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山東威高集團醫用高分子製品股份有限公司
Shandong Weigao Group Medical Polymer Company Limited *

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1066)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

SUMMARY

- For the year ended 31 December 2025 (the “**Year**”), the revenue of Shandong Weigao Group Medical Polymer Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was approximately RMB13,388,890,000 (2024: approximately RMB13,087,071,000), representing an increase of 2.3% over the previous year. Net profit attributable to the owners of the Company was approximately RMB1,612,210,000 (2024: approximately RMB2,066,668,000), representing a decrease of 22.0% over last year.
- Net profit attributable to the owners of the Company (excluding extraordinary items and the impact of exchange gains or losses) was approximately RMB1,621,384,000, representing a decrease of 19.9% over the comparative figure for the previous year (2024: approximately RMB2,023,661,000). *(Note)*

Note 1: The extraordinary items in 2025 comprised a gain of approximately RMB76,650,000 arising from the dilution of the Company's equity interest in Shandong Weigao Blood Purification Products Co., Ltd. (“Weigao Blood Purification”) to 23.53%, an one-off expense of approximately RMB31,711,000, net expenses attributable to owners of the Company for new equity incentives of approximately RMB59,266,000, an after-tax gain attributable to owners of the Company from a product liability claim of approximately RMB51,905,000, and a gain on disposal of assets attributable to owners of the Company of approximately RMB49,861,000 (extraordinary items in 2024: nil).

Note 2: Net exchange loss in 2025 was approximately RMB96,613,000 (net exchange gain in 2024: approximately RMB43,007,000).

The Directors recommended the payment of a final dividend of RMB0.06 (2024: RMB0.1235) per share, which is subject to the approval by the shareholders of the Company (“**Shareholders**”) at the forthcoming general meeting.

* For identification only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

		Year ended 31/12/2025	Year ended 31/12/2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	13,388,890	13,087,071
Cost of sales		<u>(7,016,629)</u>	<u>(6,506,440)</u>
Gross profit		6,372,261	6,580,631
Other income, gains and losses	4	298,603	410,757
Impairment losses (including reversals of impairment losses) on financial assets and other items		(34,977)	(8,813)
Selling expenses		(2,422,503)	(2,335,184)
Administrative expenses		(1,380,299)	(1,293,603)
Research and development expenses		(646,588)	(625,233)
Finance costs	5	(255,854)	(249,572)
Share of results of associates		112,310	113,015
Share of results of joint ventures		<u>(11,458)</u>	<u>(38,250)</u>
Profit before tax		2,031,495	2,553,748
Income tax expense	6	<u>(320,792)</u>	<u>(391,032)</u>
Profit for the year	7	<u>1,710,703</u>	<u>2,162,716</u>
Other comprehensive (expense) income <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(129,033)</u>	<u>101,996</u>
Total comprehensive income for the year		<u>1,581,670</u>	<u>2,264,712</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31/12/2025	Year ended 31/12/2024
<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year attributable to:		
Owners of the Company	1,612,210	2,066,668
Non-controlling interests	98,493	96,048
	<u>1,710,703</u>	<u>2,162,716</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	1,491,237	2,163,594
Non-controlling interests	90,433	101,118
	<u>1,581,670</u>	<u>2,264,712</u>
Earnings per share	<i>9</i>	
Basic (<i>RMB per share</i>)	<u>0.36</u>	<u>0.46</u>
Diluted (<i>RMB per share</i>)	<u>0.35</u>	<u>0.45</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>NOTES</i>	31/12/2025	31/12/2024
		<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		6,801,940	6,533,346
Right-of-use assets		660,562	550,771
Investment properties		155,165	122,023
Goodwill		3,701,195	3,830,629
Deposits paid for acquiring property, plant and equipment		66,493	258,356
Other intangible assets		1,044,965	1,304,780
Interests in associates		1,776,774	1,604,557
Interests in joint ventures		320,892	311,068
Financial assets at fair value through profit or loss (“FVTPL”)		55,657	72,987
Deferred tax assets		259,656	248,543
Finance lease receivables		4,946	12,970
Loan receivables		312,365	413,391
Prepayments	<i>11</i>	44,907	53,888
Term deposits		180,000	–
		<u>15,385,517</u>	<u>15,317,309</u>
Current assets			
Inventories	<i>10</i>	2,515,073	2,528,425
Loan receivables		445,258	314,427
Trade and other receivables	<i>11</i>	7,826,887	7,832,235
Financial assets at FVTPL		388,822	230,701
Debt instruments at fair value through other comprehensive income		494,228	310,797
Finance lease receivables		9,185	50,556
Pledged/restricted bank deposits		413,622	395,089
Cash and bank balances	<i>12</i>	8,569,516	7,780,310
		<u>20,662,591</u>	<u>19,442,540</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31 DECEMBER 2025

	<i>NOTES</i>	31/12/2025 RMB'000	31/12/2024 <i>RMB'000</i>
Current liabilities			
Trade and other payables	13	4,489,821	4,294,068
Contract liabilities		319,710	349,943
Borrowings		432,612	1,202,862
Financial liabilities at FVTPL		7,787	–
Tax payable		136,567	178,792
Deferred income		13,502	9,053
Lease liabilities		65,813	38,937
Provisions		6,570	6,849
		5,472,382	6,080,504
Net current assets		15,190,209	13,362,036
Total assets less current liabilities		30,575,726	28,679,345
Capital and Reserves			
Share capital		457,063	457,063
Reserves		23,651,114	23,294,580
Equity attributable to owners of the Company		24,108,177	23,751,643
Non-controlling interests		1,711,452	1,589,923
Total equity		25,819,629	25,341,566
Non-current liabilities			
Borrowings		3,357,900	1,803,471
Bonds payable		998,627	996,833
Trade and other payables		–	179,783
Financial liabilities at FVTPL		5,156	–
Deferred income		48,573	55,956
Deferred tax liabilities		66,066	89,628
Lease liabilities		248,489	151,043
Contract liabilities		9,926	8,382
Provisions		21,360	52,683
		4,756,097	3,337,779
		30,575,726	28,679,345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company was established and registered as a joint stock company with limited liability in the People's Republic of China (the "PRC") under the Company Law of the PRC on 28 December 2000 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate holding company is Weigao Holding Company Limited ("Weigao Holding"), and its ultimate holding company is Weihai Weigao International Medical Investment Holding Company Limited ("Weihai Weigao International"). Both Weigao Holding and Weihai Weigao International are registered in the PRC with limited liability. Its ultimate controlling party is Chen Xue Li. The address of the registered office and principal place of business of the Company is No. 1, Weihai Road, Weihai Torch Hi-Tech Science Park, Weihai, Shandong Province, PRC.

The Group are principally engaged in the research and development, production and sale of medical device products, orthopaedic products, interventional products, pharma packaging products and blood management products, and operate financing business.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on Stock Exchange and by the Hong Kong Companies Ordinance.

3. REVENUE AND SEGMENT INFORMATION

For management purposes, the Group is currently organised into six operating divisions – medical device products, orthopaedic products, interventional products, pharma packaging products, blood management products and others, among which interventional products were produced by Argon. These divisions are the basis of the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (Managing Director) in order to allocate resources to segments and to assess their performance.

Principal activities of the Group's operating and reportable segments are as follows:

Medical device products	– production and sale of clinical care, anesthesia and surgical-related products, medical testing equipment
Orthopaedic products	– production and sale of orthopaedic implants and consumables, orthopaedic intelligent equipment and consumables, functional repair and tissue regeneration
Interventional products	– production and sale of tumour intervention, vascular intervention and interventional imaging
Pharma packaging products	– production and sale of prefilled syringes, prefilled flush syringes and automatic dosing device products
Blood management products	– production and sale of blood collection, storage, separation and sterilization of consumable and equipment
Others	– finance lease and factoring business

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

	Medical device products <i>RMB'000</i>	Orthopaedic products <i>RMB'000</i>	Interventional products <i>RMB'000</i>	Pharma packaging products <i>RMB'000</i>	Blood management products <i>RMB'000</i>	Others <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue								
External sales	6,577,272	1,522,663	2,005,865	2,287,977	995,113	-	-	13,388,890
Inter-segment sales	94,069	-	-	-	-	-	(94,069)	-
Total	<u>6,671,341</u>	<u>1,522,663</u>	<u>2,005,865</u>	<u>2,287,977</u>	<u>995,113</u>	<u>-</u>	<u>(94,069)</u>	<u>13,388,890</u>
Segment profit/(loss)	<u>692,955</u>	<u>316,119</u>	<u>(136,941)</u>	<u>823,853</u>	<u>81,173</u>	<u>37,098</u>	<u>-</u>	<u>1,814,257</u>
Depreciation of investment properties								(5,539)
Unallocated other income, gains and losses								(4,358)
Rental income of investment properties								11,659
Interest income from bank deposits								149,916
Net exchange loss								(121,779)
Loss on changes in fair value of financial instruments at FVTPL								(33,927)
Share of results of associates								112,310
Share of results of joint ventures								(11,458)
Gain on deemed disposal of investment in an associate								76,650
Gain on disposal of property, plant and equipment								73,267
Share-based payment expenses								(75,050)
Net gain of litigation								80,086
Loss related to value added tax ("VAT") subsidy refunds								(34,539)
Profit before tax								<u>2,031,495</u>

For the year ended 31 December 2024

	Medical device products <i>RMB'000</i>	Orthopaedic products <i>RMB'000</i>	Interventional products <i>RMB'000</i>	Pharma packaging products <i>RMB'000</i>	Blood management products <i>RMB'000</i>	Others <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue								
External sales	6,512,192	1,439,446	1,980,048	2,278,608	876,777	-	-	13,087,071
Inter-segment sales	88,046	-	-	-	-	-	(88,046)	-
Total	<u>6,600,238</u>	<u>1,439,446</u>	<u>1,980,048</u>	<u>2,278,608</u>	<u>876,777</u>	<u>-</u>	<u>(88,046)</u>	<u>13,087,071</u>
Segment profit	<u>1,020,849</u>	<u>220,188</u>	<u>(18,652)</u>	<u>902,654</u>	<u>64,733</u>	<u>58,579</u>	<u>-</u>	<u>2,248,351</u>
Depreciation of investment properties								(5,849)
Unallocated other income, gains and losses								(7,124)
Rental income of investment properties								12,015
Interest income from bank deposits								170,645
Net exchange gain								56,430
Gain on changes in fair value of financial instruments at FVTPL								22,932
Share of results of associates								113,015
Share of results of joint ventures								(38,250)
Share-based payment expenses								(22,891)
Net gain of litigation								<u>4,474</u>
Profit before tax								<u><u>2,553,748</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of depreciation and rental income of investment properties, unallocated other income, gains and losses of the corporate function, interest income from bank deposits, (loss)/gain on changes in fair value of financial instruments at FVTPL, share of results of associates/joint ventures, gain on deemed disposal of investment in an associate, gain on disposal of property, plant and equipment, share-based payment expenses, net gain of litigation and loss related to VAT subsidy refunds. This is the measure reported to the Managing Director for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Medical device products	10,927,264	11,066,890
Orthopaedic products	2,624,403	2,763,341
Interventional products	5,213,702	5,635,135
Pharma packaging products	3,431,482	3,256,485
Blood management products	1,471,330	1,181,063
Others	1,022,808	962,263
	<hr/>	<hr/>
Total segment assets	24,690,989	24,865,177
Financial assets at FVTPL	444,479	303,688
Interests in associates	1,776,774	1,604,557
Interests in joint ventures	320,892	311,068
Investment properties	155,165	122,023
Deferred tax assets	259,656	248,543
Pledged/restricted bank deposits	413,622	395,089
Cash and bank balances	7,986,531	6,909,704
	<hr/>	<hr/>
Consolidated assets	36,048,108	34,759,849
	<hr/> <hr/>	<hr/> <hr/>

Segment liabilities

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Medical device products	6,129,776	4,805,546
Orthopaedic products	893,827	960,170
Interventional products	2,191,781	2,529,082
Pharma packaging products	448,067	359,549
Blood management products	402,538	569,974
Others	11,398	35,169
	<hr/>	<hr/>
Total segment liabilities	10,077,387	9,259,490
Deferred tax liabilities	66,066	89,628
Financial liabilities at FVTPL	12,943	–
Unallocated other payables	72,083	69,165
	<hr/>	<hr/>
Consolidated liabilities	<u>10,228,479</u>	<u>9,418,283</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than financial assets at FVTPL, interests in associates, interests in joint ventures, investment properties, deferred tax assets, pledged/restricted bank deposits and part of cash and bank balances.
- all liabilities are allocated to operating segments other than deferred tax liabilities, financial liabilities at FVTPL, and unallocated other payables.

Other segment information

For the year ended 31 December 2025

	Medical device products <i>RMB'000</i>	Orthopaedic products <i>RMB'000</i>	Interventional products <i>RMB'000</i>	Pharma packaging products <i>RMB'000</i>	Blood management products <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment profit or segment assets:							
Additions to property, plant and equipment	374,708	7,216	43,743	455,275	88,182	5	969,129
Allowances (reversal) for credit losses	23,573	7,483	8,373	(7,415)	(1,512)	4,457	34,977
Impairment losses on inventories	3,765	33,629	3,040	-	-	-	40,434
Impairment losses on other intangible assets	-	-	10,979	-	-	-	10,979
Amortisation of other intangible assets	922	4,587	267,091	-	14,103	-	286,703
Depreciation of property, plant and equipment	236,311	94,458	30,433	170,563	82,247	7	614,019
Depreciation of right-of-use assets	59,488	9,557	6,179	-	5,731	-	80,955
(Gain)/loss on disposal of property, plant and equipment	(146)	(53)	(71,777)	93	(1,384)	-	(73,267)
Research and development expenditure	290,631	112,568	113,887	80,534	48,968	-	646,588
Government grants	(18,026)	(17,612)	(1,059)	(6,042)	(505)	(3,012)	(46,256)
Rebate of VAT	(65,813)	-	-	-	-	(1,813)	(67,626)

For the year ended 31 December 2024

	Medical device products <i>RMB'000</i>	Orthopaedic products <i>RMB'000</i>	Interventional products <i>RMB'000</i>	Pharma packaging products <i>RMB'000</i>	Blood management products <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment profit or segment assets:							
Additions to property, plant and equipment	319,882	14,346	37,095	308,911	43,412	–	723,646
Allowances (reversal) for credit losses	17,064	(7,354)	429	(1,419)	–	93	8,813
Impairment (gains) losses on inventories	(485)	39,448	6,003	–	–	–	44,966
Impairment losses on property, plant and equipment	–	173	–	–	–	–	173
Amortisation of other intangible assets	1,443	6,010	267,084	–	13,021	–	287,558
Depreciation of property, plant and equipment	298,453	102,163	29,333	169,573	28,741	7	628,270
Depreciation of right-of-use assets	35,977	4,468	4,089	–	5,585	–	50,119
(Gain)/loss on disposal of property, plant and equipment	(524)	(6,337)	2,885	(33)	1,097	–	(2,912)
Research and development expenditure	323,887	119,905	62,686	67,313	51,442	–	625,233
Share-based payment expenses	–	–	13,129	–	–	–	13,129
Government grants	(38,737)	(11,398)	(2,401)	(6,986)	(29)	(12)	(59,563)
Rebate of VAT	(72,942)	–	–	–	–	(2,610)	(75,552)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Revenue from major products

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

- The medical device products business includes clinical care, anesthesia and surgical-related products, medical testing equipment.
- The orthopaedic business includes orthopaedic implants and consumables, orthopaedic intelligent equipment and consumables, functional repair and tissue regeneration.
- Interventional business includes tumor intervention, vascular intervention, and interventional imaging.
- The pharmaceutical packaging business includes prefilled syringes, prefilled flush syringes and automatic dosing device products.
- The blood management business includes blood collection, storage, separation, and sterilization of consumables and equipment.

The following is an analysis of the Group's revenue from its major products and services:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 <i>RMB'000</i>
Sale of medical device products	6,365,388	6,296,502
Sale of orthopaedic products	1,522,663	1,439,446
Sale of interventional products	2,217,749	2,195,738
Sale of pharma packaging products	2,287,977	2,278,608
Sale of blood management products	995,113	876,777
	<u>13,388,890</u>	<u>13,087,071</u>

Information about major customers

There is no single customer contributing over 10% of total revenue of the Group for both years.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets and excludes financial instruments and deferred tax assets.

	Revenue from external customers		Non-current assets	
	Year ended 31/12/2025 RMB'000	31/12/2024 <i>RMB'000</i>	31/12/2025 RMB'000	31/12/2024 <i>RMB'000</i>
PRC	9,817,917	9,799,577	9,838,146	9,442,799
United States	1,445,792	1,402,618	4,596,271	4,978,095
Europe, the Middle East and Africa	983,231	850,886	122,332	129,266
Other districts	1,141,950	1,033,990	16,144	19,258
	<u>13,388,890</u>	<u>13,087,071</u>	<u>14,572,893</u>	<u>14,569,418</u>

Non-current assets excluded financial instruments and deferred tax assets.

Transaction price allocated to the remaining performance obligation for contracts with customers

As a practical expedient of HKFRS 15 *Revenue from Contracts with Customers*, the Group need not disclose the transaction price allocated to these unsatisfied contracts with customers that has an original expected duration of one year or less.

4. OTHER INCOME, GAINS AND LOSSES

	Year ended 31/12/2025 <i>RMB'000</i>	Year ended 31/12/2024 <i>RMB'000</i>
Other income:		
Rebate of VAT (<i>Note a</i>)	67,626	75,552
Government grants (<i>Note b</i>)	46,256	59,563
Rental income of investment properties	11,659	12,015
Finance lease income	2,430	2,179
Interest income from bank deposits	149,916	170,645
Interest income from factoring business	9,911	15,242
Interest income from loan receivables	28,604	44,536
	<u>316,402</u>	<u>379,732</u>
Other gains and losses:		
Impairment losses on other intangible assets	(10,979)	–
Impairment losses on inventories	(40,434)	(44,966)
Impairment losses on property plant and equipment	–	(173)
Net exchange (loss)/gain	(121,779)	56,436
Gain on disposal of property, plant and equipment	73,267	2,912
Gain on deemed disposal of investment in an associate	76,650	–
(Loss)/gain from changes in fair value of financial instruments at FVTPL	(33,927)	22,932
Donation paid	(4,335)	(3,900)
Gain of litigation (<i>Note c</i>)	80,086	4,474
Loss related to VAT subsidy refunds	(34,539)	–
Others	(1,809)	(6,690)
	<u>(17,799)</u>	<u>31,025</u>
	<u>298,603</u>	<u>410,757</u>

Notes:

- (a) As Weihai Jierui Medical Products Company Limited (“Jierui”), one of the subsidiary of the Company, was recognised as a “Social Welfare Entity”, the Tax Bureau in Weihai granted a rebate of VAT paid by Jierui with effect from 1 May 1999 on the basis of “payment first then rebate”. Pursuant to Caishui [2016] No.52 issued by the State Council, with effect from 1 May 2016, Jierui was granted a rebate of VAT determined with reference to the number of staff with physical disability. For each staff with physical disability, four times of the minimum salary approved by the local government in Weihai is granted to Jierui as rebate of VAT.

Pursuant to Caishui [2016] No.36, Weigao Financial Leasing Co., Ltd., one of the subsidiary of the Company, is entitled to immediate tax rebates upon collection when the actual VAT tax burden rate exceeds 3%.

- (b) During the year, government grants were awarded to the Group mainly for business development and certain research and development expenses occurred and were recognised as other income when the government grants were received. There were no unfulfilled conditions in the year in which they were recognised.
- (c) A subsidiary of the Group (the “Subsidiary”) is a defendant involving in a number of product liability claims. The Subsidiary entered into a conditional master settlement agreement with the lead counsel for the plaintiffs (the “Agreement”) to resolve and settle the vast majority of the outstanding claims against the Subsidiary (the “Settlement”). As a result, the Group recorded cumulative pre-tax provision of RMB667,047,000 in respect of the Subsidiary’s obligation for product liability claims under the Agreement in prior years.

During the year ended 31 December 2025, the Subsidiary settled certain cases with amount of RMB9,280,000 (2024: nil) with number of plaintiffs, who are not agreed to participate in the Settlement or declined to participate in the Settlement. As of 31 December 2025, for the remaining plaintiffs who may, but have not yet agreed to participate in the Settlement, and the number of plaintiffs who declined to participate in the Settlement, the Group recorded cumulative pre-tax provision of RMB21,360,000 (2024: RMB31,180,000) based on the best estimation of the injury alleged, the results of related litigation, and the degree of responsibility that may be inferred to the Subsidiary.

During the year ended 31 December 2025, the Subsidiary had obtained product liability insurance and settlement from entity that previously owned the relevant product (“Previous Owner”). Its insurers and Previous Owner have paid the Subsidiary an aggregate amount of RMB80,086,000 (2024: nil).

During the year ended 31 December 2024, the gain related to the product liability claims by considering the provision and insurance coverage is recorded with an amount of RMB4,474,000.

5. FINANCE COSTS

	Year ended 31/12/2025 <i>RMB'000</i>	Year ended 31/12/2024 <i>RMB'000</i>
Interest on borrowings	200,490	206,141
Interest on bonds payable	35,900	35,900
Interest on lease liabilities	19,464	7,531
	<u>255,854</u>	<u>249,572</u>

6. INCOME TAX EXPENSE

	Year ended 31/12/2025 <i>RMB'000</i>	Year ended 31/12/2024 <i>RMB'000</i>
Current enterprise income tax	353,235	497,733
Under provision in prior years	74	13,835
Deferred tax	(32,517)	(120,536)
	<u>320,792</u>	<u>391,032</u>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Company and certain PRC subsidiaries is 15% for the years ended 31 December 2025 and 2024.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The subsidiaries in the United States (“U.S.”) are subject to federal income tax at a tax rate of 21% and state income tax.

The Company, Jierui, Weigao Orthopaedic Device Company Limited and Shandong WEGO Prefills Pharmaceutical Packaging Co., Ltd. (“WEGO Prefills”) were recognised as New and High Technical Enterprises from the year 2020 to 2025; Weigao Medical Materials, Shandong Weigao New Life Medical Device Co., Ltd. (“Weigao New Life”) and Zhejiang Quantum Medical Devices Co., Ltd. (“Zhejiang Quantum”) were recognised as New and High Technical Enterprises from the year 2024 to 2026, Changzhou Jianli Bangde Medical Devices Co., Ltd., Weihai Weigao Jiasheng Medical Devices Co., Ltd. and Weigao Fenwei Health Technology Development (Shanghai) Co., Ltd. were recognised as New and High Technical Enterprises from the year 2019 to 2024 and renewed the certificates in December 2025 for another term of three years from 2025 to 2027. In accordance with the “Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax”, New and High Technical Enterprise was subject to income tax at a tax rate of 15%.

Jierui has been recognised as a “Social Welfare Entity”. Pursuant to Caishui [2016] No. 52 issued by the State Council, with effect from 1 May 2016, Social Welfare Entity is subject to income tax rate of 15%, and an amount equivalent to the total salaries paid to staffs with physical disability is further deducted from the taxable income of Jierui. The tax charge provided for the years ended 31 December 2025 and 2024 were made after taking these tax incentives into account.

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

Taxation for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Profit before tax	<u>2,031,495</u>	<u>2,553,748</u>
Taxation at income tax rate of 15% (2024: 15%)	304,724	383,062
Tax effect of share of results of associates	(28,344)	(16,952)
Tax effect of share of results of joint ventures	1,719	5,737
Effect of additional tax deduction for research and development expenses	(73,493)	(71,547)
Additional tax benefit to a Social Welfare Entity	(6,855)	(5,333)
Utilisation of tax losses previously not recognised	(2,861)	(1,412)
Utilisation of deductible temporary difference previously not recognised	(336)	(2,732)
Tax effect on tax losses and deductible temporary difference not recognised	38,867	24,141
Decrease in opening deferred tax assets resulting from new tax legislation in the U.S.	6,001	–
Tax effect on expenses not deductible for tax purpose	30,539	8,828
State and local income taxes for U.S. subsidiaries	1,003	1,881
Withholding tax	752	3,359
Effect on different tax rates of subsidiaries	49,002	48,165
Under provision in prior years	<u>74</u>	<u>13,835</u>
Income tax expense for the year	<u>320,792</u>	<u>391,032</u>

7. PROFIT FOR THE YEAR

	Year ended	Year ended
	31/12/2025	31/12/2024
	RMB'000	RMB'000
Profit for the year has been arrived at after charging and crediting:		
Staff costs, including directors' and supervisors' remuneration		
– Salaries, other allowances and performance related bonus	2,512,567	2,230,260
– Retirement benefits scheme contributions	177,291	165,058
– Share-based payment expenses	73,969	36,020
	<hr/>	<hr/>
Total staff costs	2,763,827	2,431,338
Auditors' remuneration for the Group	8,414	8,440
Impairment losses on inventories	40,434	44,966
Impairment losses on other intangible assets	10,979	–
Impairment losses on property, plant and equipment	–	173
Gain on disposal of property, plant and equipment	(73,267)	(2,912)
Amortisation of other intangible assets	286,703	287,558
Depreciation of property, plant and equipment	614,019	628,270
Depreciation of investment properties	5,539	5,849
Depreciation of right-of-use assets	80,955	50,119
Lease expenses related to short-term lease	12,334	11,077
Cost of inventories recognised as an expense	7,016,629	6,506,440
	<hr/>	<hr/>

8. DIVIDENDS

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Dividends recognised as distribution during the year:		
2025 Interim – RMB0.0969		
(2024 Interim – RMB0.0919) per share	442,894	420,041
2024 Final – RMB0.1235		
(2023 Final – RMB0.0943) per share	<u>564,473</u>	<u>431,011</u>
 Total	 <u>1,007,367</u>	 <u>851,052</u>
 <i>Less:</i> distribution to the shares held by the trustees under 2014 Incentive Share Scheme	 (13,831)	 (11,685)
<i>Less:</i> distribution to treasury shares	<u>(3,023)</u>	<u>–</u>
	 <u>990,513</u>	 <u>839,367</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.06 (2024: RMB0.1235) per share, amounting to RMB272,374,000 (2024: RMB564,473,000) in total, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Earnings for the purpose of basic earnings per share	1,612,210	2,066,668
Effect of dilutive potential ordinary shares:		
Adjustment to the share of profit of subsidiary based on dilution of their earnings per share	<u>(1,530)</u>	<u>–</u>
Earnings for the purpose of diluted earnings per share	<u>1,610,680</u>	<u>2,066,668</u>
	Year ended 31/12/2025 '000	Year ended 31/12/2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,535,432	4,538,682
Effect of dilutive potential ordinary shares:		
Incentive shares	<u>3,055</u>	<u>10,025</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>4,538,487</u>	<u>4,548,707</u>

The computation of diluted earnings per share does not consider the effect of non-vested share options under the share option scheme of a subsidiary as they would result in an increase in earnings per share.

10. INVENTORIES

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	649,785	663,619
Finished goods	<u>1,865,288</u>	<u>1,864,806</u>
	<u><u>2,515,073</u></u>	<u><u>2,528,425</u></u>

As at 31 December 2025, total net book value of inventories served as collateral for the Group's borrowing amounted to RMB414,097,000 (2024: RMB390,613,000).

11. TRADE AND OTHER RECEIVABLES

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	6,467,786	6,366,909
<i>Less: Allowance for credit losses</i>	<u>(317,362)</u>	<u>(288,530)</u>
	<u>6,150,424</u>	<u>6,078,379</u>
Receivables from factoring business	201,521	211,909
<i>Less: Allowance for credit losses</i>	<u>(2,105)</u>	<u>(2,205)</u>
	<u>199,416</u>	<u>209,704</u>
Other receivables	680,411	856,258
<i>Less: Allowance for credit losses</i>	<u>(2,129)</u>	<u>(3,282)</u>
	<u>678,282</u>	<u>852,976</u>
Prepayments	<u>843,672</u>	<u>745,064</u>
	<u><u>7,871,794</u></u>	<u><u>7,886,123</u></u>

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Analysed for reporting purposes as:		
Current assets	7,826,887	7,832,235
Non-current assets	44,907	53,888
	<u>7,871,794</u>	<u>7,886,123</u>

As at 1 January 2024, the gross carrying amount of trade receivables from contracts with customers amounted to RMB5,970,229,000.

Included in trade receivables are amounts due from fellow subsidiaries of RMB3,396,706,000 (2024: RMB3,253,329,000), an amount due from a holding company of RMB743,000 (2024: RMB268,000), and an amount due from an associate of RMB2,578,000 (2024: RMB4,338,000), amounts due from associates of a holding company of RMB2,392,000 (2024: RMB185,000).

Included in receivables from factoring business are amounts due from fellow subsidiaries of RMB139,400,000 (2024: RMB130,000,000). The amounts are due in one year with effective interest rates range from 6% to 9.6% per annum (2024: from 6% to 8% per annum).

Included in other receivables are amounts due from fellow subsidiaries of RMB461,486,000 (2024: RMB458,559,000), an amount due from a holding company of RMB5,047,000 (2024: RMB5,077,000), an amount due from an associate of RMB4,800,000 (2024: RMB5,413,000), amounts due from associates of a holding company of RMB712,000 (2024: RMB27,599,000). The amounts are unsecured and repayable on demand.

Included in prepayments are amount paid to fellow subsidiaries of RMB66,510,000 (2024: RMB62,480,000), an amount paid to a holding company of RMB32,000 (2024: RMB1,368,000), an amount paid to an associate of RMB4,203,000 (2024: RMB10,601,000), and an amount paid to an associate of the ultimate holding company of RMB10,282,000 (2024: RMB13,558,000).

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period.

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	2,409,417	3,201,138
91 to 180 days	1,196,331	1,185,534
181 to 365 days	1,804,730	928,260
Over 365 days	739,946	763,447
	<u>6,150,424</u>	<u>6,078,379</u>

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,592,850,000 which are past due (2024: RMB1,740,903,000).

As at 31 December 2025, total net book value of trade and other receivables served as collateral for the Group's borrowing amounted to RMB237,562,000 (2024: RMB241,017,000).

As at 31 December 2025, trade receivables amounting to RMB865,153,000 (2024: RMB503,288,000) were factored to independent third parties on a non-recourse basis. The Group has derecognised these trade receivables in their entirety as in the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these trade receivables to the counterparties under the non-recourse factoring agreements. Losses related to derecognition of the trade receivables were RMB7,744,000 (2024: RMB3,669,000) which were charged to profit or loss.

12. CASH AND BANK BALANCES

Cash and cash equivalents

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, with amount of RMB6,305,843,000 as at 31 December 2025 (2024: RMB4,942,882,000), which carry interest at market rates range from nil to 3.83% per annum (2024: nil to 1.38% per annum).

As at 31 December 2025, included in cash and cash equivalents are deposits of RMB1,444,000 (2024: RMB102,455,000), carrying interest rates at 0.25% or 0.75% per annum (2024: 0.22% per annum), in an associate of a holding company.

As at 31 December 2025, cash and cash equivalents served as collateral for the Group's borrowing amounting to RMB90,874,000 (2024: RMB99,536,000).

Restricted bank balance

As at 31 December 2025, restricted bank balance with amount of RMB110,000,000 (2024: nil) have been restricted without interest as the Group was in the process of purchasing structured deposits.

Term deposits

The Group's term deposits were issued by banks with original maturity over three months, with amount of RMB2,333,673,000 as at 31 December 2025 (2024: RMB2,837,428,000), which carry interest rates range from 0.45% to 4.4% per annum (2024: 0.5% to 5.7% per annum), among which, with amount of RMB180,000,000 term deposits were mature over one year.

As at 31 December 2025, included in term deposits are deposits of RMB70,000,000 (2024: nil), carrying interest rates at 1.8% or 2.2% per annum (2024: nil), in an associate of a holding company.

13. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	839,518	833,749
91 to 180 days	180,612	122,226
181 to 365 days	67,805	81,612
Over 365 days	131,412	129,899
	<hr/>	<hr/>
Trade payables	1,219,347	1,167,486
Bills payable	809,406	926,475
Other tax payables	97,276	44,386
Construction cost and retention payables	41,050	48,503
Selling expense payables	662,796	846,875
Consideration payable for the acquisition of Weigao New Life	103,000	206,000
Obligation arising on acquisition of Zhejiang Quantum	20,331	21,053
Repurchase obligation under share-based payments	72,083	69,166
Payables for cash-settled share-based payments	21,691	46,101
Other payables	1,442,841	1,097,806
	<hr/>	<hr/>
	4,489,821	4,473,851
	<hr/> <hr/>	<hr/> <hr/>
Analysed for reporting purposes as:		
Current liabilities	4,489,821	4,294,068
Non-Current liabilities	–	179,783
	<hr/>	<hr/>
	4,489,821	4,473,851
	<hr/> <hr/>	<hr/> <hr/>

The normal credit period taken for trade purchases is 30 days to 180 days. All the bills payable will mature within one year.

Included in trade payables are amounts due to fellow subsidiaries of RMB300,702,000 (2024: RMB322,074,000), an amount due to an associate of RMB27,607,000 (2024: RMB11,426,000), an amount due to a holding company of RMB626,000 (2024: RMB1,718,000), and an amount due to an associate of a holding company of RMB2,680,000 (2024: RMB4,433,000). The amounts are unsecured, interest-free and repayable within credit period.

Included in other payables and consideration payable for the acquisition of Wegao New life are amounts due to fellow subsidiaries of RMB141,532,000 (2024: RMB264,875,000), an amount due to an associate of RMB1,471,000 (2024: RMB478,000), an amount due to a holding company of RMB977,000 (2024: RMB13,585,000), and an amount due to an associate of a holding company of RMB105,000 (2024: RMB8,172,000). The amounts are unsecured, interest-free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Optimisation of product mix

During the year ended 31 December 2025 (the “Year”), the gross profit margin of the Group amounted to 47.6%, representing a decrease of 2.7 percentage points from 50.3% last year, primarily due to the factors such as a decline in selling prices of the principal products in the generic medical device segment.

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

- The medical device business products includes clinical care, anesthesia and surgical-related products, medical testing equipment
 - The orthopaedic business products include orthopaedic implants and consumables, orthopedic intelligent equipment and consumables, functional repair and tissue regeneration
 - Interventional business products include tumor intervention, vascular intervention, and interventional imaging
 - The pharmaceutical packaging business products include prefilled syringes, pre-filled flush syringes and automatic dosing device products
 - The blood management business products include blood collection, storage, separation, and sterilization of consumables and equipment
1. During the Year, medical device products recorded a turnover of approximately RMB6,365,388,000, representing an increase of 1.1% over last year. Despite the growth in turnover, operating profit declined significantly due to decrease in the selling prices of certain core products resulting from the centralized procurement policy, as well as the ongoing transformation of the Company’s sales model. In future, the Company will focus on measures such as increasing the proportion of new product sales to steadily recover its operating profit margin.

2. During the Year, the orthopaedic business recorded a turnover of approximately RMB1,522,663,000, representing an increase of 5.8% over last year. The selling prices of the orthopaedic products remained generally stable, with a gradual improvement in profit margins and an increase in terminal surgical implantation volume. Among them, sports medicine, orthopedic biomaterials, and other business lines achieved relatively high growth rates.
3. During the Year, the interventional business recorded a turnover of approximately RMB2,217,749,000, representing an increase of 1.0% over last year. The decrease in business performance of Argon, a subsidiary, was mainly attributable to the significant negative impact of exchange rate gains or losses. The Company will continue to vigorously promote the growth of new products and drive the growth recovery of this segment in line with its plan.
4. During the Year, the pharmaceutical packaging business recorded a turnover of approximately RMB2,287,977,000, representing an increase of 0.4% over last year. Among them, prefilled syringes maintained a growing trend and gradually increased the proportion of overseas sales, while flushing syringes saw a significant decrease in selling prices due to the implementation of the latest volume-based procurement prices, which dragged down the overall revenue performance of the segment.

RESEARCH AND DEVELOPMENT

For the year ended 31 December 2025, the Group obtained product registration certificates for 111 new products in the PRC. The research and development for 48 products were completed for which applications for product registration certificates are underway. 128 new patents were obtained and 121 patents are under the application. For the year ended 31 December 2025, the Group had over 931 product registration certificates and 1,144 patents, of which 247 were patents on invention, in the PRC.

For the overseas market, 34 patents are under application and the research and development for 49 products were completed for which application for product registration certificates are underway. For the year ended 31 December 2025, the Group had over 927 product registration certificates and 262 patents.

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

In view of the need for strategic adjustments to the product mix, the Group continued to increase efforts on the improvement and subdivision of product layout in existing product series, so as to maintain its leading position in research and development capability in China.

In addition, the prices of major products decreased due to the impact of volume-based procurements. To adapt to the demand for cost reduction, the Group has strategically “reduced costs through R&D and design” and upgraded the design of some of its major products to better improve its competitiveness in the market and increase its profitability.

For the year ended 31 December 2025, total research and development expenses amounted to approximately RMB646,588,000 (2024: approximately RMB625,233,000), representing 4.8% (2024: 4.8%) of the revenue of the Group.

PRODUCTION

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

SALES AND MARKETING

During the Year, the Group consolidated the marketing management system and further adhered to the strategy of sales channel integration and product mix adjustment and focused on marketing resources on customer development and maintenance in the core healthcare market. The Group achieved substantial results in key client accounts management. For the year ended 31 December 2025, the Group newly added 74 hospitals, and 106 distributors to its PRC customer base, and the Group has a PRC customer base of 10,346 in aggregate (including 4,072 hospitals, 419 blood stations, 1,204 other medical units, and 4,651 distributors) and an overseas customer base of 7,809 in aggregate (including 3,357 hospitals, 1,937 other medical units, and 2,515 distributors).

Sales comparison by geographical regions when compared with the last year is set out as follows:

Turnover by Geographical Information

Regions	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Increase or decrease over corresponding period %
The PRC			
– Eastern and Central	5,152,280	5,163,133	(0.2)
– Northern	1,686,871	1,729,337	(2.5)
– Southern	1,260,737	1,115,331	13.0
– Northeastern	739,662	800,575	(7.6)
– Southwestern	743,121	757,938	(2.0)
– Northwestern	235,246	233,263	0.9
PRC sub-total	<u>9,817,917</u>	<u>9,799,577</u>	<u>0.2</u>
Overseas			
– USA	1,445,792	1,402,618	3.1
– Europe, Middle East and Africa	983,231	850,886	15.6
– Asia and others	1,141,950	1,033,990	10.4
Overseas sub-total	<u>3,570,973</u>	<u>3,287,494</u>	<u>8.6</u>
Total	<u><u>13,388,890</u></u>	<u><u>13,087,071</u></u>	<u><u>2.3</u></u>

The integration of sales channels has strengthened the Group's market penetration and influence over the customers. It enhanced sales contribution per customer and continued to drive up the product penetration to high-end customers and was an important approach in generating revenue growth for the Group.

Adjustment in product mix was another important factor in enhancing the results for the Year. Comparison of revenue of principal products with that in last year is as follows:

Product category	For the year ended 31 December			For the six months ended 31 December		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Over corresponding period %	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Over corresponding period %
Medical device products	6,365,388	6,296,502	1.1%	3,174,850	3,107,877	2.2%
Orthopaedic products	1,522,663	1,439,446	5.8%	789,799	694,455	13.7%
Interventional products	2,217,749	2,195,738	1.0%	1,117,862	1,081,386	3.4%
Pharma packaging products	2,287,977	2,278,608	0.4%	1,121,482	1,111,003	0.9%
Blood management	995,113	876,777	13.5%	540,849	456,662	18.4%
Total	13,388,890	13,087,071	2.3%	6,744,842	6,451,383	4.5%

HUMAN RESOURCES

As at 31 December 2025, the Group employed a total of 13,307 employees. The breakdown by departments when compared with last year is as follows:

Department

	2025	2024
Production	6,963	6,440
Sales and marketing	3,343	3,180
Research and development	1,264	1,386
Finance and administration	648	622
Quality control	662	650
Management	343	354
Purchasing	84	87
Total	13,307	12,719

There are a total of 1,335 overseas employees who reside in Hong Kong, USA and Europe. Other employees of the Group are resided in Mainland China. During the Year, the total cost of salaries, welfare and social benefits of the Group amounted to approximately RMB2,763,827,000 (2024: approximately RMB2,431,338,000).

REMUNERATION SYSTEM

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

FINANCIAL REVIEW

For the year ended 31 December 2025, the Group recorded a turnover for the year of approximately RMB13,388,890,000, representing an increase of 2.3% over the previous financial year. Net profit attributable to the owners of the Company was approximately RMB1,612,210,000 (2024: approximately RMB2,066,668,000), representing a decrease of 22.0% as compared with the previous year. Net profit attributable to the owners of the Company (excluding extraordinary items and the impact of exchange gains or losses) was approximately RMB1,621,384,000 (2024: approximately RMB2,023,661,000), representing a decrease of 19.9% over the previous year.

FINANCIAL SUMMARY

	2025	2024	Increase (decrease)
	<i>RMB'000</i>	<i>RMB'000</i>	%
Turnover	13,388,890	13,087,071	2.3%
Gross profit	6,372,261	6,580,631	(3.2%)
Net profit attributable to the owners of the Company	1,612,210	2,066,668	(22.0%)
Net profit attributable to the owners of the Company (excluding extraordinary items and the impact of exchange gains or losses)	1,621,384	2,023,661	(19.9%)

The extraordinary items in 2025 comprised a gain of approximately RMB76,650,000 arising from the dilution of the Company's equity interest in Shandong Weigao Blood Purification Products Co., Ltd. ("**Weigao Blood Purification**") to 23.53%, an one-off expense of approximately RMB31,711,000, net expenses attributable to owners of the Company for new equity incentives of approximately RMB59,266,000, an after-tax gain attributable to owners of the Company from a product liability claim of approximately RMB51,905,000, and a gain on disposal of assets attributable to owners of the Company of approximately RMB49,861,000 (extraordinary items in 2024: nil).

Net exchange loss in 2025 was approximately RMB96,613,000 (net exchange gain in 2024: approximately RMB43,007,000).

LIQUIDITY AND FINANCIAL RESOURCES

The Group has maintained a sound financial position. As of 31 December 2025, the Group's cash and bank balance including term deposits classified as non-current asset amounted to approximately RMB8,749,516,000. For the year ended 31 December 2025, the net cash flow from operating activities of the Group amounted to approximately RMB2,550,606,000, representing a sound cash flow position.

For the year ended 31 December 2025, the total interest expenses of the Group amounted to approximately RMB255,854,000 (2024: total interest expenses of approximately RMB249,572,000).

GEARING RATIO

The gearing ratio of the Group as of the end of 2025 increased to 21.2% (2024: 17.7%).

As of 31 December 2025, the total net cash of the Group amounted to approximately RMB3,646,075,000 (2024: net cash of approximately RMB3,587,164,000). The gearing ratio represents total debt as a percentage of total capital. Total debt is calculated as total borrowings. Total capital is calculated as the Group's shareholders' fund.

FOREIGN EXCHANGE RISKS

The Group's purchases and sales are mainly conducted in the PRC and the United States. Assets, liabilities, and transactions in the PRC are denominated in RMB, while overseas assets and transactions are mainly denominated in US dollars. Foreign exchange risk mainly arises from outstanding borrowings denominated in foreign currencies. The Group has adopted foreign currency hedging instruments to better manage foreign exchange risk. The objective of the hedge is to minimise the volatility of the RMB expenditures expected to be incurred in the future to meet foreign currency liabilities. The Group's risk management policy is to partially hedge the forecasted cash flows in foreign currencies by considering the appropriate hedging instruments and costs of hedging. The Group uses foreign exchange structured derivative financial contracts to hedge its foreign currency risk. For the year ended 31 December 2025, the Group had not encountered any material difficulty due to the fluctuation in exchange rates nor had it affected its funds for operation purposes.

Due to the fluctuation in exchange rates, the Group recorded a foreign exchange loss equivalent to approximately RMB121,779,000 for the year ended 31 December 2025 (2024: foreign exchange gain equivalent to approximately RMB56,436,000).

MATERIAL INVESTMENTS/FUTURE MATERIAL INVESTMENT PLANS

1. During the Year, the Group continued to invest approximately RMB832,635,000 in the purchase of intangible assets, properties and production facilities and plant construction for the purpose of enhancing the overall construction of the industrial zone for the Group's medical consumables.
2. The Group planned to invest RMB770,000,000 to acquire the 38.5% interest in the Songyuan Healthcare Industry Fund (松源健康醫療產業基金), which focuses on the investments in the medical and healthcare sector mainly covering medical devices, biopharmaceuticals, medical services and rehabilitation and elderly care, of which a total of RMB308,000,000 has been contributed.
3. In January 2023, Weigao Orthopaedic, a subsidiary of the Company, acquired 100% equity interest in Shandong Weigao Newlife Medical Device Co., Ltd., a fellow subsidiary of the Company, which is principally engaged in the research and development, manufacture and sale of tissue repair product lines, at a consideration of RMB1,030,000,000. The transfer price is payable in installments, with a payment of an aggregate of RMB927,000,000 being made and a payment of RMB103,000,000 expected to be made in 2026.
4. In 2026, the Group plans to invest approximately RMB200,000,000 in a new production line for pre-filled syringes and a production line for auto-injectors, which is under the construction process, and is expected to be successively put in operation by 2026 and 2027.
5. In 2026, the Group plans to further invest approximately RMB400,000,000 in the upgrading and reconfiguration of the single-use consumables and orthopaedic consumables equipment and plant to further expand production capacity and enhance the level of production automation.
6. In 2026, the Group plans to acquire a partial equity interest in Suzhou Jiesbyter Medical Technology Co., Ltd. and inject additional capital for approximately RMB86,460,000. Upon completion of the transaction, the Group will hold its 55% equity interest, thereby acquiring its two established product lines including minimally invasive orthopaedic solution and active energy platform, as well as its production capabilities.

7. In 2026, the Company plans to establish a partnership with a private equity fund for approximately RMB60,000,000, which is primarily used to invest in companies or projects in the healthcare sector that are in the growth or mature stages.

Save for the above material investments and investment plans, the Group had no future plans involving significant investments or capital assets acquisition as of 31 December 2025.

CAPITAL COMMITMENT

As of 31 December 2025, the capital commitment including acquisition, investment, and purchase of property, plant and equipment which the Group and the Company had contracted for but not provided amounted to approximately RMB892,362,000 (2024: approximately RMB1,152,555,000). The above amounts will be financed by the internal resources of the Group.

PLEDGE OF THE GROUP'S ASSETS

As of 31 December 2025, the Group had pledged the equity interest in Weihai Jierui Medical Products Company Ltd., Shandong Financial Leasing Company Ltd., and Shanghai Financial Leasing Company Ltd., wholly owned subsidiaries of the Group, as well as certain buildings and land use rights of the Company, to secure the long-term borrowings from IFC. Pledged/restricted bank deposits of approximately RMB413,622,000 (2024: approximately RMB395,089,000) to secure trade facilities such as bills payable and letter of credit and obtain factoring.

As of 31 December 2025, the loan principal of Argon Medical Devices Holdings, Inc. (“**Argon**”) amounted to US\$155,125,000, which was secured by the equity interest in subsidiaries of Argon, with the property, plant and equipment, intangible assets, inventories, trade receivables, cash and bank balances of Argon as collateral. The loan principal of WW Medical and Healthcare Company Limited (“**WW Cayman**”) amounted to RMB900,000,000, which was secured by the Company, Argon Medical Devices (Hong Kong) Company Limited and Argon (Shanghai) Medical Devices Company Limited.

RESERVES AND DISTRIBUTABLE RESERVES

As of 31 December 2025, the total reserves of the Group amounted to RMB23,651,114,000 (2024: RMB23,294,580,000).

Under the PRC laws and regulations, the Company's distributable reserves will be based on the lower of the amount calculated according to the PRC accounting principles and rules and the amount calculated according to Hong Kong's generally accepted accounting principles. As of 31 December 2025, the distributable reserves of the Company were approximately RMB9,866,472,000 (2024: RMB9,513,833,000).

REVIEW AND OUTLOOK

In 2025, owing to various factors such as macroeconomic conditions, the growth rate of outpatient visits and growing surgical cases in domestic hospitals remained relatively low. Coupled with the downward pressure on product pricing, this resulted in a relatively subdued overall performance for the medical device industry.

Meanwhile, certain macroeconomic factors also exert pressure on the Company's performance, such as the significant fluctuations in global exchange rates resulting in exchange losses; changes in tariff policies affecting import and export operations. Also the prolonged accounts receivable period of some domestic medical institutions increased operating costs and lowered the asset turnover efficiency.

In the generic medical device segment, centralized volume-based procurement for different products will continue to advance across various provinces. In the second half of last year, the prices of the Company's principal products in several key sales regions dropped significantly due to policy changes. Although the segment's revenue amount ultimately achieved steady growth, gross profit declined significantly, reflecting that ordinary low-value consumables still have considerable limitations in withstanding price risks, and accentuating the necessity of supplementing with new products and shifting to new business streams.

In the orthopedic segment, the Company seized the window of opportunity presented by an improved policy environment to actively drive the transformation of its marketing model, achieving rapid revenue growth and profit recovery. The market share of its principal products remained stable with a modest increase, and distributor channels have been steadily expanded. The Company will focus on differentiated competition in terms of products and regions. On one hand, it will continue to continuously improve the upstream and downstream orthopedics industrial layout, expand new product lines, and strive to form integrated solutions at an early stage. On the other hand, it will accelerate product registration and certification to achieve the expansion into overseas markets.

In the interventional segment, Argon, a subsidiary, achieved steady growth in Europe and the Americas. However, owing to the factors such as exchange rates, revenue showed an apparent decline. For profit, it incurred a net loss due to a significant increase in selling expenses related to the market promotion of the new thrombus removal device. The Company will continue to spend intensive efforts in areas such as enhancing corporate governance, optimizing coverage in regions outside Europe and the Americas, and introducing new product lines, to fully unleash Argon's strategic value.

In the pharmaceutical packaging business, prefilled syringes' market position has been further reinforced, and the series of products of pen injectors achieved rapid growth. However, the implementation of the new volume-based procurement price for pre-filled flush syringes dragged down the overall revenue performance of the segment. The Company will continue to optimise its production and supply chain management, further reduce its costs, and elevate its operational efficiency to better adapt to changes in the market environment.

Amid a challenging market environment, the Company has remained true to its original aspiration of pursuing high-quality development, seizing opportunities to drive the ongoing transformation of its industry and product mix, and striving to keep pace with market evolution. As a leading enterprise in the domestic medical consumables sector, the Company is well aware that the market competitive landscape is not static, and it must continuously propel diversification across products, business tracks and regions to mitigate the risks associated with a single product or market.

2025 marked the inaugural year of the Company's business integration. In October 2025, we announced our intention to enter into an asset swap with Weigao Blood Purification (603014.SH), and in February 2026, the proposal was approved at an extraordinary general meeting. The transaction is currently pending approval from the relevant authorities. The successful completion of this transaction will inject new business segments into the Company, such as blood purification and biopharmaceutical upstream, further strengthening its overall competitiveness.

Following this transaction, the Company will become the sole listed integration platform for Weigao Group's medical device business, bringing new opportunities for the further injection of the Group's off-balance-sheet assets into the listed company as well as for external mergers and acquisitions. The current policy environment is driving an increasing level of consolidation in the medical device industry, and M&A integration will undoubtedly be one of the main development trajectories for the industry in the foreseeable future.

R&D innovation and global expansion are the other two key priorities for the Company in its next development stage. In terms of R&D, aligning with the trend of consumables becoming more specialized, energized, and intelligent, the Company will actively explore and advance promising sectors such as surgery procedures, while also pursuing integrated device solutions tailored to the evolving industry landscape. In terms of global expansion, the Company will establish deep collaborations with overseas partners, such as forming joint ventures in Indonesia for localized management, operations, and sales, to quickly develop a scalable model for international growth, which can then be replicated and expanded based on the characteristics of each product line.

Looking forward into 2026, with international uncertainties intensifying and the domestic economy pursuing "steady progress", the overall macro environment is subject to significant fluctuations. At this time, maintaining strategic focus for medium- to long-term development is particularly critical. The Company remains committed to its long-term vision of becoming a world-leading integrated platform-based medical device supplier. It will continue to take steady and solid steps, persistently cultivating and strengthening its core competitiveness around cutting-edge sectors and innovative products, striving to achieve the leapfrog development from a leading domestic consumables manufacturer to a global medical device platform.

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

The Company repurchased the H shares of the Company (“H Shares”) for the first time in February 2025. During the Year, the Company repurchased a total of 31,063,600 H Shares on the Stock Exchange. Details of the repurchases of shares are as follows:

Year 2025

Month	Number of H Shares repurchased	Price per H Shares		Aggregate price (before expenses) HK\$'000
		Highest	Lowest	
		HK\$	HK\$	
February	2,086,000	5.12	4.62	10,408
March	–	N/A	N/A	N/A
April	2,944,800	6.10	5.16	16,374
May	1,797,600	5.99	5.52	10,430
June	1,304,000	6.15	5.23	7,447
July	677,200	6.10	5.79	3,998
August	2,158,800	6.00	5.75	12,729
September	10,873,600	5.94	5.57	62,730
October	440,800	5.63	5.59	2,471
November	4,933,200	5.65	5.24	26,762
December	3,847,600	5.59	5.10	20,410
	<u>31,063,600</u>			<u>173,759</u>

Subsequently, the Company repurchased a total of 10,518,400 H shares in January 2026 and February 2026 at the aggregate price of approximately HK\$54,917,000 (before expenses).

All the repurchased H Shares are held as treasury shares.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

CHANGE OF BOARD COMPOSITION AND SENIOR MANAGEMENT

Ms. Yan Xia resigned as the vice chairman of the Board and a non-executive director of the Company with effect from 8 October 2025.

Save as disclosed above, there is no change of information on directors and supervisors of the Company during the year ended 31 December 2025 pursuant to Rule 13.51B of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the standard for securities transactions by Directors. The Company has made enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions.

INTERNAL CONTROL

Directors are responsible for reviewing the internal control and risk management system of the Company periodically to ensure its effectiveness and efficiency. With the support of the internal audit department, they will review the practices, procedures, expenditure and internal control of the Company and its subsidiaries on a regular basis. The management will regularly monitor the concerns as reported by the internal audit department to ensure appropriate remedial measures have been implemented. The Board or senior management can also request the internal audit group to review the specific scope of concerns and report the significant findings of such review to the Board and the audit committee.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee of the Company comprises four members, including four independent non-executive directors, namely Mr. Li Guohui, Mrs. Meng Hong, Mr. Li Qiang and Mr. Sun Heng and one non-executive director, namely Mr. Tang Zhengpeng. The Chairman of the Audit Committee is Mr. Li Guohui. The Audit Committee has reviewed the Group's audited consolidated financial statements for the Year which have been agreed by the Company's auditor, and is of the view that the Group's audited consolidated financial statements for the Year are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

CONFIRMATION OF INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company confirmed that it had received the annual confirmation of independence from each of the independent non-executive directors of the Company in compliance with Rule 3.13 of the Listing Rules. The Company is of the view that the independent non-executive directors remain independent during the Year in accordance with the relevant requirements of Rule 3.13 of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association and the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance so as to ensure higher transparency and better protection of shareholders' interest. The Company has complied with the code provision of the Code on Corporate Governance Practices (the "Code") in Appendix C1 of the Listing Rules throughout the year ended 31 December 2025.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

Attending and Voting at the Annual General Meeting

In order to determine the shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 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 Annual General Meeting, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company’s H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 22 May 2026.

In order to qualify for attending and voting at the Annual General Meeting:–

- Latest time to lodge in transfer documents accompanied
by the share certificates for H Shares 4:30 p.m.,
Friday, 22 May 2026

- Closure of register of members
of the Company for attending and
voting at the Annual General Meeting Tuesday, 26 May 2026 to
Friday, 29 May 2026
(both days inclusive)

- Record date Friday, 29 May 2026

- Date of the Annual General Meeting Friday, 29 May 2026

Entitlement of Proposed Final dividend

In order to determine entitlement to the proposed final dividend payment, the register of members of the Company for H Shares will be closed from Thursday, 4 June 2026 to Tuesday, 9 June 2026 (both days inclusive), during which period no transfer of H Shares will be effected. In order to qualify for entitlement of the proposed final dividend, 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 Wednesday, 3 June 2026.

In order to qualify to entitle the final dividend for the year ended 31 December 2025:–

Latest time to lodge in transfer instrument accompanied
by the share certificates for H Shares4:30 p.m., Wednesday,
3 June 2026

Closure of register of members of the Company
for entitlement of the final dividend
for the year ended 31 December 2025Thursday, 4 June 2026 to
Tuesday, 9 June 2026
(both days inclusive)

Record date for determining the entitlement
of the final dividend Tuesday, 9 June 2026

Expected despatch date of the final dividend. Friday, 10 July 2026

The final dividend will be despatched at the risk of those entitled thereto to their respective registered addresses on or before Friday, 10 July 2026.

PROPOSED FINAL DIVIDEND

The Board proposed the distribution of a final dividend for the year ended 31 December 2025 of RMB0.06 (2024: RMB0.1235) (before considering any tax effect) per share totaling RMB272,374,123 (2024: RMB564,473,092), which will be subject to the approval of shareholders of the Company at the forthcoming 2026 annual general meeting. The final dividend will be denominated and declared in Renminbi. Final dividend on non-listed domestic shares of the Company, for full circulation H Shareholders and for investors holding the H shares of the Company through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (the “**Hong Kong Stock Connect**”) will be paid in Renminbi, and the final dividend for other H Shareholders of the Company will be paid in Hong Kong dollars. The exchange rate for the final dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Renminbi to Hong Kong dollars as announced by the PBOC during the five business days preceding the date of approval of the final dividend at the forthcoming annual general meeting to be held on Friday, 29 May 2026 (“**Annual General Meeting**”). The Company will appoint a receiving agent in Hong Kong and Mainland China respectively and will pay to such receiving agent the final dividend (after deductions of relevant tax, if applicable) declared for payment to Shareholders. The final dividend will be paid by the receiving agent on or before Friday, 10 July 2026. The cheques will be despatched to H Shareholders by ordinary post at their own risks. The payment of the final dividend is subject to the Shareholders’ approval at the Annual General Meeting.

PUBLICATION OF FINANCIAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement is available for viewing on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.weigaogroup.com>).

DESPATCH OF 2025 ANNUAL REPORT

The 2025 annual report for the year ended 31 December 2025 will be despatch to shareholders of the Company and is expected to be despatched to shareholders of the Company on or around 30 April 2026.

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

27 March 2026
Weihai, Shandong Province, the PRC

As at the date of this announcement, 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