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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO POSSIBLE MAJOR TRANSACTION

This announcement is made by Shandong Weigao Group Medical Polymer Company Limited (the "**Company**") on a voluntary basis. Reference is made to the announcement of the Company dated 11 March 2016.

POSSIBLE MAJOR TRANSACTION

To better reflect the value of Shandong Weigao Orthopaedic Device Company Limited* ("**Weigao Ortho**"), a non-wholly owned subsidiary of the Company as at the date of this announcement, the Company intends to inject its entire interest in Weigao Ortho into an A-share listed company that is listed on a stock exchange in the People's Republic of China ("**A-share Listco**") in exchange for A shares to be issued by A-share Listco (the "**Proposed Transaction**"). The consideration will be determined on an arm's length basis among the parties. The Proposed Transaction would be conditional upon the satisfaction of various conditions precedent, including, among others, the approval from the China Securities Regulatory Commission, the shareholders of the Company (if applicable) and the shareholders of A-share Listco.

Immediately after completion of the Proposed Transaction and the transactions to be conducted by the Company in connection with the Proposed Transaction, it is expected that A-share Listco will become a subsidiary of the Company and Weigao Ortho will remain as an indirect subsidiary of the Company.

* *For identification purpose only*

LISTING RULES IMPLICATIONS

It is expected that one or more of the applicable ratios in respect of the Proposed Transaction may exceed 25% but less than 75% and the Proposed Transaction may constitute a major transaction of the Company which would be subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will make further announcement(s) in relation to the Proposed Transaction as and when appropriate and comply with all other relevant requirements under the Listing Rules.

The Proposed Transaction may or may not proceed and its final structure and terms have yet to be finalised. Shareholders of the Company 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
Zhang Huawei
Chairman

Weihai, Shandong, the PRC, 3 May 2016

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

Mr. Zhang Huawei *(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)*
Mr. Li Jia Miao *(Independent non-executive Director)*
Mrs. Fu Ming Zhong *(Independent non-executive Director)*
Mrs. Wang Jin Xia *(Independent non-executive Director)*