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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)

**UPDATE ON THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF
SHANDONG WEIGAO ORTHOPAEDIC DEVICE COMPANY LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Reference is made to the announcement (the “**Announcement**”) of the Company dated 18 February 2015 in relation to, among other things, the Proposed Spin-off. Capitalised terms used in this announcement shall have the same meaning as defined in the Announcement unless the context requires otherwise.

The Company has decided not to proceed with the Proposed Spin-off on the Stock Exchange taking into account of the current market conditions. The Board considers that such decision will not have any material adverse impact on the existing business operations and financial position of the Group. In the meantime, the Board will continue to evaluate the situation and consider all options including the possible disposal of Weigao Ortho to a company listed on the stock exchange in the PRC (the “**A-share listed company**”) in exchange for consideration including the shares of such A-share listed company (the “**Proposed Transaction**”). As the terms of the Proposed Transaction have not been finalised, the Company may or may not

* *For identification purpose only*

proceed with the Proposed Transaction. If the Proposed Transaction is materialized or there is any other material development in relation to Weigao Ortho, the Company will make further announcement as and when appropriate in accordance with the Listing Rules. **Shareholders of the Company and other investors are advised to exercise caution when dealing the securities of the Company.**

By Order of the Board
Shandong Weigao Group Medical Polymer Company Limited
Chen Xueli
Chairman

Weihai, Shandong, the PRC, 11 March, 2016

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

Mr. Zhang Hua Wei (*Executive Director*)

Mr. Wang Yi (*Executive Director*)

Mr. Gong Jian Bo (*Executive Director*)

Mr. Xia Lie Bo (*Executive Director*)

Mr. Chen Xue Li (*Non-executive Director*)

Mrs. Zhou Shu Hua (*Non-executive Director*)

Mr. Lo Wai Hung (*Independent non-executive Director*)

Mr. Li Jia Miao (*Independent non-executive Director*)

Mrs. Fu Ming Zhong (*Independent non-executive Director*)

Mrs. Wang Jin Xia (*Independent non-executive Director*)