



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

Annual Results 2011

15 March 2012

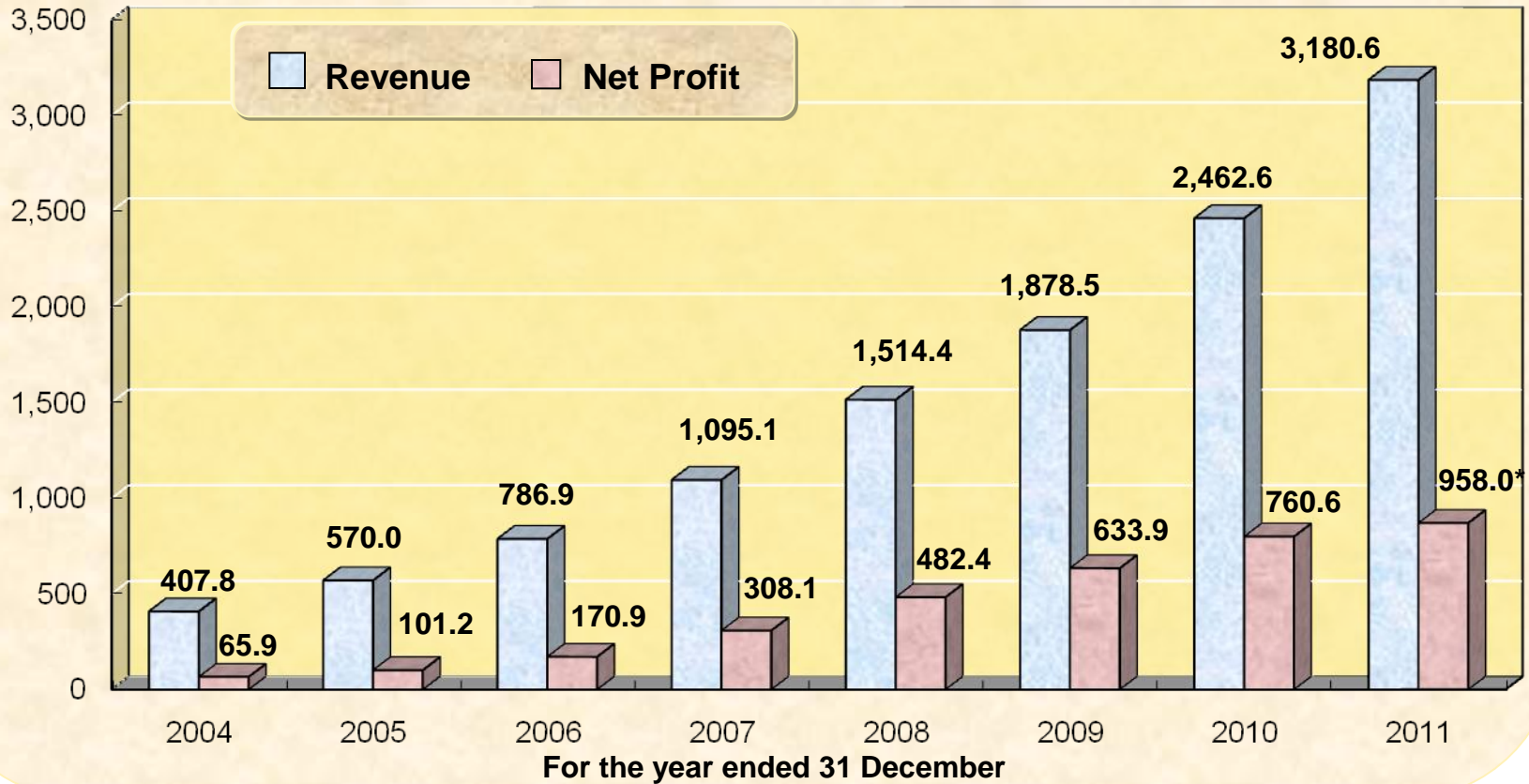
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Financial Highlights

Continuous Revenue and Earnings Growth

RMB million



7 Years CAGR

- Turnover : 34.1%↑
- Net Profit : 46.6%↑

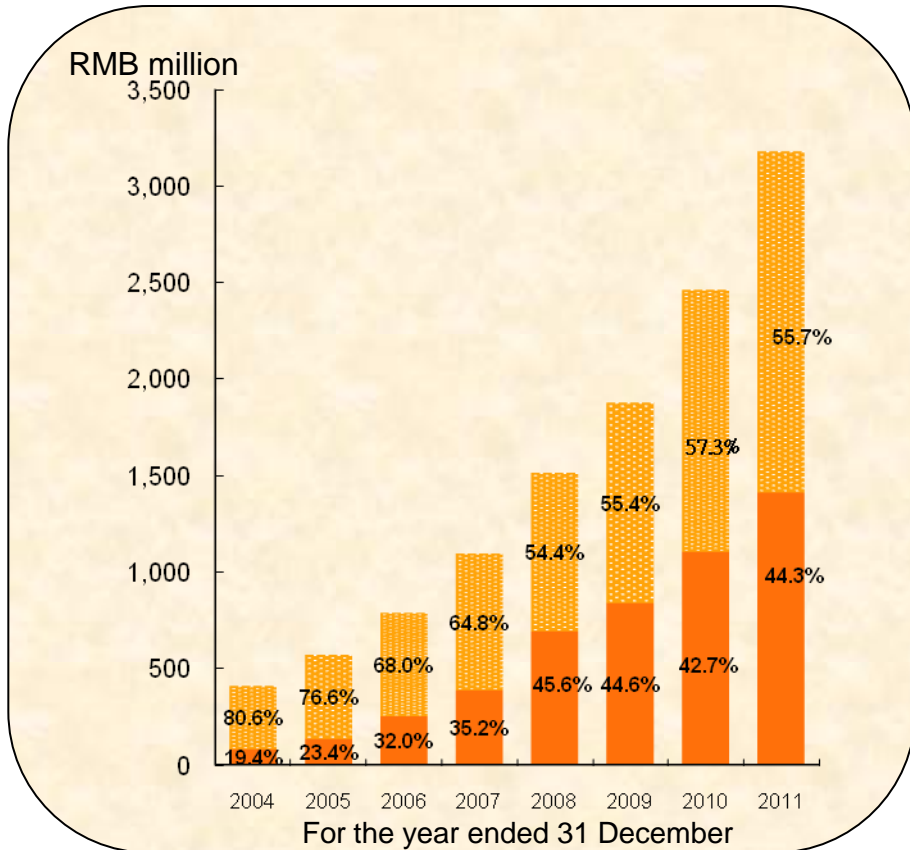
2010 vs 2011

- Turnover: 29.2%↑
- Net profit: 26.0%↑

* net profit excluding extraordinary item

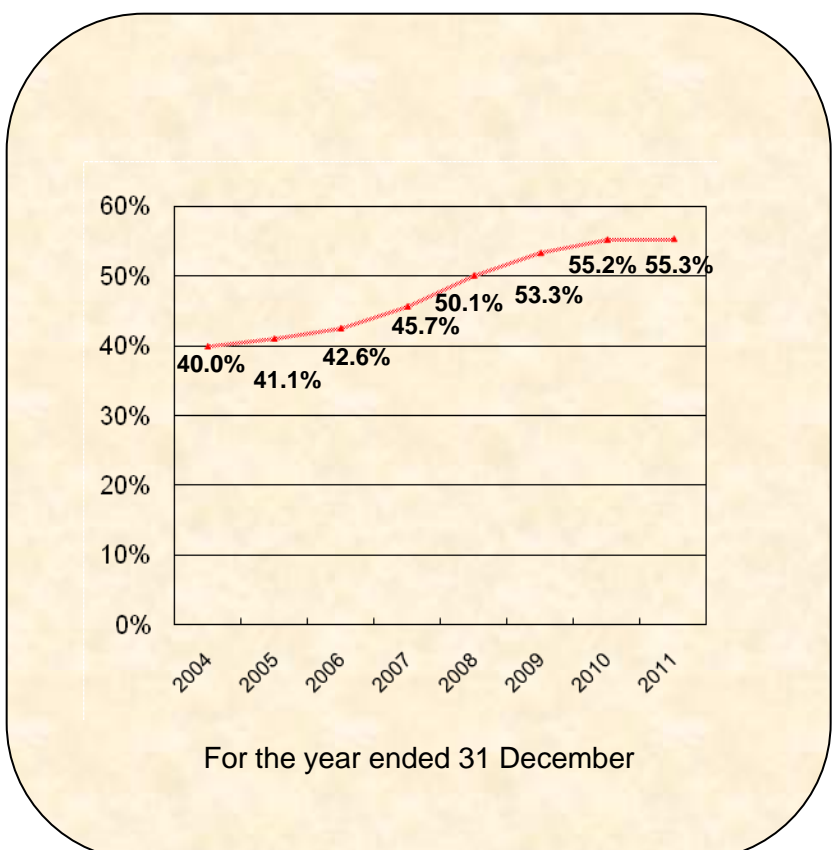
Turnover and GP Analysis

Turnover



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

Gross Profit Margins



Results Summary

RMB million	For 12 months ended 31 Dec 11	For 12 months ended 31 Dec 10	Change (%)
Sales revenue	3,180.6	2,462.6	+29.2
- High value added products	1,410.1	1,102.6	+27.9
- Conventional products	1,770.5	1,364.0	+30.2
COGS	(1,420.5)	(1,102.9)	+28.8
Gross profit	1,760.1	1,359.7	+0.1
- Gross profit margin	55.3%	55.2%	
Other revenue	42.2	104.2	(59.5)
Operating expenses	(919.2)	(763.5)	(2.1)
- OpEx margin	28.9%	31.0%	
EBITDA	980.8	794.4	(1.5)
- EBITDA margin	30.8%	32.3%	
Depreciation	(97.7)	(94.1)	+3.8
Total EBIT	883.1	700.3	+26.1
Interest expense	(1.1)	(9.7)	(88.7)
Share of results in jointly controlled entities (Stent JV & Nikkiso JV)	99.8	153.1	(34.8)
Share of results in associates (JV Ortho & Biosensors)	51.4	44.1	+16.6
Gain recognized on disposal of a jointly controlled entity	2,568.5	-	-
Loss recognized on disposal of an a subsidiary	(9.2)	-	-
Pre-tax profit	3,592.5	887.9	+304.6
Tax expense	(124.5)	(85.5)	+45.6
Non-controlling Interest	(5.8)	(3.3)	+75.8
Net profit attributable to shareholders	3,462.2	799.1	+333.3
Net profit margin	108.9%	32.4%	-
EPS (basic)	RMB0.78	RMB0.19 (restate)	+310.5

Turnover Breakdown by Products

For the 12 months ended 31 Dec

% to turnover

Products	2011	2010	Change	% to turnover	
	RMB m	RMB m		2011	2010
Self-produced products					
Consumables					
- <i>Infusion sets</i>	937.7	723.7	+29.6	29.5	29.4
- <i>Needles</i>	548.3	398.4	+37.6	17.2	16.2
- <i>Syringes</i>	474.7	408.0	+16.3	14.9	16.6
- <i>Blood bags</i>	188.2	168.7	+11.5	5.9	6.9
- <i>Pre-filled syringes</i>	126.5	97.7	+29.5	4.0	4.0
- <i>Blood sampling</i>	61.1	49.7	+23.1	1.9	2.0
- <i>Other consumables</i>	241.8	171.2	+41.2	7.6	7.0
- <i>PVC granules</i>	63.9	60.2	+6.2	2.0	2.4
Subtotal for consumables	2,642.2	2,077.6	+27.2	83.1	84.4
Orthopaedic	243.4	175.2	+38.9	7.7	7.1
Blood purification consumables	194.6	142.9	+36.2	6.1	5.8
Blood purification equipment	100.4	66.8	+50.2	3.2	2.7
Total	3,180.6	2,462.5	+29.2	100.0	100.0

Balance Sheet

	As at 31 Dec 2011	As at 31 Dec 2010	Change
	RMB m	RMB m	(%)
Non-current assets	5,501.0	2,451.1	+124.4
Current assets	3,871.0	2,198.3	+76.1
Cash and bank balances	1,851.2	628.2	+194.7
Capital and reserves	8,202.0	3,626.4	+126.0
Bank and other borrowing	84.0	114.7	(26.8)

Other Financial Figures

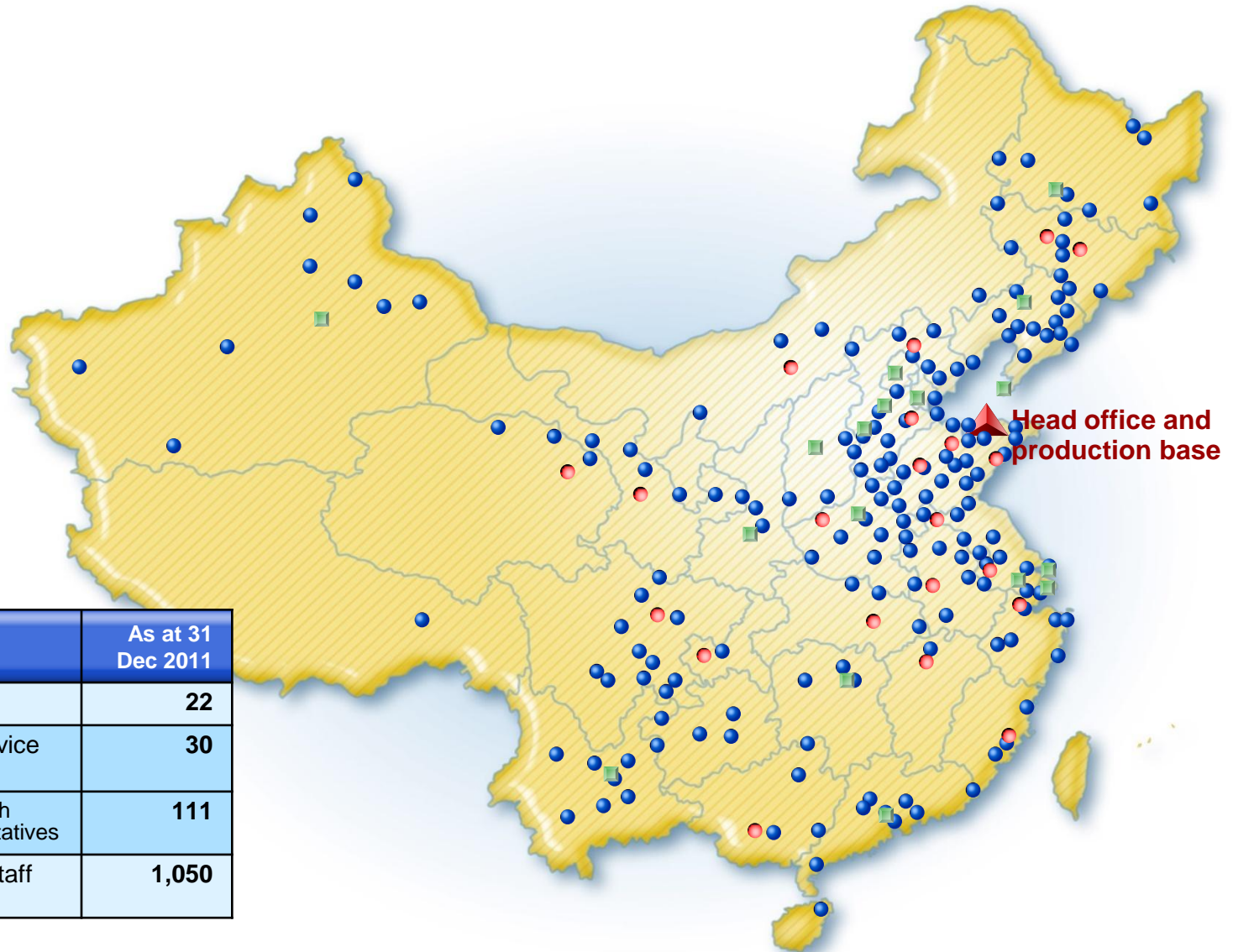
	As at 31 Dec 2011	As at 31 Dec 2010
Current ratio	3.6	2.4
Acid ratio	3.2	2.0
Net debts to equity ratio	Net cash position	Net cash position
Return on equity	58.5%	24.3%
Return on assets	49.4%	18.6%
	31 Dec 2011	31 Dec 2010
Inventory turnover (days)	107	114
Account receivable (days)	113	116
Final dividend (RMB/share) (Bonus issue - 1 for 1 for Q2 & Q4 2010)	3.0 cents	7.5 cents
Interim dividend (RMB/share)	2.9 cents	-
Total dividend (RMB/share)	5.9 cents	7.5 cents

Cost Analysis

	For the 12 months ended 31 December			% to turnover	
	2011	2010	% change	2011	2010
	RMB m	RMB m			
Raw materials	937.3	700.8	+33.7	29.5	28.5
- Medical materials	356.7	253.1	+40.9	11.2	10.3
- Metal	184.2	139.7	+31.9	5.8	5.7
- Packaging	114.3	87.3	+30.9	3.6	3.5
- Others	282.1	220.7	+27.8	8.9	9.0
Staff costs	207.4	164.1	+26.4	6.5	6.7
Production cost	275.8	237.9	+15.9	8.7	9.7
Total COGS	1,420.5	1,102.8	+28.8	44.7	44.8
Other operating expenses					
- Distribution cost	633.4	501.3	+26.4	19.9	20.4
- Administration cost	285.8	262.2	+9.0	9.0	10.6
Total	2,339.7	1,866.3	+25.4	73.6	75.8

Operational Review

Nationwide Sales Network



	As at 31 Dec 2011
■ Sales office	22
● Customer service centre	30
● No. of cities with sales representatives	111
No. of sales staff	1,050

Expanding Customer Base

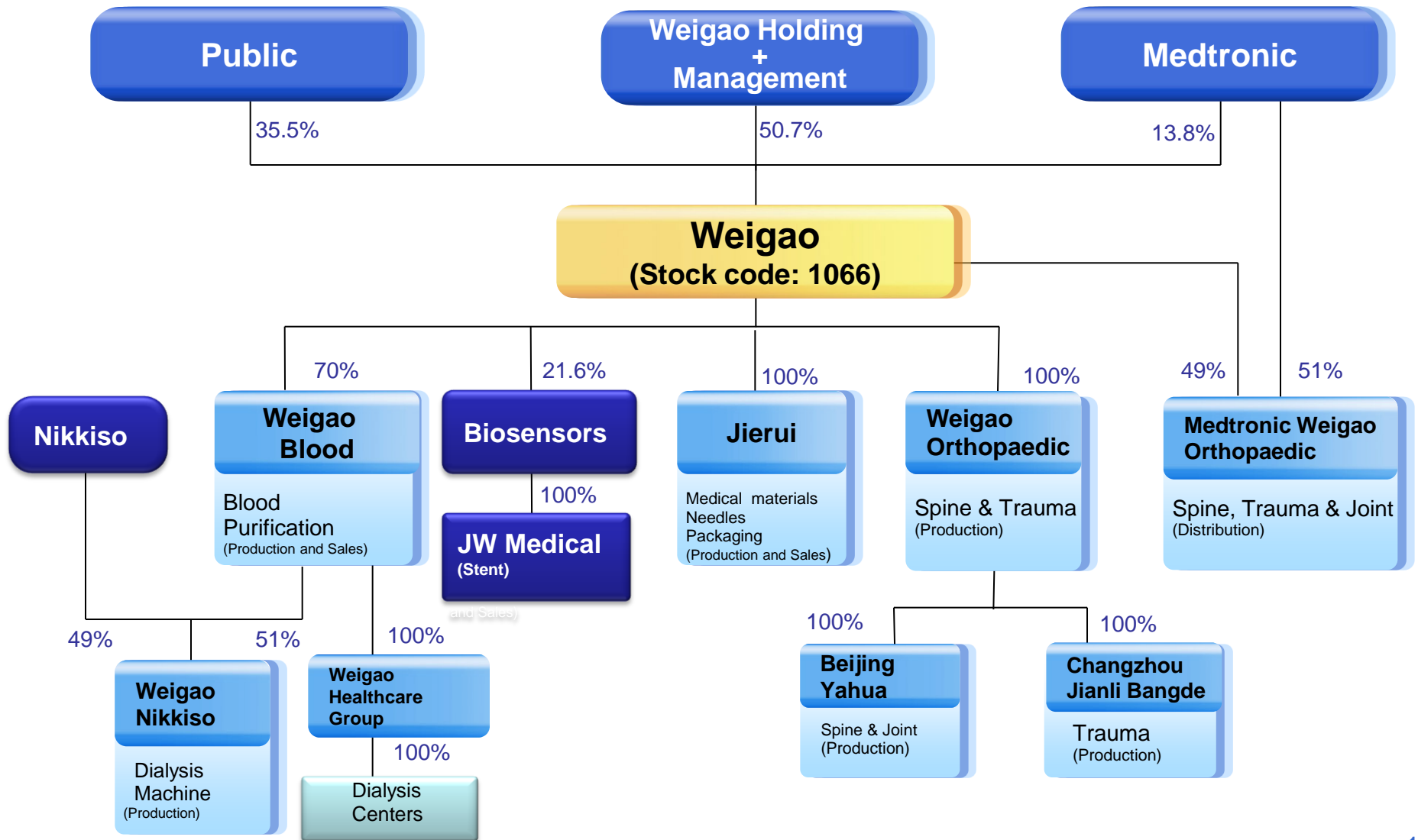
	Total in China	No. of customers	Coverage
Hospitals			
• Top tier	1,284	966	75.2%
• Medium	6,472	1,651	25.5%
• Small	5,271	313	5.9%
• Other - Not rated	7,891	21	0.3%
Subtotal	20,918	2,951	14.1%
Blood centres	530	414	78.1%
Other medical units	888,021	622	0.07%
Distribution companies		1,082	
Total		5,069	

New Product Development

Category	No. of products as at 31 December 2011
With product registration certificates	210
Under application for product registration certificates	41
Patented products	157
Under patent application	40

Group Structure

Weigao Group Structure



Appendix

I. Reconciliation of Net Profit

		2011	2010	%
		RMB'000	RMB'000	
Profit for the year		3,468,034	802,352	
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	-	
Realised gain arising from establishing an associate		-	(35,419)	
Net exchange (loss) / gain		15,906	(3,025)	
Non-controlling interest		(5,862)	(3,280)	
Adjustment excluding extraordinary item (BIG)		32,400	-	
Net profit excluding extraordinary item		<u>958,036</u>	<u>760,628</u>	26.0

II. Reconciliation of Biosensors Profit

	3rd Quarter ended 31 Dec 2011 US\$ ('000)	Remarks
Net profit for the period as shown in 3Q of Biosensors reported earnings	291,542	
Less: Gain on re-measurement of JWMS	(273,245)	50% equity interest in JWMS previously held by Biosensors is treated as if it were disposed of and reacquired at fair value on the acquisition date. The amount represents gain on re-measurement of 50% equity interest in JWMS previously held by Biosensors. It is adjusted as it is not a post-acquisition profit.
Less : Additional amortization of intangible assets of Biosensors	(8,866)	Intangible assets such as licensing agreements, patents and customer relationships are re-measured at the acquisition date. Additional fair value of USD427M is recognized and subject to amortization on a straight-line basis over 10 years.
Less : Realization of translation difference of investment in JWMS	(6,362)	The amount represents reclassification of translation difference accumulated in equity to profit and loss on the acquisition date because 50% equity interest in JWMS previously held by Biosensors is treated as if it were disposed of on the acquisition date. It is adjusted as it is not a post-acquisition profit.
Adjusted net loss for the period	US\$ (3,069) RMB (19,420) RMB (4.19)	At exchange rate of US\$ into RMB @6.3279 at 21.6%

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