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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)

SUPPLEMENTAL ANNOUNCEMENT EXEMPTED CONNECTED TRANSACTION

Reference is made to the announcement of Shandong Weigao Group Medical Polymer Company Limited (the “**Company**”) dated 23 January 2017 (the “**Announcement**”) in relation to certain exempted connected transactions and a deemed disposal by the Company of its interest in Weigao Blood. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, following completion of the Subscription Agreements, the equity interest of the Group in Weigao Blood will be reduced from 70% to 49.34% and Weigao Blood will cease to be a subsidiary of the Company. Its financial results will not be consolidated with the Group's results. The gain on the disposal of approximately RMB669.5 million (equivalent to approximately HK\$757.4 million), being the Company's 70% share in the appreciation of the value of Weigao Blood that is determined based on the appraised value of Weigao Blood amounting to RMB1,282,435,268 minus the carrying amount of approximately RMB325.9 million in the accounts of Weigao Blood as at 31 December 2016, is expected to be recognised in the consolidated income statements of the Company.

* *For identification purpose only*

As resolved by the Directors at a Board meeting held on 24 January 2017, following completion of the Subscription Agreements, the Company will continue to have the right to appoint or remove a majority of the board of directors of Weigao Blood, and the financial results of Weigao Blood will continue to be consolidated into the Group's results. The gain on the deemed disposal of the Company's interest in Weigao Blood will be credited directly to the equity of the Company and will not have any impact on the consolidated income statements of the Company.

Listing Rules Implications

The Subscription constitutes a deemed disposal under Chapter 14 of the Listing Rules. As upon completion of the Subscription Agreements, the financial results of Weigao Blood will continue to be consolidated into the Group's results, the applicable percentage ratios in respect of the Subscription Agreements and the transactions contemplated thereunder are less than 5% and the Subscription does not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

By Order of the Board
Shandong Weigao Group Medical Polymer Company Limited
Zhang Hua Wei
Chairman

Weihai, Shandong, the PRC, 24 January 2017

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

Mr. Zhang Hua Wei (*Executive Director*)

Mr. Wang Yi (*Executive Director*)

Mr. Gong Jian Bo (*Executive Director*)

Mr. Xia Lie Bo (*Executive Director*)

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

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

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

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

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