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**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)**

## **PROFIT WARNING ANNOUNCEMENT**

This announcement is made by Shandong Weigao Group Medical Polymer Company Limited\* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs its shareholders and potential investors that, based on the preliminary review of the unaudited management accounts for the year ended 31 December 2023 (the “**Reporting Period**”) of the Company by the Board and other information currently available to the Board, the Company is expected to record a decrease in revenue in the range of 2% to 5% during the Reporting Period as compared with the revenue recognised due to the accounting restatement as a result of business combination under common control for the same period last year; and a decrease of net profit attributable to the owners of the Company (excluding extraordinary items) (the “**Net Profit**”) for the Reporting Period in the range of 25% to 30% as compared with the Net Profit reported with consideration of the accounting restatement as a result of business combination under common control for the same period last year.

\* For identification purpose only

The Board considered that such decrease was mainly due to the impact of the both national or regional volume-based procurement policy, leading to a price reduction per product sold of medical devices and consumables for different businesses of the Company. The performance of this year was also affected by the higher sales base of epidemic-related products recorded for the same period last year. In addition, the year-on-year increase in the US dollar interest rate exerted certain influences on the Company's profits owing to an increase in financing costs accordingly. Moreover, the research and development expenses increased significantly year-on-year as the Company continued to explore new products and new fields.

The Company will still actively embrace the implementation of the volume-based procurement policy in various regions. Building on the competitiveness among the Class III hospitals, the Company actively explored the opportunities availed in the hospitals located at county-level and primary healthcare market and expanded the coverage of each of its products therein. The Board has full confidence in the long-term and sustainable development of the Company.

The Company is still in the process of preparing its consolidated accounts before finalising the consolidated annual results of the Group for the Reporting Period. The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited management accounts of the Group for the Reporting Period and the information currently available to the Board, which has not been reviewed by the Company's auditor or the audit committee. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for the Reporting Period, which is expected to be published on 26 March 2024.

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

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

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

Weihai, Shandong, the PRC, 30 January 2024

*As at the date of this announcement, the Board comprises:*

*Executive Director*

Mr. Long Jing (*Chairman*)

Mr. Cong Rinan (*Chief Executive Officer*)

Mr. Lu Junqiang

*Non-Executive Director*

Mr. Tang Zhengpeng (*Vice Chairman*)

Mr. Chen Lin

*Independent non-executive Director*

Mr. Li Guohui

Mrs. Meng Hong

Mr. Li Qiang