



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

Third Quarter Results 2012

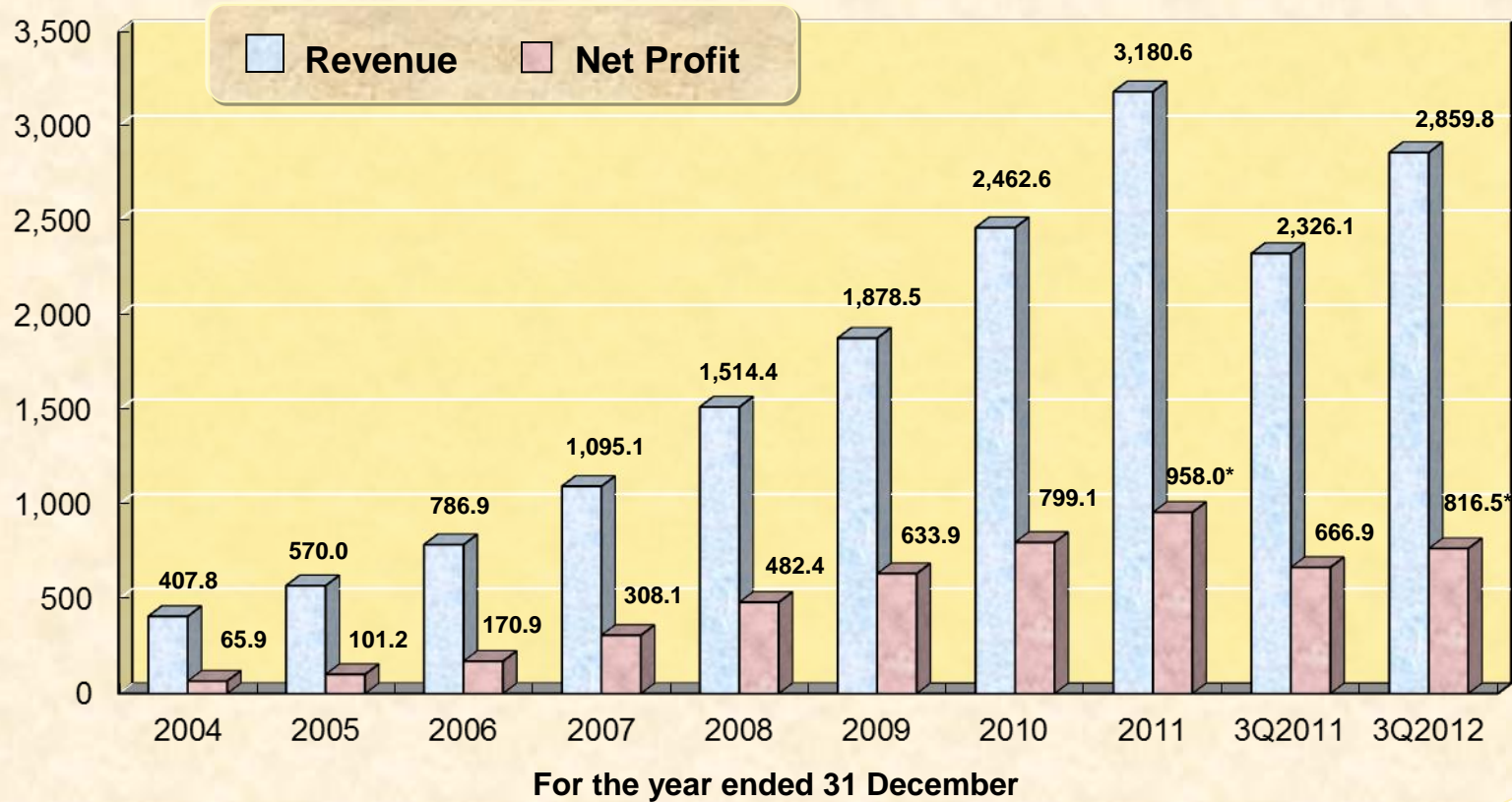
16 November 2012

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Continuous Revenue and Earnings Growth

RMB million



7 Years CAGR

- Turnover : 34.1%↑
- Net Profit : 46.6%↑

* net profit excluding extraordinary items

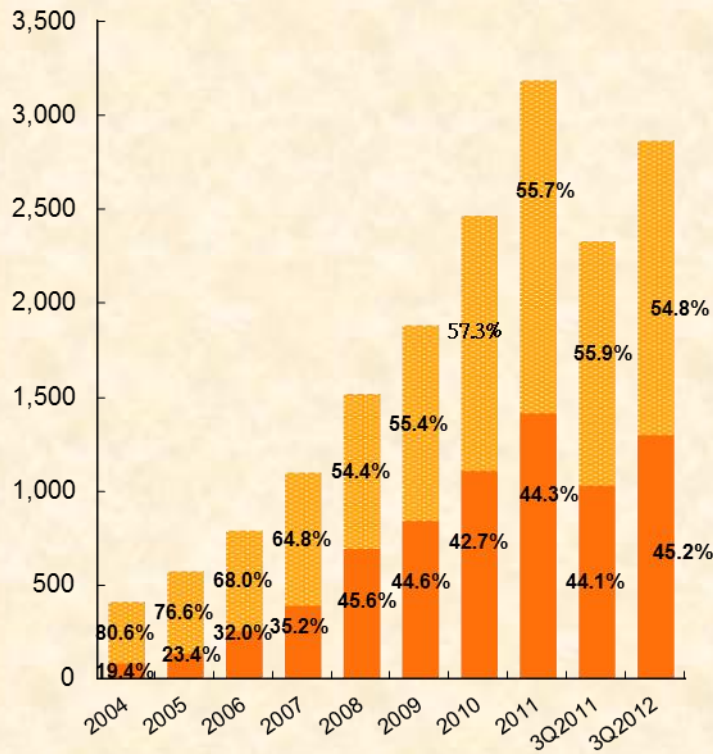
3Q2011 vs 3Q2012

- Turnover : 22.9%↑
- Net profit : 22.4%↑

Turnover and GP Analysis

Turnover

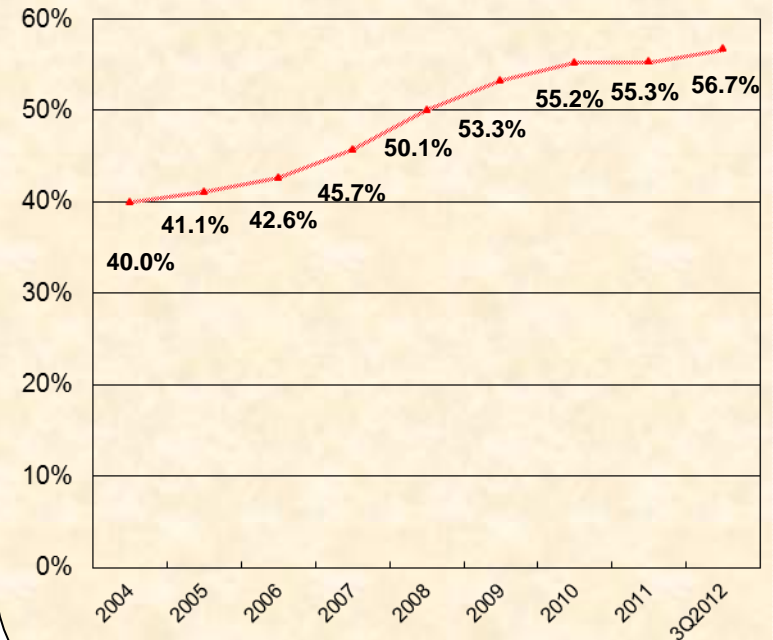
RMB million



For the year ended 31 December

- 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 the 9 months ended 30 Sept 2012	For the 9 months ended 30 Sept 2011	Change %	For the 3 months ended 30 Sept 2012	For the 3 months ended 30 Sept 2011	Change %
Revenue	2,859.8	2,326.1	+22.9	980.8	820.3	+19.6
COGS	(1,237.1)	(1,061.8)	+16.5	(407.4)	(363.8)	+12.0
Gross profit	1,622.8	1,264.3	+2.3	573.4	456.4	+2.8
- Gross profit margin	56.7%	54.4%		58.4%	55.6%	
Other revenue	55.4	49.5	+11.9	15.6	17.0	(8.2)
Distribution costs (% on revenue)	(646.7) 22.6%	(468.9) 20.2%	+2.4	(225.1) 22.9%	(153.1) 18.7%	+4.2
Administrative expenses	(289.9)	(220.1)	+31.7	(100.4)	(78.5)	+27.9
Finance costs	(1.4)	(2.6)	(46.2)	-	(0.8)	-
Share of results in jointly controlled entities	(2.9)	88.9	-	(0.8)	24.7	-
Share of results in associates	130.0	41.5	+213.2	43.7	16.3	+168.1
Profit before taxation	867.4	752.8	+15.2	306.4	282.1	+8.6
Taxation	(101.1)	(82.7)	+22.2	(36.5)	(31.6)	+15.5
Minority Interest	(0.1)	3.1	-	(1.4)	1.1	-
Profit after taxation	766.4	666.9	+14.9	271.3	249.1	+8.9
Profit before Taxation and JVs	740.3	619.2	+19.6	263.5	241.1	+9.3
Effective tax rate	13.7%	13.4%	+0.3	13.9%	13.1%	+0.8

Share of results in jointly controlled entities

- JWMS	-	93.0	-	-	25.8	-
- Nikkiso	(2.9)	(4.1)	-	(0.8)	(1.1)	(27.2)
- Terumo	-	-	-	-	-	-
	(2.9)	88.9	-	(0.8)	24.7	-
Share of results in associates						
- MDT JV	46.7	41.5	+12.5%	17.5	16.3	+7.4%
- 21.4% in Biosensors	83.3	-		26.2	-	
	130.0	41.5	+213.2	43.7	16.3	+168.1

Turnover Breakdown by Products

Products	For the 9 months ended 30 Sept			% to turnover	
	2012	2011	Change	2012	2011
	RMB m	RMB m	%	%	%
Consumables					
- Infusion sets	872.1	687.8	26.8	30.5	29.6
- Needles	488.5	407.6	19.9	17.1	17.5
- Syringes	408.8	346.8	17.9	14.3	14.9
- Blood bags	146.5	130.9	11.9	5.1	5.6
- Pre-filled syringes	132.0	104.9	25.8	4.6	4.5
- Blood sampling	54.3	43.4	24.9	1.9	1.9
- PVC granules	48.8	47.5	2.8	1.7	2.0
- Other consumables	222.2	172.7	28.7	7.8	7.5
Subtotal for consumables	2,373.3	1,941.6	22.2	83.0	83.5
Orthopaedic	213.4	175.4	21.7	7.5	7.5
Blood purification consumables	197.4	133.4	48.0	6.9	5.7
Blood purification equipment	75.8	75.7	0.1	2.6	3.3
Total	2,859.8	2,326.1	22.9	100.0	100.0

Turnover Breakdown by Products

Products	For the 3 months ended 30 Sept			% to turnover	
	2012 RMB m	2011 RMB m	Change %	3Q2012 %	3Q2011 %
Consumables					
- Infusion sets	306.4	240.2	27.6	31.2	29.3
- Needles	152.7	138.2	10.5	15.6	16.8
- Syringes	151.2	128.9	17.3	15.4	15.7
- Blood bags	48.2	43.3	11.4	4.9	5.3
- Pre-filled syringes	42.6	32.3	31.8	4.3	3.9
- Blood sampling	20.3	16.4	23.8	2.1	2.0
- PVC granules	15.6	12.7	22.5	1.6	1.5
- Other consumables	82.8	66.2	25.2	8.5	8.1
Subtotal for consumables	820.0	678.2	20.9	83.6	82.7
Orthopaedic	67.0	64.0	4.6	6.8	7.8
Blood purification consumables	73.2	51.4	42.3	7.5	6.3
Blood purification equipment	20.6	26.6	(22.6)	2.1	3.2
Total	980.8	820.3	19.6	100.0	100.0

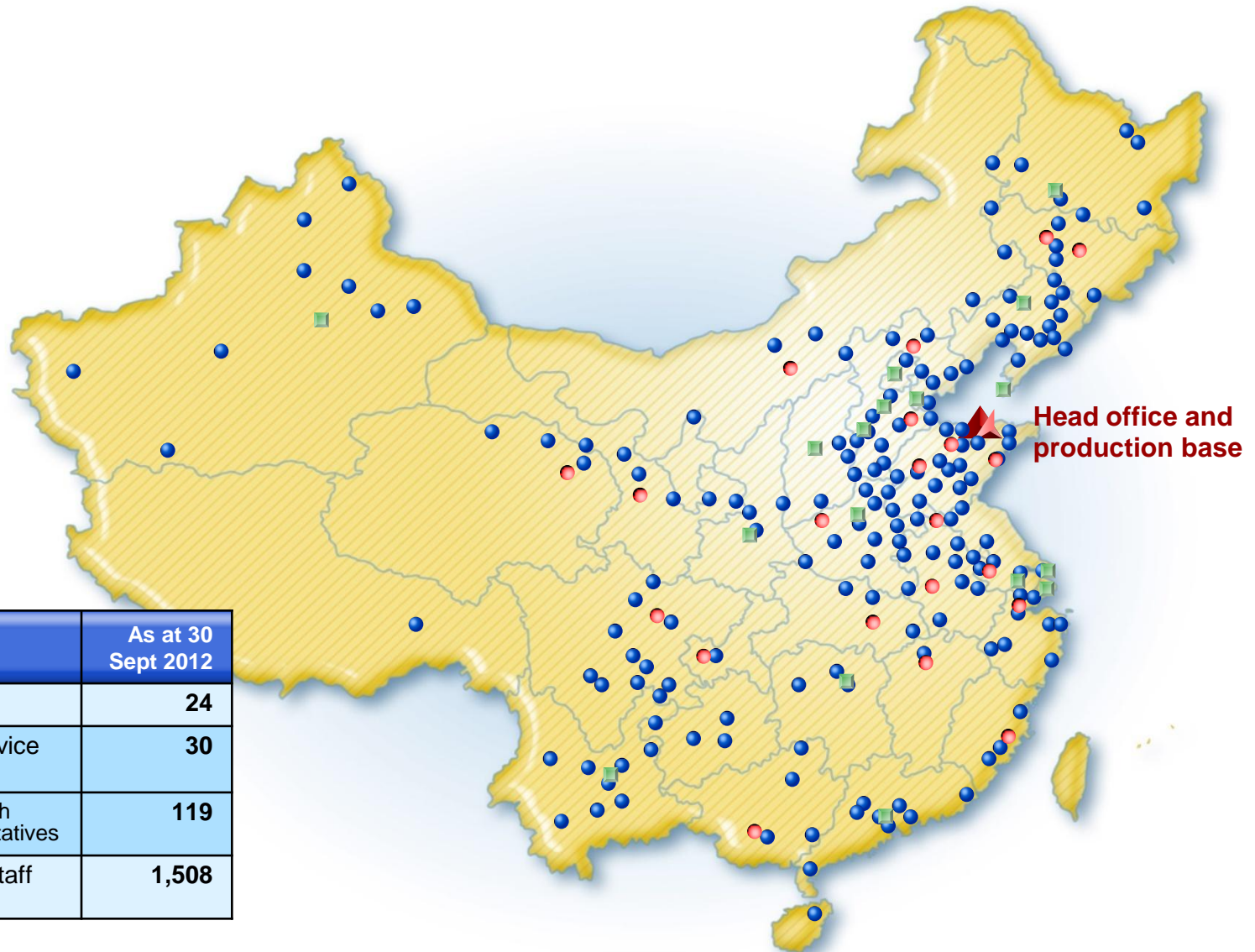
Cost Analysis

For the 3 months ended 30 Sept

% to turnover

	2012	2011	change	3Q2012	3Q2011
	RMB m	RMB m	%	%	%
Raw materials	257.1	241.1	6.6	26.2	29.4
- Medical materials	96.5	90.9	6.2	9.8	11.1
- Metal	44.6	47.2	(5.5)	4.5	5.8
- Packaging	33.2	29.9	11.0	3.4	3.6
- Others	82.8	73.1	13.3	8.4	8.9
Staff costs	72.3	52.9	36.7	7.4	6.4
Production cost	77.9	69.9	11.4	7.9	8.5
Total COGS	407.3	363.9	11.9	41.5	44.4
Other operating expenses	326.0	231.6	40.8	33.2	28.2
- Distribution cost	225.4	153.1	47.2	23.0	18.7
- Administration cost	100.6	78.5	28.2	10.3	9.6
Total	733.3	595.5	23.1	74.8	72.6

Nationwide Sales Network



	As at 30 Sept 2012
■ Sales office	24
● Customer service centre	30
● No. of cities with sales representatives	119
No. of sales staff	1,508

Expanding Customer Base

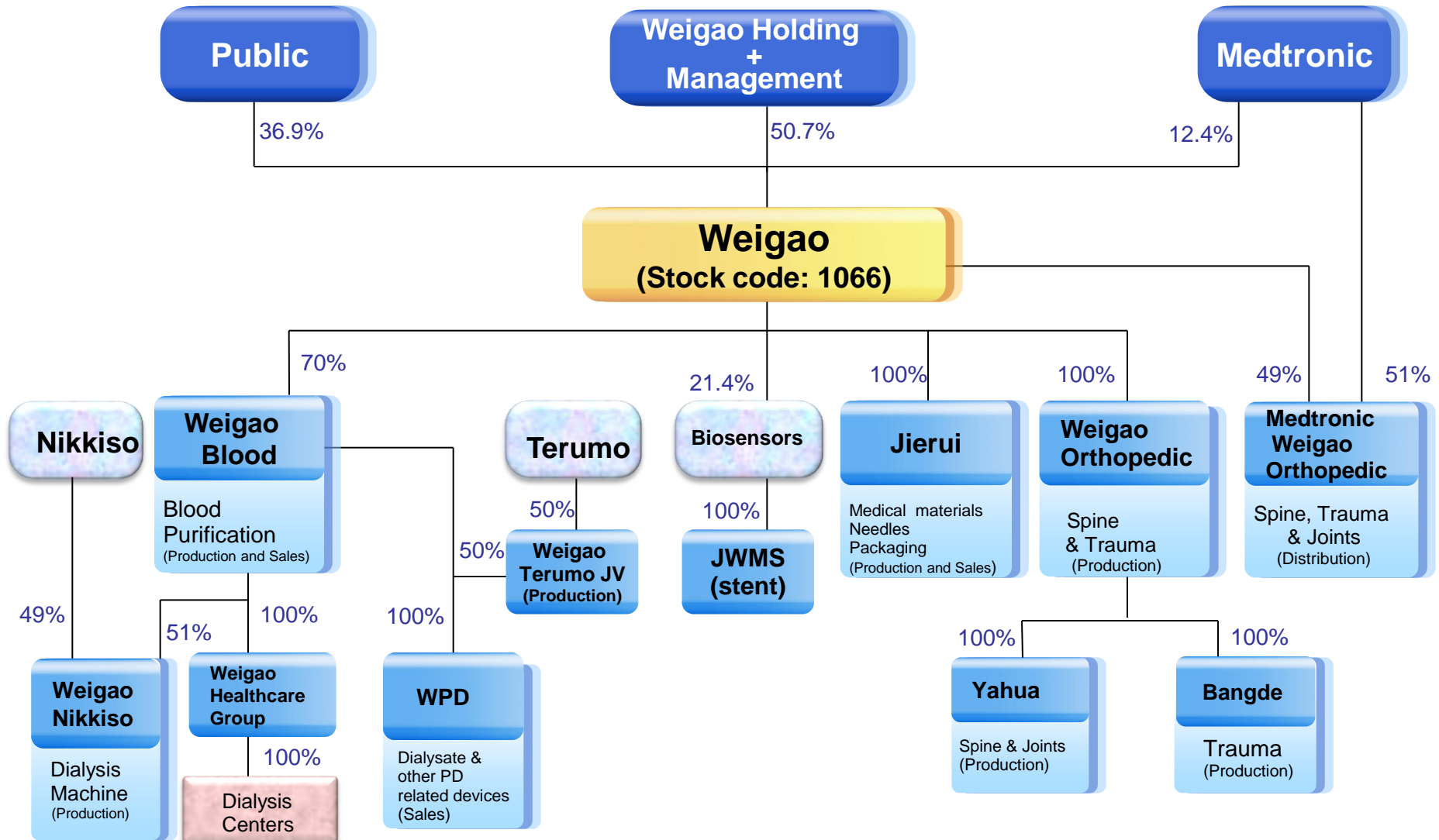
	Total in China In 2011	No. of customers	Coverage
Hospitals			
• Top tier	1,399	966	69.1%
• Medium	6,468	1,672	25.9%
• Small	5,636	313	5.6%
• Other - Not rated	8,476	21	0.2%
Subtotal	21,979	2,972	13.4%
Blood centres	525	414	78.9%
Other medical units	931,885	622	0.06%
Distribution companies		1,082	
Total		5,090	

Source: Ministry of Health and the Company

New Product Development

Category	No. of products as at 30 Sept 2012
With product registration certificates	242
Under application for product registration certificates	43
Patented products	183
Under patent application	47

Weigao Group Structure



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