

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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)**

**CONNECTED TRANSACTIONS  
IN RELATION TO THE PROPERTY SWAP AGREEMENT**

On 5 May 2015, Weigao Medical and Weigao Property entered into the Property Swap Agreement, pursuant to which the Weigao Medical will transfer and dispose of its land use right of Property I to Weigao Property and Weigao Property will transfer and dispose of its land use right of Property II to Weigao Medical. Upon completion, Property II will be registered under the name of Weigao Medical while Property I will be registered under the name of Weigao Property. Pursuant to the Property Swap Agreement, the consideration for the property swap shall be satisfied by the transferring Property I in exchange for Property II, plus payment of cash shortfall of RMB3.0 million (approximately HK\$3.7 million).

**LISTING RULES IMPLICATIONS**

Weigao Holding holds approximately 48.25% of the issued share capital of the Company and is therefore a controlling shareholder and a connected person of the Company. The transactions constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions exceed 0.1% but are less than 5.0%, the transactions are only subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

\* *For identification purpose only*

## **THE PROPERTY SWAP AGREEMENT**

Date: 5 May 2015

Parties: Weigao Medical, an indirect subsidiary of the Company; and  
Weigao Property, a subsidiary of Weigao Holding

### **Nature of the Transactions**

Pursuant to the Property Swap Agreement, Weigao Medical has agreed to transfer and dispose of its land use right of Property I to Weigao Property and Weigao Property has agreed to transfer and dispose of its land use right of Property II to the Weigao Medical. Upon completion, Property II will be registered under the name of Weigao Medical while Property I will be registered under the name of Weigao Property.

### **Property I to be transferred and disposed by Weigao Medical to Weigao Property**

Property I is a 5-storeys property with a total gross floor area of approximately 1,787.4 sq.m. It is situated on a plot of land located at 12 Yuan Yao Dun Road, Weihai, Shandong, the PRC and covers a land area of approximately 6,287.0 sq.m. with a remaining term of use of 33 years. Property I is currently used as a blood purification center. Weigao Medical acquired the Property I from Weihai Hi-tech Lianhe Development Company Limited\*, an independent third party at a consideration of RMB9.6 million in March 2011. The value of Property I as at 10 March 2015 was approximately RMB13.1 million (equivalent to approximately HK\$16.4 million) as assessed by the Independent Valuer I.

### **Property II to be transferred and acquired by Weigao Medical from Weigao Property**

Property II is a property situated at Levels 5 to 6 of E1 Building with a total gross floor area of approximately 1,944.7 sq.m.. It is situated on a portion of land, north of Wen Hua Er Road and west of Gu Zhai Dong Road, Weihai, Shandong, PRC. The plot of land is designated for a combination of residential or commercial uses with remaining terms of use of 64 years or 34 years respectively. The value of Property II as at 21 April 2015 was approximately RMB16.1 million (equivalent to approximately HK\$20.1 million) as assessed by the Independent Valuer II. The Property II was developed and constructed by Weigao Property in May 2012. The construction of the complex E1 Building was completed in around November 2014 and is currently under renovation.

## **Consideration and Cash Shortfall**

Pursuant to the Property Swap Agreement, the consideration for the property swap shall be satisfied by the transferring Property I in exchange for Property II, plus payment of cash shortfall of RMB3.0 million (approximately HK\$3.7 million).

The consideration of disposal of Property I of approximately RMB13.1 million (approximately HK\$16.4 million) and consideration of acquisition of Property II of approximately RMB16.1 million (approximately HK\$20.1 million) were arrived at after arms-length negotiation between Weigao Medical and Weigao Property, with reference to the respective values of Property I and Property II as assessed by the Independent Valuer II. The Directors (including the independent non-executive Directors) consider that the exchange of land use rights of Property I and Property II under the Property Swap Agreement with cash consideration of RMB3.0 million is fair and reasonable.

## **Conditions precedent**

Completion of the Property Swap Agreement is subject to, among other matters, both parties having obtained the necessary approvals, including those of their respective board of directors and the relevant government approvals.

## **Completion**

Completion of the Property Swap Agreement will take place on a date to be agreed between Weigao Medical and Weigao Property as soon as all the conditions precedent as stated above have been fulfilled. Upon completion of the Property Swap Agreement, Property II will be registered under the name of the Weigao Medical while Property I will be registered under the name of Weigao Property.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Property II comprises Levels 5 to 6 of a 17-storeys complex which is situated in a residential and commercial community developed by Weigao Property. The complex will provide community and nursing services to residents in the district. Health clinic run by municipal level hospital of Weihai City will be located in the other levels of the same complex. The property swap provides a unique opportunity for Weigao Medical to acquire a property which is in close proximity to other quality health clinics and nursing services in the district that offers complementary and supporting healthcare services to the running of blood purification center. The Board considers that it is the interest of the Company and shareholders to dispose the Property I as the current location of Property I is not in close proximity to Weihai city center and the property swap represents a good opportunity for the Company to dispose its city fringe property and to relocate the blood purification center to the city center.

As Mr. Chen Xue Li, Mr. Zhang Hua Wei, Mr. Wang Yi and Mrs. Zhou Shu Hua are the directors of Weigao Holding and Mr. Xia Lie Bo is the director of Weigao Blood Purification Products Company Limited, five directors were all abstained from voting on the board resolution of the Company approving the terms of the Property Swap Agreement and the transactions. The Directors (including the independent non-executive Directors) believe that the terms of the Property Swap Agreement are fair and reasonable and are in the interest of the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

Weigao Holding holds approximately 48.25% of the issued share capital of the Company and is therefore a controlling shareholder and a connected person of the Company. The Transactions constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Transactions exceed 0.1% but are less than 5%, each of the Transactions is only subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

### **The Company**

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, wound management, blood sampling products and other consumables); 2) orthopedic materials; and 3) blood purification consumables and equipment. The Group has a nationwide sales network and an extensive customer base of over 5,200 healthcare organizations, including over 3,100 hospitals and 400 blood stations.

### **Weigao Holding**

Weigao Holding is a conglomerate corporate and has investment and engaged in different business sectors, including production and sales of pharmaceutical and medical equipment, logistic services, property development and food and beverage services in China. Weigao Holding is the controlling shareholder holds 48.25% of the total issued share capital of the Company, and therefore is thus a connected person of the Company pursuant to the meaning of the Listing Rules.

## **DEFINITION**

“Board”	the board of directors of the Company
“Cash Shortfall”	RMB3.0 million
“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 company incorporated in the People’s Republic of China, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company

“Property I”	It is a 5-storeys property with a total gross floor area of approximately 1,787.4 sq.m. situated on a plot of land located at 12 Yuan Yao Dun Road, Weihai, Shandong, the PRC of approximately 6,287.0 sq.m. with a remaining term of use of 33 years
“Property II”	It is a property situated at Levels 5 to 6 of E1 Building with a total gross floor area of approximately 1,944.7 sq.m. situated on a portion of land, north of Wen Hua Er Road and west of Gu Zhai Dong Road, Weihai, Shandong, PRC
“Property Swap Agreement”	On 5 May 2015, a property swap agreement was entered into between Weigao Medical and Weigao Property, pursuant to which the Weigao Medical will transfer and dispose of Property I to Weigao Property and Weigao Property will transfer and dispose of Property II to Weigao Medical
“Property Valuer I”	威海同信泰和資產評估有限公司, an independent and qualified property valuer in China
“Property Valuer II”	威海聖達土地房地產評估諮詢有限公司, an independent and qualified property valuer in China
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Taiwan, Hong Kong and the Macau Special Administrative Region
“Weigao Holding”	威高集團有限公司 (Weigao Holding Company Limited*), established in the PRC on 4 August 1998 with limited liability and is a controlling shareholder holding 48.25% equity interest in the Company
“Weigao Medical”	山東威高醫療控股有限公司 (Shandong Weigao Medical Holding Company Limited*) is a subsidiary of Weigao Blood Purification Products Company Limited, a 70% owned subsidiary of the Company. Weigao Medical established in the PRC on 13 July 2009 with limited liability

“Weigao Property”	威海威高房地產開發有限公司(Weihai Weigao Property Development Company Limited*) is a wholly owned subsidiary of Weigao Holding and Weigao Property is principally engaged in property development in Weihai in China and established in the PRC on 26 September 2006 with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

*Exchange Rate: In this announcement, for reference only and unless otherwise specified, the translation of Yen into HK\$ is based on the exchange rate of RMB0.8006 = HK\$1.00.*

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

5 May 2015  
Weihai, Shandong, the PRC

*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*)

Mr. Chen Xue Li (*Non-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*)