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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 TRANSACTIONS  
AND  
CONNECTED TRANSACTION**

The directors of the Company announce that the Company has entered into the following agreements on 19 August 2011:–

1. Packaging Material Supply Agreement I was entered into between the Company and Weigao Medical Packaging regarding the supply of multi-layer packaging materials for syringes products by Weigao Medical Packaging to the Company. The proposed cap for each of the three years ending 31 December 2011, 31 December 2012 and 31 December 2013 will be less than RMB6.0 million (equivalent to approximately HK\$6.9 million), RMB15.0 million (equivalent to approximately HK\$17.2 million) and RMB20.0 million (equivalent to approximately HK\$22.9 million) respectively.
2. Packaging Material Supply Agreement II was entered into between Jierui Subsidiary and Weigao Medical Packaging regarding the supply of multi-layer packaging materials for needles and IV catheters by Weigao Medical Packaging to Jierui Subsidiary. The proposed cap for each of the three years ending 31 December 2011, 31 December 2012 and 31 December 2013 will be less than RMB2.0 million (equivalent to approximately HK\$2.3 million), RMB5.0 million (equivalent to approximately HK\$5.7 million) and RMB7.0 million (equivalent to approximately HK\$8.0 million) respectively.

\* For identification purpose only

3. Fitting-out Contract was entered into between Weigao Qichuan and the Company regarding provision of fitting-out services, including installation of purified ventilation and fire detection systems at production plants by Weigao Qichuan to the Company. The contract sum of the Fitting-out Contract will be approximately RMB8.5 million (equivalent to approximately HK\$9.7 million).

Weigao Medical Packaging and Weigao Qichuan are 100% and 60% owned subsidiaries of Weigao Holding, the controlling shareholder of the Company respectively, thus connected persons of the Company pursuant to the meaning of the Listing Rules, as such the Packaging Material Supply Agreements I and II and Fitting-out Contract constitute connected transactions and connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for Packaging Material Supply Agreements I and II and Fitting-out Contract, on an annual basis, exceed 0.1% but less than 5.0% of the applicable percentage ratios, the continuing connected transactions and connected transaction are therefore subject to annual review, reporting and announcement requirements and are exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

Particulars of continuing connected transactions under Packaging Material Supply Agreements I and II will be disclosed in the annual report of the Company in accordance with Chapter 14 of the Listing Rules.

## **1. PACKAGING MATERIAL SUPPLY AGREEMENT I**

Date	19 August 2011
Parties:	(1) Supplier – Weigao Medical Packaging (2) Purchaser – the Company
Transaction	Supply of multi-layer packaging materials for syringes products

Contract Period	For a period of 3 years: (i) from 19 August 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	The proposed cap for each of the three years ending 31 December 2011, 31 December 2012 and 31 December 2013 will be less than RMB6.0 million (equivalent to approximately HK\$6.9 million), RMB15.0 million (equivalent to approximately HK\$17.2 million) and RMB20.0 million (equivalent to approximately HK\$22.9 million) 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

## **2. PACKAGING MATERIAL SUPPLY AGREEMENT II**

Date	19 August 2011
Parties:	(1) Supplier – Weigao Medical Packaging (2) Purchaser – Jierui Subsidiary
Transaction	Supply of multi-layer packaging materials for needles and IV catheters
Contract Period	For a period of 3 years: (i) from 19 August 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	The proposed cap for each of the three years ending 31 December 2011, 31 December 2012 and 31 December 2013 will be less than RMB2.0 million (equivalent to approximately HK\$2.3 million), RMB5.0 million (equivalent to approximately HK\$5.7 million) and RMB7.0 million (equivalent to approximately HK\$8.0 million) 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

### **REASONS FOR THE ENTERING THE PACKAGING MATERIAL SUPPLY AGREEMENTS I AND II**

The Directors (including the independent non-executive directors) consider that the terms of Packaging Material Supply Agreements I and II are fair and reasonable, negotiated on an arm's length basis and in the interest of 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. 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 resolutions of the continuing connected transactions under Packaging Material Supply Agreements I and II.

Weigao Medical Packaging is a wholly owned subsidiary of Weigao Holding and is principally engaged in production and distribution of medical packaging materials. By entering into the Medical Material Supply Agreements I and II, the Company can secure a continuing supply of medical packaging material at the market price with a prescribed standard of quality.

### **3. FITTING OUT CONTRACT**

Date	19 August 2011
Parties:	(1) Supplier – Weigao Qichuan (2) Purchaser – the Company
Transaction	provision of fitting-out services, including installation of purified ventilation and fire detection systems at production plants

Contract Period	Commencing from the date of the contract and it is expected to be completed by 1 November 2011
Contract Sum	Approximately RMB8.5 million (equivalent to approximately HK\$9.7 million)
Pricing Mechanism and basis	the price of the fitting out services will be determined with reference to materials cost and service margin after taking into account of market price and project requirements, including design specification

### **REASONS FOR THE ENTERING THE FITTING OUT CONTRACT**

Weigao Qichuan is a 60% owned subsidiary of Weigao Holding and is principally engaged in production and sales of medical based furniture and fixture, sterilized systems and provision of sterilization solutions. The price of the fitting out services will be determined with reference to materials cost and service margin after taking into account of market price and project requirements, including scope of works and design specification. By entering into the Fitting-out Contact, the Company can secure tailor-made renovation services at the market price with a prescribed standard of quality.

The Directors (including the independent non-executive directors) consider that the terms of Fitting-out Contract are fair and reasonable and were on normal commercial terms and on ordinary and usual course of the Company. The terms of the Fitting-out Contract were negotiated on an arm's length basis and are in the interest of 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. 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 connected transaction under Fitting-out Contract.

## **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) cent. The Group has a nationwide sales network and an extensive customer base of over 5,039 healthcare organizations, including over 2,943 hospitals and 413 blood stations.

Weigao Medical Packaging 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 Packaging Material Supply Agreement I and II constitute continuing connected transactions of the Company under the Listing Rules.

Weigao Qichuan is a 60% 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 Fitting-out Contract constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for Packaging Material Supply Agreements I and II and Fitting-out Contract, on an annual basis, exceed 0.1 % but less than 5.0% of the applicable percentage ratios, the continuing connected transactions and connected transaction are therefore subject to annual review, reporting and announcement requirements and are exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

Particulars of continuing connected transactions under Packaging Material Supply Agreements I and II 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
“Group”	the Company and its subsidiaries and associated companies
“Jierui Subsidiary”	威高潔瑞醫用品有限公司 (Weihai Jierui Medical Products Company Limited) , a limited liability company incorporated in the PRC and is 100% owned by Weigao Holding
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange of Hong Kong Limited
“Packaging Material Supply Agreements I”	the packaging materials supply agreement entered into between the Company and Weigao Medical Packaging regarding the supply of multi-layer packaging materials for syringes products by Weigao Medical Packaging to the Company on 19 August 2011
“Packaging Material Supply Agreements II”	the packaging materials supply agreement entered into between Jierui Subsidiary and Weigao Medical Packaging regarding the supply of multi-layer packaging materials for needles and IV catheters by Weigao Medical Packaging to the Jierui Subsidiary 19 August 2011

“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 Medical Packaging”	山東威高醫療包裝製品有限公司 (Shandong Weigao Medical Packaging Products Company Limited)* , a limited liability company incorporated in the PRC and is 100% owned by Weigao Holding directly
“Weigao Qichuan”	威海威高齊全醫療設備有限公司 (Shandong Weigao Medical Packaging Products Company Limited)* , a limited liability company incorporated in the PRC and is 60% owned by Weigao Holding indirectly
“Weigao Holding”	威高集團有限公司 (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
“RMB”	Renminbi, the lawful currency of the PRC

*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 RMB0.8727 = HK\$1.00.*

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

19 August 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. Luan Jian Ping (*Independent non-executive Director*)

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

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