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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)**

## **CONTINUING CONNECTED TRANSACTION**

The directors of the Company announce that the Company has entered into Disposal Pressure Monitoring Kit Supply Agreement with Weihai Weigao Medical on 27 May 2011 regarding the supply of disposal pressure monitoring kit by Weihai Weigao Medical to the Company. The proposed caps for each of the three years ending 31 December 2011, 31 December 2012 and 31 December 2013 are RMB2.0 million (equivalent to approximately HK\$2.4 million), RMB3.0 million (equivalent to approximately HK\$3.6 million) and RMB6.0 million (equivalent to approximately HK\$7.2 million) respectively.

Weihai Weigao Medical is a wholly owned subsidiary of Weigao Holding, the controlling shareholder of the Company, thus a connected person of the Company pursuant to the meaning of the Listing Rules, as such the Disposal Pressure Monitoring Kit Supply Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for Disposal Pressure Monitoring Kit Supply Agreement, on an annual basis, exceed 0.1 % but less than 5.0% of the applicable percentage ratios, the continuing connected transaction is therefore subject to annual review, reporting and announcement requirements and is exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

Particulars of continuing connected transaction under Disposal Pressure Monitoring Kit Supply Agreement will be disclosed in the annual report of the Company in accordance with Chapter 14 of the Listing Rules.

\* *For identification purpose only*

## THE DISPOSAL PRESSURE MONITORING KIT SUPPLY AGREEMENT

Date	27 May 2011
Parties	(1) Supplier – Weihai Weigao Medical (2) Purchaser – the Company
Transaction	Supply of disposal pressure monitoring kit
Contract period	(i) from 27 May 2011 to 31 December 2011; (ii) from 1 January 2012 to 31 December 2012; and (iii) from 1 January 2013 to 31 December 2013
Maximum annual purchase amount	RMB2.0 million (equivalent to approximately HK\$2.4 million), RMB3.0 million (equivalent to approximately HK\$3.6 million) and RMB6.0 million (equivalent to approximately HK\$7.2 million) for each of the three years ending 31 December 2013 respectively
Pricing mechanism and basis	the prices will be determined with reference to market price and to be reviewed by both parties on semi-annual basis

Weihai Weigao Medical is a wholly owned subsidiary of Weigao Holding and is principally engaged in distribution of medical device products, including disposal pressure monitoring kit and related accessories. The proposed caps for each of the three years ending 31 December 2011, 31 December 2012 and 31 December 2013 are RMB2.0 million (equivalent to approximately HK\$2.4 million), RMB3.0 million (equivalent to approximately HK\$3.6 million) and RMB6.0 million (equivalent to approximately HK\$7.2 million) respectively. By entering into the Disposal Pressure Monitoring Kit Supply Agreement, the Company can secure a continuing supply of disposal pressure monitoring kit at the market price with a prescribed standard of quality.

The Disposal Pressure Monitoring Kit Supply Agreement was arrived at after arm's length negotiation and was on normal commercial terms and on ordinary and usual course of the Company. The purchase price is determined by reference to the market price and it will be reviewed by both the Company and Weihai Weigao Medical on a semi-annual basis. The non-executive Directors and independent non-executive Directors consider that the Disposal Pressure Monitoring Kit Supply Agreement was entered into in the ordinary and usual course of business of the Group and the terms thereof are normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Weigao Holding is a connected person, the connected directors, including Mr. Chen Xue Li, Mr. Zhang Hua Wei, Mr. Miao Yan Guo, Mr. Wang Yi, Mr. Wang Zhi Fan, Mr. Wu Chuen Ming and Mrs. Zhou Shu Hua abstained from voting in the board meeting of the Company to approve the resolution of the continuing connected transaction under the Disposal Pressure Monitoring Kit Supply Agreement.

## **GENERAL INFORMATION**

The Group is principally engaged in the research and development, production and sale of single-use medical devices. The Group has a wide range of products, which includes: 1) consumables (infusion set, syringes, medical needles, blood bags, blood sampling products and other consumables); 2) orthopedic materials; 3) blood purification consumables; and 4) stent. The Group has a nationwide sales network and an extensive customer base of over 5,055 healthcare organizations, including over 2,928 hospitals and 413 blood stations.

Weihai Weigao Medical is a wholly owned subsidiary of Weigao Holding, the controlling shareholder of the Company, thus a connected person of the Company pursuant to the meaning of the Listing Rules, as such the Disposal Pressure Monitoring Kit Supply Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the Disposal Pressure Monitoring Kit Supply Agreement, on an annual basis, exceed 0.1 % but less than 5.0% of the applicable percentage ratios, the continuing connected transaction is therefore subject to annual review, reporting and announcement requirements and is exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

Particulars of continuing connected transaction under Disposal Pressure Monitoring Kit Supply Agreement will be disclosed in the annual report of the Company in accordance with Chapter 14 of the Listing Rules.

## DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	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 company incorporated in the People’s Republic of China with limited liability and the H shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Disposal Pressure Monitoring Kit Supply Agreement”	the disposal pressure monitoring kit supply agreement entered into between Weihai Weigao Medical and the Company on 27 May 2011
“Group”	the Company and its subsidiaries and associated companies
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of RMB0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Weigao Holding”	威高控股有限公司 (Weigao Holding Company Limited)*, a limited liability company established in the PRC on 4 August 1998, being the controlling shareholders holding 47.58% equity interest in the Company
“Weihai Weigao Medical”	威海威高医用材料有限公司 (Weihai Weigao Medical Materials Company Limited)*, a limited liability company incorporated in the PRC and is 100 % owned by Weigao Holding

*Exchange Rate: In this announcement, for reference only and unless otherwise specified, the translation of RMB into HK\$ is based on the exchange rate of RMB0.8341 = HK\$1.00.*

By Order of the Board  
**Shandong Weigao Group Medical Polymer Company Limited**  
**Chen Xue Li**  
*Chairman*

27 May 2011  
Shandong, the PRC

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

Mr. Zhang Hua Wei (*Executive Director*)  
Mr. Miao Yan Guo (*Executive Director*)  
Mr. Wang Yi (*Executive Director*)  
Mr. Wang Zhi Fan (*Executive Director*)  
Mr. Wu Chuan Ming (*Executive Director*)  
Mr. Chen Xue Li (*Non-executive Director*)  
Ms. Zhou Shu Hua (*Non-executive Director*)  
Mr. Li Bing Yung (*Non-executive Director*)  
Mr. Jean-Luc Butel (*Non-executive Director*)  
Mr. Shi Huan (*Independent non-executive Director*)  
Mr. Luan Jian Ping (*Independent non-executive Director*)  
Mr. Li Jia Miao (*Independent non-executive Director*)  
Mr. Lo Wai Hung (*Independent non-executive Director*)