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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 SCI-TECH BOARD**

References are made to the announcements of the Company dated 30 December 2019, 11 June 2020, 30 July 2020 and 25 February 2021 (the “**Announcements**”) in relation to the proposed spin-off and listing of shares of Weigao Ortho. Unless otherwise defined, terms used in this announcement shall have the same meaning in the Announcements.

As disclosed in the Announcements, the Stock Exchange confirmed in July 2020 that the Company may proceed with the Proposed Spin-off and Listing under Practice Note 15 of the Listing Rules and granted the waiver from strict compliance with the requirement of Paragraph 3(f) of Practice Note 15 of the Listing Rules, and the registration for the Proposed Listing on the Sci-Tech Board was approved by the CSRC in accordance with legal procedures in June 2021.

According to the latest listing timetable, Weigao Ortho will launch the proposed initial public offering of the shares (the “**Offering**”) on 21 June 2021.

\* *For identification purpose only*

As the equity interest of the Company in Weigao Ortho is expected to decrease upon completion of the Proposed Listing on the Sci-Tech Board, the Proposed Listing on the Sci-Tech Board constitutes a deemed disposal of the Company under Chapter 14 of the Listing Rules. Based on the information available to the Company, all of applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Spin-off and Listing are expected to be less than 5%. Therefore, the Proposed Spin-off and Listing will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

**Shareholders of the Company and potential investors should note that, the Proposed Listing on the Sci-Tech Board is subject to, inter alia, the prevailing market conditions. Accordingly, shareholders of the Company and potential investors should be aware that, the Company does not guarantee the proceeding of the Proposed Listing on the Sci-Tech Board, nor the timing of proceeding. Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.**

## **PROPOSED LISTING ON THE SCI-TECH BOARD**

### **Background**

References are made to the Announcements of the Company in relation to the proposed spin-off and listing of shares of Weigao Ortho.

As disclosed in the Announcements, the Stock Exchange confirmed in July 2020 that the Company may proceed with the Proposed Spin-off and Listing under Practice Note 15 of the Listing Rules and granted the waiver from strict compliance with the requirement of Paragraph 3(f) of Practice Note 15 of the Listing Rules, and the registration for the Proposed Listing on the Sci-Tech Board was approved by the CSRC in accordance with legal procedures in June 2021.

According to the latest listing timetable, Weigao Ortho will launch the Offering on 21 June 2021.

## **Change of the shareholding structure of Weigao Ortho**

As at the date of this announcement, the Company holds directly and indirectly approximately 80.5% equity interest of the total issued shares of Weigao Ortho. It is expected that Weigao Ortho will issue a total of 41,414,200 shares for subscription on the Sci-Tech Board, representing approximately 10.35% of its total issued shares as enlarged by the Offering. Therefore, the equity interest of the Company in Weigao Ortho is expected to decrease to approximately 72.2%, and Weigao Ortho will remain as a subsidiary of the Company, immediately after the Proposed Listing on the Sci-Tech Board.

Pursuant to the PRC laws and the lock-up undertakings provided by the Company, the shares owned by the Company in Weigao Ortho are subject to a lock-up period of 36 months from the listing date of Weigao Ortho.

## **FINANCIAL EFFECT**

As the Proposed Listing on the Sci-Tech Board will not result in the Company's loss of control over Weigao Ortho, the Proposed Listing on the Sci-Tech Board will be accounted for as an equity transaction and will not result in the recognition of gain or loss in the Company's consolidated statement of profit or loss and other comprehensive income.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the equity interest of the Company in Weigao Ortho is expected to decrease upon completion of the Proposed Listing on the Sci-Tech Board, the Proposed Listing on the Sci-Tech Board constitutes a deemed disposal of the Company under Chapter 14 of the Listing Rules. Based on the information available to the Company, all of applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Spin-off and Listing are expected to be less than 5%. Therefore, the Proposed Spin-off and Listing will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Further announcement(s) will be made by the Company when and where appropriate.

**Shareholders of the Company and potential investors should note that, the Proposed Listing on the Sci-Tech Board is subject to, inter alia, the prevailing market conditions. Accordingly, shareholders of the Company and potential investors should be aware that, the Company does not guarantee the proceeding of the Proposed Listing on the Sci-Tech Board, nor the timing of proceeding. Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.**

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

Weihai, Shandong, the PRC, 10 June 2021

*As at the date hereof, the Board comprises of:*

Mr. Long Jing (*Executive Director*)  
Mr. Cong Rinan (*Executive director*)  
Mr. Tang Zhengpeng (*Non-executive Director*)  
Mr. Chen Lin (*Non-executive Director*)  
Mr. Lian Xiaoming (*Non-executive Director*)  
Mr. Lo Wai Hung (*Independent non-executive Director*)  
Mrs. Fu Mingzhong (*Independent non-executive Director*)  
Mrs. Wang Jinxia (*Independent non-executive Director*)