



**Leading in Development,
Manufacturing and Marketing of
Single-use Medical Devices in the PRC**

Annual Results 2012

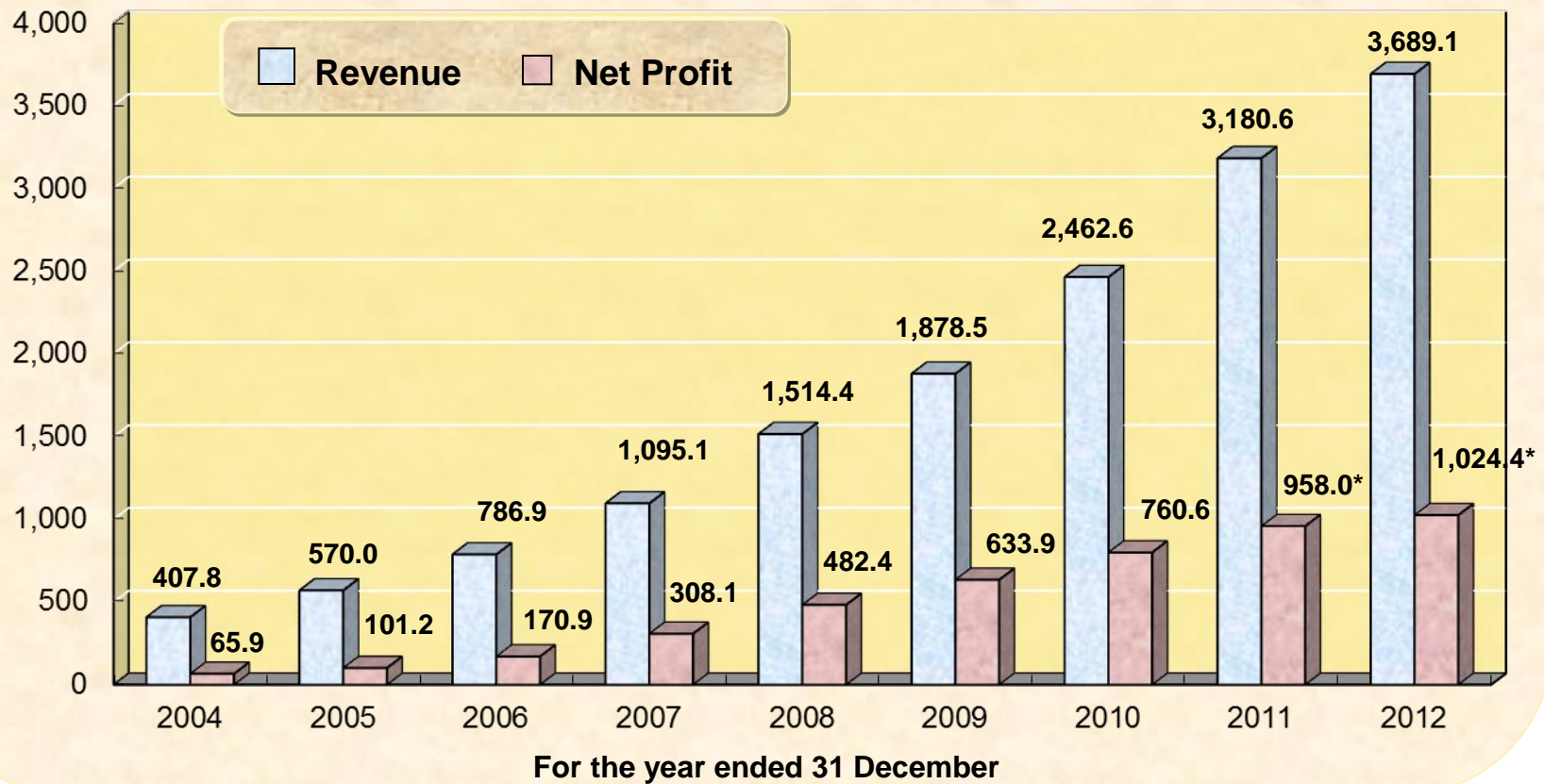
25 March 2013

Content

● Financial Highlights	2
● Operational Review	11
● Group Structure	14
● Appendix	
I. Reconciliation of Net Profit	15
II. Reconciliation of Biosensors Profit	16

Continuous Revenue and Earnings Growth

RMB million



8 Years CAGR

- Turnover : 31.7%↑
- Net Profit : 40.9%↑

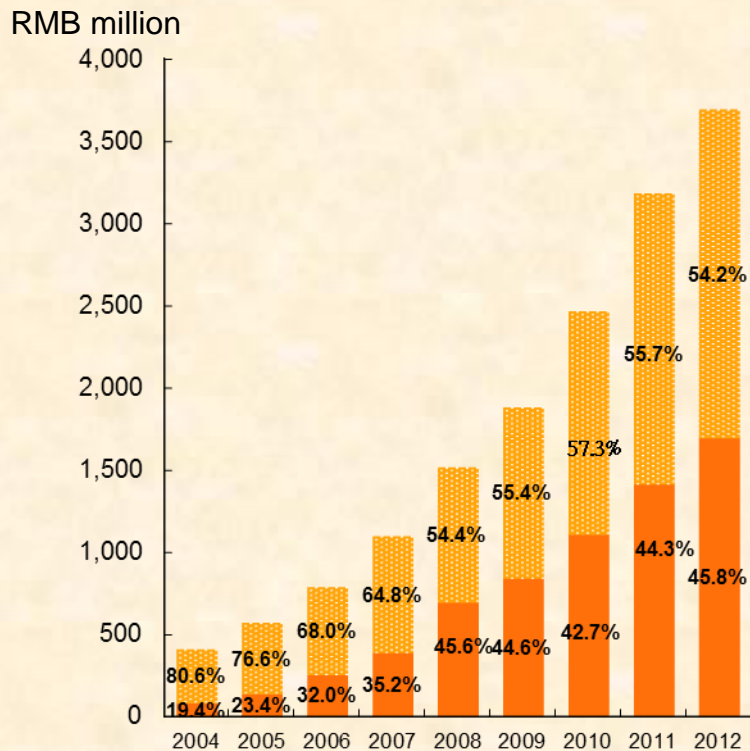
2012 vs 2011

- Turnover: 16.0%↑
- Net profit: 6.9%↑

* net profit excluding extraordinary item

Turnover and GP Analysis

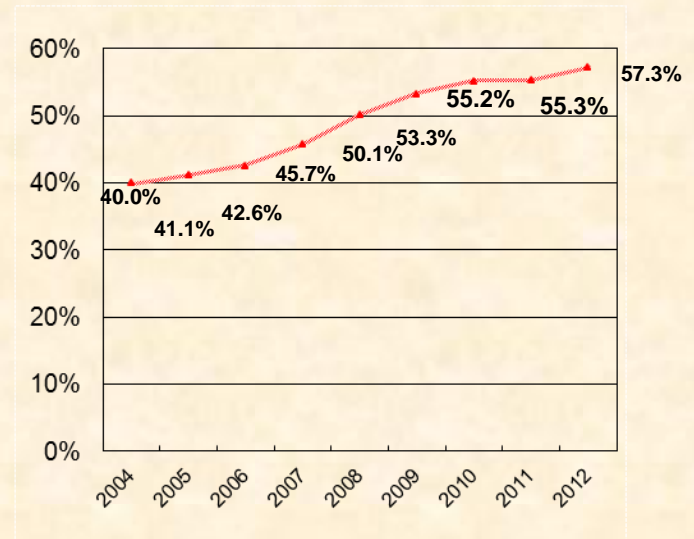
Turnover



For the year ended 31 December

- High value-added products (Gross profit margin > 60%)
- Conventional products (Gross profit margin < 60%)

Gross Profit Margins



For the year ended 31 December

Results Summary

RMB million	For 12 months ended 31 Dec 2012	For 12 months ended 31 Dec 2011	Change %	For the 3 months ended 31 Dec 2012	For the 3 months ended 31 Dec 2011	Change %
Revenue	3,689.1	3,180.6	+16.0	829.3	854.5	(2.9)
COGS	(1,576.7)	(1,420.5)	+11.0	(339.6)	(358.7)	(5.3)
Gross profit	2,112.4	1,760.1	+2.0	489.7	495.8	+1.0
- Gross profit margin	57.3%	55.3%		59.0%	58.0%	
Other revenue	107.7	42.2	+155.2	52.3	(7.3)	-
Distribution costs (% on revenue)	(874.3) 23.7%	(633.4) 19.9%	+3.8	(227.6) 27.4%	(164.6) 19.3%	+8.1
Administrative expenses	(212.8)	(143.8)	+48.0	(43.6)	(14.7)	+196.6
Research & development expenses	(170.6)	(142.0)	+20.1	(50.0)	(51.0)	(2.0)
Finance costs	(4.7)	(1.1)	+327.3	(3.3)	1.4	-
Share of results in jointly controlled entities	(4.4)	99.8	-	(1.5)	11.0	-
Share of results in associates	172.9	51.4	+236.4	42.8	9.9	+332.3
Gain on disposal of a jointly controlled entity	-	2,568.5	-	-	2,568.5	-
Loss on disposal of subsidiaries	-	(9.3)	-	-	(9.3)	-
Profit before taxation	1,126.2	3,592.5	(68.7)	258.8	2,839.7	(90.9)
Taxation	(129.8)	(124.5)	+4.3	(28.7)	(41.7)	(31.1)
Minority Interest	0.1	(5.8)	-	0.009	(2.7)	-
Profit after taxation	996.5	3,462.2	(71.2%)	230.1	2,795.3	(91.9)
Profit before Taxation, JVs and extraordinary gain and loss	957.7	882.1	+8.5	217.5	2,818.8	(92.3)
Effective tax rate	13.6%	14.1%	(0.6)	13.2%	15.8%	(2.6)

Results Summary

RMB million	For 12 months ended 31 Dec 2012	For 12 months ended 31 Dec 2011	Change %	For 3 months ended 31 Dec 2012	For 3 months ended 31 Dec 2011	Change %
Share of results in jointly controlled entities						
- JWMS	-	106.4	-	-	13.4	-
- Nikkiso	(4.4)	(6.6)	-	(1.5)	(2.5)	-
- Terumo	-	-	-	-	-	-
	(4.4)	99.8	-	(1.5)	10.9	-
Share of results in associates						
- MDT JV	42.1	47.2	(0.1)	(4.6)	5.7	-
- 21.5% in BIG	130.8	4.2	301.4	47.4	4.2	102.9
	172.9	51.4	236.4	42.8	9.9	332.3

Turnover Breakdown by Products

Products	For 12 months ended 31 Dec		Change %	% to turnover	
	2012	2011		2012	2011
	RMB m	RMB m		%	%
Consumables					
- Infusion sets	1,129.00	937.6	20.4	30.6	29.5
- Needles	612.1	549.3	11.4	16.6	17.3
- Syringes	530.8	469.7	13.0	14.4	14.8
- Blood bags	201.7	188.9	6.8	5.5	5.9
- Pre-filled syringes	158.6	126.5	25.4	4.3	4.0
- Blood sampling	71.3	61.1	16.7	1.9	1.9
- PVC granules	67.5	63.9	5.6	1.8	2.0
- Other consumables	292.6	247.0	18.5	7.9	7.8
Subtotal for consumables	3,063.6	2,644.0	15.9	83.0	83.1
Orthopaedic	223	243.4	(8.4)	6.0	7.7
Blood purification consumables	288.6	192.8	49.7	7.8	6.0
Blood purification equipment	113.9	100.4	13.4	3.2	3.2
Total	3,689.10	3,180.60	16.0	100.0	100.0

Turnover Breakdown by Products

Products	For 3 months ended 31 Dec			% to turnover	
	2012 RMB m	2011 RMB m	Change %	2012 %	2011 %
Consumables					
- Infusion sets	256.9	249.8	2.8	31.0	29.2
- Needles	123.5	141.7	(12.8)	14.9	16.6
- Syringes	122.0	122.9	(0.8)	14.7	14.4
- Blood bags	55.2	58.0	(4.8)	6.7	6.8
- Pre-filled syringes	26.6	21.6	23.1	3.2	2.5
- Blood sampling	17.1	17.7	(3.6)	2.1	2.1
- PVC granules	18.6	16.4	13.7	2.2	1.9
- Other consumables	70.5	74.3	(5.2)	8.5	8.7
Subtotal for consumables	690.4	702.4	(1.7)	83.3	82.2
Orthopaedic	9.6	68.1	(85.9)	1.2	8.0
Blood purification consumables	91.2	59.4	53.6	11.0	6.9
Blood purification equipment	38.1	24.7	54.5	4.5	2.9
Total`	829.3	854.6	(2.9)	100.0	100.0

Balance Sheet

	As at 31 Dec 2012	As at 31 Dec 2011	Change
	RMB m	RMB m	(%)
Non-current assets	6,608.1	5,501.0	+20.1
Current assets	3,870.7	3,871.0	-
Cash and bank balances	1,297.9	1,851.2	(29.9)
Capital and reserves	8,911.0	8,202.0	+8.6
Bank and other borrowing	0	84.0	-

Other Financial Figures

	As at 31 Dec 2012	As at 31 Dec 2011
Current ratio	2.5	3.6
Acid ratio	2.0	3.2
Net debts to equity ratio	Net cash position	Net cash position
Return on equity*	12.0%	16.2%
Return on assets*	10.3%	13.7%

* Note:- excluding extraordinary items

	31 Dec 2012	31 Dec 2011
Inventory turnover (days)	148	107
Account receivable (days)	118	113
Final dividend (RMB/share)	3.3 cents	3.0 cents
Interim dividend (RMB/share)	3.3 cents	2.9 cents
Total dividend (RMB/share)	6.6 cents	5.9 cents

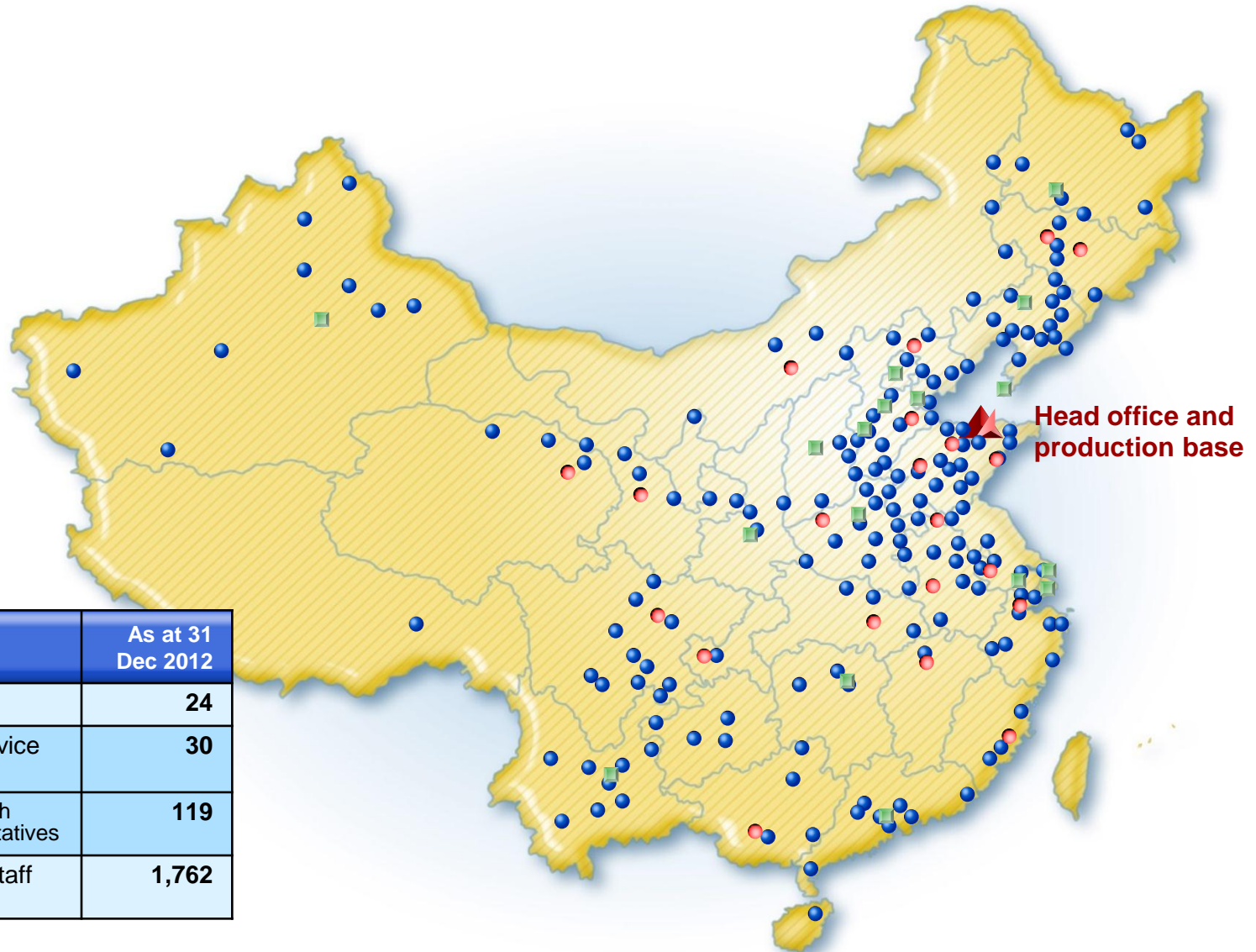
Cost Analysis

For the 12 months ended 31 Dec

% to turnover

	2012	2011	change	4Q2012	4Q2011
	RMB m	RMB m	%	%	%
Raw materials	1,000.4	937.3	+6.7	27.1	29.5
- Medical materials	374.2	356.7	+4.9	10.1	11.2
- Metal	182.4	184.2	(1.0)	4.9	5.8
- Packaging	127.6	114.3	+11.6	3.5	3.6
- Others	316.2	282.1	+12.1	8.6	8.9
Staff costs	270.2	207.4	+30.3	7.3	6.5
Production cost	306.1	275.8	+11.0	8.3	8.7
Total COGS	1,576.7	1,420.5	+11.0	42.7	44.7
Other operating expenses	1,258.7	919.2	+36.9	34.1	28.9
- Distribution cost	874.3	633.4	+38.0	23.7	19.9
- Administration cost	384.4	285.8	+34.5	10.4	9.0
Total	2,835.4	2,339.7	+21.2	76.9	73.6

Nationwide Sales Network



	As at 31 Dec 2012
■ Sales office	24
● Customer service centre	30
● No. of cities with sales representatives	119
No. of sales staff	1,762

Expanding Customer Base

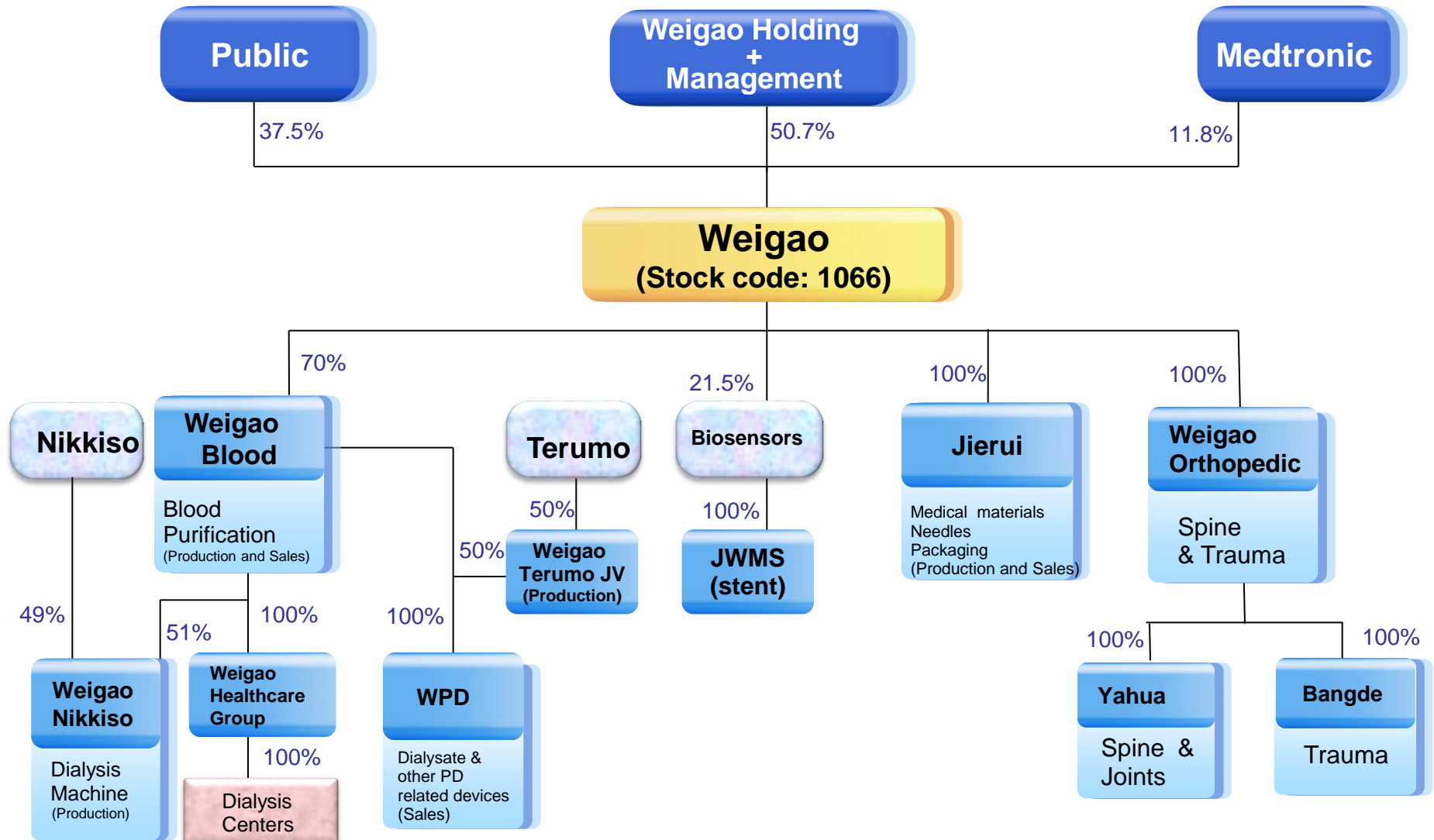
	Total in China In 2011	No. of customers	Coverage
Hospitals			
• Top tier	1,399	967	69%
• Medium	6,468	1,662	26%
• Small	5,636	313	6%
• Other - Not rated	8,476	21	0.2%
Subtotal	21,979	2,963	14%
Blood centres	525	414	79%
Other medical units	931,885	588	0.06%
Distribution companies		995	
Total		4,960	

Source: Ministry of Health and the Company

New Product Development

Category	No. of products as at 31 Dec 2012
With product registration certificates	248
Under application for product registration certificates	46
Patented products	210
Under patent application	55

Weigao Group Structure



Appendix I - Reconciliation of Net Profit

	2012 RMB'000	2011 RMB'000	%
Profit for the year	996,370	3,468,034	(71.3)
Gain on disposal of a jointly controlled entity	-	(2,568,534)	-
Loss on disposal of subsidiaries	-	9,258	-
Loss on fair value changes	-	6,834	-
Net exchange (gain)/ loss	(29,719)	15,906	-
Non-controlling interest	116	(5,862)	-
Transfer of orthopaedic inventory	16,180	-	-
Adjustment excluding extraordinary item (BIG)	41,494	32,400	28.1
Net profit excluding extraordinary item	1,024,441	958,036	6.9

Appendix II - Reconciliation of Biosensors Profit

	12 months ended 31 Dec 2012 US\$ ('000)		Remarks
Net profit for the 12 mths ended 31 Dec 2012 of Biosensors reported earnings	USD	112,955	
Add: Revaluation on bond payable	USD	2,699	
Less : Additional amortization of intangible assets of Biosensors	USD	(35,464)	Intangible assets such as licensing agreements, patents and customer relationships are re-measured at the acquisition date. . Additional fair value is recognized and subject to amortization on a straight-line basis over 10 years.
Adjusted net profit for the period	USD	80,190	
Share of adjusted net profit for the period	RMB	109,005	At exchange rate of US\$ into RMB @6.2932 at 21.6%
Add: Adjustment on change of number of issued shares of Biosensors	RMB	21,770	
Profit recognised as income for the period	RMB	130,775	

Disclaimer

This document does not constitute, or form part of any offer for subscription or sale of, or solicitation of any offer to subscribe for or sale of any securities of Shandong Weigao Group Medical Polymer Company Limited (“Weigao Group”), nor shall it be construed as calculated to invite any such offer, nor shall it form the basis of, nor can it be relied on in connection with, or act as an inducement to enter into any contract or commitment whatsoever.

FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Weigao Group, and certain of the plans and objectives of the management of Weigao. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Weigao Group to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements were based on assumptions regarding Weigao’s present and future business strategies and the political and economic environment in which Weigao and its subsidiaries will operate in the future. Reliance should not be placed on these forward-looking statements, which reflect the view of Weigao Group’s management as of the date of this presentation only.

CONFIDENTIALITY

This document is given to you on a confidential basis and must not be passed to, or their contents disclosed to, any other person and no copy shall be taken hereof.