



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

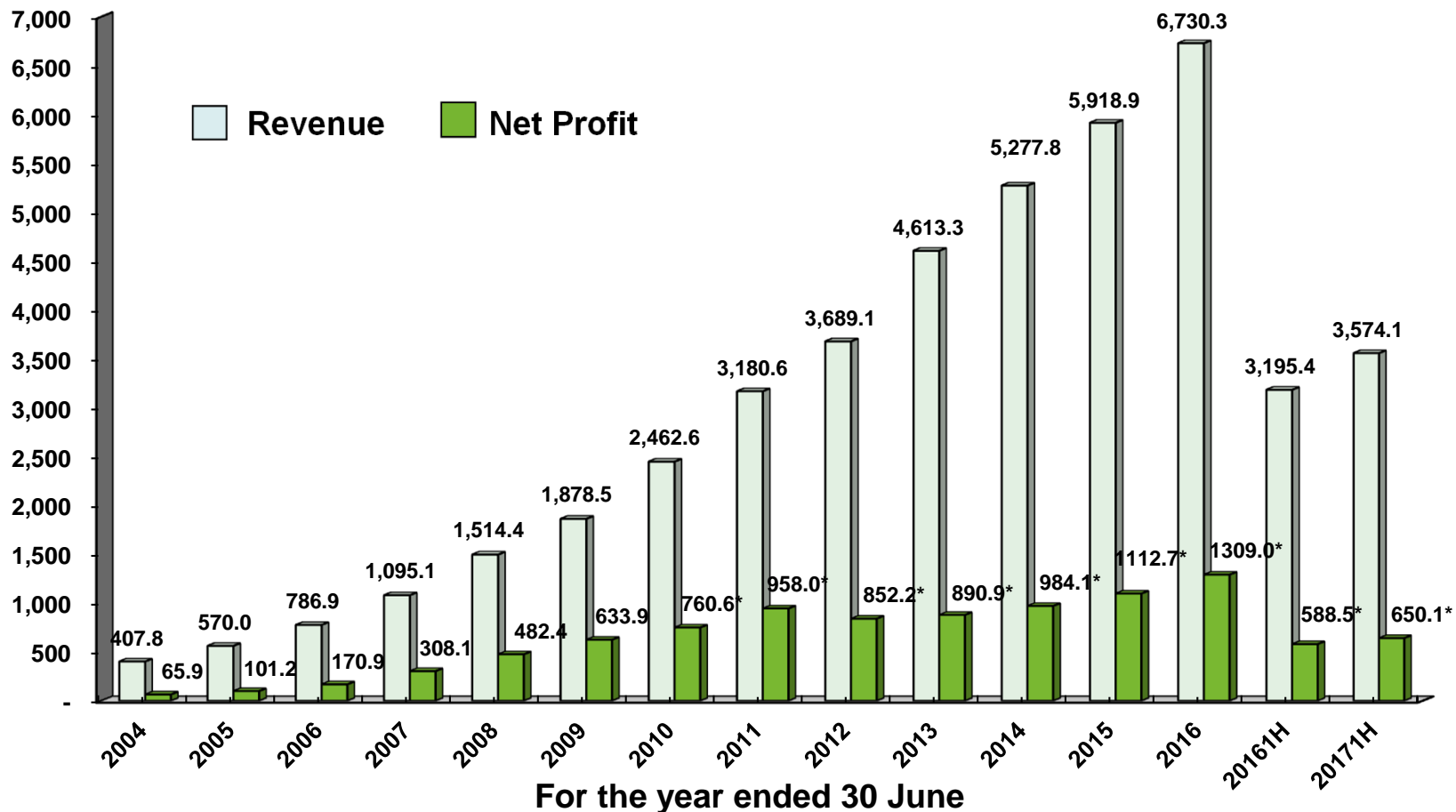
**Interim Results 2017
23 August 2017**

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Continuous Revenue and Earnings Growth

RMB million



12 Years CAGR

- Turnover : 26.3%↑
- Net Profit : 28.3%↑

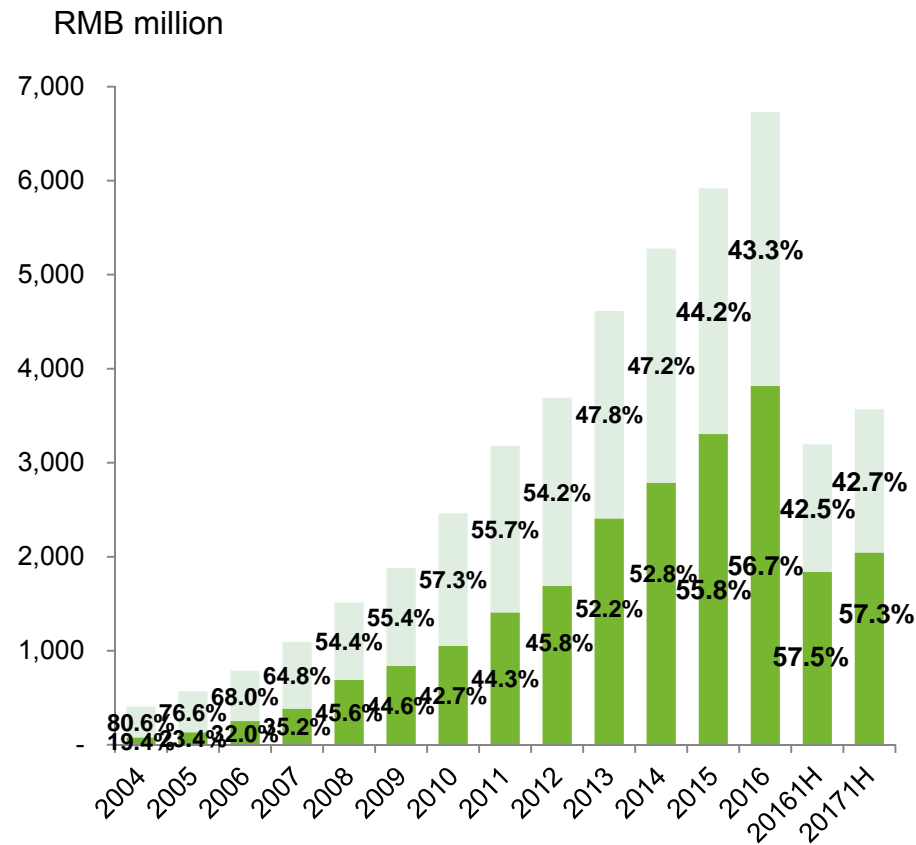
* net profit excluding extraordinary items

20171H vs 20161H

- Turnover : 11.9%↑
- Net profit : 10.5%↑

Turnover and GP Analysis

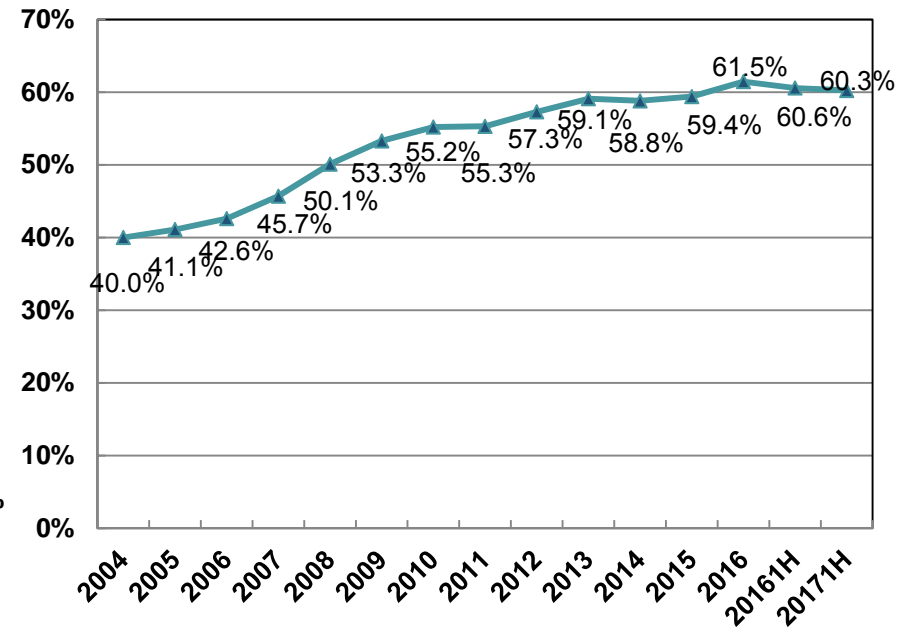
Turnover



For the year ended 30 June

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

Gross Profit Margins



For the year ended 30 June

Results Summary

RMB million	For the 6 months ended 30 Jun 2017	For the 6 months ended 30 Jun 2016	Change %
Revenue	3,574.1	3,195.4	+11.9
COGS <i>% on revenue</i>	(1,420.0) 39.7%	(1,259.6) 39.4%	+0.3
Gross profit <i>Gross profit margin</i>	2,154.1 60.3%	1,935.8 60.6%	(0.3)
Other revenue	79.3	44.9	+76.6
Distribution costs <i>% on revenue</i>	(1,027.0) 28.7%	(842.3) 26.4%	+2.3
Administrative expenses <i>% on revenue</i>	(224.9) 6.3%	(513.0) 16.1%	(9.8)
Research & development expenses <i>% on revenue</i>	(148.0) 4.1%	(143.8) 4.5%	(0.4)
Finance costs	(28.6)	(26.3)	+8.7
Share of results in jointly controlled entities	0.6	1.5	(60.0)
Profit on disposal of a subsidiary	1.3	(0.4)	-
Profit before taxation	806.8	456.4	+76.8
Taxation	(117.7)	(89.9)	+30.9
Non-controlling interest	(38.9)	19.0	-
Profit after taxation	650.2	385.5	+68.7
Profit before Taxation and JVs <i>Net profit margin</i>	804.9 22.5%	455.3 14.2%	+8.3
Effective tax rate	14.6%	19.7%	(5.1)

Results Summary

RMB million	For 6 months ended 30 Jun 2017	For 6 months ended 30 Jun 2016	Change %
Share of results in jointly controlled entities			
- Nikkiso	2.2	2.8	(21.4)
- Terumo	(1.6)	(1.3)	-
	0.6	1.5	(60.0)

Turnover Breakdown by Products

Products	For the 6 months ended 30 Jun			% to turnover	
	2017 RMB m	2016 RMB m	Change %	1H2017 %	1H2016 %
Consumables					
- <i>Infusion sets</i>	806.5	757.9	6.4	22.6	23.7
- <i>Needles</i>	471.7	426.8	10.5	13.2	13.4
- <i>Syringes</i>	401.9	368.6	9.0	11.2	11.5
- <i>Pre-filled syringes</i>	369.0	291.7	26.5	10.3	9.1
- <i>Blood bags</i>	140.7	132.7	6.0	3.9	4.2
- <i>Wound Management</i>	90.8	84.0	8.2	2.5	2.6
- <i>Blood sampling</i>	49.6	43.4	14.5	1.4	1.4
- <i>PVC granules</i>	29.3	27.1	8.3	0.8	0.8
- <i>Other consumables</i>	228.8	219.3	4.3	6.5	6.9
Subtotal for consumables	2,588.3	2,351.5	10.1	72.4	73.6
Orthopaedic products	389.6	340.5	14.4	10.9	10.7
Blood purification consumables	472.6	405.2	16.6	13.2	12.6
Blood purification equipment	123.6	98.2	25.8	3.5	3.1
Total	3,574.1	3,195.4	11.9	100.0	100.0

Other financial figures

	As at 30 Jun 2017	As at 30 Jun 2016
Current ratio	3.0	3.5
Acid ratio	2.7	3.1
Return on equity	5.4%	5.3%
Return on assets	4.0%	4.2%
	30 Jun 2017	30 Jun 2016
Inventory turnover (days)	120	123
Accounts receivable (days)	154	154
Interim dividend (RMB/share)	4.3 cents	4.1 cents

Nationwide Sales Network



	As at 30 Jun 2017
■ No. of sales office	29
● No. of customer service centre	31
● No. of cities with sales representatives	236
No. of sales staff	2,693

Expanding Customer Base

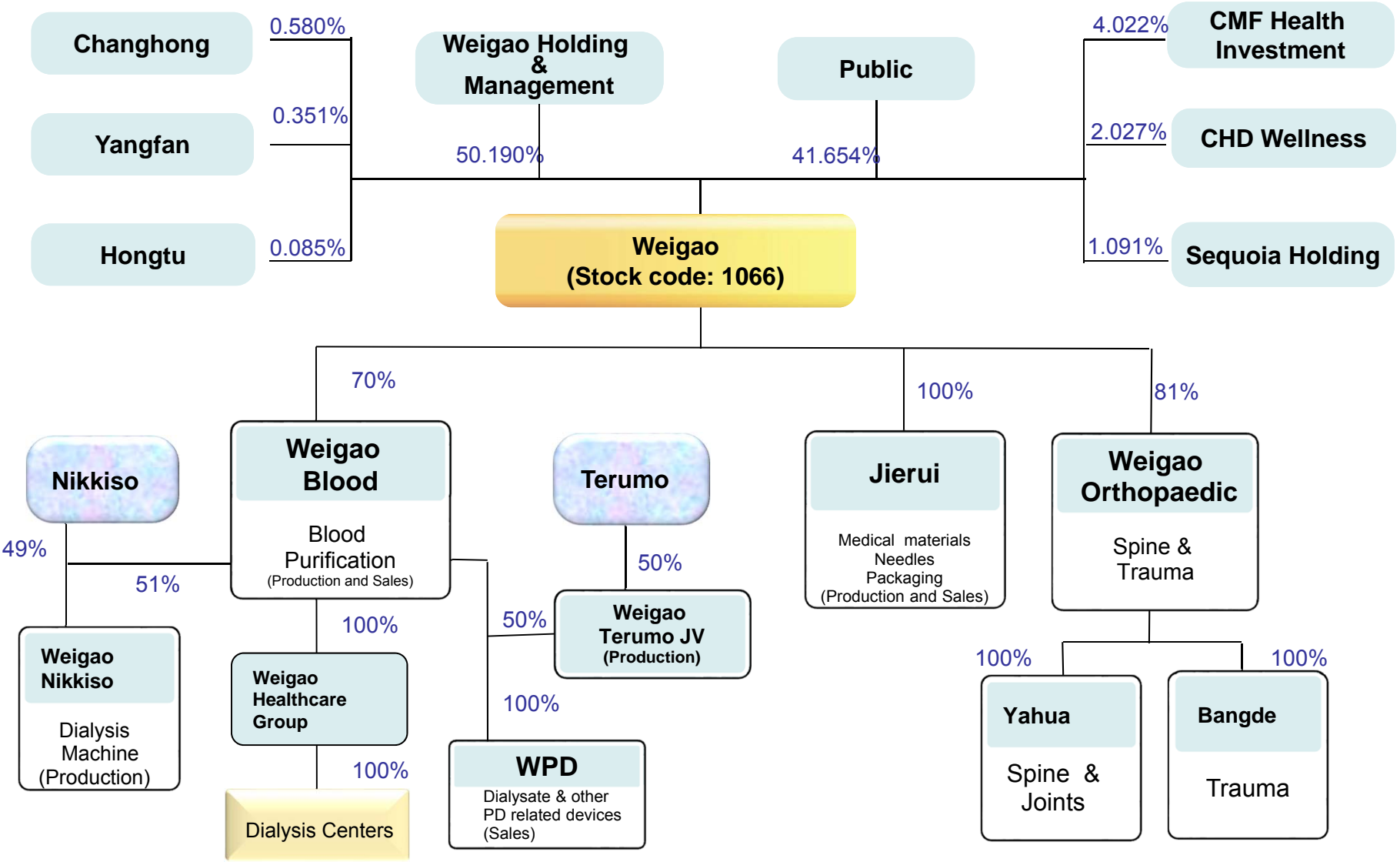
	Total in China at 30 Apr 2017	No. of customers	Coverage
Hospitals			
• Top tier	2,267	1,023	45.1%
• Medium	8,081	1,749	21.6%
• Small	9,424	353	3.7%
• Other - Not rated	9,706	24	0.2%
Subtotal	29,478	3,149	10.7%
Blood centres	525	414	78.9%
Other medical units	930,150	679	0.07%
Distribution companies		1,186	
Total		5,428	

Source: Ministry of Health and the Company

New Product Development

Category	No. of products as at 30 Jun 2017
With product registration certificates	380
Under application for product registration certificates	45
Patented products	473
Under patent application	75

Weigao Group Structure



Appendix - Reconciliation of Net Profit

	6 months ended 30 Jun 2017	6 months ended 30 Jun 2016	Change
	RMB'000	RMB'000	%
Profit for the Period	689,063	366,488	+88.0
Non-controlling interest	(38,920)	19,012	-
Share based payment expenses (294,888.89 x 0.81 x 0.85)	-	203,031	-
Net profit excluding extraordinary items	650,143	588,531	+10.5

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