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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)**

**ANNOUNCEMENT  
CONNECTED TRANSACTION  
SETTING UP A JOINT VENTURE COMPANY WITH  
WEIGAO HOLDING**

The board of Shandong Weigao Group Medical Polymer Company Limited (the "Company") is pleased to announce that the Company entered into the Joint Venture Agreement on 7 January 2016, pursuant to which the Company and Weigao Holding agreed to establish the Joint Venture Company in China to engage in providing financial services in the PRC, include deposit services, loan services, settlement services, insurance agent services, financial consultation and foreign exchange services, to be approved by relevant financial regulatory authorities, including the China Banking Regulatory Commission.

The Joint Venture Agreement is agreed by the parties after arm's length negotiations. The Directors (including the independent non-executive Directors) consider that the Joint Venture Agreement was entered into by the parties on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

As at the date of this announcement, Weigao Holding Group is the controlling Shareholder of the Company. As such, Weigao Holding Group is a connected person of the Company. Therefore, the Joint Venture Agreement entered into between the Company and Weigao Holding constitute connected transaction of the Company under the Listing Rules.

\* *For identification purposes only*

As one or more applicable percentage ratios (as defined in Rule 14A.06 under the Listing Rules) in respect of the Joint Venture Agreement exceeds 0.1%, but is less than 5.0%. Such transaction is therefore only subject to the reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirement under Chapter 14A.76 of the Listing Rules.

## **THE JOINT VENTURE AGREEMENT**

### **Date**

7 January 2016

### **Parties**

- the Company
- Weigao Holding

### **Objective**

The Joint Venture Company will principally engage in providing financial services in the PRC, include deposit services, loan services, settlement services, insurance agent services, financial consultation and foreign exchange services, to be approved by relevant financial regulatory authorities, including the China Banking Regulatory Commission.

### **Registered Capital**

The registered capital of the Joint Venture Company shall be RMB500,000,000 (approximately HK\$588,100,000), which will be contributed by the parties in the following manner:

1. Weigao Holding will contribute RMB350,000,000 (approximately HK\$411,700,000 in cash, representing 70% of the registered capital; and
2. The Company will contribute RMB150,000,000 (approximately HK\$176,400,000) in cash, representing 30% of the registered capital.

The registered capital is determined based on the investment amount required for operating the Joint Venture Company. The registered capital to be contributed by the parties are determined based on their respective shareholdings held in the Joint Venture Company and will be funded by their own resources. According to the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be paid by each of the parties in the following manner: Upon receipt of written approval from the China Banking Regulatory Commission on the proposed establishment of the Joint Venture Company, 100% of their respective capital contribution shall be paid within two months. The Joint Venture Company will be treated as interest in associate in the Group's accounts.

### **The board of directors of the Joint Venture Company**

The Joint Venture Company will comprise three (3) directors, of whom one (1) shall be nominated by the Company, two (2) shall be nominated by the Weigao Holding. Each director shall be appointed for a term of three (3) years, commencing from the date of establishment of the board of directors of the Joint Venture Company. The chairman of the board of directors of the Joint Venture Company shall be nominated by the Weigao Holding.

### **Profit Distribution**

Profits derived from the Joint Venture Company shall be distributed among the shareholders based on their equity interests held in the Joint Venture Company.

## **REASONS FOR ENTERING INTO THE JOINT VENTURE AGREEMENT**

Through the participation in the business and operational activities of the Joint Venture Company, the Board considers that the Company will enhance its cooperation with Weigao Holding in respect of improvement of settlement efficiency, expansion of finance scope, introducing financial services in industry chain to facilitate product sales and reduce the purchase costs. The Board considers that the investment of the Company in the Joint Venture Company will also enable the Group to explore further opportunities in finance sector. The Directors (including the independent non-executive Directors) consider that the Joint Venture Agreement was entered into on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Weigao Holding is the controlling Shareholder of the Company. As such, Weigao Holding is a connected person of the Company. Therefore, the Joint Venture Agreement entered into between the Company and Weigao Holding constitute connected transaction of the Company under the Listing Rules.

As one or more applicable percentage ratios (as defined in Rule 14A.06 under the Listing Rules) in respect of the Joint Venture Agreement exceeds 0.1%, but is less than 5.0%. As such transaction is therefore only subject to the reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirement under Chapter 14A.76 of the Listing Rules.

Since Mr. Chen Xue Li, Mr. Zhang Hua Wei, Mrs. Zhou Shu Hua and Mr. Wang Yi, directors of the Company are also connected directors of Weigao Holding Group, they were abstained from voting in the relevant resolutions of the Board dated 30 December 2015 in relation to the approval of entering into the Joint Venture Agreement of the Company.

## **INFORMATION OF THE PARTIES**

### **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, blood sampling products and other consumables); 2) orthopedic products; 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 410 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 47.76% 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   |
| “Company”                 | 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  |
| “Joint Venture Agreement” | Joint Venture agreement entered into between the Company and Weigao Holding dated 7 January 2016  |
| “Listing Rules”           | The Rules Governing the Listing of Securities on the Stock Exchange   |
| “PRC”                     | the People’s Republic of China and for the purpose of this announcement excluding Taiwan, Hong Kong and the Macau Special Administrative Region   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |
| “Weigao Holding”          | Weigao Holding Company Limited, established in the PRC on 4 August 1998 with limited liability and is a controlling shareholder holding 47.76% equity interest in the Company           |

“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 Rmb into HK\$ is based on the exchange rate of RMB0.8502 = HK\$1.00.*

**Shandong Weigao Group Medical Polymer Company Limited**

**Chen Xue Li**

*Chairman*

7 January 2016

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*)