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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 : 8199)

CONTINUING CONNECTED TRANSACTION
SUPPLY OF STERILIZERS

SUMMARY

1) Continuing Connected Transaction - Supply of Sterilizers

On 4 May 2009, Weigao Biotech, a wholly owned subsidiary of Weigao Holding entered into the Sterilizer Supply Agreement with the Company for the sale of sterilizers for an annual amount of less than RMB 2.0 million (equivalent to approximately HK\$2.3 million) for each of the three years ending 30 April 2012.

Weigao Biotech is a wholly owned subsidiary of Weigao Holding which is a controlling shareholder of the Company holding a 49.5% equity interests in the Company and therefore Weigao Biotech is a connected person of a Company. The transaction contemplated under the Sterilizer Supply Agreement constitute a connected transaction for the Company under the GEM Listing Rules.

The annual transaction amount under the Sterilizer Supply Agreement will be less than RMB 2.0 million (equivalent to approximately HK\$2.3 million) which is less than 2.5% of each of the relevant percentage ratios on an annual basis. Thus, the supply of sterilizers from Weigao Biotech to the Company constitute continuing connected transactions under Rule 20.14 of the GEM Listing Rules and is subject to announcement publication and reporting requirements but are exempted from independent shareholders' approval requirements under Rule 20.34 of the GEM Listing Rules. Particulars of the continuing connected transaction under the Sterilizer Supply Agreement will be disclosed in the annual report of the Company in accordance with Rule 20.37 of the GEM Listing Rules.

i) **Continuing Connected Transaction**

On 4 May 2009, Weigao Biotech, a wholly owned subsidiary of Weigao Holding entered into the Sterilizer Supply Agreement with the Company for the sale of sterilizers an annual amount of less than RMB2.0 million (equivalent to approximately HK\$2.3 million) which is less than 2.5% of each of the relevant percentage ratios.

Summary of the Terms:

Date	4 May 2009
Parties	(1) Weigao Biotech — Supplier (2) the Company — Purchaser
Transaction	supply of sterilizers
Contract period	1 May 2009 — 30 April 2012
Maximum annual purchase amount	Less than RMB2.0 million (equivalent to approximately HK\$2.3 million)
Pricing Mechanism and payment terms	the prices will be determined with reference to market price and the Company will settle the payment with Weigao Biotech in 90 days upon products received

REASONS FOR THE TRANSACTION

Weigao Biotech is principally engaged in research and development, manufacturing and sales of medical products, including the dental implant. The Company has not purchased or sold any related products from and to Weigao Biotech prior to entering of the Sterilizer Supply Agreement dated 4 May 2009. The annual transaction amount of less than RMB2.0 million (equivalent to approximately HK\$2.3 million) is determined based on the expected demand in the market in coming years. The Directors are of the view that the Sterilizer Supply Agreement was entered into in the Company's ordinary and usual course of business and on normal commercial terms. By entering into the Sterilizer Supply Agreement, the Group can secure a continuing supply of sterilizers at the market price with a prescribed standard of quality.

The Directors (including independent non-executive Directors) consider that the terms of the Sterilizer Supply Agreement are fair and reasonable, negotiated on an arm's length basis and in the interest of the Shareholders as a whole.

COMPLIANCE REQUIREMENTS

Weigao Biotech is a wholly owned subsidiary of Weigao Holding which is a controlling shareholder of the Company holding a 49.5% equity interests in the Company and therefore Weigao Biotech is a connected person of a Company. The transaction contemplated under the Sterilizer Supply Agreement constitute a connected transaction for the Company under the GEM Listing Rules.

The annual transaction amount under the Sterilizer Supply Agreement will be less than RMB2.0 million (equivalent to approximately HK\$2.3 million) which is less than 2.5% of each of the relevant Percentage Ratios on an annual basis. Thus the continued connected transaction contemplated under the Sterilizer Supply Agreement falls within the threshold for exempt continuing connected transaction under Rule 20.34 of the GEM Listing Rules and is subject to the reporting and announcement requirements under Rule 20.45 to 20.47 of the GEM Listing Rules and is exempt from independent Shareholders' approval requirements.

Particulars of the continued connected transaction under the Sterilizer Supply Agreement will be disclosed in the annual report of the Company in accordance with Rule 20.37 of the GEM Listing Rules.

GENERAL INFORMATION

Based in Shandong province, PRC, the Company is the leading manufacturers of single-use medical devices and consumables with well known brands in China such as Jierui and exports to more than 30 countries. The Company has a comprehensive range of innovative product portfolio (140 types and over 2,000 specifications) including single-use consumables (infusion sets, syringes, blood transfusion sets and blood bags), orthopedic and cardiovascular stent and blood purification products. The Company also has a nationwide sales network and an effective sales coverage of China's hospitals.

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 GEM

“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Weigao Biotech”	威海威高生物技術有限公司 (Weihai Weigao Biotech Company Limited)* is a limited company incorporated in the People’s Republic of China on 26 November 2007
“Sterilizer Supply Agreement”	the agreement entered into between Weigao Biotech and the Company dated 4 May 2009 in relation to the supply of sterilizers
“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 49.5% 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 RMB0.8806 = HK\$1.

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

4 May 2009
Weihai, 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*)
Mrs. Zhou Shu Hua (*Non-executive Director*)
Mr. Jean-Luc Butel (*Non-executive Director*)
Mr. Li Bing Yung (*Non-executive Director*)
Mr. Shi Huan (*Independent non-executive Director*)
Mr. Luan Jian Ping (*Independent non-executive Director*)
Mr. Lau Wai Kit (*Independent non-executive Director*)
Mr. Li Jia Miao (*Independent non-executive Director*)

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcement” page for at least seven days from the date of its posting.

** For identification purpose only*