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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)*  
**(stock code: 8199)**

## **COMPLETION OF THE TRANSACTIONS WITH MEDTRONIC**

Reference is made to the Announcement and the announcement of the Company dated 22 October 2008 in relation to the SPA (as amended, modified and supplemented by the Supplemental Deed) and the New Share Transfer Deed dated 22 October 2008, each entered into by and among the Company, Weigao Holding, the Management Shareholders, Medtronic and Medtronic Switzerland, prescribing the terms for the issuance of the Subscription Shares by the Company, and sale of the Sale Shares by Weigao Holding and the Management Shareholders, to Medtronic Switzerland.

The Board is pleased to announce that, as of the date hereof, all approvals and consents from PRC governmental authorities that are required for the issuance of the Subscription Shares and the sale and purchase of the Sale Shares have been obtained and all conditions precedent in SPA (as amended, modified and supplemented by the Supplemental Deed) and the New Share Transfer Deed have either been fulfilled or waived in writing by the relevant parties. Accordingly, and pursuant to the terms of the SPA (as amended, modified and supplemented by the Supplemental Deed) and the New Share Transfer Deed, the issuance of the Subscription Shares and the sale and purchase of the Sale Shares were completed on 18 December 2008.

Reference is made to the Announcement and the announcement of the Company dated 22 October 2008 in relation to the SPA (as amended, modified and supplemented by the Supplemental Deed) and the New Share Transfer Deed dated 22 October 2008, each entered into by and among the Company, Weigao Holding, the Management Shareholders, Medtronic and Medtronic Switzerland, prescribing the terms for the issuance of the Subscription Shares by the Company, and sale of the Sale Shares by Weigao Holding and the Management Shareholders, to Medtronic Switzerland.

The Board is pleased to announce that, as of the date hereof, all approvals and consents from PRC governmental authorities that are required for the issuance of the Subscription Shares and the sale and purchase of the Sale Shares have been obtained. In addition, the requisite governmental approvals necessary to amend the Articles of Association of the Company, which amendments were described in the announcement of the Company dated 27 October 2008, have been obtained and all other conditions precedent in SPA (as amended, modified and supplemented by the Supplemental Deed) and the New Share Transfer Deed have either been fulfilled or waived in writing by the relevant parties. Accordingly, pursuant to the terms of the SPA (as amended, modified and supplemented by the Supplemental Deed) and the New Share Transfer Deed, the issuance of the Subscription Shares and the sale and purchase of the Sale Shares were completed on 18 December 2008.

Pursuant to the SPA (as amended, modified and supplemented by the Supplemental Deed) and the New Share Transfer Deed, an aggregate of 80,721,081 H Shares were issued and allotted by the Company, and an aggregate of 80,721,081 Domestic Shares were sold by Weigao Holding and the Management Shareholders, to Medtronic Switzerland. As previously disclosed in the Announcement, the Sale Shares and Subscription Shares together represent 15% of the enlarged share capital of the Company (after giving effect to the issuance of the Subscription Shares). The price per Subscription Share is HK\$11.138, and the aggregate amount payable for the Subscription Shares is approximately HK\$899,071,400.18. The price per Sale Share is HK\$10.247, which represents an 8% discount to the price per Subscription Share to account for the illiquid nature of the Domestic Shares, and the aggregate amount payable for the Sale Shares is approximately HK\$827,148,917. The aggregate total investment by Medtronic Switzerland in respect of the Subscription Shares and Sale Shares is HK\$1,726,220,317.18 while the net proceeds to the Company in respect of the Subscription Shares will be approximately HK\$885,400,000 after deduction of half of the expenses for the transaction. The other half of the expenses will be borne by Weigao Holding and the Management Shareholders.

As previously disclosed in the announcement of the Company dated 15 December 2008, at the EGM held on Monday, 15 December 2008 the Shareholders approved the appointment of Mr. Jean-Luc Butel and Mr. Li Bing Yung (together referred to as the “**Medtronic Nominees**”) as non-executive Directors, with such appointment to take effect on the completion date of the SPA (as amended, modified and supplemented by the Supplemental Deed) and the New Share Transfer Deed. The Board is pleased to announce that the term of office of the Medtronic Nominees took effect on the completion date of the transactions described herein (i.e., on 18 December 2008).

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“Announcement”	Announcement of the Company dated 21 December, 2007
“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 shares of which are listed on GEM
“Directors”	directors of the Company
“Domestic Shares”	the ordinary shares of RMB0.10 each in the share capital of the Company, which are initially subscribed for by legal and natural persons of the PRC and denominated in RMB
“EGM”	the extraordinary general meeting of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

“H Shares”	overseas listed foreign shares of RMB0.10 each in the share capital of the Company, which may only be subscribed for, dealt with, and traded in HK\$ between legal and natural persons of Hong Kong, Macau or Taiwan or any country other than the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Management Shareholders”	Mr. Chen Lin, Mr. Zhang Hua Wei, Mr. Miao Yan Guo, Mr. Wang Yi, Ms. Zhou Shu Hua, Mr. Wang Zhi Fan, Mr. Wu Chuan Ming and Mr. Jiang Qiang
“Medtronic”	Medtronic, Inc., a corporation incorporated under the laws of Minnesota, United States of America, and the shares of which are listed on the New York Stock Exchange
“Medtronic Switzerland”	Medtronic Holding Switzerland G.m.b.H., a wholly-owned subsidiary of Medtronic
“New Share Transfer Deed”	the deed in respect of the sale and purchase of the Sale Shares entered into by and among the Company, Weigao Holding, the Management Shareholders, Medtronic and Medtronic Switzerland on 22 October 2008
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	80,721,081 Domestic Shares, being part of the Domestic Shares held by Weigao Holding and Management Shareholders which together represented 8.1% of the entire issued share capital of the Company as at 18 December 2007 and 7.5% of the enlarged issued share capital of the Company immediately after completion of the transaction contemplated under the SPA (as amended, modified and supplemented by the Supplemental Deed)
“Share(s)”	ordinary share(s) of RMB0.10 each in the capital of the Company
“Shareholders”	holders of Shares

“SPA”	the subscription and sale and purchase deed dated 18 December 2007 entered into between the Company, Weigao Holding, the Management Shareholders, Medtronic and Medtronic Switzerland
“Subscription Shares”	80,721,081 new H Shares which represented 7.5% of the enlarged issued share capital of the Company immediately after completion of the transaction contemplated under the SPA (as amended, modified and supplemented by the Supplemental Deed)
“Supplemental Deed”	the supplemental deed in respect of the SPA, entered into by and among the Company, Weigao Holding, the Management Shareholders, Medtronic and Medtronic Switzerland on 22 October 2008 which, among other things, reinstated the effect of the SPA and extended the deadline for the fulfilment of the conditions precedent under the SPA (as amended, modified and supplemented by the Supplemental Deed) from 30 September 2008 to 31 December 2008, and as further detailed in the announcement of the Company dated 22 October 2008
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Weigao Holding”	Weigao Holding Company Limited, a limited liability company established in the PRC whose principal place of business is at 312 Shi Chang Road, Weihai, Shandong Province, PRC

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

Weihai, Shandong, the PRC  
18 December 2008

*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.*

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