



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

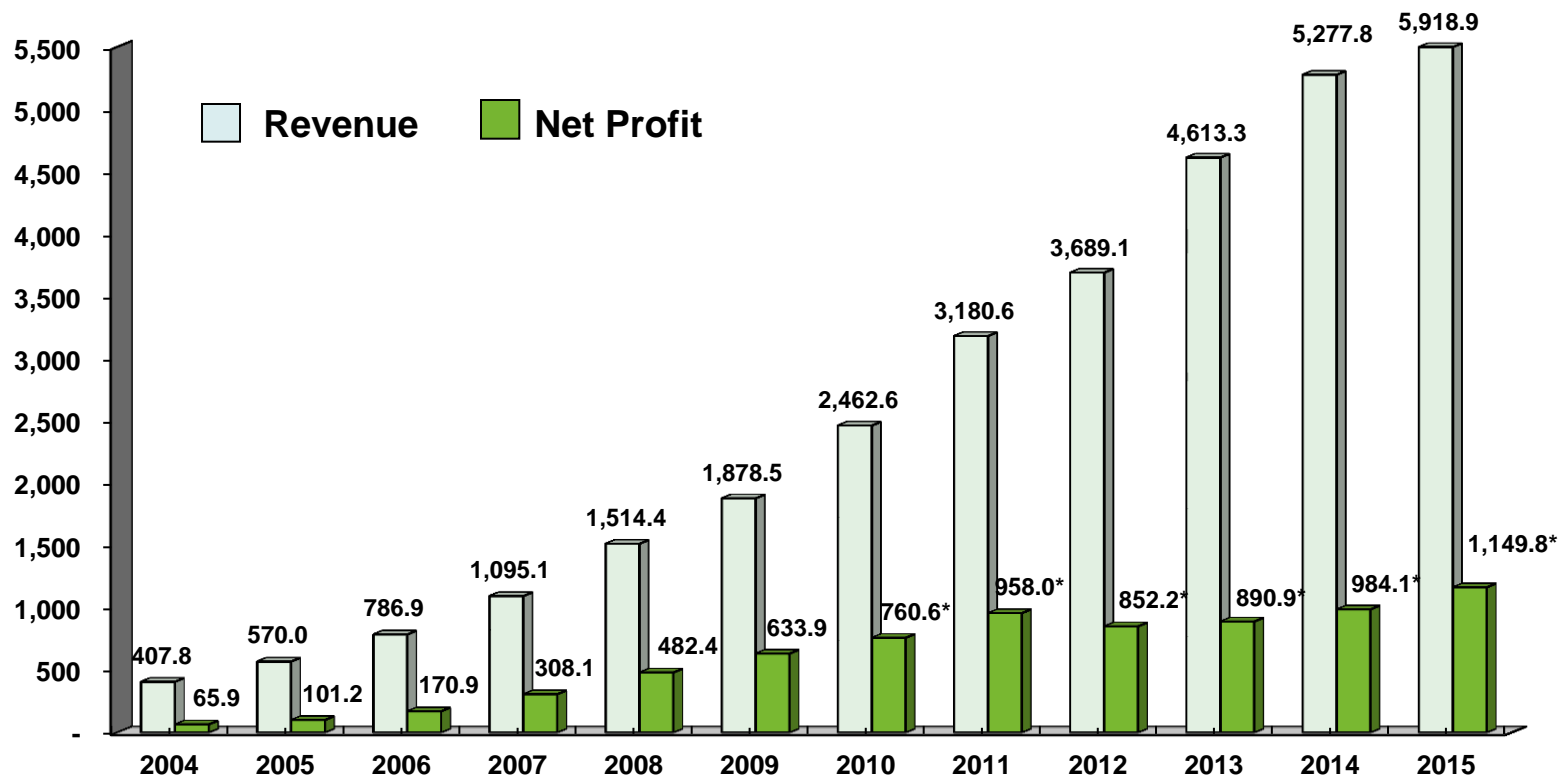
**Annual Results 2015  
22 March 2016**

# Content

● <b>Financial Highlights</b>	2
● <b>Operational Review</b>	11
● <b>Group Structure</b>	14
● <b>Appendix</b>	
<b>Reconciliation of the Net Profit</b>	15
<b>Training</b>	16

# Continuous Revenue and Earnings Growth

RMB million



For the year ended 31 December

## 11 Years CAGR

- Turnover : 27.5%↑
- Net Profit : 29.7%↑

## 2015 vs 2014

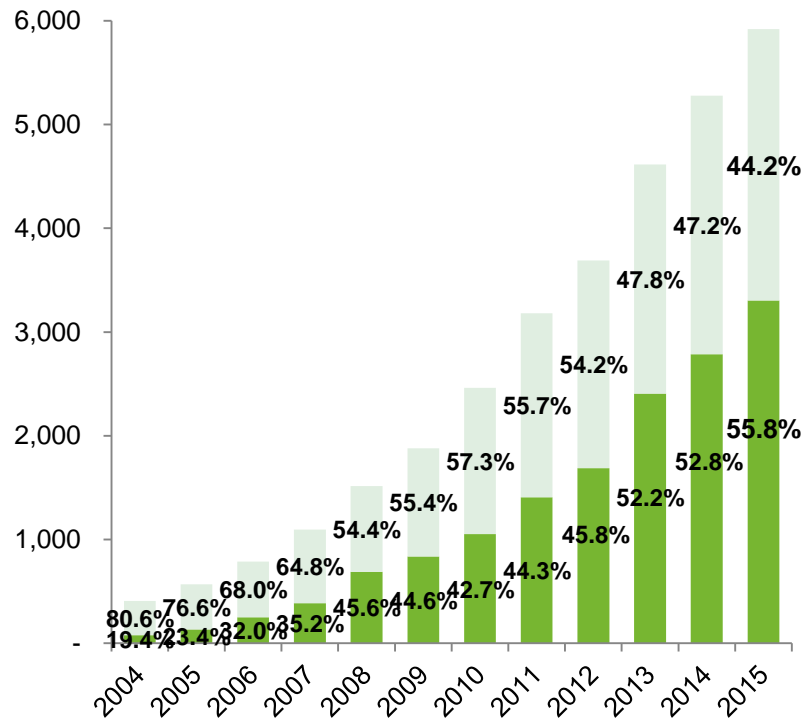
- Turnover : 12.1%↑
- Net profit : 16.8%↑

\* net profit excluding extraordinary items

# Turnover and GP Analysis

## Turnover

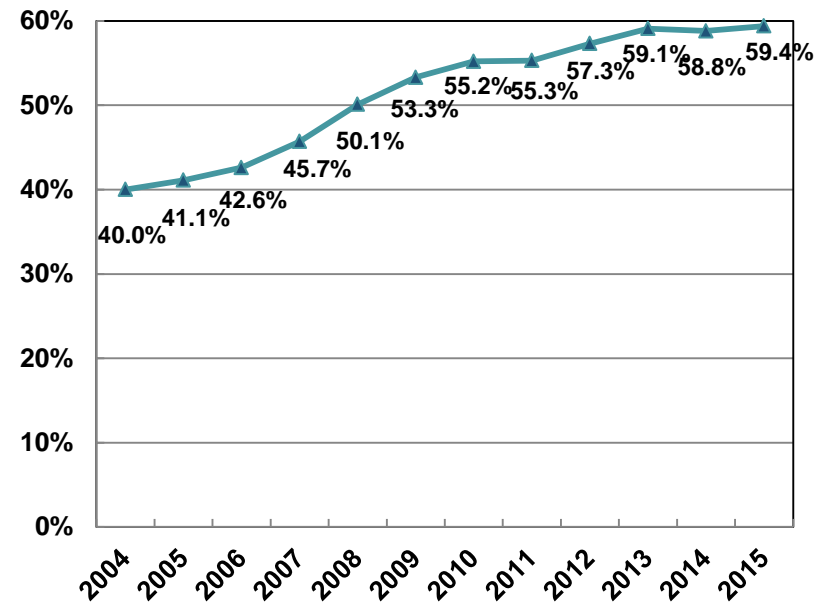
RMB million



For the year ended 31 December

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

## Gross Profit Margins



For the year ended 31 December

# Results Summary

RMB million	For the 12 months ended 31 Dec 2015	For the 12 months ended 31 Dec 2014	Change %
Revenue	5,918.9	5,277.8	+12.1
<b>COGS</b>	<b>(2,403.3)</b>	(2,173.5)	+10.6
<b>Gross profit</b> <i>Gross profit margin</i>	<b>3,515.6</b> 59.4%	3,104.3 58.8%	+0.6
<b>Other revenue</b>	<b>96.2</b>	173.9	(44.7)
<b>Distribution costs</b> <i>% on revenue</i>	<b>(1,545.0)</b> 26.1%	(1,417.5) 26.9%	(0.8)
<b>Administrative expenses</b> <i>% on revenue</i>	<b>(393.3)</b> 6.6%	(324.3) 6.1%	+0.5
<b>Research &amp; development expenses</b> <i>% on revenue</i>	<b>(292.7)</b> 4.9%	(238.1) 4.5%	+0.4
<b>Finance costs</b>	<b>(44.5)</b>	(22.7)	+96.0
<b>Share of results in jointly controlled entities</b>	<b>(4.0)</b>	4.9	-
<b>Share of results in an associate</b>	<b>0.6</b>	(4.9)	-
<b>Profit on disposal of a subsidiary</b>	<b>2.5</b>	-	-
<b>Profit before taxation</b>	<b>1,335.4</b>	1,275.6	+4.7
<b>Taxation</b>	<b>(186.6)</b>	(180.8)	+3.2
<b>Non-controlling interest</b>	<b>(36.1)</b>	(9.9)	+264.6
<b>Profit after taxation</b>	<b>1,112.7</b>	1,084.9	+2.6
<b>Profit before Taxation and JVs</b> <i>Net profit margin</i>	<b>1,338.8</b> 22.6%	1,275.6 24.2%	(1.6)
<b>Effective tax rate</b>	<b>13.9%</b>	14.2%	(0.3)

# Results Summary

RMB million	For the 6 months ended 31 Dec 2015	For the 6 months ended 31 Dec 2014	Change %
Revenue	3,042.0	2,733.2	11.3
<b>COGS</b>	<b>(1,243.9)</b>	(1,125.5)	10.5
<b>Gross profit</b> <i>Gross profit margin</i>	<b>1,798.2</b> 59.1%	1,607.7 58.8%	+0.3
<b>Other revenue</b>	<b>45.7</b>	154.0	(70.4)
<b>Distribution costs</b> <i>% on revenue</i>	<b>(798.0)</b> 26.2%	(736.6) 27.0%	(0.8)
<b>Administrative expenses</b> <i>% on revenue</i>	<b>(213.4)</b> 7.0%	(175.5) 6.4%	+0.6
<b>Research &amp; development expenses</b> <i>% on revenue</i>	<b>(158.2)</b> 5.2%	(127.1) 4.7%	+0.5
<b>Finance costs</b>	<b>(35.9)</b>	(12.9)	+178.3
<b>Share of results in jointly controlled entities</b>	<b>(5.9)</b>	8.6	-
<b>Share of results in an associate</b>	<b>0.2</b>	(0.7)	-
<b>Profit before taxation</b>	<b>632.7</b>	717.6	(11.8)
<b>Taxation</b>	<b>(86.9)</b>	(98.1)	(11.4)
<b>Non-controlling interest</b>	<b>(17.4)</b>	(7.5)	+132.0
<b>Profit after taxation</b>	<b>528.4</b>	612.0	(13.7)
<b>Profit before Taxation and JVs</b> <i>Net profit margin</i>	<b>638.4</b> 21.0%	709.7 26.0%	(5.0)
<b>Effective tax rate</b>	<b>13.6%</b>	13.8%	(0.2)

# Results Summary

RMB million	For 12 months ended 31 Dec 2015	For 12 months ended 31 Dec 2014	For 6 months ended 31 Dec 2015	For 6 months ended 31 Dec 2014
<b>Share of results in jointly controlled entities</b>				
- Nikkiso	(2.1)	6.5	(4.7)	3.7
- Terumo	(1.9)	(1.6)	(1.2)	4.9
	<b>(4.0)</b>	4.9	<b>(5.9)</b>	8.6
<b>Share of results in an associate</b>				
- MDT JV	0.6	(4.9)	0.2	(0.7)
	<b>0.6</b>	(4.9)	<b>0.2</b>	(0.7)

# Turnover Breakdown by Products

Products	For the 12 months ended 31 Dec			% to turnover	
	2015 RMB m	2014 RMB m	Change %	2015 %	2014 %
Consumables					
- Infusion sets	1,604.2	1,480.8	8.3	27.1	28.1
- Needles	821.7	731.7	12.3	13.9	13.9
- Syringes	689.9	657.6	4.9	11.7	12.5
- Blood bags	315.8	261.5	20.8	5.3	5.0
- Pre-filled syringes	278.2	241.9	15.0	4.7	4.6
- Wound Management	103.0	97.0	6.1	1.7	1.8
- Blood sampling	74.4	81.3	(8.5)	1.3	1.5
- PVC granules	55.5	58.1	(4.3)	0.9	1.1
- Other consumables	399.8	346.8	15.3	6.8	6.5
Subtotal for consumables	4,342.5	3,956.7	9.8	73.4	75.0
Orthopaedic products	657.7	591.8	11.1	11.1	11.2
Blood purification consumables	729.3	604.1	20.7	12.3	11.4
Blood purification equipment	189.5	125.2	51.4	3.2	2.4
<b>Total</b>	<b>5,919.0</b>	<b>5,277.8</b>	<b>12.1</b>	<b>100.0</b>	<b>100.0</b>



# Turnover Breakdown by Products

Products	For the 6 months ended 31 Dec			% to turnover	
	2015 RMB m	2014 RMB m	Change %	2H2015 %	2H2014 %
Consumables					
- Infusion sets	838.1	785.8	6.7	27.6	28.7
- Needles	409.0	353.8	15.6	13.4	12.9
- Syringes	355.6	338.4	5.1	11.7	12.4
- Blood bags	155.4	136.7	13.6	5.1	5.0
- Pre-filled syringes	112.4	103.8	8.3	3.7	3.8
- Wound Management	57.8	51.1	13.2	1.9	1.9
- Blood sampling	40.0	40.7	(1.7)	1.3	1.5
- PVC granules	28.5	34.3	(17.1)	0.9	1.3
- Other consumables	220.8	183.8	20.2	7.3	6.7
Subtotal for consumables	2,217.6	2,028.4	9.3	72.9	74.2
Orthopaedic products	301.7	291.5	3.5	9.9	10.7
Blood purification consumables	407.1	341.8	19.1	13.4	12.5
Blood purification equipment	115.6	71.5	61.6	3.8	2.6
<b>Total</b>	<b>3,042.0</b>	<b>2,733.2</b>	<b>11.3</b>	<b>100.0</b>	<b>100.0</b>

# Balance Sheet

	As at 31 Dec 2015	As at 31 Dec 2014	Change
	RMB m	RMB m	(%)
Non-current assets	<b>5,962.5</b>	5,271.1	+13.1
Current assets	<b>7,556.7</b>	6,799.0	+11.1
Cash and bank balances	<b>3,712.2</b>	2,786.1	+33.2
Capital and reserves	<b>10,658.2</b>	9,847.9	+8.2
Bank and other borrowing	<b>1,019.1</b>	419.7	+142.8

# Other financial figures

	As at 31 Dec 2015	As at 31 Dec 2014
Current ratio	3.8	3.4
Acid ratio	3.4	2.9
Return on equity	11.2%	10.4%
Return on assets	9.0%	8.4%

	31 Dec 2015	31 Dec 2014
Inventory turnover (days)	132	147
Accounts receivable (days)	139	133
Final dividend (RMB/share)	3.6 cents	3.5 cents
Interim dividend (RMB/share)	3.9 cents	3.1 cents
Total dividend (RMB/share)	7.5 cents	6.6 cents

# Nationwide Sales Network



	As at 31 Dec 2015
■ No. of sales office	28
● No. of customer service centre	34
● No. of cities with sales representatives	222
No. of sales staff	2,386

# Expanding Customer Base

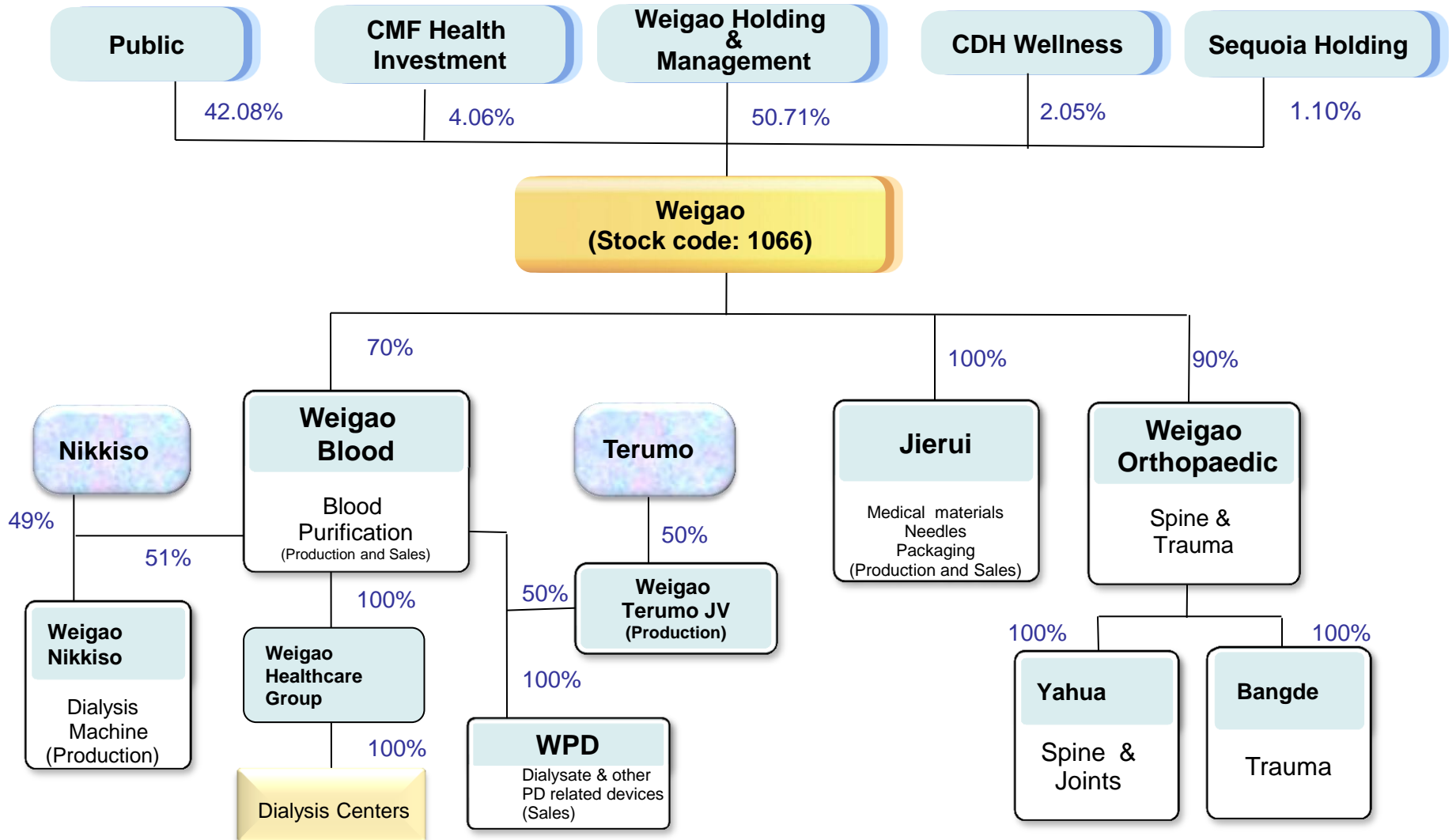
	Total in China at 30 Sep 2015	No. of customers	Coverage
<b>Hospitals</b>			
• Top tier	2,032	1,022	50.3%
• Medium	7,080	1,742	24.6%
• Small	7,464	344	4.6%
• Other - Not rated	10,328	24	0.2%
<b>Subtotal</b>	<b>26,904</b>	<b>3,132</b>	<b>11.6%</b>
<b>Blood centres</b>	<b>525</b>	<b>414</b>	<b>78.9%</b>
<b>Other medical units</b>	<b>924,969</b>	<b>643</b>	<b>0.07%</b>
<b>Distribution companies</b>		<b>1,109</b>	
<b>Total</b>		<b>5,298</b>	

Source: Ministry of Health and the Company

# New Product Development

<b>Category</b>	<b>No. of products as at 31 Dec 2015</b>
With product registration certificates	372
Under application for product registration certificates	47
Patented products	427
Under patent application	88

# Weigao Group Structure



# Appendix I - Reconciliation of Net Profit

	12 months ended 31 Dec 2015	12 months ended 31 Dec 2014	Change
	<u>RMB'000</u>	<u>RMB'000</u>	%
<b>Profit for the Year</b>	<b>1,148,858</b>	1,094,820	+4.9
<b>Non-controlling interest</b>	<b>(36,122)</b>	(9,872)	+265.9
<b>Compensation on repurchase of land and buildings</b>	-	(100,875)	-
<b>Listing expenses for proposed Orthopaedic spinoff</b>	<b>24,038</b>	-	-
<b>Share based payment expenses</b>	<b>13,066</b>	-	-
<b>Net profit excluding extraordinary items</b>	<b><u>1,149,840</u></b>	<u>984,073</u>	+16.8



# Appendix II - Dean Training

<b>Name</b>	<b>12 months ended 31 Dec 2013</b>	<b>12 months ended 31 Dec 2014</b>	<b>12 months ended 31 Dec 2015</b>
Dean Training	127	325	452
Nursing Training	200	209	211
<b>Total</b>	<b>327</b>	<b>589</b>	<b>663</b>

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