



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

Third Quarter Results 2009

13 November 2009

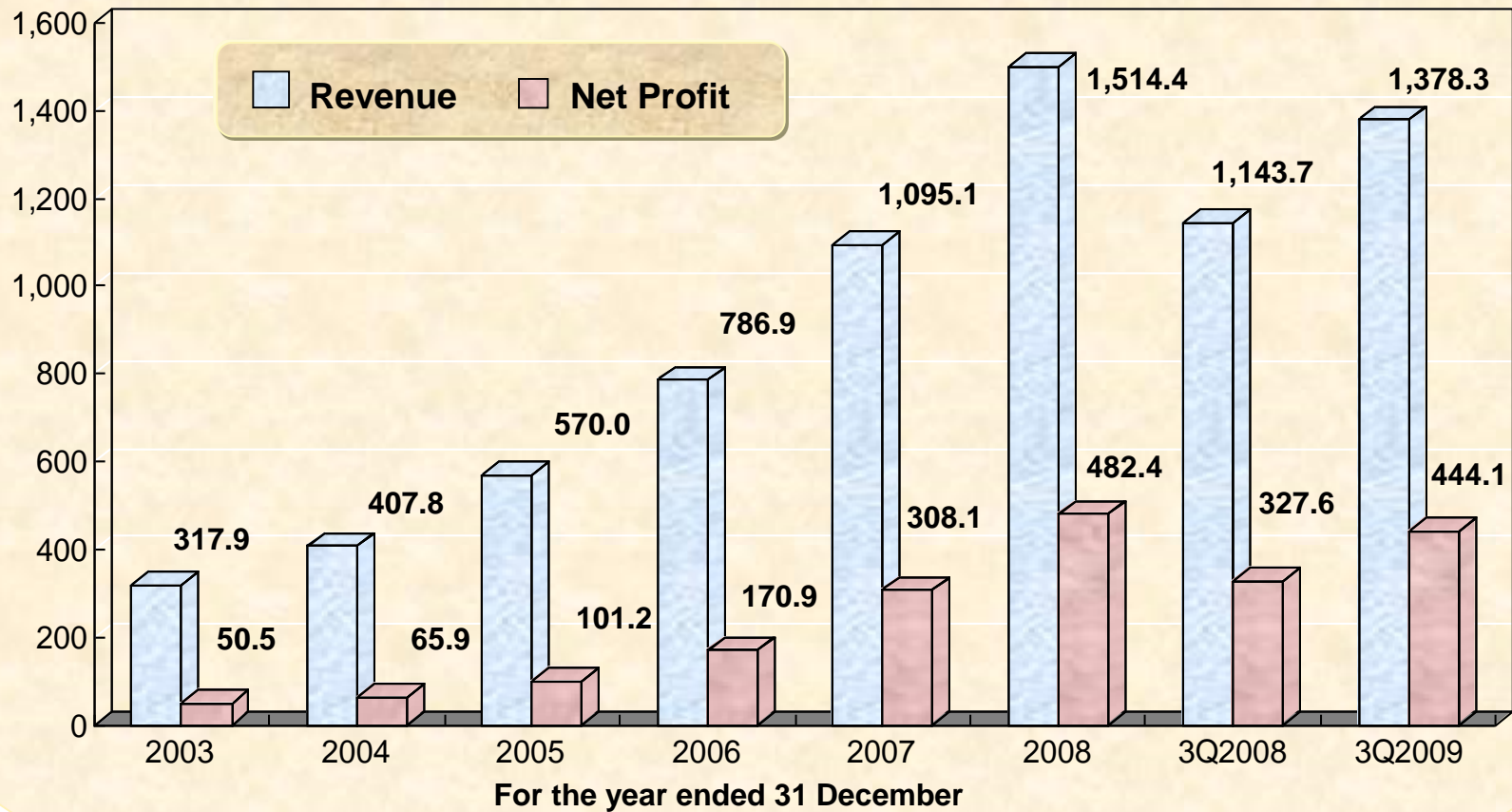
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Financial Highlights

Continuous Revenue and Earnings Growth

RMB million



5 Years CAGR

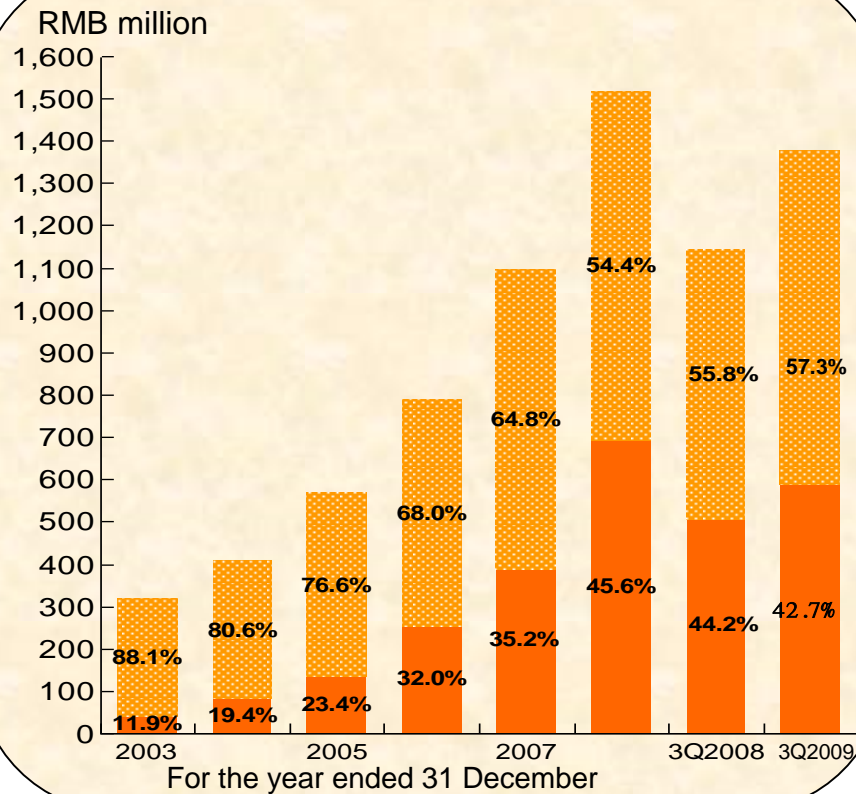
- Turnover: 36.6%↑
- Net Profit: 57.0%↑



3Q2009 vs 3Q2008

- Turnover: 20.5%↑
- Net profit: 35.6%↑

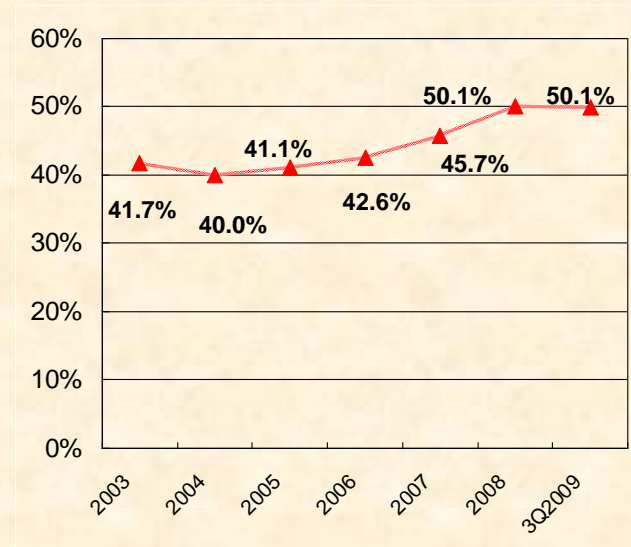
Turnover and GP Analysis

Turnover



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

Gross Profit Margins



For the year ended 31 December



Results Summary

RMB million	For 9 months ended 30 Sep 09	For 9 months ended 30 Sep 08	Change (%)	For 3 months ended 30 Sep 09	For 3 months ended 30 Sep 08	Change (%)
Sales revenue	1,378.3	1,143.7	+20.5	504.2	445.9	+13.1
- High value added products	588.2	505.5	+16.5	230.5	204.0	+13.0
- Conventional products	790.1	638.7	+23.7	273.7	241.9	+13.1
COGS	(688.2)	(604.8)	+13.8	(243.9)	(234.1)	+4.2
Gross profit	690.1	538.9	+28.1	260.3	211.8	+22.9
- Gross profit margin	50.1%	47.1%		51.6%	47.5%	
Other revenue	47.7	24.5	+94.7	14.5	7.7	+88.3
Operating expenses	(353.6)	(243.8)	+45.0	(119.9)	(84.2)	+42.4
- OpEx margin	25.7%	21.3%		23.8%	18.9%	
EBITDA	435.9	363.8	+19.8	174.1	151.1	+15.2
- EBITDA margin	31.6%	31.8%		34.5%	33.9%	
Depreciation	(51.8)	(44.2)	+17.2	(19.1)	(15.8)	+20.9
Total EBIT	384.1	319.6	+20.2	155.0	135.3	+14.6
Net interest expense	(3.8)	(19.5)	-80.5	(1.3)	(7.3)	(82.2)
Share of results in a jointly controlled entity	84.3	50.0	+68.6	37.8	17.6	+114.7
Share of results in an associate	24.4	0.3	+803.3	14.9	0.3	+4,866.6
Pre-tax profit	489.0	350.4	+39.6	206.4	145.8	+41.6
Tax expense	(46.7)	(24.0)	+94.6	(19.8)	(9.2)	+115.2
Minority interest	(1.8)	(1.2)	+50.0	(0.1)	(0.2)	(50)
Net profit attributable to shareholders	444.1	327.6	+35.6	186.5	136.9	+36.3
- Net profit margin	32.2%	28.6%		37.0%	30.7%	
EPS (basic)	RMB0.413	RMB 0.329	+25.5	RMB0.173	RMB0.138	+25.4

Turnover Breakdown by Products

Products	For the 3 months ended 30 September			% to turnover	
	2009	2008	Change	2009	2008
	RMB m	RMB m	%		
Self-produced products					
Consumables					
- Infusion sets	140,497	110,466	+27.2	27.9	24.8
- Medical needles	88,516	84,518	+4.7	17.6	19.0
- Syringes	87,884	77,627	+13.2	17.4	17.4
- Blood bags	34,297	29,846	+14.9	6.8	6.7
- Pre-filled syringes	15,930	15,059	+5.8	3.2	3.4
- Blood sampling	12,920	12,664	+2.0	2.6	2.8
- Dental & anesthetic	6,138	5,743	+6.9	1.2	1.3
- Other consumables	20,356	18,817	+8.2	4.0	4.2
Subtotal for consumables	406,538	354,740	+14.6	80.6	79.6
Orthopaedic	37,698	55,062	(31.5)	7.5	12.3
Blood purification consumable	21,198	8,238	+157.3	4.2	1.8
PVC granules	21,584	16,827	+28.3	4.3	3.8
Trading					
Medical instruments	15,112	9,346	+61.7	3.0	2.1
Other	2,065	1,694	+21.9	0.4	0.4
Total	504,195	445,907	+13.1	100.0	100.0

Turnover Breakdown by Products

Products	For the 9 months ended 30 September			% to turnover	
	2009 RMB m	2008 RMB m	Change %	2009	2008
Self-produced products					
Consumables					
- Infusion sets	378,996	277,307	+36.7	27.5	24.2
- Medical needles	245,216	185,390	+32.3	17.8	16.2
- Syringes	242,672	205,242	+18.2	17.6	17.9
- Blood bags	99,963	84,599	+18.2	7.3	7.4
- Pre-filled syringes	49,021	35,926	+36.4	3.6	3.1
- Blood sampling	35,913	31,157	+15.3	2.6	2.7
- Dental & anesthetic	15,823	14,388	+10.0	1.1	1.3
- Other consumables	62,356	52,602	+18.5	4.5	4.6
Subtotal for consumables	1,129,960	886,611	+27.4	82.0	77.5
Orthopaedic	93,209	136,418	(31.7)	6.8	11.9
Blood purification consumable	47,349	20,933	+126.2	3.4	1.8
PVC granules	45,902	56,730	(19.1)	3.3	5.0
Trading					
Medical instruments	42,778	30,530	+40.1	3.1	2.7
Other	19,105	12,470	+53.2	1.4	1.1
Total	1,378,303	1,143,692	+20.5	100.0	100.0

Balance Sheet

	As at 30 Sep 2009	As at 31 Sep 2008	Change
	RMB m	RMB m	(%)
Non-current assets	1,727.1	1,413.8	+22.2
Current assets	1,878.6	1,395.6	+34.6
Cash and bank balances	740.6	287.2	+157.9
Capital and reserves	2,827.3	1,596.2	+77.1
Bank and other borrowing	136.6	536.6	(74.5)

Cost Analysis

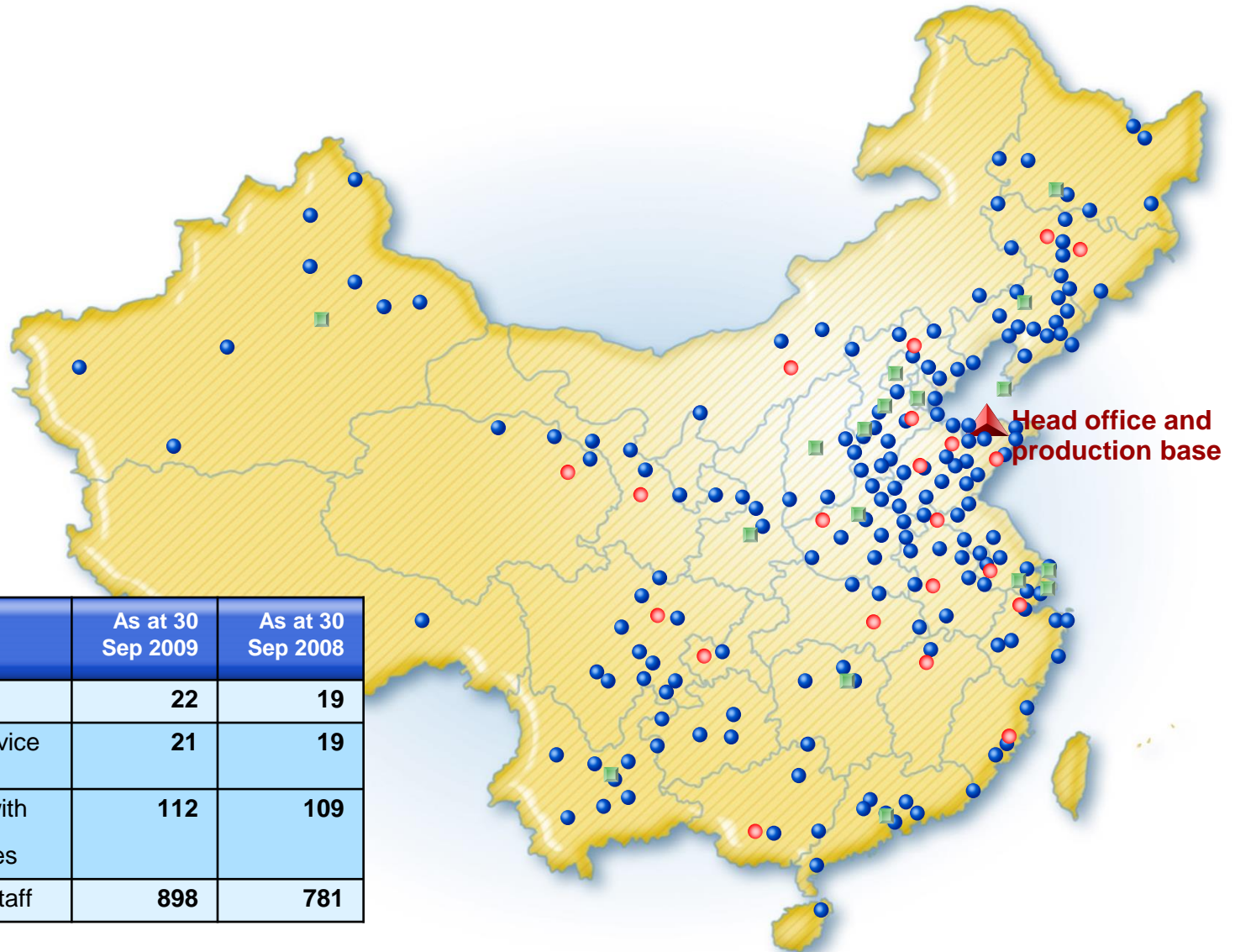
	For the 3 months ended 30 September			% to turnover	
	2009	2008	% change	3Q2009	3Q2008
	RMB m	RMB m			
Raw materials	160.7	154.8	+3.8	31.9	34.7
- PVC resins, PP and PE	60.1	59.1	+1.7	11.9	13.3
- Metal	33.8	31.5	+7.3	6.7	7.1
- Packaging	20.0	19.4	+3.1	4.0	4.4
- Others	46.8	44.8	+4.5	9.3	10.0
Staff costs	31.1	29.0	+7.2	6.2	6.5
Production cost	52.1	50.3	+3.6	10.3	11.3
Total COGS	243.9	234.1	+4.2	48.4	52.5
Other operating expenses	119.9	84.2	+42.4	23.8	24.6
- Distribution cost	79.2	59.7	+32.7	15.7	13.4
- Administration cost	40.7	24.5	+66.1	8.1	5.5
Total	363.8	318.3	+14.3	72.2	71.4

Cost Analysis

	For the 9 months ended 30 September			% to turnover	
	2009	2008	% change	3Q2009	3Q2008
	RMB m	RMB m			
Raw materials	444.8	388.9	+14.4	32.3	34.0
- PVC resins, PP and PE	153.2	140.1	+9.4	11.1	12.2
- Metal	92.2	77.2	+19.4	6.7	6.8
- Packaging	58.5	51.3	14.0	4.2	4.5
- Others	140.9	120.3	+17.1	10.2	10.5
Staff costs	91.8	79.9	+14.9	6.7	7.0
Production cost	151.6	136.0	+11.5	11.0	11.9
Total COGS	688.2	604.8	+13.8	49.9	52.9
Other operating expenses	352.0	243.8	+44.4	25.5	21.3
- Distribution cost	229.5	172.1	+33.4	16.7	15.0
- Administration cost	122.5	71.7	+70.9	8.9	6.3
Total	1,040.2	848.6	+22.6	75.5	74.2

Operational Review

Nationwide Sales Network



	As at 30 Sep 2009	As at 30 Sep 2008
■ Sales office	22	19
● Customer service centre	21	19
● No. of cities with sales representatives	112	109
No. of sales staff	898	781

Expanding Customer Base

	Total in China	No. of customers	Coverage
Hospitals			
• Top tier	1,186	962	81.1%
• Medium	6,608	1,636	24.8%
• Small	4,687	306	6.5%
• Other - Not rated	7,366	13	0%
Subtotal	19,847	2,917	14.7%
Blood centres	535	413	77.2%
Other medical units	888,021	649	0.07%
Distribution companies		1,063	
Total		5,042	

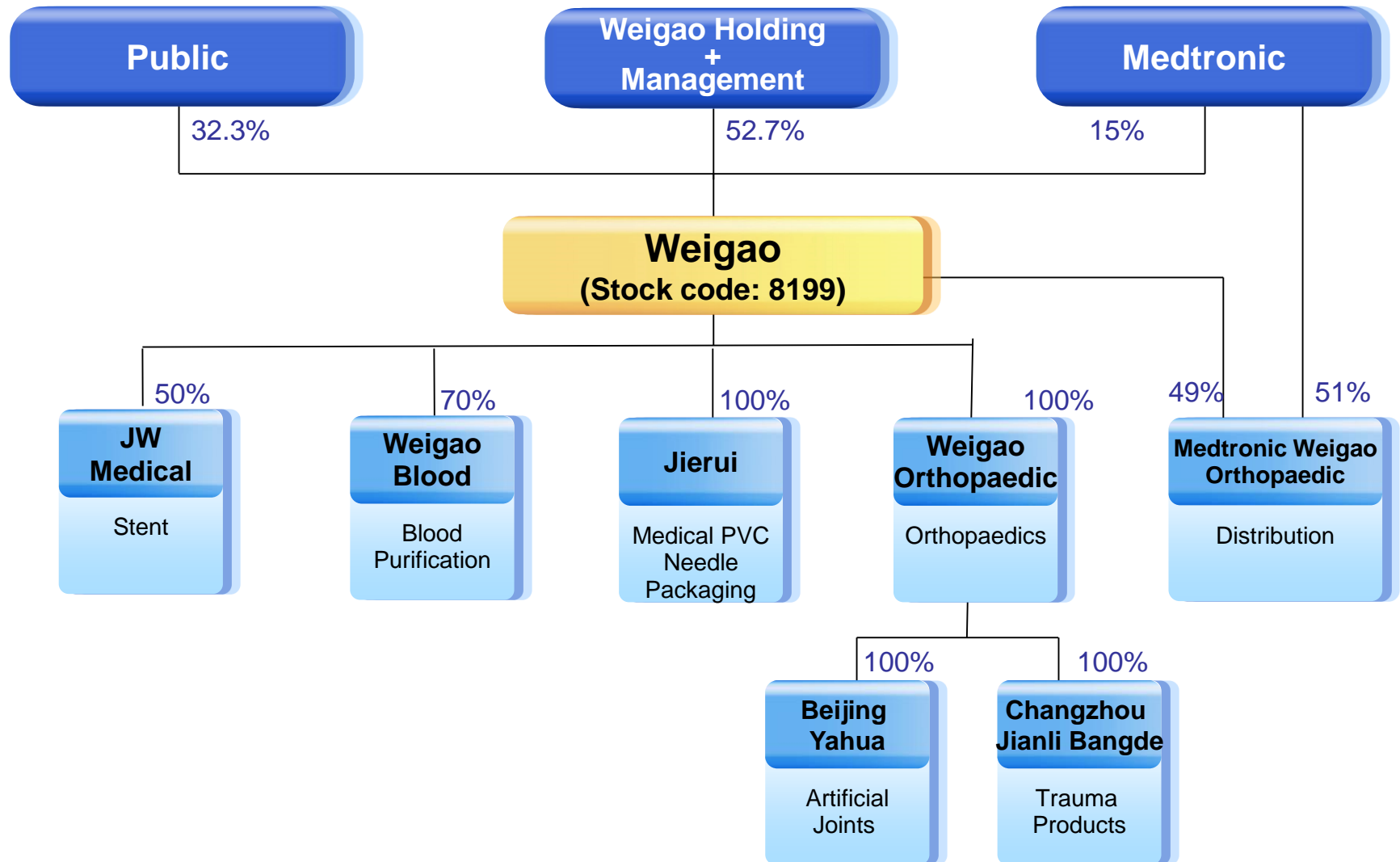
Strategies

Strategies

- Continue to consolidate position in the high-end market and focus on research and development and sale of high margin and high value single-use consumables to replace products of international medical device companies;
- Continue the mergers and acquisitions strategy to expand in the fast growing value segment market in the PRC;
- Continue to develop international market;
- Continue to seek international cooperation ; and
- Expand blood purification production for Weigao to be a major integrated supplier of dialyzer and related consumable in China.

Group Structure

Weigao Group Structure



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