



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

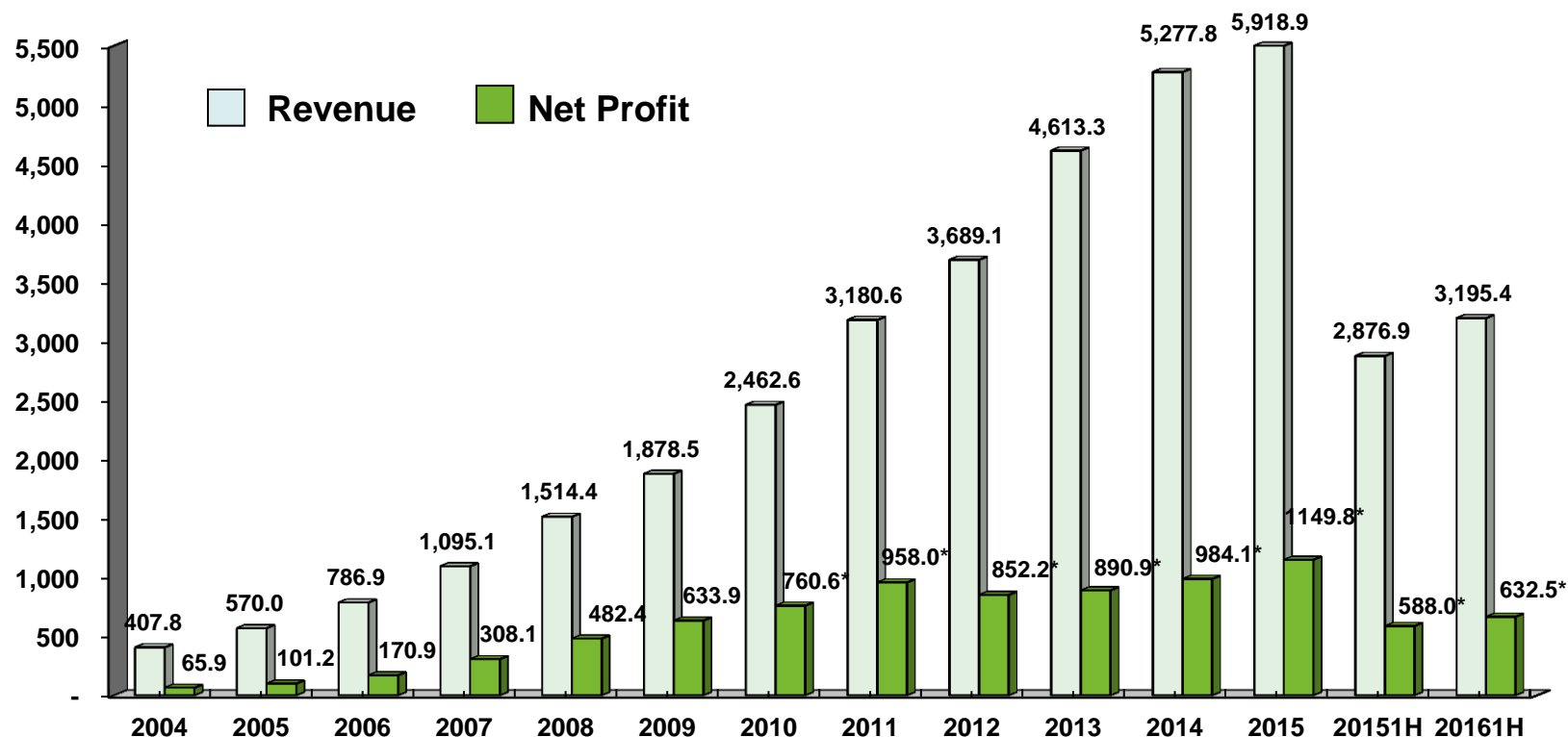
**Interim Results 2016
17 August 2016**

Content

● Financial Highlights	2
● Operational Review	8
● Group Structure	11
● Appendix	
Reconciliation of the Net Profit	12

Continuous Revenue and Earnings Growth

RMB million



For the year ended 31 December

11 Years CAGR

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

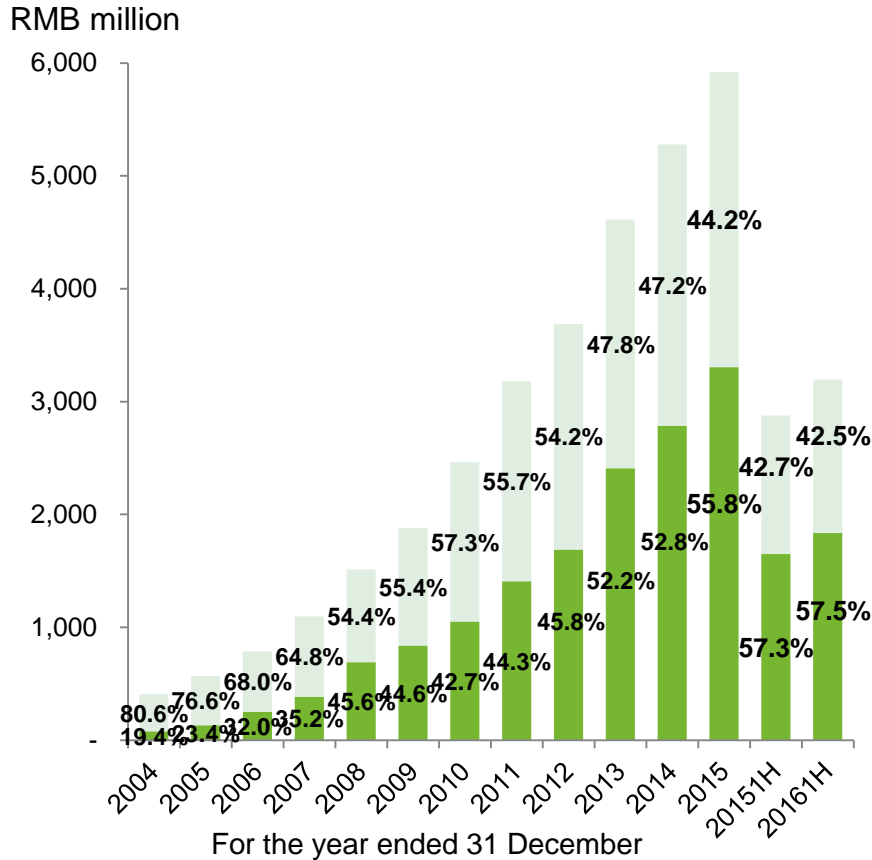
* net profit excluding extraordinary items

1H2016 vs 1H2015

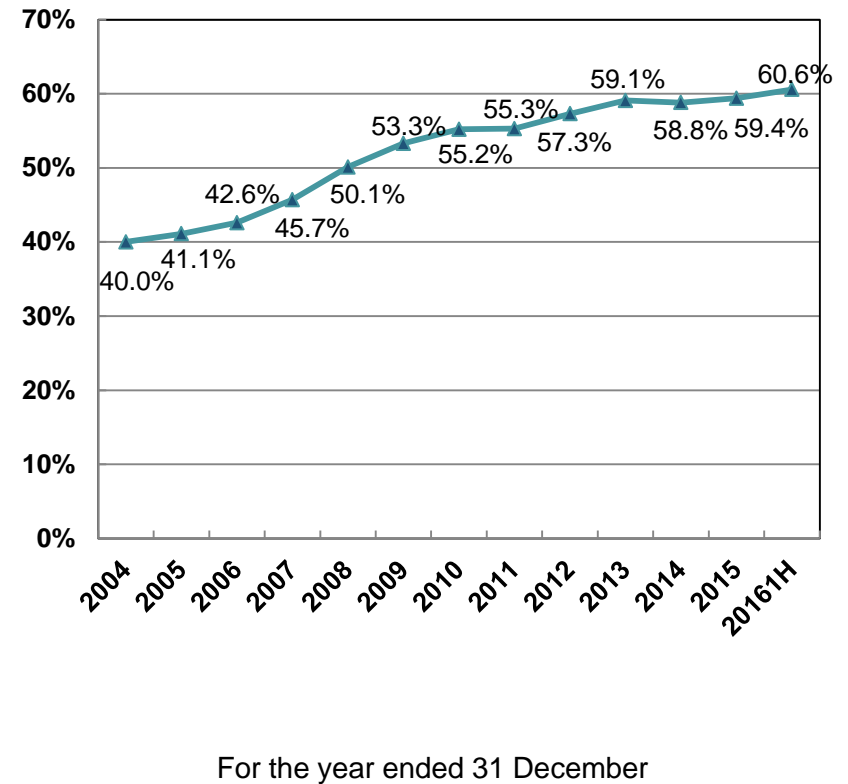
- Turnover : 11.1%↑
- Net profit : 7.6%↑

Turnover and GP Analysis

Turnover



Gross Profit Margins



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

Results Summary

RMB million	For the 6 months ended 30 Jun 2016	For the 6 months ended 30 Jun 2015	Change %
Revenue	3,195.4	2,876.9	+11.1
COGS <i>% on revenue</i>	(1,259.6) 39.4%	(1,159.5) 40.3%	(0.9)
Gross profit <i>Gross profit margin</i>	1,935.8 60.6%	1,717.4 59.7%	+0.9
Other revenue	44.9	50.6	(11.3)
Distribution costs <i>% on revenue</i>	(842.3) 26.4%	(747.0) 26.0%	+0.4
Administrative expenses <i>% on revenue</i>	(513.0) 16.1%	(179.9) 6.3%	+9.8
Research & development expenses <i>% on revenue</i>	(143.8) 4.5%	(134.5) 4.7%	(0.2)
Finance costs	(26.3)	(8.6)	+205.8
Share of results in jointly controlled entities	1.5	1.9	(21.1)
Share of results in associate	-	0.4	-
Profit on disposal of a subsidiary	(0.4)	2.5	-
Profit before taxation	456.4	702.8	(35.1)
Taxation	(89.9)	(99.7)	(9.8)
Non-controlling interest	19.0	(18.7)	-
Profit after taxation	385.5	584.4	(34.0)
Profit before Taxation and JVs <i>Net profit margin</i>	455.3 14.2%	698.0 24.3%	(10.1)
Effective tax rate	19.7%	14.3%	+5.4

Results Summary

RMB million	For 6 months ended 30 Jun 2016	For 6 months ended 30 Jun 2015	Change %
Share of results in jointly controlled entities			
- Nikkiso	2.8	2.6	+7.7
- Terumo	(1.3)	(0.7)	+85.7
	1.5	1.9	(21.1)
Share of results in an associate			
- MDT JV	-	0.4	-
	-	0.4	-

Turnover Breakdown by Products

Products	For the 6 months ended 30 Jun			% to turnover	
	2016 RMB m	2015 RMB m	Change %	1H2016 %	1H2015 %
Consumables					
- <i>Infusion sets</i>	873.2	766.1	14.0	27.3	26.6
- <i>Needles</i>	426.8	412.7	3.4	13.4	14.3
- <i>Syringes</i>	368.6	334.3	10.3	11.5	11.6
- <i>Pre-filled syringes</i>	176.4	165.8	6.4	5.5	5.8
- <i>Blood bags</i>	132.7	160.5	(17.3)	4.2	5.6
- <i>Wound Management</i>	84.0	45.1	86.3	2.6	1.6
- <i>Blood sampling</i>	43.4	34.4	26.2	1.4	1.2
- <i>PVC granules</i>	27.1	27.1	-	0.8	0.9
- <i>Other consumables</i>	219.3	178.9	22.6	6.9	6.2
Subtotal for consumables	2,351.5	2,124.9	10.7	73.6	73.8
Orthopaedic products	340.5	356.0	(4.4)	10.7	12.4
Blood purification consumables	405.2	322.1	25.8	12.6	11.2
Blood purification equipment	98.2	73.9	32.9	3.1	2.6
Total	3,195.4	2,876.9	11.1	100.0	100.0

Other financial figures

	As at 30 Jun 2016	As at 30 Jun 2015
Current ratio	3.5	3.2
Acid ratio	3.1	2.9
Return on equity	5.7%	5.8%
Return on assets	4.5%	4.6%
	30 Jun 2016	30 Jun 2015
Inventory turnover (days)	123	135
Accounts receivable (days)	154	145
Interim dividend (RMB/share)	4.1 cents	3.9 cents

Nationwide Sales Network



	As at 30 Jun 2016
■ No. of sales office	28
● No. of customer service centre	35
● No. of cities with sales representatives	227
No. of sales staff	2,547

Expanding Customer Base

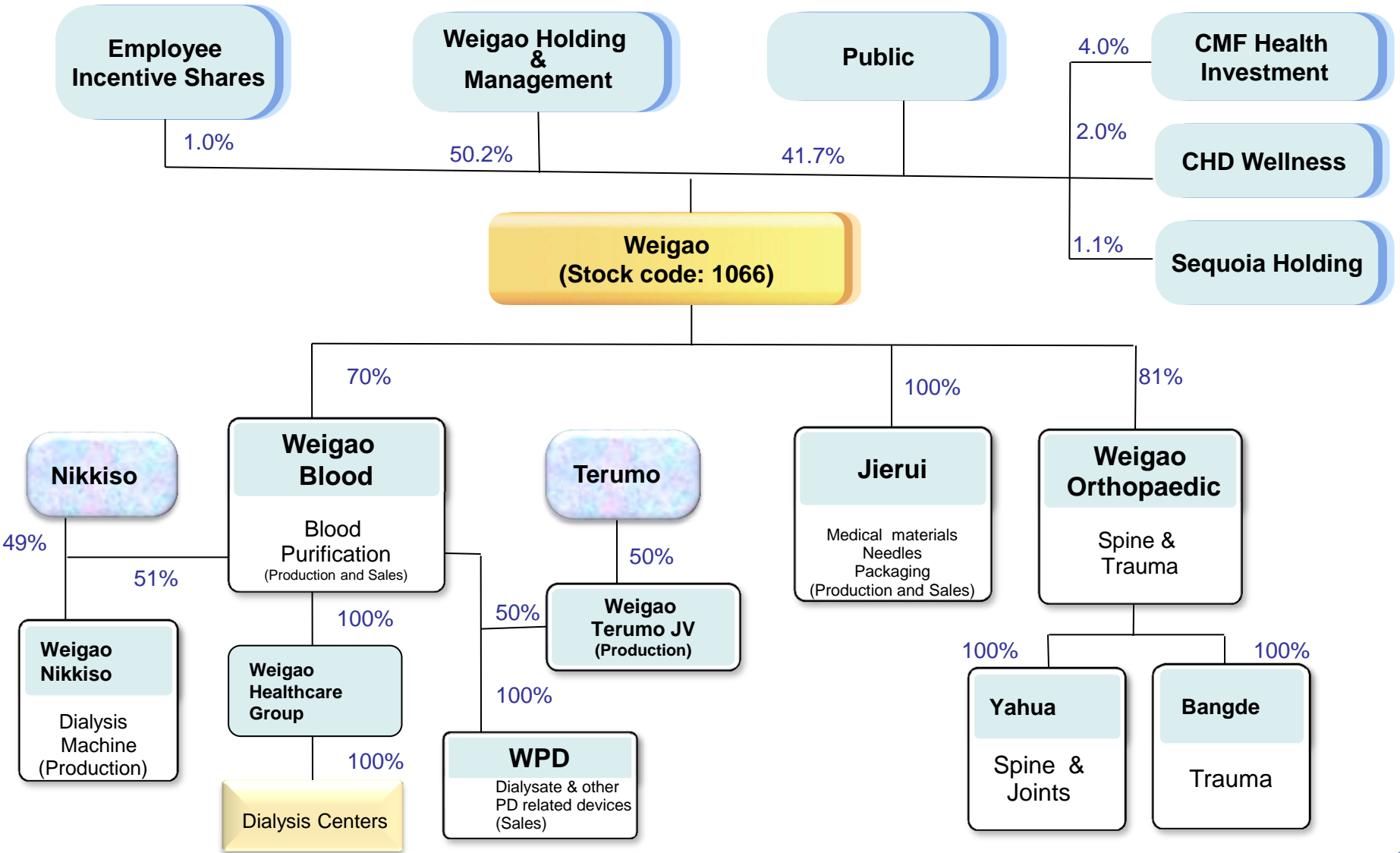
	Total in China as at 31 Mar 2016	No. of customers	Coverage
Hospitals			
• Top tier	2,141	1,022	47.7%
• Medium	7,634	1,744	22.8%
• Small	8,909	344	3.9%
• Other - Not rated	9,305	24	0.3%
Subtotal	27,989	3,134	11.2%
Blood centres	525	414	78.9%
Other medical units	924,253	654	0.07%
Distribution companies		1,122	
Total		5,324	

Source: Ministry of Health and the Company

New Product Development

Category	No. of products as at 30 Jun 2016
With product registration certificates	379
Under application for product registration certificates	50
Patented products	432
Under patent application	115

Weigao Group Structure



Appendix - Reconciliation of Net Profit

	6 months ended 30 Jun 2016	6 months ended 30 Jun 2015	Change
	RMB'000	RMB'000	%
Profit for the Period	366,488	603,120	(39.2)
Non-controlling interest	19,012	(18,746)	-
Profit for the Period attributable to owners of the Company	385,500	584,374	(34.0)
Share based payment expenses	238,860	-	-
Listing expenses for proposed Orthopaedic spinoff	8,149	3,647	123.4
Net profit excluding extraordinary items	632,509	588,021	7.6

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.