	1,732,370.00

Except for the entrusted loans to Terumo, all the amounts due from related parties are interest-free and unsecured. The interest rate of the entrusted loans to Terumo is determined with reference to the prevailing bank loan interest rate for the same period, and the repayment date is agreed upon on a loan-by-loan basis.

6. Balances of amounts due to related parties

(1) Notes payable

	30 September 2025	2024	2023	2022
Enterprises controlled by Weigao Holding	–	16,270,887.94	432,686.73	3,080,029.88
Equity-invested enterprises of Weigao Holding	–	–	–	231,000.00
Enterprises under the control of the same ultimate controlling party	–	–	–	–
Associates	–	–	–	47,690,088.34
Total	–	16,270,887.94	432,686.73	51,001,118.22

(2) Accounts payable

	30 September 2025	2024	2023	2022
Associates	288,191,336.79	62,808,877.11	235,416,902.70	211,634,944.34
Enterprises controlled by Weigao Holding	58,307,503.90	57,365,189.59	83,014,607.90	67,026,243.55
Other related enterprises	2,781,892.27	46,591,203.32	86,724,653.00	66,076,665.15
Equity-invested enterprises of Weigao Holding	1,780,996.40	2,670,792.71	15,107,212.19	34,292,129.89
Enterprises under the control of the same ultimate controlling party	112,500.00	24,757.17	–	–
Total	351,174,229.36	169,460,819.90	420,263,375.79	379,029,982.93

(3) Contract liabilities

	30 September 2025	2024	2023	2022
Enterprises controlled by Weigao Holding	18,164,007.66	16,756,116.17	16,856,075.00	21,706,757.02
Enterprises under the control of the same ultimate controlling party	242,383.36	245,600.00	154,867.26	–
Other related enterprises	101,995.57	309,114.84	1,174,726.58	1,208,475.22
Equity-invested enterprises of the ultimate controlling party	–	–	–	13,688.50
Total	18,508,386.59	17,310,831.01	18,185,668.84	22,928,920.74

(4) Other payables

	30 September 2025	2024	2023	2022
Enterprises controlled by Weigao Holding	10,268,934.34	6,703,192.75	10,895,937.21	20,072,212.78
Equity-invested enterprises of Weigao Holding	752,000.00	2,589,648.00	2,763,133.13	–
Associates	–	–	–	634,993.96
Other related parties	–	–	–	300,000.00
Total	11,020,934.34	9,292,840.75	13,659,070.34	21,007,206.74

(5) Non-current liabilities due within one year

	30 September 2025	2024	2023	2022
Enterprises controlled by Weigao Holding	674,588.51	62,398.02	1,922,896.17	1,922,896.17

(6) Lease liabilities

	30 September 2025	2024	2023	2022
Enterprises controlled by Weigao Holding	110,927.33	59,520.07	–	1,833,865.87

Except non-current liabilities due within one year and lease liabilities, all the amounts due to related parties are interest-free and unsecured.

X. Share-based payment

1. Various equity instruments

(1) 2021 Restricted Shares

On 21 December 2021, the Group granted 10,000,000 restricted shares of the Company to its employees through the employee capital increase and employee shareholding platforms, namely Weihai Shunhe Enterprise Management Consulting Partnership (Limited Partnership) and Weihai Zhijie Enterprise Management Consulting Partnership (Limited Partnership), at a grant price of RMB5.71 per share. Pursuant to the granting agreement, 40.00% of the partnership interests held by the employees in the employee shareholding platforms for which contributions have been fully paid were unlocked on 21 December 2021, and the remaining 6,000,000 restricted shares were set to be unlocked in equal installments on 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025, subject to performance targets. The Group estimates the fair value of equity at the date of grant using the income approach and allocates share-based payment expenses by projecting the number of employees eligible for vesting at the balance sheet date, taking into account expected turnover rates.

The various equity instruments are as follows:

	Granted in 2021	
	Number	Amount
Sales representatives	3,870,000.00	89,397,000.00
Management personnel	5,010,000.00	115,731,000.00
Research and development personnel	1,120,000.00	25,872,000.00
Total	10,000,000.00	231,000,000.00

As of 30 September 2025, the outstanding equity instruments are as follows:

	Other equity instruments	
	Range of exercise price	Remaining contract term
Sales representatives	RMB5.71	0.25 year
Management personnel	RMB5.71	0.25 year
Research and development personnel	RMB5.71	0.25 year

(2) 2025 A Share Restricted Shares

On 16 September 2025, pursuant to the authorisation granted by the resolutions passed at the general meeting on 15 September 2025, including the "Proposal on the Company's 2025 Restricted Shares Incentive Scheme (Draft) and Its Summary" and the "Proposal on Granting Restricted Shares to Incentive Recipients under the 2025 Restricted Share Incentive Scheme" reviewed and approved at the 15th Meeting of the Second Session of Board of Directors of the Company, the Company granted 6,360,000 A share restricted shares in the Company's share capital to 120 eligible directors, senior management personnel and core employees at a grant price of RMB19.77 per share. Pursuant to the granting agreement, subject to the Company and the incentive recipients meeting predetermined performance targets, the restricted shares shall be vested in installments at the agreed percentage in 12 months after the date of grant, with the specific arrangements as follows:

Vesting Period	Vesting Arrangement	Vesting Percentage
First Vesting Period	From the first trading day after the expiry of 12 months from the date of grant registration of the restricted stock to the last trading day within 24 months from that date	35%
Second Vesting Period	From the first trading day after the expiry of 24 months from the date of grant registration of the restricted stock to the last trading day within 36 months from that date	35%
Third Vesting Period	From the first trading day after the expiry of 36 months from the date of grant registration of the restricted stock to the last trading day within 48 months from that date	30%

The various equity instruments are as follows:

	Granted in 2025	
	Number	**Amount**
Sales representatives	1,860,000.00	74,232,600.00
Management personnel	4,020,000.00	160,438,200.00
Research and development personnel	140,000.00	5,587,400.00
Production personnel	340,000.00	13,569,400.00
Total	6,360,000.00	253,827,600.00

As of 30 September 2025, the outstanding equity instruments are as follows:

	Other equity instruments	
	Range of exercise price	Remaining contract term
Sales representatives	RMB 19.77	3.25 years
Management personnel	RMB 19.77	3.25 years
Research and development personnel	RMB 19.77	3.25 years
Production personnel	RMB 19.77	3.25 years

2. ***Equity-settled share-based payment***

	2021
Method for determining the fair value of equity instruments granted on the date of grant	Income approach (discounted cash flow method)
Key parameters for fair value of equity instruments granted on the date of grant	Discount rate, perpetual growth rate, liquidity discount
Basis for determining the number of exercisable equity instruments	Assessment of company performance metrics and individual performance metrics shall be conducted annually, with the number of shares held by incentive recipients meeting assessment targets as the determination basis.
Cumulative amount of equity-settled share-based payments included in capital reserves as of 30 September 2025	166,187,808.48

	2025
Method for determining the fair value of equity instruments granted on the date of grant	Income approach (discounted cash flow method)
Key parameters for fair value of equity instruments granted on the date of grant	Discount rate, perpetual growth rate, liquidity discount
Basis for determining the number of exercisable equity instruments	Assessment of company performance metrics and individual performance metrics shall be conducted annually, with the number of shares held by incentive recipients meeting assessment targets as the determination basis.
Cumulative amount of equity-settled share-based payments included in capital reserves as of 30 September 2025	2,530,914.83

3. *Share-based payment expenses incurred in each year*

	Equity-settled share-based payment expenses			
	For the nine months ended 30 September 2025	2024	2023	2022
Sales representatives	2,076,306.83	2,978,113.93	10,061,012.31	20,267,929.44
Management personnel	4,025,102.20	7,576,284.44	14,001,575.45	26,721,664.86
Research and development personnel	530,136.22	415,851.44	2,934,461.92	5,973,705.52
Production personnel	135,300.49	–	–	–
Total	6,766,845.74	10,970,249.81	26,997,049.68	52,963,299.82

XI. Contingent events

As at 30 September 2025, the Group had no material contingent events that required disclosure.

XII. Commitments

Major Commitments

	30 September 2025	2024	2023	2022
Capital commitments	214,152,537.92	219,821,993.04	342,836,447.05	273,585,299.77

The Group's lease commitments as lessee are disclosed in Note VI. 50.

XIII. Events after the balance sheet date

As of the date these financial statements were approved for issuance, no subsequent events had occurred that would affect the reading and understanding of these major financial statements.

XIV. Other significant matters

1. *Other financial information*

The remuneration of directors and supervisors is disclosed as follows:

	For the nine months ended 30 September 2025	2024	2023	2022
Fees	454,867.50	606,106.28	601,787.94	622,819.60
Other emoluments:				
Amount of salaries, allowances and benefits in kind	3,891,750.00	5,231,324.22	5,659,612.89	5,315,910.29
Performance-related bonuses	1,630,910.95	3,489,631.71	4,354,715.43	4,349,275.72
Equity-settled share-based payment expenses	2,696,461.64	6,956,269.15	13,191,105.02	25,174,901.82
Pension scheme contributions	609,806.41	802,399.38	929,188.01	884,781.50
Total	9,283,796.50	17,085,730.74	24,736,409.29	36,347,688.93

During the year, certain directors were granted restricted stock under the Company's 2025 restricted share incentive scheme in recognition of their services rendered to the Group. For further details, please refer to Note X to the financial statements. The fair value of such restricted stock, determined based on the estimated amount as of the grant date, is recognised over the vesting period in accordance with the vesting schedule. The related expenses are included in the remuneration disclosures for directors, senior management, chief financial officer, secretary to the board and supervisors.

(1) Independent non-executive directors

The fees paid to the independent non-executive directors during the year are as follows:

	For the nine months ended 30 September 2025	2024	2023	2022
Zhou Feng	112,500.00	150,000.00	–	–
Zhang Senquan	171,183.75	228,053.14	225,893.97	132,659.80
Liu Erfei	171,183.75	228,053.14	225,893.97	132,659.80
Song Xiliang	–	–	150,000.00	87,500.00
Wang Shouhai	–	–	–	90,000.00
Wang Ruijun	–	–	–	90,000.00
Cheng Zijian	–	–	–	90,000.00
Total	454,867.50	606,106.28	601,787.94	622,819.60

As of 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, the Group had no other remuneration payable to independent non-executive directors.

(2) Executive directors, chief financial officer, secretary to the board and supervisors

For the nine months ended 30 September 2025

	Fees	Amount of salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled expenses	Pension scheme contributions	Total remuneration
Executive directors:						
Song Xiushan *(Note 1)*	–	900,000.00	389,120.00	700,967.97	–	1,990,087.97
Chen Xiaoyun	–	495,000.00	214,016.00	362,093.50	109,348.26	1,180,457.76
Zhang Cunming	–	720,000.00	311,296.00	507,325.42	109,348.26	1,647,969.68
Mu Changjun	–	470,250.00	203,315.20	337,888.18	108,948.09	1,120,401.47
Wang Ji	–	450,000.00	194,560.00	306,052.77	60,053.22	1,010,665.99
Chief Financial Officer:						
Zhang Jingang	–	247,500.00	107,008.00	168,450.94	60,053.22	583,012.16
Secretary to the Board:						
Wang Tingting	–	405,000.00	178,520.55	313,682.86	109,348.26	1,006,551.67
Supervisors:						
Jiang Bin	–	138,000.00	22,374.40	–	35,778.96	196,153.36
Li Qian	–	66,000.00	10,700.80	–	16,928.14	93,628.94
Total	–	3,891,750.00	1,630,910.95	2,696,461.64	609,806.41	8,828,929.00

2024

	Fees	Amount of salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled expenses	Pension scheme contributions	Total remuneration
Executive directors:						
Song Xiushan *(Note 1)*	–	1,200,720.00	828,133.33	1,965,902.15	–	3,994,755.48
Chen Xiaoyun	–	660,000.00	475,153.00	907,339.45	145,612.02	2,188,104.47
Zhang Cunming	–	960,000.00	640,107.00	1,361,009.18	145,612.02	3,106,728.20
Mu Changjun	–	627,000.00	581,896.00	831,727.84	144,697.56	2,185,321.40
Wang Ji	–	647,392.75	456,200.00	831,727.84	77,872.08	2,013,192.67
Chief Financial Officer:						
Zhang Jingang	–	330,720.00	235,576.67	302,446.48	77,872.08	946,615.23
Secretary to the Board:						
Wang Tingting	–	540,000.00	180,916.80	756,116.21	145,612.02	1,622,645.03
Supervisors:						
Jiang Bin	–	176,911.04	65,956.00	–	44,925.60	287,792.64
Li Qian	–	88,580.43	25,692.91	–	20,196.00	134,469.34
Total	–	5,231,324.22	3,489,631.71	6,956,269.15	802,399.38	16,479,624.46

2023

	Fees	Amount of salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled expenses	Pension scheme contributions	Total remuneration
Executive Directors:						
Song Xiushan	–	1,170,776.52	856,700.00	3,633,143.33	6,553.58	5,667,173.43
Chen Xiaoyun	–	660,000.00	500,867.00	1,676,835.38	143,558.70	2,981,261.08
Zhang Cunming	–	960,000.00	645,333.00	2,515,253.08	143,558.70	4,264,144.78
Mu Changjun	–	570,180.00	591,138.43	1,537,099.10	112,709.52	2,811,127.05
Wang Ji	–	640,774.45	513,666.67	1,537,099.10	74,414.05	2,765,954.27
Chief Financial Officer:						
Zhang Jingang	–	301,115.64	231,833.33	558,945.13	79,974.50	1,171,868.60
Secretary to the Board:						
Wang Tingting	–	540,000.00	409,800.00	1,397,362.82	143,657.28	2,490,820.10
Supervisors:						
Sun Wei	–	271,115.64	224,900.00	–	79,974.50	575,990.14
Bai Gang	–	289,115.64	296,860.00	335,367.08	79,974.50	1,001,317.22
Jiang Bin	–	164,648.50	56,671.67	–	44,224.83	265,545.00
Li Qian	–	91,886.50	26,945.33	–	20,587.85	139,419.68
Total	–	5,659,612.89	4,354,715.43	13,191,105.02	929,188.01	24,134,621.35

2022

	Fees	Amount of salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled expenses	Pension scheme contributions	Total remuneration
Executive Directors:						
Song Xiushan	–	1,170,000.00	975,260.00	6,933,765.33	73,063.60	9,152,088.93
Chen Xiaoyun	–	660,000.00	515,386.67	3,200,199.38	133,132.56	4,508,718.61
Zhang Cunming	–	720,000.00	600,160.00	4,800,299.08	133,132.56	6,253,591.64
Mu Changjun	–	570,000.00	611,950.88	2,933,516.10	73,063.60	4,188,530.58
Wang Ji	–	600,000.00	510,199.96	2,933,516.10	64,052.60	4,107,768.66
Chief Financial Officer:						
Zhang Jingang	–	300,000.00	234,266.71	1,066,733.13	73,063.60	1,674,063.44
Secretary to the Board:						
Wang Tingting	–	540,000.00	421,680.00	2,666,832.82	127,338.78	3,755,851.60
Supervisors:						
Sun Wei	–	246,000.00	192,098.71	–	73,063.60	511,162.31
Bai Gang	–	240,000.00	204,079.96	640,039.88	73,063.60	1,157,183.44
Jiang Bin	–	161,673.04	53,807.00	–	43,593.90	259,073.94
Li Qian	–	108,237.25	30,385.83	–	18,213.10	156,836.18
Total	–	5,315,910.29	4,349,275.72	25,174,901.82	884,781.50	35,724,869.33

Note 1: Mr. Song Xiushan retired in February 2023 and remains as an executive director.

During the year, no agreement was entered into under which a director, chief financial officer, secretary to the Board or supervisor waived or agreed to waive their remuneration during the year.

For the nine months ended 30 September 2025, 2024, 2023 and 2022, the five highest paid employees were all directors, details of whose remuneration are set out in Note XIV. 1.

XV. Explanatory notes to major items in the financial statements of the company

1. Accounts receivable

The ageing analysis of accounts receivable is as follows:

	30 September 2025	2024	2023	2022
Within 1 year	912,140,084.92	664,032,790.63	643,823,891.26	673,506,807.59
1 to 2 years	73,898,691.72	86,917,588.95	93,693,944.19	139,147,771.17
2 to 3 years	23,396,662.87	33,228,184.75	37,386,634.17	6,196,880.83
Over 3 years	32,832,585.34	34,052,641.45	12,319,931.50	14,488,550.39
	1,042,268,024.85	818,231,205.78	787,224,401.12	833,340,009.98
Less: Provision for bad debt of accounts receivable	80,560,389.96	79,441,236.17	67,516,120.24	54,803,380.75
Total	961,707,634.89	738,789,969.61	719,708,280.88	778,536,629.23

Changes in provision for bad debt of accounts receivable are as follows:

	Opening balance	Provision for the period/year	Write-off in the period/year	Closing balance
For the nine months ended 30 September 2025	79,441,236.17	3,252,864.78	(2,133,710.99)	80,560,389.96
2024	67,516,120.24	12,611,247.04	(686,131.11)	79,441,236.17
2023	54,803,380.75	16,011,566.43	(3,298,826.94)	67,516,120.24
2022	29,752,393.38	25,050,987.37	–	54,803,380.75

Accounts receivable and bad debt provision are disclosed by types as follows:

30 September 2025

	Book balance		Provision for bad debt		Carrying amount
	Amount	*Percentage (%)*	*Amount*	*Provision rate (%)*	
Provision for bad debt based on collective assessment by credit risk portfolio	1,042,268,024.85	100.00	80,560,389.96	7.73	961,707,634.89

31 December 2024

	Book balance		Provision for bad debt		Carrying amount
	Amount	*Percentage (%)*	*Amount*	*Provision rate (%)*	
Provision for bad debt based on collective assessment by credit risk portfolio	818,231,205.78	100.00	79,441,236.17	9.71	738,789,969.61

31 December 2023

	Book balance		Provision for bad debt		Carrying amount
	Amount	*Percentage (%)*	*Amount*	*Provision rate (%)*	
Provision for bad debt based on collective assessment by credit risk portfolio	787,224,401.12	100.00	67,516,120.24	8.58	719,708,280.88

31 December 2022

	Book balance		Provision for bad debt		Carrying amount
	Amount	*Percentage (%)*	*Amount*	*Provision rate (%)*	
Provision for bad debt based on collective assessment by credit risk portfolio	833,340,009.98	100.00	54,803,380.75	6.58	778,536,629.23

The expected credit losses on accounts receivable of the Company by ageing are as follows:

For the nine months ended 30 September 2025

	Book balance	Provision for impairment	Provision rate (%)
Within 1 year	912,140,084.92	11,793,758.23	1.29
1 to 2 years	73,898,691.72	16,250,068.72	21.99
2 to 3 years	23,396,662.87	19,683,977.67	84.13
Over 3 years	32,832,585.34	32,832,585.34	100.00
Total	1,042,268,024.85	80,560,389.96	

31 December 2024

	Book balance	Provision for impairment	Provision rate (%)
Within 1 year	664,032,790.63	12,375,796.55	1.86
1 to 2 years	86,917,588.95	17,306,842.54	19.91
2 to 3 years	33,228,184.75	19,865,476.09	59.79
Over 3 years	34,052,641.45	29,893,120.99	87.79
Total	818,231,205.78	79,441,236.17	

31 December 2023

	Book balance	Provision for impairment	Provision rate (%)
Within 1 year	643,823,891.26	10,965,259.00	1.70
1 to 2 years	93,693,944.19	17,557,583.99	18.74
2 to 3 years	37,386,634.17	26,673,345.75	71.34
Over 3 years	12,319,931.50	12,319,931.50	100.00
Total	787,224,401.12	67,516,120.24	

31 December 2022

	Book balance	Provision for impairment	Provision rate (%)
Within 1 year	673,506,807.59	11,619,945.74	1.73
1 to 2 years	139,147,771.17	23,759,482.42	17.08
2 to 3 years	6,196,880.83	4,935,402.20	79.64
Over 3 years	14,488,550.39	14,488,550.39	100.00
Total	833,340,009.98	54,803,380.75	

2. *Other receivables*

The ageing analysis of other receivables is as follows:

	30 September 2025	2024	2023	2022
Within 1 year	130,062,945.88	116,464,834.65	226,630,530.19	184,625,534.96
1 to 2 years	90,379,956.42	210,033,888.43	115,821,725.63	206,397,607.89
2 to 3 years	30,997,953.14	99,618,026.72	197,297,604.34	195,604,373.18
Over 3 years	480,519,545.93	393,111,017.56	198,387,367.23	4,391,455.40
	731,960,401.37	819,227,767.36	738,137,227.39	591,018,971.43
Less: Provision for bad debt of other receivables	4,044,743.48	3,374,846.75	2,163,302.15	1,082,704.57
Total	727,915,657.89	815,852,920.61	735,973,925.24	589,936,266.86

Other receivables are classified by nature as follows:

	30 September 2025	2024	2023	2022
Security and deposit	7,356,827.55	4,741,526.78	6,293,146.97	6,189,602.85
Others	2,539,626.57	2,641,389.80	2,777,124.89	2,756,136.92
Reserve funds	1,915,135.00	1,926,460.40	2,778,712.60	4,123,093.20
Accounts receivable	720,148,812.25	809,918,390.38	726,288,242.93	577,950,138.46
	731,960,401.37	819,227,767.36	738,137,227.39	591,018,971.43
Less: Provision for bad debt of other receivables	4,044,743.48	3,374,846.75	2,163,302.15	1,082,704.57
Total	727,915,657.89	815,852,920.61	735,973,925.24	589,936,266.86

Changes in provision for bad debt for the 12-month expected credit losses on other receivables are as follows:

For the nine months ended 30 September 2025

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit impaired)	Stage 3 Lifetime expected credit losses (credit impaired)	Total
Opening balance	3,374,846.75	–	–	3,374,846.75
Provision for the period	669,896.73	–	–	669,896.73
Reversal in the period	–	–	–	–
Closing balance	4,044,743.48	–	–	4,044,743.48

2024

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit impaired)	Stage 3 Lifetime expected credit loss (credit impaired)	Total
Opening balance	2,163,302.15	–	–	2,163,302.15
Provision for the year	1,211,544.60	–	–	1,211,544.60
Closing balance	3,374,846.75	–	–	3,374,846.75

2023

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit impaired)	Stage 3 Lifetime expected credit losses (credit impaired)	Total
Opening balance	1,082,704.57	–	–	1,082,704.57
Provision for the year	1,249,119.94	–	–	1,249,119.94
Reversal in the year	(168,522.36)	–	–	(168,522.36)
Closing balance	2,163,302.15	–	–	2,163,302.15

2022

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit impaired)	Stage 3 Lifetime expected credit losses (credit impaired)	Total
Opening balance	2,756,908.93	–	–	2,756,908.93
Provision for the year	259,280.48	–	–	259,280.48
Reversal in the year	(1,933,484.84)	–	–	(1,933,484.84)
Closing balance	1,082,704.57	–	–	1,082,704.57

3. *Debt investment*

Details of debt investment are as follows:

	30 September 2025		
	Book balance	Provision for bad debt	Carrying amount
Entrusted loans	–	–	–

	2024		
	Book balance	Provision for bad debt	Carrying amount
Entrusted loans	106,150,000.00	(13,150,000.00)	93,000,000.00

	2023		
	Book balance	Provision for bad debt	Carrying amount
Entrusted loans	106,150,000.00	(13,150,000.00)	93,000,000.00

	2022		
	Book balance	Provision for bad debt	Carrying amount
Entrusted loans	211,150,000.00	(118,150,000.00)	93,000,000.00

Movements of provision for impairment of debt investment are as follows:

	Opening balance	Increases during the period/year	Decreases during the period/year	Closing balance
For the nine months ended 30 September 2025	13,150,000.00	–	(13,150,000.00)	–
2024	13,150,000.00	–	–	13,150,000.00
2023	118,150,000.00	–	(105,000,000.00)	13,150,000.00
2022	203,150,000.00	–	(85,000,000.00)	118,150,000.00

Changes in provision for bad debt for the 12-month expected credit losses and lifetime expected credit losses on debt investment are as follows:

For the nine months ended 30 September 2025

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit impaired)	Stage 3 Lifetime expected credit losses (credit impaired)	Total
Opening balance	–	–	13,150,000.00	13,150,000.00
Reversal in the period	–	–	(13,150,000.00)	(13,150,000.00)
Closing balance	–	–	–	–

2024

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit impaired)	Stage 3 Lifetime expected credit losses (credit impaired)	Total
Opening balance	–	–	13,150,000.00	13,150,000.00
Reversal in the year	–	–	–	–
Closing balance	–	–	13,150,000.00	13,150,000.00

2023

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit impaired)	Stage 3 Lifetime expected credit losses (credit impaired)	Total
Opening balance	–	–	118,150,000.00	118,150,000.00
Reversal in the year	–	–	(105,000,000.00)	(105,000,000.00)
Closing balance	–	–	13,150,000.00	13,150,000.00

2022

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (not yet credit impaired)	Stage 3 Lifetime expected credit losses (credit impaired)	Total
Opening balance	–	–	203,150,000.00	203,150,000.00
Provision for the year	–	–	(85,000,000.00)	(85,000,000.00)
Closing balance	–	–	118,150,000.00	118,150,000.00

4. *Long-term equity investments*

(1) *Details of long-term equity investments*

For the nine months ended 30 September 2025

	Opening balance	Changes during the period				Closing balance	Provision for impairment as at the end of the period
		Increase of investment	Investment gains under equity method	Distribution of cash dividends	Share-based payment		
Cost method							
Subsidiaries							
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	106,027,390.55	–	–	–	174,278.30	106,201,668.85	(106,201,668.85)
Weigao Blood Purification Products (Shanghai) Company Limited	129,461,903.79	–	–	–	2,236,096.21	131,698,000.00	–
Weigao Medical Devices (Chengdu) Co., Ltd.	13,483,691.80	100,000,000.00	–	–	186,953.56	113,670,645.36	–
Weigao Medical (Shenzhen) Co., Ltd.	23,013,695.29	–	–	–	218,460.20	23,232,155.49	–
Weigao Blood Purification (Chengdu) Company Limited	200,000,000.00	–	–	–	7,958.85	200,007,958.85	–
Shandong Weigao Dongyuan Pharmaceutical Co., Ltd.	3,149,456.43	–	–	–	–	3,149,456.43	–
Weigao Blood Purification Products (Ganzhou) Company Limited	100,000,000.00	170,000,000.00	–	–	–	270,000,000.00	–
Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd.	11,606,594.22	–	–	–	353,805.88	11,960,400.10	–
Shandong Akesuo Medical Technology Co., Ltd.	8,000,000.00	10,000,000.00	–	–	15,917.70	18,015,917.70	–
Equity method							
Joint ventures							
Weigao Terumo (Weihai) Medical Products Co., Ltd.	–	–	–	–	–	–	–
Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd.	115,727,098.12	–	28,638,712.21	–	–	144,365,810.33	–
Total	710,469,830.20	280,000,000.00	28,638,712.21	–	3,193,470.70	1,022,302,013.11	(106,201,668.85)

2024

	Opening balance	Changes during the year				Closing balance	Provision for impairment as at the end of the year
		Increase of investment	Investment gains under equity method	Distribution of cash dividends	Share-based payment		
Cost method							
Subsidiaries							
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	105,482,986.88	–	–	–	544,403.67	106,027,390.55	106,027,390.55
Weigao Blood Purification Products (Shanghai) Company Limited	124,456,414.47	–	–	–	5,005,489.32	129,461,903.79	–
Weigao Medical Devices (Chengdu) Co., Ltd.	5,241,734.62	8,000,000.00	–	–	241,957.18	13,483,691.80	–
Weigao Medical (Shenzhen) Co., Ltd.	22,741,493.45	–	–	–	272,201.84	23,013,695.29	–
Weigao Blood Purification (Chengdu) Company Limited	200,000,000.00	–	–	–	–	200,000,000.00	–
Shandong Weigao Dongyuan Pharmaceutical Co., Ltd.	3,149,456.43	–	–	–	–	3,149,456.43	–
Weigao Blood Purification Products (Ganzhou) Company Limited	100,000,000.00	–	–	–	–	100,000,000.00	–
Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd.	10,774,866.39	–	–	–	831,727.83	11,606,594.22	–
Shandong Akesuo Medical Technology Co., Ltd.	1,000,000.00	7,000,000.00	–	–	–	8,000,000.00	–
Equity method							
Joint ventures							
Weigao Terumo (Weihai) Medical Products Co., Ltd.	–	–	–	–	–	–	–
Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd.	128,013,222.77	–	38,713,875.35	(51,000,000.00)	–	115,727,098.12	–
Total	700,860,175.01	15,000,000.00	38,713,875.35	(51,000,000.00)	6,895,779.84	710,469,830.20	106,027,390.55

2023

	Opening balance	Changes during the year				Closing balance	Provision for impairment as at the end of the year
		Increase of investment	Investment gains under equity method	Distribution of cash dividends	Share-based payment		
Cost method							
Subsidiaries							
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	104,476,885.65	–	–	–	1,006,101.23	105,482,986.88	105,482,986.88
Weigao Blood Purification Products (Shanghai) Company Limited	116,100,184.81	–	–	–	8,356,229.66	124,456,414.47	–
Weigao Medical Devices (Chengdu) Co., Ltd.	4,487,158.70	–	–	–	754,575.92	5,241,734.62	–
Weigao Medical (Shenzhen) Co., Ltd.	22,238,442.83	–	–	–	503,050.62	22,741,493.45	–
Weigao Blood Purification (Chengdu) Company Limited	200,000,000.00	–	–	–	–	200,000,000.00	–
Shandong Weigao Dongyuan Pharmaceutical Co., Ltd.	3,149,456.43	–	–	–	–	3,149,456.43	–
Weigao Blood Purification Products (Ganzhou) Company Limited	98,900,000.00	1,100,000.00	–	–	–	100,000,000.00	–
Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd.	10,000,000.00	–	–	–	774,866.39	10,774,866.39	–
Shandong Akesuo Medical Technology Co., Ltd.	–	1,000,000.00	–	–	–	1,000,000.00	–
Equity method							
Joint ventures							
Weigao Terumo (Weihai) Medical Products Co., Ltd.	–	–	–	–	–	–	–
Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd.	105,699,911.99	–	22,313,310.78	–	–	128,013,222.77	–
Total	665,052,040.41	2,100,000.00	22,313,310.78	–	11,394,823.82	700,860,175.01	105,482,986.88

2022

	Opening balance	Changes during the year				Closing balance	Provision for impairment as at the end of the year
		Increase of investment	Investment gains under equity method	Distribution of cash dividends	Share-based payment		
Cost method							
Subsidiaries							
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	22,556,766.02	80,000,000.00	–	–	1,920,119.63	104,476,885.65	104,476,885.65
Weigao Blood Purification Products (Shanghai) Company Limited	23,820,638.74	75,000,000.00	–	–	17,279,546.07	116,100,184.81	–
Weigao Medical Devices (Chengdu) Co., Ltd.	3,420,425.57	–	–	–	1,066,733.13	4,487,158.70	–
Weigao Medical (Shenzhen) Co., Ltd.	21,278,383.00	–	–	–	960,059.83	22,238,442.83	–
Weigao Blood Purification (Chengdu) Company Limited	200,000,000.00	–	–	–	–	200,000,000.00	–
Shandong Weigao Dongyuan Pharmaceutical Co., Ltd.	3,149,456.43	–	–	–	–	3,149,456.43	–
Weigao Blood Purification Products (Ganzhou) Company Limited	34,400,000.00	64,500,000.00	–	–	–	98,900,000.00	–
Weigao Blood Purification (Shanghai) Medical Technology Development Co., Ltd.	–	10,000,000.00	–	–	–	10,000,000.00	–
Equity method							
Joint ventures							
Weigao Terumo (Weihai) Medical Products Co., Ltd.	–	–	–	–	–	–	–
Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd.	83,254,142.70	–	41,825,769.29	(19,380,000.00)	–	105,699,911.99	–
Total	391,879,812.46	229,500,000.00	41,825,769.29	(19,380,000.00)	21,226,458.66	665,052,040.41	104,476,885.65

(2) *Impairment testing of long-term equity investments*

For the nine months ended 30 September 2025

	Opening balance	Increases during the period	Decreases during the period	Closing balance
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	106,027,390.55	174,278.30	–	106,201,668.85

2024

	Opening balance	Increases during the year	Decreases during the year	Closing balance
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	105,482,986.88	544,403.67	–	106,027,390.55

2023

	Opening balance	Increases during the year	Decreases during the year	Closing balance
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	104,476,885.65	1,006,101.23	–	105,482,986.88

2022

	Opening balance	Increases during the year	Decreases during the year	Closing balance
Weigao Peritoneal Dialysis Technology (Weihai) Co., Ltd.	22,556,766.02	81,920,119.63	–	104,476,885.65

5. *Revenue*

Revenue is as follows:

	For the nine months ended 30 September 2025	2024	2023	2022
Principal business	1,988,059,954.04	2,849,727,257.20	2,967,502,432.66	2,919,279,204.23
Other businesses	53,783,486.75	61,977,334.80	72,623,900.92	103,533,380.04
Total	2,041,843,440.79	2,911,704,592.00	3,040,126,333.58	3,022,812,584.27

6. *Investment income*

	For the nine months ended 30 September 2025	2024	2023	2022
Dividends and bonuses of subsidiaries	–	–	–	90,000,000.00
Income from long-term equity investments calculated under equity method	28,638,712.21	38,713,875.35	22,313,310.78	41,825,769.29
Investment income from entrusted loans	2,348,119.94	4,537,332.54	4,524,935.47	4,524,935.47
Investment income from financial assets held for trading during the holding period	11,979,211.66	4,888,928.83	845,968.13	(584,416.17)
Losses from discounted notes	(163,768.97)	(409,316.58)	(315,430.13)	(398,418.72)
Total	42,802,274.84	47,730,820.14	27,368,784.25	135,367,869.87

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Introduction

In connection with the proposed acquisition of 28.57% equity interest in Shandong Weigao Blood Purification Products Co., Ltd. (the "**Target Company**") and its subsidiaries (the "**Target Group**") by the Group (as defined below), which constitutes a major and connected transaction (the "**Transaction**"), the following is the unaudited pro forma consolidated statement of financial position of Shandong Weigao Group Medical Polymer Co., Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") enlarged by the Transaction of the Target Group (together the "**Enlarged Group**") (the "**Unaudited Pro Forma Financial Information**"), which has been prepared by the Directors of the Company in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants, for illustrative purpose only, to provide information about how the Transaction might have affected the financial position of the Group as if the Transaction had been completed on 30 June 2025 in respect of the unaudited pro forma consolidated statement of financial position of the Enlarged Group.

The unaudited pro forma consolidated statement of financial position of the Enlarged Group is prepared, in accordance with the accounting policies of the Group under Hong Kong Financial Reporting Standards, based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 extracted from the published unaudited interim report of the Group for the six months ended 30 June 2025 which has been published on the website of the Stock Exchange and the website of the Company, and the audited consolidated statement of financial position of the Target Group as at 30 September 2025 as extracted from the accountants' report as set out in Appendix III to this circular as if the Transaction had been completed on 30 June 2025.

The Unaudited Pro Forma Financial Information is based on the aforesaid historical data after giving effect to the pro forma adjustments described in the accompanying notes. A narrative description of the pro forma adjustments of the completion of the Transaction that are (i) clearly shown and explained; (ii) directly attributable to the Transaction concerned and not relating to future events or decisions; and (iii) factually supportable, is summarized in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and is based on certain assumptions, estimates, uncertainties and other currently available information. Accordingly, and because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the consolidated statement of financial position of the Enlarged Group as at 30 June 2025 had the Transaction been completed as of 30 June 2025 or at any future dates.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I to this circular, and the accountant's report on the Target Group as set out in Appendix III to this circular, and other financial information included elsewhere in this circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP

	The Group	The Target Group		The Enlarged Group
		As at 30		
	As at 30 June 2025	September 2025	Proforma adjustments	As at 30 June 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Note 1	*Note 2*	*Note 4*	*Note 5*
NON-CURRENT ASSETS				
Property, plant and equipment	6,846,633	3,329,956	–	10,176,589
Right-of-use assets	523,497	290,406	–	813,903
Investment properties	97,889	89,180	–	187,069
Goodwill	3,761,214	–	–	3,761,214
Deposits paid for acquiring property, plant and equipment	123,399	–	–	123,399
Intangible assets	1,192,959	3,239	–	1,196,198
Interests in associates	1,729,574	–	(1,611,652)	117,922
Interests in joint ventures	308,805	166,776	–	475,581
Financial assets at fair value through profit or loss	72,267	–	–	72,267
Deferred tax assets	220,217	60,612	–	280,829
Finance lease receivables	8,672	–	–	8,672
Loan receivables	503,434	–	–	503,434
Prepayments	49,397	13,550	(2,578)	60,369
	15,437,957	3,953,719	(1,614,230)	17,777,446
CURRENT ASSETS				
Inventories	2,284,388	819,727	–	3,104,115
Loan receivables	236,722	–	–	236,722
Trade and other receivables	8,196,613	1,078,806	(10,149)	9,265,270
Financial assets at fair value through profit or loss	423,202	981,222	–	1,404,424
Debt instruments at fair value through other comprehensive income	284,002	–	–	284,002
Finance lease receivables	9,956	–	–	9,956
Pledged/restricted bank deposits	324,179	1,985	–	326,164
Bank balances and cash	8,945,180	1,632,795	–	10,577,975
	20,704,242	4,514,535	(10,149)	25,208,628

	The Group As at 30 June 2025 *RMB'000* (Unaudited) *Note 1*	The Target Group As at 30 September 2025 *RMB'000* (Unaudited) *Note 2*	Proforma adjustments *RMB'000* (Unaudited) *Note 4*	The Enlarged Group As at 30 June 2025 *RMB'000* (Unaudited) *Note 5*
CURRENT LIABILITIES				
Trade and other payables	4,203,873	1,045,491	(10,149)	5,239,215
Contract liabilities	333,507	206,112	(2,578)	537,041
Borrowings	858,498	–	–	858,498
Taxation payable	105,906	10,005	–	115,911
Deferred income	8,324	–	–	8,324
Lease liabilities	36,725	5,023	–	41,748
Provisions	9,183	145,370	–	154,553
	5,556,016	1,412,001	(12,727)	6,955,290
NET CURRENT ASSETS	15,148,226	3,102,534	2,578	18,253,338
TOTAL ASSETS LESS CURRENT LIABILITIES	30,586,183	7,056,253	(1,611,652)	36,030,784
NON-CURRENT LIABILITIES				
Borrowings	3,488,176	–	–	3,488,176
Bonds payable	997,547	–	–	997,547
Trade and other payables	122,493	–	–	122,493
Deferred income	59,002	74,074	–	133,076
Deferred tax liabilities	55,915	–	–	55,915
Contract liabilities	5,547	–	–	5,547
Lease liabilities	131,621	111	–	131,732
Provisions	31,025	–	–	31,025
Total non-current liabilities	4,891,326	74,185	–	4,965,511
Net assets	25,694,857	6,982,068	(1,611,652)	31,065,273
Total equity	25,694,857	6,982,068	(1,611,652)	31,065,273

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The amounts were extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 as set out in the Company's published unaudited interim report for the six months ended 30 June 2025.

2. The amounts were extracted from the audited consolidated statement of financial position of the Target Group as at 30 September 2025 included in the accountants' report of the Target Group as set out in the Appendix III to this circular, after making certain reclassifications to conform to the Group's presentation under Hong Kong Financial Reporting Standards.

   The financial statements of Weigao Blood Purification and WEGO Prefills have been prepared in accordance with the Accounting Standards for Business Enterprises, in which 1) land use rights are classified as intangible assets; 2) the payments made in advance and amortised in the future are classified as long-term prepaid expenses; 3) tax payables for taxes other than corporate income tax are classified as taxes payable; 4) lease liabilities due within one year are classified as non-current liabilities due within one year; 5) restricted bank deposits are classified as currency funds.

   The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards, in which 1) land use rights are classified as right-of-use assets; 2) the payments made in advance and amortised in the future are classified as prepayments in non-current assets; 3) tax payables for taxes other than corporate income tax are classified as trade and other payables; 4) lease liabilities due within one year are classified as lease liabilities in current liabilities; 5) restricted bank deposits are classified as pledged/restricted bank deposits.

   Those reclassification are made to conform to the Group's presentation under Hong Kong Financial Reporting Standards.

3. According to the Sales and Purchase Agreement (as defined in this circular), the Target Company will purchase 95.9784% equity interest in WEGO Prefills Pharmaceutical Packaging Co., Ltd. ("**WEGO Prefills**"), held by the Company, through the allotment and issue of Consideration Shares at the issue price of RMB31.29 per Consideration Share comprising of 271,997,882 Shares, on the Completion Date of Issuance (as defined in this circular).

Upon completion of the proposed Transaction, the Group will hold 52.10% of the equity interest in the Target Company which will become a subsidiary of the Company. Under the common control combination, the assets, liabilities and equity at the carrying amounts of the Target Company will be consolidated into the financial statements of the Enlarged Group. As the Target Company holds 100% of the equity of WEGO Prefills, the assets, liabilities and equity of WEGO Prefills remain in the consolidated financial statements of the Enlarged Group.

4. Adjustments have been made to reflect the below transactions between the Group and the Target Company in the historical period:

   Prior to the completion of the Transaction, the Group held 23.53% equity interest in the Target Company, which was accounted for as "interests in associates" in the Group's financial statements. Upon the completion of the Transaction, the "interests in associates" and "total equity" balances are eliminated in the pro forma consolidated statement of financial position of the Enlarged Group. The Target Company procures raw materials from the Group and sells goods to the Group. To eliminate the impact of these related-party transactions, the prepayments, trade and other receivables, trade and other payables and contract liabilities accounts are eliminated in the pro forma consolidated statement of financial position of the Enlarged Group.

5. No adjustment has been made to the Unaudited Pro Forma Financial Information for acquisition-related costs (including fees to legal advisers, reporting accountants, valuer, printer and other expenses) as the Directors of the Company determined that such costs are insignificant.

6. Other than the above adjustments, no other adjustments had been made to reflect any trading results or other transactions that the Enlarged Group and the Target Company entered into subsequent to 30 June 2025 for the unaudited pro forma consolidated statement of financial position as at 30 June 2025.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

EY安永

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To the Directors of Shandong Weigao Group Medical Polymer Co., Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Shandong Weigao Group Medical Polymer Co., Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2025, and related notes as set out on pages 266 to 270 of Appendix IV to the circular issued by the Company (the "**Unaudited Pro Forma Financial Information**") dated 26 January 2026 (the "**Circular**") in connection with the proposed transfer of 95.9784% equity interest in the Group's subsidiary to Weigao Blood Purification and acquisition of 28.57% equity interest in Weigao Blood Purification (as defined in "Definitions" section in the Circular) by the Group, which constitutes a major and connected transaction (the "**Transaction**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information as described on page 266 to 270 of Appendix IV to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 30 June 2025 as if the Transaction had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed interim consolidated financial statements for the six months ended 30 June 2025, on which an interim review report has been published, and information about the financial position of Weigao Blood Purification has been extracted from the audited consolidated financial statements on Weigao Blood Purification included in Appendix III to the Circular.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by Rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Transaction on unadjusted financial information of the Group as if the Transaction had occurred or the Transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rule.

Yours faithfully,
Ernst Young
Certified Public Accountants
Hong Kong

26 January 2026

The following sets out a summary of the key assumptions and the calculation processes involved in the valuation of the Subject Assets in the Valuation Report, together with relevant supplementary explanations and information.

I. VALUATION OF THE SUBJECT ASSETS

(I) Basic information on the valuation

- Income approach and asset approach were adopted to value WEGO Prefills. The Valuation Benchmark Date was 30 September 2025. The valuation results based on the income approach serve as the appraised value of the total shareholders' equity of WEGO Prefills. According to the Asset Valuation Report (Zhong Lian Ping Bao Zi [2025] No. 5666) issued by China United, the appraised value of the 100% equity interest in WEGO Prefills is RMB8,510.8138 million.

As of the Valuation Benchmark Date, the valuation of WEGO Prefills is as follows:

Unit: RMB'0,000

Valuation approach	Book value of net assets A	Appraised value of net assets B	Increase/ decrease in appraised value C=B-A	Appreciation rate D=C/A×100%
Income approach	290,573.74	851,081.38	560,507.63	192.90%

The appraised value of the 100% equity interest in the Target Company is RMB8,510.8138 million, and the Transaction consideration determined through negotiations among all parties is consistent with the appraised value.

(II) Valuation assumptions

1. General assumptions

(1) Transaction assumption

It is assumed that all assets to be evaluated are already in the process of transaction, and the valuers conduct valuation based on simulated market such as the trading conditions of the assets to be evaluated. The transaction assumption is one of the most basic premise assumptions for an asset appraisal to be carried out.

(2) Open market assumption

Open market assumption is that with respect to the assets traded or to be traded in the market, the transacting parties are in equal position and have opportunities and time to access sufficient market information so as to make a rational judgment on the function, purpose and transaction price of the assets. The open market assumption is made on the basis that the assets can be traded openly in the market.

(3) Enterprise going-concern assumption

Enterprise going-concern assumption is an appraisal assumption with the overall assets of the enterprise as the appraisal object. An enterprise, as a business entity, continues to operate in accordance with its business objectives in the external environment where it operates. An enterprise is responsible and competent for assuming responsibilities; and an enterprise operates legally and is able to make appropriate profits to maintain its ability to continue as a going concern. For all types of business assets of WEGO Prefills, it means the ability to continue to use them as they are currently used and in the manner, scale, frequency and environment in which they are used, or to use them on a modified basis.

2. Special assumptions

(1) It is assumed that there are no material changes in the relevant prevailing laws, regulations and policies, and the macroeconomic conditions of the country, and that there are no material changes in the political, economic and social environment of the regions where the parties to the transaction are located.

(2) It is assumed that the Target Company operates as a going concern assumption based on the actual condition of the assets as of the Valuation Benchmark Date.

(3) It is assumed that the operators of the appraised entity are responsible and the management of the Target Company is capable of performing their duties.

(4) Unless otherwise specified, it is assumed that the Target Company is fully in compliance with all the related laws and regulations.

(5) It is assumed that the accounting policies to be adopted by an appraised entity in the future are generally consistent with the accounting policies adopted at the time of preparation of this report in material respects.

(6) It is assumed that WEGO Prefills and its subsidiary, Weigao Jiesheng, will continue to meet the recognition standards for high and new technology enterprises in the future period.

(7) It is assumed that the Target Company will maintain its current leasing arrangements without change in the future period.

(8) It is assumed that the business scope and operating method of the Target Company are in line with the current direction on the basis of the existing management methods and management levels.

(9) For the purposes of the valuation, it is assumed that the principal businesses, product mix, revenue and cost structures of the appraised entity, as well as its sales strategies and cost control measures, will remain in their current state without significant changes in the future forecast period.

(10) During the future forecast period, all expenses incurred by an appraised entity, will be in line with the basis as of the current level, follow the trends over recent years without significant changes and move in tandem with changes in operation scale.

(11) The production capacity expansion project of the appraised entity will be put into production as planned in the future forecast period.

(12) Given that the Target Company's monetary funds or bank deposits are subject to frequent changes during the production and operation process, and any idle funds have already been considered as surplus assets, the interest income generated from these deposits is not taken into account during the valuation. Additionally, other uncertain gains or losses beyond those associated with interest-bearing debts are also excluded from consideration.

(13) There are no significant changes in related interest rates, exchange rates, tax bases and tax rates, policy-imposed levies, etc.

(14) No other force majeure factors and unforeseeable factors will have a material adverse impact on the Target Company.

(III) Selection of valuation methods

In accordance with the Asset Valuation Practicing Standards – Enterprise Value (CAS [2018] No. 38) and the Asset Valuation Practicing Standards – Asset Valuation Methods (CAS [2019] No. 35), when performing any appraisal of enterprise value, the suitability of the three basic asset valuation methods, namely, the income approach, the market approach and the asset-based approach shall be analysed based on the purpose of valuation, the appraised target, the type of the value, suitability requirements of valuation methods, quality and quantity of reference data adopted under the valuation methods.

The income approach for the valuation of an enterprise refers to the valuation method whereby the value of the appraised target is determined by capitalising or discounting the projected income. The professional asset valuers shall appropriately take into consideration the suitability of the income approach in reference to the business nature, asset size, historical operations, future profit forecast, and adequacy of information collected for assessment.

The market approach for the valuation of an enterprise refers to the valuation method whereby the value of the appraised target is determined by comparing the appraised target with comparable listed companies or comparable transaction cases. The professional asset valuers shall take into consideration the suitability of the market approach in reference to the adequacy and reliability of business operations and financial data, and comparable enterprises to be collated.

The asset-based approach for the valuation of an enterprise refers to the valuation method whereby the value of the appraised entity is determined by reasonable valuation of identifiable on- and off-balance sheet assets and liabilities on the basis of the balance sheet of the appraised entity on the Valuation Benchmark Date.

The valuation is carried out for the purpose of the proposed purchase of 100% equity interests by Weigao Blood Purification in WEGO Prefills held by shareholders including Shandong Weigao Group Medical Polymer Company Limited by issuing shares.

As the assets-based method reflects an enterprise's value by putting business acquisition and construction into perspective, it provides a basis for business management and evaluation after the completion of the economic activity. Therefore, the assets-based method is used for this valuation.

As the appraised entity qualifies for the basis and requirements of continuance, while future profits and risks are predictable and quantifiable, the income approach can be used for this valuation.

Prior to or subsequent to the Valuation Benchmark Date, due to the fact that recent transaction cases involving enterprises of the same size are not available, and there are few comparable listed companies of the same size and business structure in the market. Therefore, the market approach is not selected in this valuation.

In conclusion, the asset-based approach and income approach are adopted in this valuation.

(IV) Conclusions of valuation

1. Valuation conclusion of the asset-based approach

The valuation conclusion obtained based on the asset-based approach for the Target Company as at the Valuation Benchmark Date of 30 September 2025 is as follows:

The carrying amount of total assets was RMB3,537.5241 million, with an appraised value of RMB4,033.2075 million, representing an increase of RMB495.6834 million and a value addition rate of 14.01%. The carrying amount of liabilities was RMB659.7302 million, with an appraised value of RMB648.0868 million, representing a decrease of RMB11.6434 million and a value decrease rate of 1.76%. The carrying amount of net assets was RMB2,877.7939 million, with an appraised value of RMB3,385.1207 million, representing an increase of RMB507.3268 million and a value addition rate of 17.63%.

2. Valuation Results of Income Approach

The valuation conclusion obtained based on the income approach for the Target Company as at the Valuation Benchmark Date of 30 September 2025, is as follows:

As at the Valuation Benchmark Date, the appraised value of all shareholders' equity was RMB8,510.8138 million, representing an increase of RMB5,605.0763 million and a value addition rate of 192.90% as compared to the carrying amount of the net assets attributable to the parent company in the consolidated financial statements of RMB2,905.7374 million.

3. Analysis of the Differences Between the Valuation Conclusions

In this valuation, the value of net assets (being the total shareholders' equity) arrived at by using the income approach were RMB8,510.8138 million, which was RMB5,125.6931 million or 151.42% higher than the net assets (being the total shareholders' equity) of RMB3,385.1207 million calculated using the asset-based approach. The major reasons for the difference in outcome under the two valuation methods are set out as follows:

(1) The asset-based approach takes the replacement cost of assets as the valuation standard, and reflects the necessary social labor consumed by asset investments (acquisition and construction cost), but such acquisition and construction cost usually changes along with the changes of national economy;

(2) The income approach takes the expected incomes of assets as the valuation standard, and reflects the size of the operating capacity (profitability) of assets, but such profitability is usually affected by various conditions, such as the macro economy, governmental control and effective usage of assets.

Therefore, difference exists between the results of the two valuation methods.

4. Selection of Valuation Conclusions

Firstly, Target Company has maintained stable operations during the historical period, with steady growth in both revenue and profit. As one of the early domestic manufacturers to break through industry barriers, Target Company holds a high market share for prefilled syringes. According to Explanation on the Market Situation of prefilled syringes of WEGO Prefills Pharmaceutical Packaging Co., Ltd. (Yao Bao Han Zi [2025] No. 006) issued by China National Pharmaceutical Packaging Association, during the period from 2022 to 2024, the market share of WEGO Prefills's prefilled products in the PRC's domestic market had exceeded 50%, ranking the top in the domestic industry and among the top five companies in international market in terms of sales volume. Provided that no significant changes occur in the existing industrial policies, its future income can be reliably measured. The income approach is capable of providing a more comprehensive reflection of the future earning capacity of the asset or enterprise.

Secondly, through years of high-level technological research and development, product design, quality control capabilities, and market expansion, Target Company has established stable sales and procurement channels, built a sales and service network covering major domestic biopharmaceutical markets, and formed significant channel advantages. Provided that no significant changes occur in the existing product portfolio, the future sales and procurement can be reliably projected. The income approach better reflects the earning capacity of intangible assets such as brand competitiveness and technology.

Finally, the Target Company has currently established long-term and stable cooperative relationships with many renowned domestic and foreign biopharmaceutical enterprises, and its products such as pre-filled syringes are widely used by numerous well-known biopharmaceutical companies. The income approach reflects the future revenue that the aforementioned products will generate for the enterprise, thereby better capturing Target Company's profitability in the future.

The asset-based approach reflects the fair market value of assets from the asset replacement perspective. However, in light of the specific purpose of this valuation, the asset-based approach is unable to reflect the value of factors such as the enterprise's backlog orders, customer relationships, and technological research and development. In summary, compared to the asset-based approach, the income approach provides a better reflection of Target Company's market value. Consequently, the results derived from the income approach are adopted as the final valuation conclusion in this assessment.

Through the above analysis, the value of the total shareholders' equity of WEGO Prefills as at the Valuation Benchmark Date is thus obtained as RMB8,510.8138 million.

II. DETAILS OF THE INCOME APPROACH VALUATION

(I) Definition and Principle of the Income Approach

1. Overview

Pursuant to the Asset Valuation Practicing Standards – Enterprise Value, the income approach in enterprise value assessment, also known as the discounted cash flow (DCF) method, refers to a method of assessing asset value by discounting the expected future net cash flows of an enterprise to their present value. The basic idea of the income approach is to derive the appraised value by estimating the expected future net cash flows of assets and converting them into present value using a suitable discount rate.

2. Application Premises of the Income Approach

The basic conditions for applying the income approach are: the enterprise has the foundation and conditions for continuous operation, there is stable relationship between the operation and the income, and the future income and risks can be forecasted and quantified. The difficulty of using the DCF method lies in the forecast of expected future cash flows, the objectivity and reliability of data collection and processing. When there is relatively objective forecast on the expected future cash flows and a reasonable discount rate, the appraisal result will be more objective.

3. Reasons and Basis for the Selection of the Income Approach

As the Target Company qualifies for the basis and requirements of going concern, while future profits and risks are predictable and quantifiable, the income approach can be used for this valuation.

(II) Assumptions for the Forecast of the Income Approach

Please refer to the special assumptions for the valuation as set out in "(II) Valuation assumptions-2. Special assumptions" in this appendix above.

III. INCOME APPROACH VALUATION CALCULATION AND ANALYSIS PROCESS

1. Income approach valuation model

(1) Valuation methods

According to the due diligence results and the asset composition and characteristics of principal operations of the appraised entity, in this valuation, the value of the equity capital of the appraised entity was estimated based on the consolidated financial statements of the Target Company. The basic method of the valuation is as follows:

① In respect of assets and principal businesses included in the scope of the financial statements, the value of operating assets is derived by discounting their expected income (net cash flow) based on the trend of historical operating conditions and the types of businesses;

② Current assets (liabilities) that are included in the scope of the financial statements but not taken into account in the forecast of expected income (net cash flow), such as cash at bank and on hand and dividends payable existing as at the Valuation Benchmark Date, as well as non-current assets (liabilities), such as slow-moving or idle property, are defined as surplus or non-operating assets (liabilities) existing as at the Valuation Benchmark Date, and are estimated separately;

③ The enterprise value of the appraised entity is arrived at by summing up the value of each of the above assets and liabilities, and the value of equity capital (total shareholders' equity) of the appraised entity is arrived at after deducting the value of interest-paying debts as of the Valuation Benchmark Date.

In determining the value of the total shareholders' equity, neither premium nor discount caused by such factors as controlling interest and minority interest, nor impact of the equity interests' movements on the valuation conclusions was considered by the Independent Valuer.

(2) Valuation model

① *Basic model*

The basic model used in this valuation is:

$$E = B - D (1)$$

where:

E: The value of the total shareholders' equity (net assets) of the appraised entity;

B: The enterprise value of the appraised entity;

D: The value of interest-paying debts of the appraised entity;

$$B = P + C (2)$$

where:

P: The value of the operating assets of the appraised entity;

C: The value of surplus or non-operating assets (liabilities) existing as of the Valuation Benchmark Date of the appraised entity;

$$P=\sum_{i=1}^{n}\frac{R_i}{(1+r)^i}+\frac{R_{n+1}}{r(1+r)^n} (3)$$

where:

R_i: Expected future earnings (free cash flow) of the valuated entity in year i;

r: The discount rate;

n: The future operating period of the appraised entity;

$$C = C_1 + C_2 (4)$$

where:

C_1: The value of current-type surplus or non-operating assets (liabilities) as of the Valuation Benchmark Date;

C_2: The value of non-current-type surplus or non-operating assets (liabilities) as of the Valuation Benchmark Date;

② *Earning indicators*

In this valuation, the free cash flow of the enterprise was used as an earning indicator on the operating assets of the appraised entity, which is basically defined as:

R = Net profit + depreciation and amortisation + after-tax interest +share-based payment- additional capital (5)

The free cash flows of the appraised entity in the future operating periods are estimated based on its operating history and future market development, etc. The value of the enterprise's operating assets is measured by discounting and summing the free cash flows over the future operating period.

③ *Discount rate*

The weighted average cost of capital assets (WACC) model was used in this valuation to determine the discount rate r:

$$r = r_d \times w_d + r_e \times w_e (6)$$

where:

W_d: The debt ratio of the appraised entity;

$$w_d = \frac{D}{(E+D)} (7)$$

W_e: The equity ratio of the appraised entity;

$$w_e = \frac{E}{(E+D)} (8)$$

r_d: The interest-paying debts rate after income taxes;

r_e: Cost of equity capital. In this valuation, the cost of equity capital re was determined according to the Capital Asset Pricing Model (CAPM);

$$r_e=r_f+\beta_e\times(r_m-r_f)+\varepsilon \quad (9)$$

where:

r_f: Risk-free rate of return;

r_m: Market expected rate of return;

ε: Risk adjustment factor for the characteristics of the appraised entity;

β_e: Expected market risk coefficient of equity capital of the appraised entity;

$$\beta_e=\beta_u\times(1+(1-t)\times\frac{D}{E}) \quad (10)$$

β_u: Expected unlevered market risk coefficient for comparable companies;

$$\beta_u=\frac{\beta_t}{1+(1-t)\frac{D_i}{E_i}} \quad (11)$$

β_t: Expected market average risk coefficient for shares (assets) of comparable companies;

$$\beta_t=34\%K+66\%\beta_x \quad (12)$$

where:

K: The average value-at-risk of the stock market over a given period of time, usually assuming K=1;

β_x: Historical market average risk coefficient for shares (assets) of comparable companies;

D_i,E_i: Interest-paying debts and equity capital of comparable companies, respectively.

(3) Additional disclosure regarding βt calculation

The calculation of βt in this valuation's discount rate complies with common practices in the Chinese asset appraisal industry. The 34% and 66% coefficients are empirical weights derived from historical statistical data and capital structure characteristics of the Chinese A-share market. These weights are widely adopted in practice to adjust historical beta toward an expected future beta, balancing market systematic risk (reflected by K) and company-specific historical risk (reflected by βx). This approach is consistent with methodologies observed in numerous public valuation reports and regulatory filings in China.

2. Determination of years of earnings

According to the articles of association of the Target Company, the Target Company has a long operating term. As the Target Company was operating normally on the Valuation Benchmark Date, there was no limitation on the useful life of the core assets affecting its continuation, no limitation on the duration of its production and operation, and no limitation on the term of ownership of investors. Therefore, in this valuation, it is assumed that the Target Company will continue perpetually after the Valuation Benchmark Date, and the corresponding income period is indefinite.

3. Forecast Period

In the income approach, the discounted cash flow model is divided into the forecast period and the perpetual period. The forecast period should extend until the company reaches a "steady state." The length of the forecast period is mainly influenced by factors such as the enterprise's stage of development, industry characteristics, contractual constraints, and the reliability of financial forecasts.

For this valuation, the forecast period is set at five years based on the following considerations:

1. whether the Target Company is subject to a clearly defined operating term.

2. whether the Target Company's products are highly cyclical; if so, a full business cycle needs to be covered.

3. the Target Company's stage of development–whether it is in a high-growth phase or a maturity stage.

4. industry characteristics–whether it belongs to a high-tech sector with rapid technological iteration and high volatility, which would make long-term forecasting unsuitable.

5. a comprehensive assessment based on the above factors combined with industry practice.

As the Target Company is not constrained by a defined operating term, and its operations have become relatively stable. Its prefilled product line has a high market share, and its automated drug-delivery system has entered the mass-production stage. Based on the timeline for commissioning and scaling up production of the automated drug-delivery system, it is expected that the Target Company will generally reach a stable state within five years. The Target Company operates in the pharmaceutical packaging materials industry, where products are mostly customized to client needs, and the pace of product iteration is moderate. Considering industry practices and the above analysis, the forecast period is set at five years.

4. Determination of future earnings

(1) Estimation of operating revenue and operating costs

The Target Company is primarily engaged in the research and development, production and sales of pharmaceutical packaging materials such as prefilled syringe system and automatic safety injection system. It is committed to providing one-stop drug delivery solutions for global biopharmaceutical enterprises, with its products widely applied across various sectors including biologics and vaccines.

This appraisal analysed the historical sales prices of each product, supply-demand dynamics, industry development trend, the strengths and risks of the appraised entity, particularly its market environment, future development prospects and potential faced by the Target Company. Discussions were held with the management of the appraised entity. Based on actual operating conditions in 2025, a reasonable judgement was made for revenue for October to December 2025, combined with future market demand for products like prefilled syringe delivery system and automatic safety delivery system alongside the Target Company's production capacity, the major business revenue for 2026 to 2030 was calculated.

① *Prefilled syringe system*

A. Forecast of product sales

Prefilled syringe product is one of the Target Company's primary offerings. Prefilled syringe system is widely used in areas such as biologics and vaccines, with WEGO Prefills' prefilled syringe products holding a domestic market share of more than 50%. From 2023 to September 2025, the sales volume of WEGO Prefills' prefilled syringe products demonstrated a relatively high growth trend.

The PRC biopharmaceutical industry has maintained a rapid growth momentum in recent years. According to the data from Frost & Sullivan, the PRC biopharmaceutical market expanded from RMB262.2 billion in 2018 to RMB534.8 billion in 2024, representing a compound annual growth rate (CAGR) of 12.61%. It is expected that the CAGR will be 11.64% by 2028. For the vaccine application sector, according to the data from Frost & Sullivan, the market size of the PRC's human vaccine industry grew from RMB53.5 billion in 2019 to RMB96.1 billion in 2024, with a CAGR of 12.4%. From 2024 to 2033, it is expected to maintain a CAGR of 14.8%. This tremendous and continuously growing downstream biopharmaceutical and vaccine markets offer significant application potential for prefilled syringe products. According to the data from Frost & Sullivan, the PRC market for prefilled syringe products is projected to grow at a CAGR of approximately 10% from 2024 to 2030.

This valuation forecasts the future sales volumes of each product through comprehensive consideration of market demand, the Target Company's market share together with its production capacity.

B. Forecast of product sales price

The historical unit sales price of the prefilled syringe product of the Target Company remains relatively stable. For this valuation, the sales price for October to December 2025 will be forecasted based on actual operating conditions, while product prices are projected to decline moderately after considering factors such as market competition subsequent to 2026.

The sales volumes of prefilled syringes of the Target Company for the two years ended 31 December 2024 and the nine months ended 30 September 2025 were 592.67 million units, 720.34 million units, and 602.96 million units, respectively. Among them, the sales volume in 2024 increased by 21.54% compared with the previous year, and the sales volume in 2025 increased by 11.61% compared with the previous year (based on annualized data for the first three quarters of 2025).

Specific historical unit sales prices (RMB per unit) are as follows:

2023: 2.32

2024: 2.22

2025 (January–September): 2.25

The year-on-year changes reflect a slight downward trend, with the average compound annual change (CAGR) over the historical period approximately -2%. This minor decline is attributable to factors such as economies of scale from increased production/sales volume, competitive pricing pressures in the domestic market, and periodic adjustments in product specifications or customer negotiations.

For this valuation, the sales price for October to December 2025 will be forecasted based on actual operating conditions observed in the fourth quarter of 2025. Product unit prices are projected to decline moderately by approximately 2% annually after 2026, considering factors such as intensifying market competition, further scale-up in production volume, ongoing cost efficiencies, and the Target Company's strategy to maintain competitive positioning while preserving margins.

The projected moderate decline in unit sales price is reasonable and supported by the following analysis:

Historical trends show a comparable slight decline (average CAGR ≈ -2%) during a period of strong sales volume growth, demonstrating that price pressure has been manageable and offset by volume expansion.

Future sales volume (production and sales) is forecasted to grow at a comprehensive annual growth rate of approximately 9%, which is broadly consistent with Frost & Sullivan's projection that the PRC market for prefilled syringe products will grow at a CAGR of approximately 10% from 2024 to 2030. This alignment indicates sustained strong downstream demand (driven by biologics, vaccines, and increasing adoption in therapeutic areas), allowing the Target Company to achieve volume-driven growth.

As sales volume increases significantly, a slight unit price decline is typical in the industry due to economies of scale, bargaining power of large biopharma clients, and competitive dynamics, yet it remains modest and comparable to historical patterns, ensuring overall revenue growth remains robust and realistic.

This approach ensures the price assumption is grounded in historical data, and aligned with independent market forecasts, thereby supporting the credibility of the overall revenue projection.

② *Automatic safety drug delivery system*

A. Forecast of product sales

The automatic safety drug delivery systems represent an emerging business of the Target Company, with rapid growth in demand for automatic safety drug delivery systems in the biopharmaceutical sector in recent years. According to data from Frost & Sullivan, the CAGR of the PRC's injection pen product market is projected to be approximately 23% from 2024 to 2030.

This valuation forecasts the sales volume for October to December 2025 based on the actual operating conditions observed in the fourth quarter of 2025. The continued development of the biopharmaceutical industry – particularly the explosive growth of GLP-1 receptor agonist drugs (used for blood sugar control and weight loss) – is expected to create significant incremental demand for automatic safety drug delivery systems, becoming a key growth driver for the industry. National policies promoting pharmaceutical safety and the adoption of automatic drug delivery devices have further accelerated market penetration.

For future periods (2026-2030), product sales volumes are projected comprehensively based on:

- Cooperation contracts already entered into between the appraised entity and downstream clients (particularly major clients);

- Expected expansion of market demand driven by the strong growth outlook for GLP-1 drugs and other biologics requiring pen-based delivery systems.

Projected sales volumes of the main product – automatic injection pens (in ten thousand units) during the forecast period are as follows:

Product	Oct–Dec 2025	2026	2027	2028	2029	2030
Automatic injection pens	102.21	1,109.71	2,010.68	3,011.75	3,812.92	4,014.22

These volumes reflect a rapid ramp-up starting in 2026, driven by the realization of large-scale orders from major clients and sustained strong downstream market growth.

B. Forecast of product sales price

For this valuation, the selling price for October to December 2025 is forecasted based on the actual order conditions observed in the fourth quarter of 2025.

From 2026 onward, the price is projected by taking into account the price after large-scale sales.

Basis for determining the price after large-scale sales: The 2026 unit sales price (the first year of large-scale sales) is determined based on the prices stipulated in the signed orders/contracts that meet the standards for large-scale sales (i.e., orders from major clients with sufficient volume to qualify as scale production/sales), ensuring high reliability and alignment with actual contractual commitments.

Projected year-by-year price decline (from 2027 onward): Taking into full consideration factors such as market competition, continued rapid expansion of production and sales scale, economies of scale, cost reductions, and typical pricing dynamics in emerging high-growth medical device segments, the unit sales price is projected to decline moderately year by year as follows:

- 2027: approximately 10%
- 2028: approximately 8%
- 2029: approximately 5%
- 2030: approximately 5%

These decline rates are considered reasonable, reflecting the transition from the initial large-scale contract pricing in 2026 to further gradual reductions in subsequent years due to increasing sales volume, improved production efficiencies, and competitive pressures – while remaining supportive of overall revenue growth given the strong projected volume increases and robust downstream demand (particularly from GLP-1 and other biologics markets).

In respect of operating costs, the historical principal business costs of the Target Company primarily include material expenses, direct labor, and manufacturing expenses such as depreciation and amortization. Material expenses mainly consist of direct materials and packaging materials, the costs of which are directly correlated with sales volume.

The Target Company's main products are prefilled syringes and automatic injection pens. The historical unit cost trends and future projection process for each product are as follows:

① Prefilled syringe historical unit cost (RMB per unit):

- 2023: 1.11
- 2024: 1.13
- 2025 (January–September): 1.11

The historical unit cost remained relatively stable overall, with only minor fluctuations (a slight increase in 2024 followed by a return to the 2023 level in 2025).

Projected declining trend in the forecast period: Considering further scale-up of production and the localized substitution of certain components such as the prefilled syringe needle cap and other parts (which are expected to reduce procurement costs), the unit cost is projected to decline gradually by 0.01-0.02 per unit per year during the forecast period. This modest annual decline is reasonable given the company's leading domestic market position in prefilled syringes (>50% share), continued volume growth, and ongoing progress in supply chain localization.

② Automatic injection pen

Historical unit cost during the historical period exhibited significant fluctuations. This is primarily because the injection pen business was in the early/start-up stage, with no large-scale production achieved yet. Various factors, including differences in client product specifications, gradual introduction of new models, varying production complexity, and non-optimized processing flows, resulted in large unit cost variations. Consequently, the historical cost fluctuation trend has limited reference value for future large-scale projections.

Projected declining trend in the forecast period: The forecast starts from the historical unit cost level as a baseline and incorporates the significant cost reduction expected from scale effects after the business achieves large-scale production and sales (particularly from 2026 onward).

With the commissioning of automatic injection pen assembly lines and other automated production facilities, together with rapid sales volume expansion (as detailed in the earlier sales volume projections), economies of scale, improved production efficiency, and optimized resource utilization are expected to drive a gradual year-by-year decline in unit cost during 2027-2030. The projected annual decline percentages are as follows:

- 2027: approximately 10%
- 2028: approximately 8%
- 2029: approximately 5%
- 2030: approximately 2%

These decline rates are considered reasonable, reflecting the typical cost reduction trajectory in emerging medical device segments during the transition from early-stage to full-scale automated production, while aligning with the strong projected growth in downstream demand (particularly GLP-1 drugs).

Direct labor is projected based on the historical unit labor cost of the appraised entity, combined with expected sales growth. The depreciation and amortization within manufacturing expenses are projected based on the original value of the enterprise's fixed assets and intangible assets, and the applicable depreciation (amortization) provision standards. Other manufacturing expenses are projected with reference to historical occurrence levels, with unit costs expected to decrease slightly in the future due to expanded production scale and improved efficiency.

(2) Forecast of Taxes and Surcharges

The taxes and surcharges of the Target Company include urban maintenance and construction tax, education surcharge, local education surcharge, stamp duty, vehicle and vessel usage tax, property tax, and land use tax. Among these, the urban maintenance and construction tax, education surcharge, and local education surcharge are all calculated based on the amount of Value-Added Tax (VAT) payable, with respective tax (surcharge) rates of 7%, 3%, and 2%. The property tax for the leased properties is levied based on rental income at a rate of 12%. The property tax for the owner-occupied properties is levied based on the value of the property, calculated as 1.2% of 70% of the original property value. The land use tax is levied based on a lump sum tax rate of RMB4 per square meter. The stamp duty is budgeted based on its historical occurrence as a percentage of revenue. The vehicle and vessel usage tax is estimated based on the average level of the historical occurrences.

(3) Forecast of Expenses for the Period

① *Forecast of selling expenses*

Selling expenses primarily comprise employee remuneration, equity incentive expenses, market development expenses, market maintenance expenses, and other expenses. The employee remuneration is determined with reference to the historical per capita annual remuneration standard. The future per capita annual remuneration is considered to increase slightly, and the future headcount is projected according to the enterprise's demand. The share incentive expenses are projected based on the fair value at the equity benchmark date, estimating the amounts to be allocated across future years. As market development expenses and market maintenance expenses are closely related to sales revenue, the abovementioned expenses are projected based on their historical occurrence as a percentage of revenue. Depreciation is projected based on the original values of the enterprise's fixed assets, and the depreciation provision standards. Other expenses are comprehensively estimated with reference to their historical occurrence levels as a percentage of revenue.

② *Forecast of management expenses*

Depreciation and amortisation are projected based on the original values of the enterprise's fixed assets and intangible assets, as well as the depreciation (amortisation) provision standards. Travelling expenses will increase slightly year-on-year based on historical occurrence. Certification fees within other expenses will be calculated with reference to the average ratio of historical certification fees to revenue. Security fees and property management fees will increase slightly year-on-year based on historical occurrence.

③ *Forecast of research and development expenses*

Research and development expenses primarily comprise employee remuneration, equity incentive expenses, material consumption, outsourced research and development expenses, depreciation and amortisation, and other expenses.

The forecast for October to December 2025 is based on the actual research and development expenses incurred by the Target Company in 2025.

For the forecast period from 2026 to 2030, the key components are projected as follows:

- Employee remuneration is determined with reference to the historical per capita annual remuneration standard. The future per capita annual remuneration is projected to increase by 5% annually, based on the historical salary growth trend observed in the Target Company (reflecting inflation, talent retention requirements, industry salary adjustments in the pharmaceutical packaging sector, and the company's ongoing need to attract and retain research and development personnel). The future headcount is projected according to the enterprise's research and development demand and planned project pipeline.

- Equity incentive expenses are projected based on the fair value at the equity benchmark date, estimating the amounts to be allocated across future years in accordance with the vesting schedule and accounting standards.

- Material consumption (consumed raw materials) is projected based on their historical occurrence as a percentage of revenue.

- Outsourced research and development expenses are determined based on actual business needs and the requirements of ongoing and planned research and development projects. Specifically, these expenses are projected to increase by a fixed amount of 3 million per year from 2026 to 2029, and by 2 million in 2030, reflecting the anticipated incremental external development work and commitments under existing technical development arrangements.

- Depreciation and amortisation is projected based on the original values of the enterprise's fixed assets and intangible assets used in research and development, and the applicable depreciation (amortization) provision standards.

- Other expenses are determined with reference to their historical occurrence levels. Given the relatively large fluctuations in historical other research and development expenses, they are projected at the historical average level (no additional percentage increase applied), ensuring a stable, and realistic estimate consistent with past patterns.

④ *Forecast of financial expenses*

The historical financial expenses of the Target Company primarily comprise interest income generated from bank deposits, handling charges, and exchange gains or losses. As there are no interest-bearing debts as of the Valuation Benchmark Date and no external financing is considered for future periods, the interest expenses are not projected. As bank deposits are treated as surplus assets, interest income is not calculated in this valuation. The financial expenses such as handling charges and exchange gains or losses are projected based on their historical occurrence as a percentage of revenue.

(4) Forecast of other income

Other income during the historical periods primarily comprises government grants, VAT super deduction, individual income tax refunds and others.. Pursuant to the requirements of the Announcement of the Ministry of Finance and the State Taxation Administration on the Value-added Tax Super Deduction Policy for Advanced Manufacturing Enterprises (Announcement [2023] No. 43 of the Ministry of Finance and the State Taxation Administration) (《財政部稅務總局關於先進製造業企業增值稅加計抵減政策的公告》), from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are allowed to deduct the VAT payable plus 5% of the current deductible input tax amount. Based on the aforesaid policy, the super deduction amounts from the Valuation Benchmark Date to the end of 2027 are projected during this valuation. No such amount is considered after 2027. For individual income tax refunds, the forecast is based on their historical amounts as a percentage of total employee remuneration. Incidental subsidy income is no longer projected for future periods.

(5) Forecast of income tax

Upon verification, the parent company of WEGO Prefills obtained the High-Tech Enterprise Certificate on 29 November 2023, with an income tax rate of 15%. Weigao Jiesheng, the subsidiary, obtained the High-Tech Enterprise Certificate on 12 December 2022, with an income tax rate of 15%. Weigao Jiesheng obtained the renewal of High-Tech Enterprise Certificate on 8 December 2025. This valuation forecasts the future period based on the currently applicable income tax rate. Its subsidiary, Weigao Pharmaceutical Packaging, is a micro and small enterprise. According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Tax Policies for Further Support of Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 of the Ministry of Finance and the State Administration of Taxation in 2023), which is valid from 1 January 2023 to 31 December 2027, the income tax of Weigao Pharmaceutical Packaging is calculated at the currently applicable income tax rate of 5% for the period from 2025 to 2027, and at the income tax rate of 25% for 2028 and thereafter.

(6) Forecast of depreciation and amortization

The assets of the appraised entity that require depreciation provision are fixed assets, primarily comprising buildings, machinery and equipment, vehicles, and electronic devices. Fixed assets are measured at their actual cost at acquisition. For this valuation, in accordance with the fixed asset depreciation policies implemented by the enterprise, the depreciation expenses for future operating periods are estimated using the original carrying amount, estimated useful lives, weighted depreciation rates of fixed assets as of the Valuation Benchmark Date and others.

The assets of the appraised entity that require amortization provision are intangible assets and long-term deferred expenses, primarily comprising land use rights, software, as well as maintenance and renovation costs for production facilities. For this valuation, the amortization expenses for future operating periods are estimated based on the amortization policies implemented by the enterprise. Specific forecast results are shown in the Future Net Cash Flow Forecast Table.

(7) Forecast of additional capital

Additional capital refers to the operation funds required to be increased and long-term capital input exceeding one year without changing the current operating and production conditions, such as the capital investment required for expansion of production capacity (fixed assets or other non-current assets purchased), as well as the additional operating funds required and replacement of assets necessary for continued operation.

Additional capital investment = Asset replacement + Increase in working capital + Capital expenditure

① *Estimation of Aset Replacement Investment*

On the premises and bases of the revenue forecast, the future years will only require sufficient upgrading investment expenditures to sustain production and operation following the capacity expansion. In this valuation, the capital expenditures for the 5-year forecast period are projected based on the Target Company's planned renewal investments, while for the perpetual period, they are forecasted based on the depreciation and amortization amounts.

② *Estimation of Increase in Working Capital*

The increase in working capital represents the operating capital that the enterprise requires to be increased, without changing the current conditions of its principal business, so as to maintain normal business operations, which are additional funds needed to maintain the enterprise's ability to operate on a going concern basis, such as the basic capital required for maintaining normal business operations, including cash reserves, inventory purchases, advance payment for goods purchased on behalf of clients (receivables), as well as payables. The increase in working capital refers to the cash occupied by acquiring commercial credit of others due to changes in the enterprise's operating activities, as well as the cash reserves and inventory required to maintain normal business operations. In addition, in economic activities, providing commercial credit can correspondingly reduce the immediate payment of cash. Usually, the contents of other receivables and payables are mostly dealings with the related parties or non-operational dealings. Items like taxes payable and wages payable mostly arise from operations, with relatively fast turnover, relatively short default period and relatively small amounts.

Estimating the increase in working capital only needs to consider the main factors such as cash reserves (minimum cash holdings), inventory, receivables and payables required for normal business operations. The increase in working capital as defined in this report is:

Increase in working capital = Working capital in the current period – Working capital in the previous period

where:

Working capital = Operating cash + Inventory + Receivables – Payables

Operating cash = Total annual cash cost / Cash turnover ratio

Total annual cash cost = Total cost of sales + Total expenses in the period – Total non-cash cost

Receivables primarily include accounts receivable, notes receivable, prepayments, and other receivables relating to operating activities.

Payables primarily include accounts payable, notes payable, advances from customers, and other payables relating to operating activities.

Operating capital for the forecast period = Annual revenue for the forecast period / Average working capital turnover rate of 2024 and 2025

Of which, the working capital turnover rate for 2025 uses the yearly forecasted revenue as the annualized revenue amount.

Based on the investigation of the business situation of the Target Company, as well as the statistical analysis of assets, profit and loss, revenues, costs and expenses from historical operations, and the results of the estimation of revenues for each year of the future operating period, the working capital requirement for the future operating period has been calculated according to the aforementioned forecast logic. The specific forecast results are presented in the Projected Net Cash Flow Statement.

③ *Estimates of capital expenditure*

During the forecast period, the capital expenditures required by the Target Company primarily include investments for the expansion of production lines related to the smart technology upgrade and transformation project for prefilled syringes and the smart production line technology transformation project for precision injection pens. For this valuation, the capital expenditure forecast is based on the Company's estimated remaining capital investments.

(8) Results of cash flow forecast

The forecast of future earnings in this valuation is mainly based on the market research and analysis of the industry in which the enterprise operates, and a professional judgment is made based on the comprehensive situation including the operating conditions of the enterprise, market demand, and future industry development. When making the forecast, the profit or loss resulting from uncertain non-operating income and expenses, subsidy income, and other non-recurring operations is not taken into consideration.

The projected results of net cash flows of the Target Company during the future operating periods are shown in the following table:

Unit: RMB'0,000

Item/year	**October–December 2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**Perpetual year**
Revenue	45,895.66	206,687.40	226,295.59	246,515.22	265,664.20	280,527.45	280,527.45
Cost	23,811.52	106,657.69	117,746.26	129,601.96	140,681.22	149,482.83	149,482.83
Taxes and surcharges	352.98	1,736.92	1,913.84	2,102.49	2,233.75	2,308.76	2,308.76
Selling expenses	2,469.23	8,871.89	8,851.27	9,268.21	9,746.34	10,274.29	10, 274.29
Management expenses	2,976.50	7,158.94	6,298.99	5,848.46	5,600.90	5,910.13	5,910.13
Research and development expenses	2,516.73	7,628.74	7,879.69	8,544.65	9,329.35	9,900.08	9,900.08
Financial expenses	7.85	35.42	38.79	42.26	45.55	48.10	48.10
Others	100.58	386.76	413.78	14.86	16.19	17.27	17.27
Operating profit	13,861.44	74,984.55	83,980.54	91,122.05	98,043.29	102,620.52	102,620.52
Add: Non-operating income							
Less: Non-operating expenses							
Total profit	13,861.44	74,984.55	83,980.54	91,122.05	98,043.29	102,620.52	102,620.52
Less: Income tax	2,425.40	11,033.64	11,963.47	12,769.76	13,570.21	14,188.26	14,188.26
Net profit	11,436.03	63,950.92	72,017.07	78,352.29	84,473.08	88,432.26	88,432.26
Depreciation, amortization, etc.	4,269.46	21,039.40	22,183.70	22,859.87	22,905.75	22,905.55	22,905.55
Depreciation of fixed assets	4,191.62	20,720.99	21,865.29	22,541.46	22,587.34	22,587.34	22,587.34
Amortization	77.83	318.41	318.41	318.41	318.41	318.21	318.21
Share-based payment	3,145.62	4,180.31	2,063.06	852.00	–	–	–
Interest after taxation	–	–	–	–	–	–	–
Additional capital	5,505.16	15,693.62	13,361.66	10,594.61	9,355.55	7,634.64	22,905.55
Asset replacement	1,013.84	2,376.28	2,020.35	2,020.35	1,666.37	1,666.37	22,905.55
Increase in working capital	860.56	7,871.24	7,873.58	8,119.10	7,689.19	5,968.27	–
Capital expenditure	3,630.76	5,446.10	3,467.73	455.16	–	–	–
Return of deducted income tax	2.02	–	–	–	–	–	–
Net cash flow	13,347.97	73,477.00	82,902.17	91,469.56	98,023.28	103,703.17	88,432.26

5. Determination of discount rate

(1) Determination of risk-free interest rate

As enquired on the website of China Assets Appraisal Association, the yield of treasury bonds provided by the China Central Depository & Clearing Co., Ltd. (CCDC) is published on the website.

The valuation is based on the assumption of going concern, and the income period of the subject of the valuation is infinite. In accordance with the requirements of the "Guidelines for Asset Evaluation Experts No. 12 – Calculation of Discount Rate in the Evaluation of Enterprise Value by Income Approach" (Zhong Ping Xie [2020] No. 38) (《資產評估專家指引第12號 – 收益法評估企業價值中折現率的測算》(中評協[2020]38號)), the yield to maturity of treasury bonds with a remaining maturity of ten years or more may be used as the risk-free interest rate. The 10-year treasury bond yield is used as the risk-free rate for this valuation, i.e., rf = 1.86%.

(2) Determination of market risk premium

Market risk premium refers to the expected excess return by investors for their investment in the market with similar risks, which means risk compensation over the risk-free interest rate. Market risk premium can be calculated using historical market risk premium data. The valuation uses the long-term average return A share market index as the expected market yield (rm) and the excess of the expected market yield over the risk-free interest rate is taken as the market risk premium.

Pursuant to the requirement of "Guidelines for Asset Evaluation Experts No. 12 – Calculation of Discount Rate in the Evaluation of Enterprise Value by Income Approach" (Zhong Ping Xie [2020] No. 38) (《資產評估專家指引第12號 – 收益法評估企業價值中折現率的測算》(中評協[2020]38號)), the representing stock market index in the PRC shall be used when calculating the market risk premium, such as CSI 300 Index and Shanghai Securities Composite Index. To calculate the excess return on the index over a period of time, the time span can be selected for more than ten years, the data frequency can be selected from weekly or monthly, and the calculation method can be arithmetic mean or geometric mean.

Based on the tracking research of China's A Share market conducted by the Research Institute of China United Assets Appraisal Group as well as the provisions of the above guidelines, the representative Shanghai Composite Index was selected as the underlying index in the valuation process, and the arithmetic mean was used to calculate and annualize the rate of return on the basis of the weekly and monthly data frequency, respectively. Its arithmetic mean, geometric mean, and harmonic mean were calculated respectively to determine the expected market return after comprehensive analysis, i.e. rm = 9.59%.

Market risk premium $= r_m - r_f = 9.59\% - 1.86\% = 7.73\%$.

(3) Determination of capital structure

The Target Company belongs to the pharmaceutical packaging materials industry. After years of development, the enterprise has entered into a mature period and has no interest-bearing debts as of the Valuation Benchmark Date, while its capital structure has been relatively stable in recent years. Because the profit forecast made by the management of the enterprise is based on the premise that its own financing ability and capital structure are stable, for this valuation, the stable capital structure of the enterprise as of the Valuation Benchmark Date is selected for the calculation of the discount rate for future years.

(4) Determination of the β coefficient

Based on the stocks of Shanghai and Shenzhen listed companies in the pharmaceutical consumable industry, three comparable companies are selected after considering the comparability of the appraised entity and comparable companies in business model, product portfolio, enterprise scale, profitability, and other relevant factors.

(a) Specific selection criteria for comparable companies

A-share

When selecting A-share comparable companies, those with negative beta values were excluded. The remaining companies were then compared based on the following specific criteria: (i) being A-share listed companies primarily engaged in pharmaceutical packaging; (ii) having business scope that includes production and sales of pharmaceutical glass packaging materials; and (iii) main products that include prefilled syringes (or prefilled syringe assemblies). Three companies meeting these criteria were ultimately selected as the most comparable. The business scope and main business composition of the three selected comparable companies are as follows:

Securities Code	Securities Name	Business Scope (Key Excerpts)	Main Business Composition
600529.SH	Shandong Pharmaceutical Glass (山東藥玻)	Medical device production & sales within license scope; production & sales of pharmaceutical packaging materials and containers (per registration certificate); production & sales of daily glass products, molded bottles, tubular bottles, prefilled syringes, etc.	Research and development, production and sales of pharmaceutical glass packaging materials; main products include various molded bottles, tubular bottles, prefilled syringes, etc.

Securities Code	Securities Name	Business Scope (Key Excerpts)	Main Business Composition
603976.SH	Zhengchuan (正川股份)	Manufacturing, processing and sales of lock-mouth bottles, pharmaceutical glass bottles, bottle caps, plastic products, glass instruments; pharmaceutical packaging technical services; import & export	Research and development, production and sales of pharmaceutical glass packaging materials; products include borosilicate tubular bottles, soda-lime tubular bottles, pharmaceutical bottle caps, prefilled syringe assemblies, cartridge bottles, and other high-value products
301188.SZ	Linuo Pharmaceutical Packaging (力諾藥包)	Glass manufacturing; technical glass products; medical packaging materials; production & sales of borosilicate pharmaceutical glass series, high-borosilicate heat-resistant glass series, etc.; first/second/third class medical device production & sales	Research and development, production and sales of pharmaceutical glass packaging materials; main products include medium-borosilicate and high-borosilicate series, mainly used in pharmaceutical packaging (including prefilled syringes) and daily consumer applications

(b) Exhaustiveness of the selection

The three listed companies selected represent the exhaustive and representative list of comparable companies based on the above criteria. In the pharmaceutical packaging materials industry, no listed company has exactly the same business scope as the appraised entity. The three selected companies are the only ones whose main business is closest to the appraised entity (involving prefilled syringes and/or pharmaceutical glass products) and meet the comparability requirements. Therefore, the selection is comprehensive, exhaustive, and representative.

(c) Details of the three comparable companies and their risk coefficients

Using the Shanghai Composite Index as the underlying index, and the historical beta (βx), adjusted expected beta (βt), and unlevered asset beta (βu) for each comparable company were calculated based on market prices as of the Valuation Benchmark Date, with the calculation period being 250 weeks prior to the Valuation Benchmark Date (or from listing date if shorter). The results are as follows:

Securities Code	Securities Name	Listing Date	Historical βx	Adjusted βt	Unlevered βu (Asset βu)
600529.SH	Shandong Pharmaceutical Glass	2002-06-03	0.6906	0.7958	0.7958
603976.SH	Zhengchuan Shares	2017-08-22	0.9965	0.9977	0.8884
301188.SZ	Linuo Pharmaceutical Packaging	2021-11-11	0.9889	0.9927	0.9167

(5) Determination of characteristic risk coefficient

In determining the discount rate, it is necessary to take into account the differences between the appraised entity and listed companies in terms of company size, stage of development, core competitiveness, reliance on major customers and key suppliers, financing capacity and cost, robustness of profit forecasts, and other factors, and to determine the specific risk premium (characteristic risk coefficient ε).

(a) Comparability with β coefficient companies

The comparable listed companies adopted for the determination of the characteristic risk coefficient are the same as those used for the calculation of the β coefficient (Shandong Pharmaceutical Glass, Zhengchuan Shares, and Linuo Pharmaceutical Packaging).

(b) Determination of the characteristic risk coefficient of 2.50%

China United, as one of China's leading asset appraisal institutions, has established unified and clear internal guidelines for the calculation of discount rates in the income approach. These guidelines are uniformly prepared by the its technical support center and are strictly followed in all appraisal projects, with the final discount rate determination subject to internal review and approval.

In this valuation, the characteristic risk coefficient ε is determined through a detailed comparative analysis between the appraised entity and the three comparable listed companies, based on the following risk factors and scoring standards:

No.	Risk Factor	0 (Low Risk)	0.1-0.9 (Moderate Risk)	1 (High Risk)
1	Enterprise size	Larger than comparables	Comparable/moderate size	Smaller than comparables
2	Stage of development	More mature, more stable	In growth/upward phase, some volatility	Early stage, more unstable
3	Core competitiveness	Premium clients, very high market share, absolute product advantage	Balanced clients, average market share	Unstable clients, low market share, limited competitiveness
4	Reliance on upstream/ downstream	Very low client concentration, no reliance	Moderate concentration, average reliance	High concentration, high reliance
5	Financing capacity & cost	Strong capacity, low external financing cost	Average capacity, moderate cost	Poor capacity, high cost
6	Robustness of profit forecasts	Very stable	Some volatility	High volatility, high uncertainty
7	Other factors	Fast industry growth	Stable industry growth, stable demand	Slow industry growth, limited demand

Specific judgment and assigned values for the appraised entity (after detailed comparison with the three comparables):

Risk Factor	Judgment and Analysis	Assigned Coefficient
Company size	Scale is moderate compared to comparables (smaller than Shandong Pharmaceutical Glass, larger than Zhengchuan and Linuo); considering leading position in prefilled syringes	0.2
Stage of development	In upward/growth phase with some volatility; considering Frost & Sullivan forecasts for biologics/prefilled syringe industry growth and company stage	0.5
Core competitiveness	Premium and relatively stable clients, currently high market share, strong future competitiveness (especially in prefilled syringes)	0
Reliance on upstream/ downstream	Moderate client concentration (top 5 clients account for 30%–40% of revenue), average reliance level	0.5
Financing capacity & cost	Average financing capacity, moderate external financing cost	0.5

Risk Factor	Judgment and Analysis	Assigned Coefficient
Robustness of profit forecasts	Profit forecasts are relatively stable with low volatility	0.3
Other factors	Industry in upward phase, but growth rate moderate per Frost & Sullivan reports	0.5
Total		2.5%

The characteristic risk coefficient of 2.50% is determined in strict accordance with China United's internal operational guidelines, combined with an objective analysis of the appraised entity's actual situation and a detailed comparison with the comparable companies, based on the professional judgment of China United. This value is considered fair and reasonable.

When calculating according to the appraised entity's own capital structure, the expected levered market risk coefficient βe of the equity capital of the appraised entity is obtained.

(6) Calculation of discount rate based on WACC

By substituting the parameters obtained above into the formula, the discount rate is obtained in the following table:

Item	October–December 2025	2026	2027	2028	2029	2030	Perpetual year
Equity ratio	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Debt ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free rate of return	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
Market expected rate of return	9.59%	9.59%	9.59%	9.59%	9.59%	9.59%	9.59%
Historical β	0.8920	0.8920	0.8920	0.8920	0.8920	0.8920	0.8920
Adjusted β	0.9287	0.9287	0.9287	0.9287	0.9287	0.9287	0.9287
Non-leveraged β	0.8670	0.8670	0.8670	0.8670	0.8670	0.8670	0.8670
Applicable tax rate	15%	15%	15%	15%	15%	15%	15%
Corporate tax rate	15%	15%	15%	15%	15%	15%	15%
Equity β	0.8670	0.8670	0.8670	0.8670	0.8670	0.8670	0.8670
Characteristic risk coefficient	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Cost of equity capital	11.06%	11.06%	11.06%	11.06%	11.06%	11.06%	11.06%
WACC	11.06%	11.06%	11.06%	11.06%	11.06%	11.06%	11.06%

6. Determination of appraised value of operating assets

By substituting the expected net cash flow obtained into Formula (3), the value of the operating assets of the appraised entity is obtained as RMB8,335.8840 million.

7. The appraised value of long-term equity investment

This income approach forecast is made on a consolidated basis, and there are no long-term equity investments within the scope of consolidation.

8. Determination of appraised value of non-operating or surplus assets (liabilities)

It has been verified that the value of certain assets (liabilities) existing in the books of the Target Company as of the Valuation Benchmark Date has not been taken into account in the estimation of net cash flows in this valuation. They are surplus or non-operating assets (liabilities) beyond the cash flows estimated in this valuation. In this valuation, the value of such assets (liabilities) was separately estimated based on the audited financial statements to obtain the appraised value of the surplus or non-operating assets (liabilities) of the appraised entity as of the Valuation Benchmark Date:

$C = C1 + C2 =$ RMB174.9298 million

9. Valuation result under the income approach

By substituting the obtained value of operating assets P = RMB8,335.8840 million, the value of other surplus or non-operating assets existing as of the Valuation Benchmark Date C = RMB174.9298 million, and the long-term equity investment I = RMB0.00 million into formula (2), the enterprise value of the appraised entity is obtained: B = RMB8,510.8138 million.

The value of the interest-paying debts of the enterprise as of the Valuation Benchmark Date D = RMB0.00 million, based on which the value of the equity interest in the valuated entity is obtained:

E = B – D = RMB8,510.8138 million.

III. VALUATION CONCLUSION OF THE ASSET-BASED APPROACH

The valuation conclusion obtained based on the asset-based approach for the Target Company as at the Valuation Benchmark Date of 30 September 2025 is as follows:

The carrying amount of total assets was RMB3,537.5241 million, with an assessed value of RMB4,033.2075 million, representing an increase of RMB495.6834 million and a value addition rate of 14.01%. The carrying amount of liabilities was RMB659.7302 million, with an appraised value of RMB648.0868 million, representing a decrease of RMB11.6434 million and a value decrease rate of 1.76%. The carrying amount of net assets was RMB2,877.7939 million, with an assessed value of RMB3,385.1207 million, representing an increase of RMB507.3268 million and a value addition rate of 17.63%. See the table below for more details.

The specific valuation results of the asset-based approach are shown in the table below:

Unit: RMB'0,000

Item		Carrying amount A	Assessed value B	Increase/ decrease C=B-A	Value Addition Rate % D=C/ A×100
1	Current Assets	135,008.74	147,903.86	12,895.12	9.55
2	Non-current assets	218,743.67	255,416.89	36,673.22	16.77
3	Of which: Long-term equity investments	5,646.61	8,944.41	3,297.80	58.40
4	Investment property	758.07	804.07	46.00	6.07
5	Fixed assets	144,396.28	157,163.51	12,767.23	8.84
6	Construction in progress	50,400.37	51,156.00	755.63	1.50
7	Intangible assets	3,554.06	23,360.62	19,806.56	557.29
7-1	Of which: Right-of-use assets	3,541.17	4,444.11	902.94	25.50
8	Other non-current assets	13,988.28	13,988.28	–	–
9	**Total assets**	**353,752.41**	**403,320.75**	**49,568.34**	**14.01**
10	Current liabilities	55,615.29	55,615.29	–	–
11	Non-current liabilities	10,357.73	9,193.39	-1,164.34	-11.24
12	**Total liabilities**	**65,973.02**	**64,808.68**	**-1,164.34**	**-1.76**
13	**Net assets (Shareholders' equity)**	**287,779.39**	**338,512.07**	**50,732.68**	**17.63**

(I) Current Assets

The current assets of WEGO Prefills included in the valuation scope comprise: monetary funds, notes receivable, account receivables, financing receivables, prepayments, other receivables and inventories.

The results of the current asset valuation are as follows:

Unit: RMB'0,000

Item	Carrying amount	Appraised value
Monetary funds	36,140.96	36,140.96
Notes receivable	5,409.72	5,409.72
Account receivables	49,007.26	49,007.26
Financing receivables	996.84	996.84
Prepayments	990.54	990.54
Other receivables	147.64	147.64
Inventories	42,315.79	55,210.91
Total Current Assets	135,008.74	147,903.86

The appraised value of current assets is RMB1,479.0386 million, with an appraised appreciation of RMB128.9512 million, representing an appreciation rate of 9.55%, an increase in valuation of inventory.

Valuation basis and approach for each current asset item:

- Monetary funds, notes receivable, accounts receivable, financing receivables, prepayments, and other receivables: These items were appraised at their carrying amounts as of the Valuation Benchmark Date. China United verified the authenticity, completeness, and recoverability of these items through review of bank statements, aging analysis, collection records, contract documents, and other relevant supporting evidence. No adjustments were deemed necessary after confirmation that there were no material risks of impairment, bad debts, or other value deductions.

- Inventories: The carrying amount of inventories was 423.1579 million, including raw materials, finished goods (inventory commodities), and goods in transit (dispatched goods), with no provision for inventory impairment recorded.

Valuation procedures performed by China United included the following:

- Tested the internal control system over inventories;

- Sample-checked large-amount transactions and supporting original documents;

- Reviewed major customers' purchase and sales contracts, delivery and receipt records, and daily production reports to verify the authenticity, completeness, and reasonableness of the carrying value composition and cost accounting methods;
- Inspected the inventory receipt, dispatch, and storage accounting system;
- Conducted physical inventory count sampling to confirm existence and condition;
- Inspected inventories for any defective, damaged, obsolete, or scrapped items;
- Collected market reference prices and product sales prices as the primary pricing basis, supplemented by market inquiry data for comprehensive analysis to determine the appraised value.

The appraised value of inventories is 552.1091 million, resulting in an appreciation of 128.9512 million (appreciation rate of 30.47%).

The appreciation primarily arises from finished goods and goods in transit (dispatched goods).

Reasons and basis for the appreciation:

The market conditions for WEGO Prefills's products (particularly prefilled syringe systems and related pharmaceutical packaging materials) are favorable, with strong demand from downstream biopharmaceutical and vaccine sectors. The appraised value of these inventories incorporates an appropriate portion of expected profit (i.e., the realizable value exceeds the historical cost due to current market selling prices being higher than production costs). This reflects the market-oriented valuation principle (replacement cost or net realizable value approach), where the fair value of inventories in a strong market environment includes the embedded profit margin that the company is reasonably expected to realize upon sale. The adjustment is supported by verified market reference prices, recent sales data, and ongoing positive demand trends, ensuring the appraised value is fair, reasonable, and reflective of actual economic value as of the Valuation Benchmark Date.

(II) Non-current Assets

1. Long-term equity investments

The Target Company holds two long-term equity investments in two wholly-owned subsidiaries: Weigao Jiesheng and Weigao Pharmaceutical Packaging. As of the Valuation Benchmark Date, the two long-term equity investment entities are in normal operation. Their original carrying value was RMB56.4661 million, with no impairment provision.

The specific valuation results of the long-term equity investments are shown in the table below:

Unit: RMB'0,000

No.	Name of the entity	Shareholding ratio	Carrying amount	Appraised value
1	Weigao Jiesheng	100%	2,990.00	4,825.25
2	Weigao Pharmaceutical Packaging	100%	2,656.61	4,119.16
	Total		**5,646.61**	**8,944.41**

As of the Valuation Benchmark Date, the carrying amount of the long-term equity investment was RMB56.4661 million, with no impairment provision. The appraised value was RMB89.4441 million, representing an increase in valuation of RMB32.9779 million.

2. Investment property

The investment property has an original carrying amount of RMB8.5831 million and a net value of RMB7.5807 million. It includes buildings leased out within the Target Company's factory premises. Based on the calculations, the carrying value of the investment property is RMB7.5807 million, while the appraised value is RMB8.0407 million, representing an increase in valuation of RMB460,000.

3. *Fixed assets*

(1) Buildings

The building assets included in the scope of this valuation comprising buildings structures and their ancillary facilities. The original carrying amount was RMB398.4707 million, and the net carrying amount was RMB353.6525 million. The specific valuation results are as follows:

Unit: RMB'0,000

Name of items	Carrying amount		Appraised value	
	Original amount	Net amount	Original amount	Net amount
Buildings	36,165.45	32,107.70	36,964.08	34,006.95
Structures and their ancillary facilities	3,681.62	3,257.55	3,869.30	3,440.36
Total	**39,847.07**	**35,365.25**	**40,833.38**	**37,447.31**

Valuation approach and basis: The buildings, structures, and ancillary facilities were appraised primarily using the replacement cost method under the continued use assumption. China United collected detailed information on construction costs (including current building material prices, labor costs, installation fees, and indirect costs in the local market as of the Valuation Benchmark Date), construction standards, design specifications, and depreciation status. The replacement cost was determined based on current market construction costs for similar buildings and structures. Accumulated depreciation was then estimated considering physical wear and tear, functional and economic obsolescence, and the remaining useful life.

The resulting appraised appreciation (net amount increase of 2,082.06 million) mainly reflects the increase in replacement cost due to rising construction material and labor costs since the original acquisition/construction dates, partially offset by normal depreciation.

(2) Equipment assets

The assets included in the scope of this valuation comprise machinery and equipment, vehicles, and electronic devices. The original carrying amount was RMB1,796.8987 million, and the net carrying amount was RMB1,090.3103 million.

The specific valuation results are as follows:

Unit: RMB'0,000

Name of items	Carrying amount		Appraised value	
	Original amount	**Carrying amount**	**Original amount**	**Assessed value**
Machinery and equipment	179,207.21	108,817.30	161,486.23	119,479.16
Vehicles	139.44	72.43	127.59	90.65
Electronic devices	343.23	141.30	229.94	146.40
Total	**179,689.87**	**109,031.03**	**161,843.77**	**119,716.20**

Valuation approach and basis: In accordance with the purpose of this valuation and the continued use principle, the equipment assets were appraised primarily using the replacement cost method, with market prices as the reference basis, combined with the specific characteristics of the appraised equipment and the availability of collected data.

- For machinery and equipment that could be priced in the second-hand market, the market approach was applied where reliable comparable transaction data existed.

- For the majority of specialized production equipment (particularly pharmaceutical packaging machinery), the replacement cost method was adopted:

  - Replacement cost was determined based on current market prices for similar new equipment (sourced from manufacturer quotations, industry price indices, and market inquiries as of the Valuation Benchmark Date).

  - Accumulated depreciation was calculated considering physical deterioration, functional obsolescence, and economic obsolescence, with reference to the equipment's actual condition, maintenance records, remaining useful life, and technical status.

The overall appraised appreciation rate for machinery and equipment is 9.80% (net appraised value increase of 10,661.86 million).

The primary reason and basis for the appreciation in machinery and equipment is that the actual service life/use period of the equipment is significantly longer than the depreciation period recorded in the accounting books. Many of the key production lines and specialized machines were acquired or constructed earlier, and the Target Company has maintained them in good operating condition through regular maintenance and upgrades. As a result, the remaining useful life estimated during the valuation is longer than the accounting residual life, leading to a lower accumulated depreciation ratio in the appraised value compared to the book value. This reflects the economic reality that the equipment continues to generate value beyond the accounting depreciation schedule, resulting in a fair and reasonable upward adjustment under the replacement cost method.

For vehicles and electronic devices, the market approach was primarily applied (comparing recent market transaction prices of similar used assets), supplemented by the replacement cost method where necessary. The modest appreciation in these categories reflects current second-hand market conditions and the good physical condition of the assets.

4. Construction-in-progress

(1) Civil engineering

The civil engineering included in the scope of this valuation has a carrying amount of RMB2.1351 million and appraised value of RMB2.1672 million.

Valuation approach and basis: The civil engineering projects (including site preparation, foundations, and related structures) were appraised using the replacement cost method under the continued use assumption. China United collected current market data on construction costs (materials, labor, and overheads as of the Valuation Benchmark Date), engineering progress reports, and expenditure vouchers. Replacement cost was determined based on prevailing local construction prices for similar projects, with accumulated depreciation/ impairment assessed based on physical progress and condition. The modest appreciation reflects increases in material and labor costs since project commencement.

(2) Equipment installation project

The equipment installation project included in the scope of this valuation has a carrying amount of RMB501.8686 million and the appraised value of RMB509.3929 million.

5. Right-of-use assets

The right-of-use assets have a carrying amount of RMB71.8811 million, comprising the right-of-use assets arising from leased properties. For this valuation, the appraised value was confirmed based on the verified carrying amount, with the appraised value of the right-of-use asset amounting to RMB71.8811 million.

Valuation approach and basis: For this valuation, the appraised value was confirmed based on the verified carrying amount after reviewing the lease contracts, payment records, lease term, discount rate, and impairment indicators. No material adjustments were required as the lease terms, payments, and conditions remain consistent with the book value, with no evidence of significant changes in market rents or lease obligations as of the Valuation Benchmark Date. The appraised value of the right-of-use assets amounts to 71.8811 million (no appreciation).

6. Intangible assets

(1) Land use rights

Intangible assets – land use rights included in the scope of this valuation have a carrying amount of RMB35.4117 million and an appraised value of RMB44.4411 million.

Valuation approach and basis: In accordance with the Asset Appraisal Practice Standards – Real Estate and the Urban Land Valuation Regulations, China United analyzed the applicability of various methods considering the appraised object's location, land use nature, utilization conditions, and local land market conditions. Ultimately, the market comparison method (comparing recent transactions of similar land parcels in the same or adjacent areas, adjusted for differences in location, size, development status, and other factors) and the benchmark land price coefficient correction method (using official local benchmark land prices as a base, then applying correction coefficients for specific attributes such as location advantage, infrastructure improvements, and market trends) were adopted. Both methods were cross-verified for consistency.

The main reason for the appreciation (increase of 9.0294 million) is that the book value represents the historical cost of acquiring the land use rights in previous years. In recent years, with the continuous social and economic development in the region, optimization of the investment environment, improvement of infrastructure (such as transportation, utilities, and industrial parks), and overall land market appreciation, the value of land use rights in this area has risen significantly. This market-driven uplift is reflected in the higher replacement cost and transaction comparables as of the Valuation Benchmark Date.

(2) Other intangible assets

① Technology-based intangible asset

Technology-based intangible assets included in the scope of this valuation comprise invention patents, utility model patents, and design patents.

Carrying value: These are off-balance sheet assets with a book value of 0 (not recognized on the balance sheet under accounting standards).

Appraised value: The appraised value of the Target Company's patent technologies is assessed at 189.0340 million (using the income approach, considering projected incremental cash flows attributable to the patents, discounted at an appropriate rate, with reference to industry royalty rates and market data for similar technologies in pharmaceutical packaging).

② Software

Carrying value: The purchased software has a book value of 128,900.

Appraised value: The appraised value of the Target Company's purchased software is assessed at 129,200 (using the replacement cost method, based on current market prices for similar software licenses and installation costs, with minimal appreciation due to slight market price increases).

③ Domain name

Carrying value: 0 (off-balance sheet/not recognized).

Appraised value: Not separately valued as immaterial (included within other intangible assets if applicable, with no significant incremental value identified).

In summary, the appraised value of the other intangible assets of the Target Company included in the scope of this valuation totalled RMB189.1650 million.

7. Long-term deferred expenses

The Target Company's long-term deferred expenses had a carrying amount of RMB14.5399 million and an assessed value of RMB14.5399 million.

8. Other non-current assets

Other non-current assets had the carrying amount of RMB53.4619 million, comprising prepayments for equipment and others, and the assessed value determined based on the verified book value is RMB53.4619 million.

(III) Current liabilities

The current liabilities of the Target Company included in the scope of this valuation comprise: accounts payable, contract liabilities, employee benefits payable, taxes payable, other payables, non-current liabilities due within one year, and other current liabilities. The valuation results of the current liabilities are shown in the following table:

Unit: RMB'0,000

Item	Carrying amount	Appraised value
Accounts payable	21,655.78	21,655.78
Contract liabilities	7,781.95	7,781.95
Employee benefits payable	2,855.96	2,855.96
Taxes payable	5,493.42	5,493.42
Other payables	16,838.23	16,838.23
Non-current liabilities due within one year	382.12	382.12
Other current liabilities	607.84	607.84
Total current liabilities	**55,615.29**	**55,615.29**

The appraised value of the current liabilities was RMB556.1529 million, representing no increase or decrease.

(IV) Non-current liabilities

The non-current liabilities of the Target Company included in the scope of this valuation comprise lease liabilities, deferred income, and deferred income tax liabilities.

1. Lease liabilities

Lease liabilitie74s of the Target Company have a carrying amount of RMB82.6428 million, mainly representing buildings, and the appraised value of RMB82.6428 million.

2. Deferred income

Deferred income of the Target Company has a carrying amount of RMB11.6434 million, primarily comprising government grant projects relating to assets. Upon verification, the project has been completed and accepted, and the income tax has been paid in a lump sum. Therefore, the appraised value is zero.

3. Deferred income tax liabilities

Deferred income tax liabilities of the Target Company have a carrying amount of RMB9.2910 million, comprising deferred income tax liabilities arising from the depreciation of fixed assets and right-of-use assets, and the appraised value of RMB9.2910 million.

(A) Confirmation Letter from Ernst & Young

The full text of the letter from Ernst & Young is set out below, for the purpose of, among other things, incorporating it into this circular.

EY 安永

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26 January 2026

The Board of Directors
Shandong Weigao Group Medical Polymer Co., Limited

Dear Sirs,

Shandong Weigao Group Medical Polymer Co., Limited (the "Company")

Report from the reporting accountants on the arithmetical accuracy of the calculations of discounted cash flow forecast in connection with the valuation report

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "**Forecast**") on which the valuation report dated 29 December 2025 prepared by China United Assets Appraisal Group Co., Ltd. in respect of Shandong WEGO Prefills Pharmaceutical Packaging Co., Ltd. ("**WEGO Prefills**") as at 30 September 2025 is based. The valuation of WEGO Prefills is set out in the Circular of the Company dated 26 January 2026 (the "**Circular**") in connection with the transfer of 95.9784% equity interests in WEGO Prefills. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' responsibilities

The directors of the Company (the "**Directors**") are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the "**Assumptions**"), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out in the section headed "Details of the Income Approach Valuation" of Appendix V to the Circular.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of *Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations is concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast is based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of WEGO Prefills. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under Rule 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

(B) Letter from the Board

The full text of the letter from the Board is set out below, for the purpose of, among other things, incorporating it into this circular.

Dear Sir/Madam,

Company: Shandong Weigao Group Medical Polymer Company Limited (Stock Code: 1066) (the "Company")

Re: Profit forecast — confirmation letter under the requirements of Rule 14.60A(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")

Reference is made to the circular of the Company dated 26 January 2026 (the "**Circular**") in relation to the valuation report (the "**Valuation Report**") dated 29 December 2025 prepared by China United Assets Appraisal Group Co., Ltd.* （中聯資產評估集團有限公司） (the "**Valuer**") in respect of the valuation of WEGO Prefills Pharmaceutical Packaging Co., Ltd.* （山東威高普瑞醫藥包裝有限公司） using the income approach. The board of directors of the Company (the "**Board**") has reviewed the basis and assumptions of the aforesaid valuation and discussed the same with the Valuer. The Board has also considered the report from Ernst & Young on 26 January 2026 in relation to the arithmetical calculations of profit forecast upon which the Valuation Report was based. Pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the Board confirmed that the profit forecasts used in the aforesaid Valuation Report have been made after due and careful enquiry.

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

26 January 2026

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and the chief executive in the share capital and associated corporations of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) 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, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") as contained in Appendix C3 of the Listing Rules, were as follows:

(i) Long positions in the Shares

Director	Capacity	Nature of interest	Number of H Shares held	% of H Shares in issue (excluding treasury shares) *(note 1)*	% of H Shares in issue (including treasury shares)	Number of domestic shares held	% of domestic shares in issue *(note 1)*	% of the total issued share capital of the Company (excluding treasury shares) *(note 1)*
Mr. Long Jing *(note 2)*	Beneficial Owner	Long Position	480,000	0.0107%	0.0106%	6,000,000	12.422%	0.143%
Mr. Cong Rinan *(note 2)*	Beneficial Owner	Long Position	200,000	0.0045%	0.0044%	2,000,000	4.141%	0.049%
Mr. Wang Daoming *(note 2)*	Beneficial Owner	Long Position	–	–	–	500,000	1.035%	0.011%
Mr. Chen Lin	Beneficial Owner	Long Position	196,000	0.0044%	0.0043%	–	–	0.004%

Notes:

1. As of the Latest Practicable Date, the number of total issued Shares of the Company was 4,570,632,324 shares, comprising 4,522,332,324 H Shares (including 37,843,600 treasury H Shares) and 48,300,000 domestic shares.

2. The share interests held by the relevant Directors are domestic shares in relation to the Shares granted pursuant to the 2014 Share Award Scheme of the Company.

(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 *(Note 1)*	Beneficial Owner	RMB 1,100,800	6.90%
	(2) Weigao Holding Group *(Note 1)*	Beneficial Owner	RMB 9,760,000	0.81%
Mr. Lu Junqiang	Shandong Orthopaedic *(Note 2)*	Beneficial Owner	400,000 A shares *(Note 2)*	0.10%

Notes:

1 Weihai Weigao International holds 89.83% equity interest in Weigao Holding.

2 These underlying shares were incentive share options granted to Mr. Lu Junqiang and were vested pursuant to the share award scheme of Shandong Orthopaedic, a subsidiary of the Company listed on the SSE.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) 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, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests and short positions of substantial Shareholders and other persons in the Shares and underlying Shares of the Company

(i) As at the Latest Practicable Date, 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 under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be 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	% of total issued H share capital (excluding treasury shares) *(Note 1)*	% of total issued H share capital (including treasury shares) *(Note 1)*
Mr. Chen Xueli *(Note 2)*	Interest of controlled corporation	2,099,755,676 (L)	46.82%	46.43%
Weihai Weigao International *(Note 2)*	Interest of controlled corporation	2,099,755,676 (L)	46.82%	46.43%
Weigao Holding *(Note 2)*	Beneficial Owner	1,982,755,676 (L)	44.21%	43.84%
	Interest of controlled corporation	117,000,000 (L)	2.61%	2.59%
Wego Capital *(Note 2)*	Beneficial Owner	117,000,000 (L)	2.61%	2.59%

Notes:

1. As at the Latest Practicable Date, the number of total issued Shares of the Company was 4,570,632,324, comprising 4,522,332,324 H Shares (of which 31,063,600 H Shares are treasury shares) and 48,300,000 domestic shares.

2. Wego Capital is 100% owned by Weigao Holding, which is 89.83% and 5.79% owned by Weihai Weigao International and Mr. Chen Xueli, respectively. Mr. Chen Xueli owned 50.80% interests in Weihai Weigao International. 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 the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, there was no other person (other than the Directors) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Saved as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person (other than Directors and chief executives of the Company) who had interests or short positions in the Shares and underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept under Section 336 of the SFO.

(c) As of the Latest Practicable Date, so far as was known to the Directors, the followings Directors serve a director or employee of the corporation of the substantial Shareholder, which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Director	Position in the Company	Position in the corporation of the substantial Shareholder
Mr. Long Jing	Executive Director	Director of Weihai Weigao International, Director and General Manager of Weigao Holding
Mr. Cong Rinan	Executive Director	Director of Weigao Holding
Mr. Tang Zhengpeng	Non-executive Director	Director and General Manager of Weihai Weigao International and Director of Weigao Holding
Mr. Chen Lin	Non-executive Director	Chairman of Weihai Weigao International and Chairman of Weigao Holding

3. SERVICE AGREEMENTS

Each of the Directors has entered into a service contract or a letter of appointment with the Company for a term of three years and is eligible for re-election upon expiry of their term of office.

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service agreement with any member of the Enlarged Group which is not determinable by the Enlarged Group within one year without payment of compensation, other than statutory compensation.

4. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert or professional adviser who has given their opinion or advice contained in this circular:

Name	Qualification
Gram Capital	A corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity
China United	an independent valuation company with asset valuation qualifications in the PRC
Ernst & Young Hua Ming LLP (Special General Partnership)	Certified Public Accountants in the PRC
Ernst & Young	Certified Public Accountants in Hong Kong

As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, advice and opinion and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Enlarged Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group.

As at the Latest Practicable Date, the above expert did not have any interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Enlarged Group since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up.

6. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS, CONTRACTS OF SIGNIFICANCE AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, the Company or any other companies within the Enlarged Group since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up.

As at the Latest Practicable Date, there is no other contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Enlarged Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in a business which competed or was likely to compete with the business of the Group.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Enlarged Group were engaged in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Enlarged Group.

9. MATERIAL CONTRACT

As at the Latest Practicable Date, the following contract (not being contracts entered into in the ordinary course of business of the Enlarged Group) had been entered into by members of the Enlarged Group within the two years immediately preceding the date of this circular and are, or may be, material:

(i) the underwriting agreement between Weigao Blood Purification and Huatai United Securities Co., Ltd. dated 8 December 2023 and its supplemental agreement dated 31 March 2025 in relation to the underwriting arrangements for the A-share listing of Weigai Blood Purification on the SSE (collectively, the "**Weigao Blood Purification Underwriting Agreement**").

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.weigaogroup.com) from the date of this circular up to and including the date which is 14 days from the date of this circular:

(i) the Sale and Purchase Agreement (including the Original Sale and Purchase Agreement and the Supplemental Sale and Purchase Agreement)

(ii) the Compensation Agreement

(iii) the Letter of Non-Competition Undertakings

(iv) the Valuation Report

(v) the written consent referred to in the paragraph headed "4. Qualification and Consent of Expert" in this section

(vi) the Weigao Blood Purification Underwriting Agreement

11. MISCELLANEOUS

(i) The company secretary of the Company is Mrs. Wong Miu Ling, Phillis, a Chartered Secretary and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

(ii) The Company's registered office and headquarters in the PRC are situated at 1 Weigao Road, Torch Hi-Tech Science Park, Weihai, Shandong Province, PRC, and its principal place of business in Hong Kong is situated at 29/F., Two Chinachem Central, 26 Des Voeux Road Central, Hong Kong.

(iii) The Company's H Share registrar and transfer office is Tricor Investor Services Limited which is situated at 17th Floor, Fat East Finance Centre, 16 Harcourt Road, Hong Kong.

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)

NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 first extraordinary general meeting (the "**EGM**") of Shandong Weigao Group Medical Polymer Company Limited*(山東威高集團醫用高分子製品股份有限公司)(the "**Company**") will be held at 2/F., 1 Weigao Road, Torch Hi-tech Science Park, Weihai, Shandong Province, the PRC at 9:00 a.m. on Thursday, 12 February 2026, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as ordinary resolution of the Company. Unless otherwise defined, capitalised terms used therein shall have the same meanings as those defined in the circular of the Company dated 26 January 2026 (the "**Circular**").

Ordinary Resolution

The Sale and Purchase Agreement (comprising the Original Sale and Purchase Agreement and the Supplemental Sale and Purchase Agreement), the Compensation Agreement and the Letter of Non-Competition Undertakings each dated 5 January 2026 (copies of which are produced at the meeting and marked "**A**", "**B**", "**C**" and "**D**" respectively and initialed by the chairman of the meeting for the purpose of identification) be and are hereby approved, confirmed and ratified, and all transactions contemplated under the Transaction Documents be and are hereby approved, confirmed and ratified, and any one Director of the Company be and is hereby authorised to do all such acts or things and sign all documents deemed necessary by him/her for the purpose of giving effect to the Transaction Documents and the transactions contemplated thereunder.

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

Weihai, Shandong, the PRC, 26 January 2026

* *For identification purpose only*

As of the date of this notice, the Board comprises:

Executive Directors
Mr. Long Jing (Chairman)
Mr. Cong Rinan (Chief Executive Officer)
Mr. Lu Junqiang
Mr. Wang Daoming

Non-executive Directors
Mr. Chen Lin
Mr. Tang Zhengpeng

Independent non-executive Directors
Mr. Li Guohui
Mrs. Meng Hong
Mr. Li Qiang
Mr. Sun Heng

Notes:

1. For the purpose of determining who may attend the EGM to be held on Thursday, 12 February 2026, the register of members of the Company for H Shares will be closed from Monday, 9 February 2026 to Thursday, 12 February 2026 (both days inclusive), during which period no transfer of H Shares will be effected. In order to qualify for attending and voting in the EGM, 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, 6 February 2026.

   The address of Tricor Investor Services Limited is as follows:
   17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
   Fax: (852) 2810 8185

2. In accordance with the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of EGM will be voted by poll. Results of the poll voting will be published on the Company's website at www.weigaogroup.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the EGM.

3. Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.

4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and deposited at the Company's H Share registrar, Tricor Investor Services Limited (for holders of H Shares), not later than 24 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof.

5. Completion and return of a proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting thereof if you so wish.

6. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.

7. Shareholders who attend the EGM in person or by proxy shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the EGM.