



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

Interim Results 2012

15 August 2012

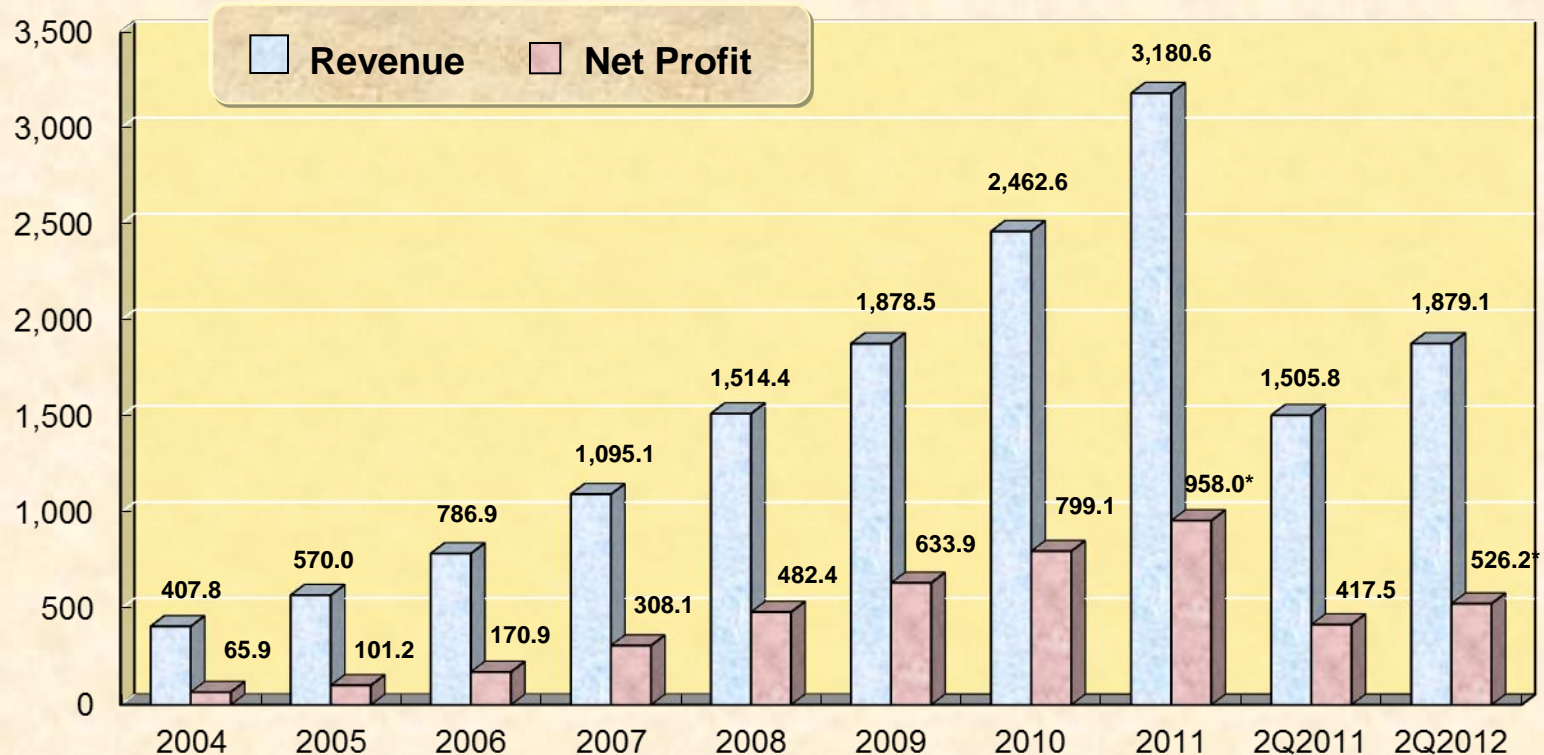
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Reconciliation of Biosensors Profit and Net Profit

Continuous Revenue and Earnings Growth

RMB million



For the year ended 31 December

7 Years CAGR

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

2Q2011 vs 2Q2012

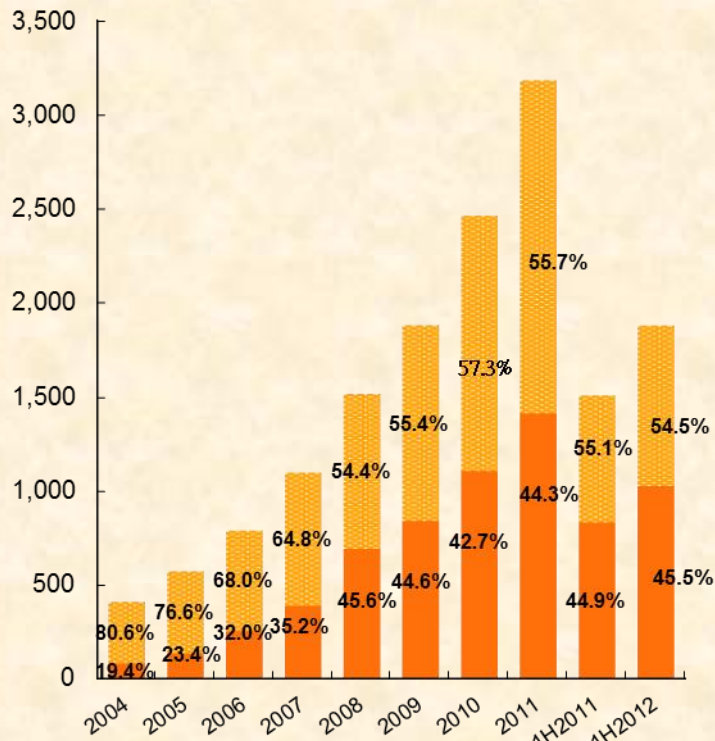
- Turnover : 24.8%↑
- Net profit : 26.0%↑

* net profit excluding extraordinary items

Turnover and GP Analysis

Turnover

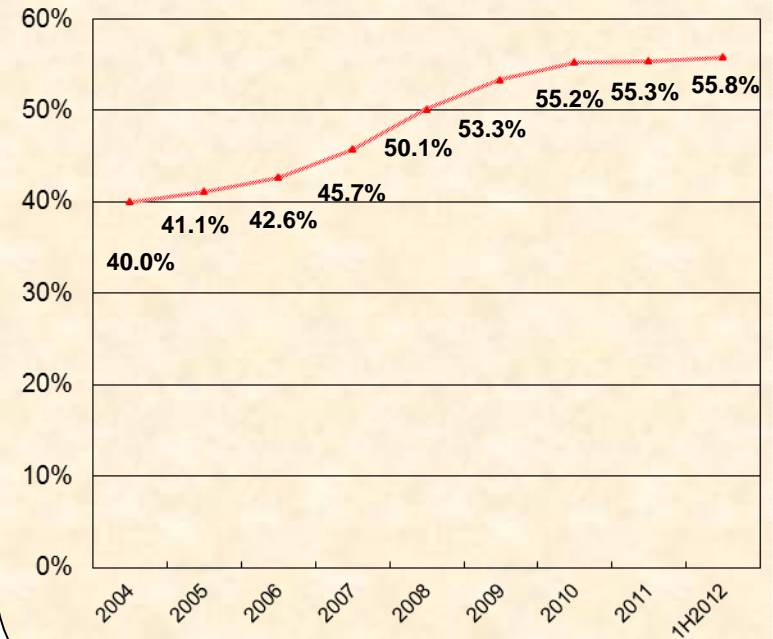
RMB million



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 6 months ended 30 June 2012	For the 6 months ended 30 June 2011	Change
Revenue	1,879.1	1,505.8	+24.8
COGS	(829.7)	(697.9)	+18.9
Gross profit	1,049.4	807.9	+2.1
- Gross profit margin	55.8%	53.7%	
Other revenue	39.9	32.5	+22.8
Distribution costs (% on revenue)	(421.6) 22.4%	(315.8) 21.0%	+1.4
Administrative expenses	(189.4)	(141.6)	+33.8
Finance costs	(1.4)	(1.8)	(22.2)
Share of results in jointly controlled entities	(2.1)	64.2	-
Share of results in associates	86.3	25.2	+242.5
Profit before taxation	561.0	470.7	+19.2
Taxation	(64.6)	(51.1)	+26.4
Minority Interest	(1.3)	(2.1)	(38.1)
Profit after taxation	495.1	417.5	+18.6
Profit before Taxation and JVs	476.8	381.3	+25.0
Effective tax rate	13.5%	13.4%	+0.1

Share of results in jointly controlled entities			
- JWMS	-	67.2	-
- Nikkiso	(2.1)	(3.0)	(0.3)
- Terumo	-	-	-
	(2.1)	64.2	-
Share of results in associates			
- MDT JV	29.2	25.2	+15.8
- 21.47% in Biosensors	57.1	-	-
	86.3	25.2	+242.5

Turnover Breakdown by Products

Products	For the 6 months ended 30 June			% to turnover	
	2012	2011	Change	2012	2011
	RMB m	RMB m	%	%	%
Consumables					
- Infusion sets	565.8	447.7	26.4	30.1	29.7
- Needles	335.8	269.4	24.7	17.9	17.9
- Syringes	257.6	217.9	18.2	13.7	14.5
- Blood bags	98.2	87.6	12.2	5.2	5.8
- Pre-filled syringes	89.4	72.5	23.2	4.8	4.8
- Blood sampling	33.9	27.0	25.6	1.8	1.8
- PVC granules	33.2	34.8	(4.4)	1.8	2.3
- Other consumables	139.4	106.5	30.8	7.4	7.1
Subtotal for consumables	1,553.3	1,263.4	22.9	82.7	83.9
Orthopaedic	146.4	111.3	31.5	7.8	7.4
Blood purification consumables	124.2	82.0	51.5	6.6	5.4
Blood purification equipment	55.1	49.1	12.4	2.9	3.3
Total	1,879.0	1,505.8	24.8	100.0	100.0

Turnover Breakdown by Products

Products	For the 3 months ended 30 June		2012 QoQ change	
	2012	2011	2Q	1Q
	RMB m	RMB m	%	%
Consumables				
- Infusion sets	304.8	241.6	26.2	26.6
- Needles	176.1	146.3	20.4	29.8
- Syringes	135.6	111.9	21.2	15.2
- Blood bags	52.2	45.9	13.7	10.4
- Pre-filled syringes	51.8	41.4	25.1	20.4
- Blood sampling	19.1	15.7	21.6	31.1
- PVC granules	18.5	19.4	(4.6)	(4.3)
- Other consumables	73.8	58.9	25.3	37.6
Subtotal for consumables	831.9	681.1	22.1	23.9
Orthopaedic	79.2	57.8	37.0	25.7
Blood purification consumables	70.0	40.6	72.0	31.1
Blood purification equipment	36.0	33.3	8.1	15.8
Total	1,017.1	812.8	25.1	24.4

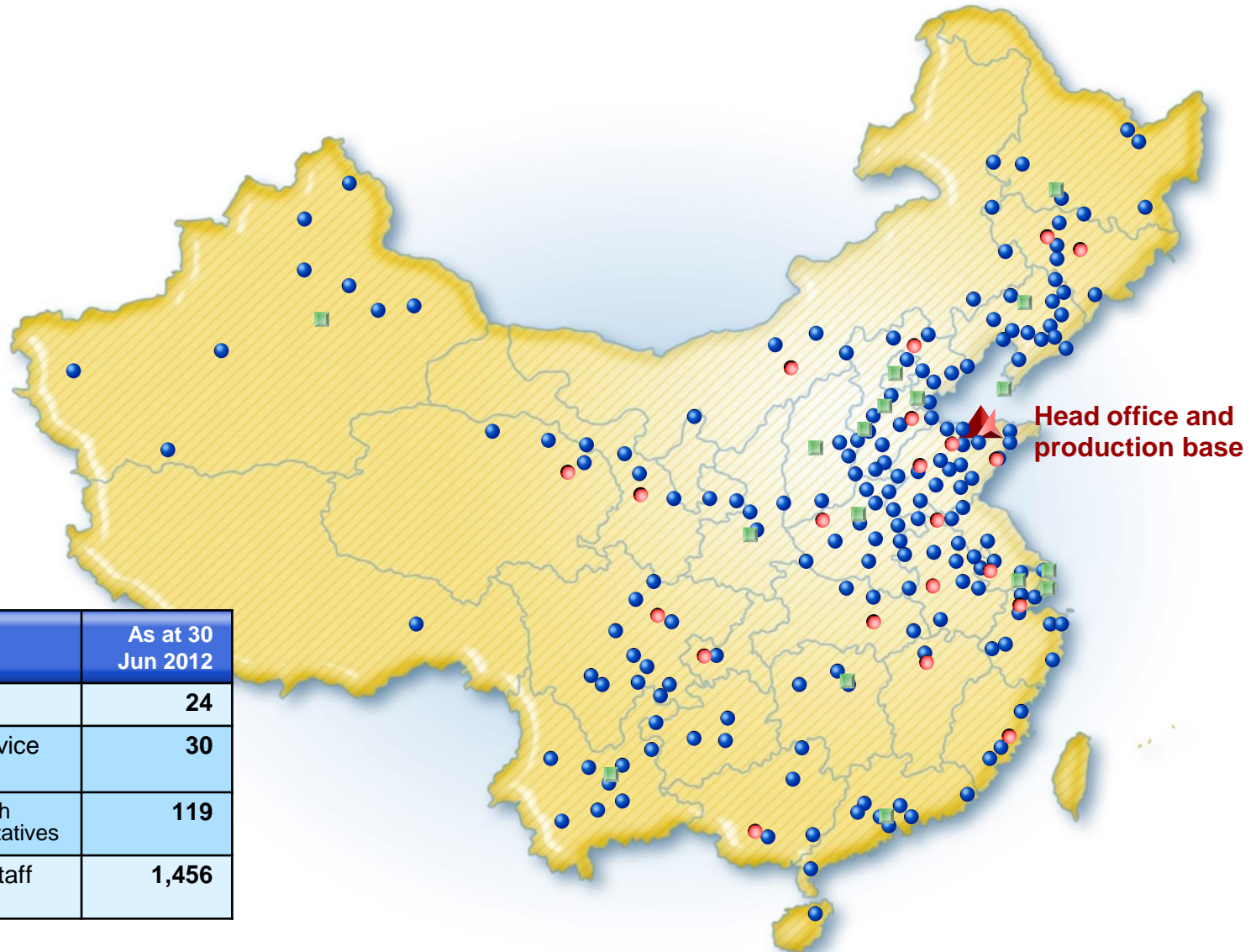
Cost Analysis

For the 6 months ended 30 June

% to turnover

	2012	2011	change	2012	2011
	RMB m	RMB m	%	%	%
Raw materials	529.9	461.7	+14.8	28.2	30.7
- Medical materials	196.5	173.2	+13.5	10.5	11.5
- Metal	102.4	91.0	+12.5	5.4	6.0
- Packaging	65.8	57.3	+14.8	3.5	3.8
- Others	165.2	140.1	+17.9	8.8	9.3
Staff costs	140.7	99.9	+40.8	7.5	6.6
Production cost	159.1	136.3	+16.7	8.5	9.1
Total COGS	829.7	697.8	+18.9	44.2	46.3
Other operating expenses					
- Distribution cost	421.6	315.8	+33.5	22.4	21.0
- Administration cost	189.4	141.5	+33.9	10.1	9.4
Total	1,440.7	1,155.1	+24.7	76.7	76.7

Nationwide Sales Network



	As at 30 Jun 2012
■ Sales office	24
● Customer service centre	30
● No. of cities with sales representatives	119
No. of sales staff	1,456

Expanding Customer Base

	Total in China In 2011	No. of customers	Coverage
Hospitals			
• Top tier	1,399	967	69.1%
• Medium	6,468	1,661	25.7%
• Small	5,636	313	5.6%
• Other - Not rated	8,476	21	0.2%
Subtotal	21,979	2,958	13.4%
Blood centres	525	414	78.9%
Other medical units	931,885	594	0.06%
Distribution companies		1,090	
Total		5,062	

Source: Ministry of Health and the Company

New Product Development

Category**No. of products as at
30 June 2012**

With product registration certificates

236

Under application for product registration certificates

42

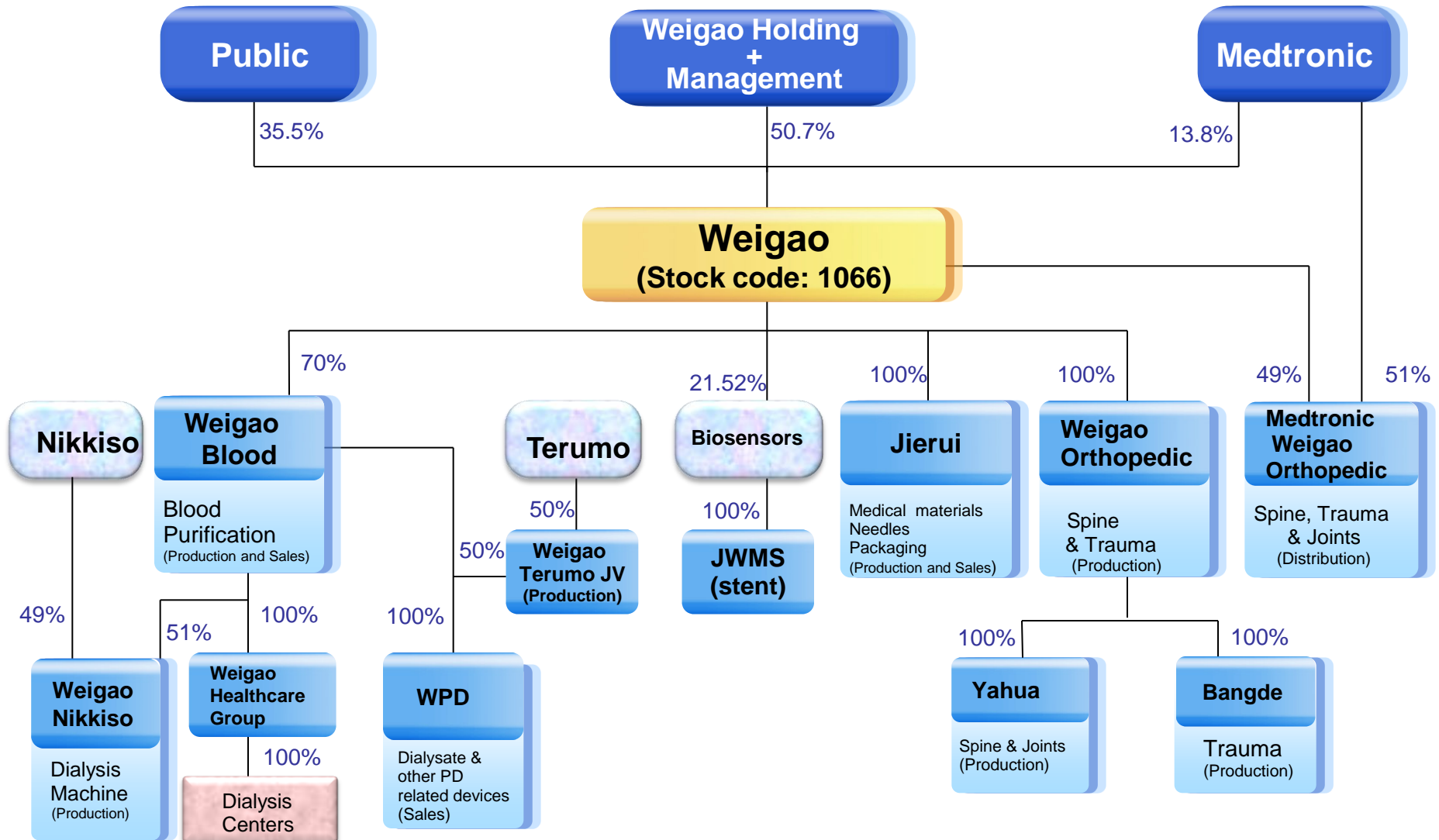
Patented products

177

Under patent application

38

Weigao Group Structure



Appendix

Reconciliation of Biosensors Profit		Quarter ended 30-Jun-12 US\$ '000	Remarks
Net Profit for the period as shown in Biosensors reported earnings		32,632	Intangible assets such as licensing agreements, patents and customer relationships are re-measured at the acquisition date. Fair value of USD427 M is recognized and subject to amortization on a straight-line basis over 10 years. at an exchange rate of 1 USD into RMB 6.3096
Less: Amortization of intangible assets of Biosensors		(8,866)	
Adjusted net profit for the period	USD	23,766	
	RMB	149,953	
	RMB	32,195	at 21.47%

Reconciliation of Weigao Net Profit		2012 RMB'000	2011 RMB'000	Change
Profit for the 6 months ended 30 Jun 2012		495,116	417,481	
	USD'000			
Add: extraordinary items for the quarter ended 30 Jun 2012				
Amortization of intangible assets of Biosensors	8,866			
Amortization of customer lists and patents	4,021			
Translation difference of investment in joint venture company	1,070			
Other exceptional items	(5,362)			
	8,595 @6.3096 x21.47%	11,643	-	
Add: extraordinary items for the quarter ended 31 Mar 2012		19,463	-	
Profit for the 6 months ended 30 Jun 2012 excluding extraordinary items		526,222	417,481	26%

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