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山東威高集團醫用高分子製品股份有限公司
Shandong Weigao Group Medical Polymer Company Limited *

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1066)

**ANNOUNCEMENT OF FIRST QUARTER RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

This announcement is made voluntarily by the Company pursuant to Rule 13.09(1) of the Listing Rules. In view of transparency, the board of Directors would like to continue the practice of providing shareholders and investors with quarterly reports of the Company and its subsidiaries.

The board of Directors is pleased to announce the unaudited consolidated results of Shandong Weigao Group Medical Polymer Company Limited (the "Company" and together with its subsidiaries, the "Group") for the three months ended 31 March 2013 (the "Period"), together with the unaudited comparative figures for the same period in 2012 as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

	Unaudited For the three months ended 31 March	
	2013 RMB'000	2012 RMB'000
Revenue	1,012,676	861,959
Cost of sales	(410,836)	(384,565)
Gross profit	601,840	477,394
Other income	11,289	16,190
Distribution costs	(269,689)	(197,018)
Administrative expenses	(108,968)	(90,331)
Finance costs	(1,853)	(1,380)
Share of profit/(loss) of two jointly controlled entities	29	(924)
Share of profit of two associates	28,007	38,706
Profit before taxation	260,655	242,637
Taxation	(32,881)	(28,343)
Profit for the period	227,774	214,294

* For identification purpose only

Unaudited
For the three months ended
31 March

2013 2012
RMB'000 **RMB'000**

Other comprehensive income		
Exchange differences arising on translation of foreign operations	<u>1,119</u>	<u>14,280</u>
Total comprehensive income for the Period	<u>228,893</u>	<u>228,574</u>
Profit for the Period attributable to:		
Equity holders of the Company	228,322	213,722
Non-controlling interests	<u>(548)</u>	<u>572</u>
	<u>227,774</u>	<u>214,294</u>
Total comprehensive income attributable to:		
Equity holders of the Company	229,441	228,002
Non-controlling interests	<u>(548)</u>	<u>572</u>
	<u>228,893</u>	<u>228,574</u>
Dividends proposed	<u>-</u>	<u>-</u>
Earnings per share (basic)	<u>RMB0.051</u>	<u>RMB0.048</u>

BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated statement of comprehensive income has been prepared in accordance with No. 34 “Interim Financial Reporting” of Hong Kong Accounting Standards (the “HKAS”) issued by the Hong Kong Institute of Certified Public Accountants, Accounting Principles Generally Accepted in Hong Kong, Hong Kong Financial Reporting Standards and the relevant applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The accounts are prepared under the historical cost convention.

The accounting policies adopted and methods of computation used in the preparation of these consolidated financial information are consistent with those used in the preparation of the financial statements for the year ended 31 December 2012.

These financial statements should be read in conjunction with the audited annual financial statements for the year ended 31 December 2012.

INTERPRETATION AND EXPLANATION

1. Revenue

For the three months ended 31 March 2013, the revenue of the Group amounted to approximately RMB1,012,676,000, representing an increase of approximately 17.5% over approximately RMB861,959,000 for the same period last year. During the Period, the Group continued to implement the restructuring on sales and marketing systems and the adjustments to optimise product mix. The Group focused its marketing resources on the exploration and maintaining relationship with hospitals from the grade-A of tier two or above (二甲級以上醫院). It increased the investment in the end market channels to improve its customers and product lines coverage. The Group focused on the development of orthopaedic and blood purification products, increased marketing promotion and allocation of sales resources to increase market share. During the Period, the Group had completed the consolidation of the orthopaedic sales channels. For the three months ended 31 March 2013, the turnover of orthopaedic products was approximately RMB127,628,000 (for the same period in 2012: approximately RMB67,206,000), representing an increase of 89.9% when compared with the same period last year. The Group also contracted to purchase the third and fourth dialyser production lines, which are expected to come into commercial production in 2014 and 2015 with an expected increase in annual production capacity of 8,000,000 pieces. As at

the date of this announcement, Weigao Blood has established and commenced operation of three haemodialysis centers. For the three months ended 31 March 2013, the turnover of blood purification products was approximately RMB85,661,000 (for the same period in 2012: approximately RMB54,241,000), representing an increase of 57.9% when compared with the same period last year.

Comparison of the sales of the principal products with that of the same period last year is set out as follows:

Product category	For the three months ended 31 March		
	2013	2012	Growth
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Single-use consumables			
– Infusion sets	286,680	260,876	9.9
– Needles	168,419	159,746	5.4
– Syringes	133,196	122,053	9.1
– Blood bags	48,976	46,002	6.5
– Pre-filled syringes	44,379	37,577	18.1
– Blood sampling	15,099	14,857	1.6
– Wound Management	14,430	12,674	13.9
– PVC granules	15,174	14,800	2.5
– Other consumables	56,250	52,796	6.5
Subtotal for single-use consumables	782,603	721,381	8.5
Orthopaedic	127,628	67,206	89.9
Blood purification consumables	85,661	54,241	57.9
Blood purification equipments	16,784	19,131	(12.3)
Total	<u>1,012,676</u>	<u>861,959</u>	<u>17.5</u>

2. Gross profit

During the Period, labour costs of the Group continued to increase, imposing continuous pressure on the profitability of conventional products. Through adjustment of product mix, reduction in sales of loss-making conventional products, increase in the investment in technology and improvement in operational efficiency, it absorbed the impact of escalating costs increase during the Period, and further increased the gross profit margin to 59.4% from 55.4% in the same period last year.

3. Other income

During the Period, other income decreased by 30.3% as compared with the same period last year, which was mainly due to the decrease in the interest income on bank deposits.

4. Distribution costs

During the Period, distribution costs increased by 36.9%, representing 26.6% (same period in 2012: 22.9%) of total revenue, which was mainly due to the increase in the investment in direct sale channels and the sales integration of orthopaedic business.

5. Administrative expenses

During the Period, administrative expenses increased by 20.6%, representing 10.8% (same period in 2012: 10.5%) of total revenue, which was mainly due to the salary and administrative costs increase. Included in the administrative expenses was the research and development expenditure of approximately RMB47,507,000 (same period in 2012: approximately RMB39,756,000), representing 4.7% of revenue of the Group (same period in 2012: 4.6%).

6. Share of profit and loss of two jointly controlled entities

Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd., in which 51% equity interests was held by the Group, has run well. For the three months ended 31 March 2013, profit attributable to the Group was approximately RMB29,000 (same period in 2012: loss of approximately RMB924,000).

Weigao Terumo (Weihai) Medical Products Co., Ltd., in which 50% interests is held by the Group, is at its preparatory stage as at the date of this announcement. The joint venture company will engage in the production and sales of peritoneal dialysis related devices in the PRC.

7. Share of profit of two associates

The winding up of the joint venture company is underway. The division and transfer of principal assets, personnel, markets and business operation of the Distribution Joint Venture with Medtronic in orthopaedic products had been completed. The joint venture contributed approximately RMB13,829,000 to the profit of the Group for the same period last year.

Biosensors International Pte Ltd. (“Biosensors”), in which 21.5% equity interests was held by the Group, contributed approximately RMB28,007,000 (same period in 2012: approximately RMB24,877,000) to the profit of the Group, representing an increase of approximately 12.6% compared with the same period last year. Excluding the extraordinary items, Biosensors contributed approximately RMB45,624,000 (same period in 2012: approximately RMB44,341,000) to the profit of the Group, representing an increase of approximately 2.9%.

8. Taxation

Tax expenses increased by 16.0%, which was mainly attributable to the increase of assessable profit.

During the Period, the Company, Weigao Orthopaedic, Weihai Jierui Medical Products Company Limited and Weihai Weigao Blood Purification Product Company Limited are subject to income tax at a rate of 15% (same period in 2012: 15%). Taxation for other PRC subsidiaries is computed at a tax rate of 25% (same period in 2012: 25%).

During the Period, no provision for taxation was made for Weigao International Medical Co., Ltd., Wego Medical Holding Company Limited and Wellford Capital Limited as they did not have any assessable profit in Hong Kong during the Period.

During the Period, no provision for overseas taxation was made for Weigao Medical (Europe) Co., Ltd. and Weigao Medical Germany GmbH as they did not have any assessable profit during the Period.

9. Dividend

There were no dividends declared for the three months ended 31 March 2013 (same period in 2012: nil).

10. Profit attributable to equity holders of the Company

For the three months ended 31 March 2013, net profit attributable to shareholders of the Group was approximately RMB228,322,000 (same period in 2012: approximately RMB213,722,000), representing an increase of 6.8% over the same period last year. Net profit attributable to the owners of the Company, excluding extraordinary items, was approximately RMB245,939,000 (same period in 2012: approximately RMB233,186,000), representing an increase of approximately 5.5% over the same period last year.

11. Earnings per share

For the three months ended 31 March 2013, basic earnings per share was computed based on the net profit attributable to shareholders of approximately RMB228,322,000 (same period in 2012: approximately RMB213,722,000), and the weighted average total number of 4,476,372,324 shares (same period in 2012: 4,476,372,324 shares).

On behalf of the Board

Shandong Weigao Group Medical Polymer Company Limited

Chen Xue Li

Chairman

Weihai, Shandong, the PRC

30 May 2013

As at the date of this announcement, the Board comprises Mr. Zhang Hua Wei, Mr. Wang Yi, Mr. Gong Jian Bo and Mr. Xia Lie Bo as executive directors; Mr. Chen Xue Li, Mrs. Zhou Shu Hua and Mr. Christopher J. O'Connell as non-executive directors; and Mr. Lo Wai Hung, Mr. Li Jia Miao, Mrs. Fu Ming Zhong and Mrs. Wang Jin Xia as independent non-executive directors.