WEGO 威高

Shandong Weigao Group Medical Polymer Company Limited*

山東威高集團醫用高分子製品股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(在中華人民共和國註冊成立的股份有限公司)

(Stock Code 股票號碼 : 1066)

ANNUAL REPORT
年報
2010

* For identification purposes only
僅供識別

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DIRECTORS AND SUPERVISORS

董事及監事

Executive Directors

執行董事

Mr. Zhang Hua Wei	張華威先生
Mr. Miao Yan Guo	苗延國先生
Mr. Wang Yi	王毅先生
Mr. Wang Zhi Fan	王志范先生
Mr. Wu Chuan Ming	吳傳明先生

Non-executive Directors

非執行董事

Mr. Chen Xue Li	陳學利先生
Mrs. Zhou Shu Hua	周淑華女士
Mr. Li Bing Yung	李炳容先生
Mr. Jean-Luc Butel	Jean-Luc Butel先生

Independent non-executive Directors

獨立非執行董事

Mr. Luan Jian Ping	欒建平先生
Mr. Shi Huan	石峘先生
Mr. Li Jia Miao	李家淼先生
Mr. Lo Wai Hung	盧偉雄先生

Supervisors

監事

Ms. Bi Dong Mei	畢冬梅女士
Mr. Miao Hai Sheng	苗海生先生
Ms. Chen Xiao Yun	陳曉雲女士

CORPORATE INFORMATION

公司資料

Registered office and principal place of business in the People's Republic of China (the "PRC")

中華人民共和國(「中國」)註冊辦事處及主要營業地點

312 Shi Chang Road	中國
Weihai	山東省
Shandong Province	威海市
PRC	世昌大道312號

Principal place of business in Hong Kong

香港主要營業地點

801, Chinachem Century Tower	香港
178 Gloucester Road	灣仔
Wanchai	告士打道178號
Hong Kong	華懋世紀廣場801室

Company secretary

Ms. Wong Miu Ling, Phillis, *ACIS*

公司秘書

黃妙玲女士*ACIS*

Compliance officer

Mr. Zhang Hua Wei

監察主任

張華威先生

Audit committee

Mr. Lo Wai Hung
Mr. Luan Jian Ping
Mr. Shi Huan
Mr. Li Jia Miao
Mrs. Zhou Shu Hua

審核委員會

盧偉雄先生
欒建平先生
石峘先生
李家淼先生
周淑華女士

Authorised representatives

Mr. Zhang Hua Wei
Ms. Wong Miu Ling, Phillis

授權代表

張華威先生
黃妙玲女士

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants

核數師

德勤 • 關黃陳方會計師行
執業會計師

Hong Kong share registrars and transfer office

Tricor Standard Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

香港股份過戶登記處

卓佳標準有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

Principal bankers

1. Agriculture Bank of China, Weihai Branch
2. Bank of China, Weihai Branch

主要往來銀行

1. 中國農業銀行－威海市分行
2. 中國銀行－威海市分行

Website of the Company

www.weigaogroup.com

本公司網址

www.weigaogroup.com

Stock Code

1066

股份代號

1066

SHANDONG WEIGAO GROUP MEDICAL POLYMER COMPANY LIMITED

Shandong Weigao Group Medical Polymer Company Limited (the "Company") and its subsidiaries (together the "Group") is principally engaged in the research and development, production and sale of single-use medical devices. The Group has a wide range of products, which includes: i) consumables (infusion set, syringes, medical needle, blood bags, pre-filled syringes, blood sampling products, and other consumables); ii) orthopedic materials; iii) blood purification consumables; and iv) stent. The Company is recognised as an industrialization base to commercialise products developed by the State High-tech Research and Development (863) Program, the State High-tech Enterprise and the State Technology Center. The Group's main production facilities is situated in Weihai City in Shandong Province.

The Group is incorporated in the People's Republic of China. The Group has an extensive sales network comprising 22 sales offices, 30 customer liaison centers and 111 municipal representative offices. It has an extensive customer base of 5,055 healthcare organizations and distributors, including 2,940 hospitals, 413 blood stations, 616 other medical units and 1,086 trading companies.

The Group produces a wide range of products in four major categories, namely:–

I. Single use medical consumables and materials (including infusion (transfusion) sets, syringes, blood bags and blood component segregator consumable, blood sampling products, prefilled syringes for pre-pack medication and medical needles which mainly include intravenous needles, syringe needles, intravenous catheter needles, blood sampling needles and irregular needles;

II. Orthopedic materials and instruments, including trauma products of steel plates and screws, spinal implants and artificial joints;

III. Blood purification consumables, including puncture needles, extracorporeal blood circuit for blood purification sets, dialyzers and related consumables; and

IV. Cardiovascular stent, mainly including drug eluting stent and balloon.

關於山東威高集團醫用高分子製品股份有限公司

山東威高集團醫用高分子製品股份有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事研究及開發、生產及銷售一次性醫療器械。本集團提供不同種類產品,包括:i)耗材(輸液器、注射器、醫用針製品、血袋、預充式注射器、採血產品及其他使用耗材);ii)骨科材料;iii)血液淨化耗材;及iv)心臟支架。本公司為中國國家高技術研究發展(863)計劃成果產業化基地、國家級高新技術企業、國家企業技術中心。本集團主要生產基地位於中國山東省威海市。

本集團在中華人民共和國註冊成立,擁有一個由22個銷售辦事處及30個客戶聯絡中心和111家城市代表處組成的龐大銷售網絡,並已建立廣泛的客戶基礎,其產品銷售予5,055家醫療單位和分銷商,其中包括醫院2,940家、血站413家、其他醫療機構616家和1,086家經銷商。

本集團生產的多種產品,主要可分為四大系列,即:—

I. 一次性使用醫療耗材及原料,其中包括輸液(血)器、注射器、血袋與血液成份分離耗材、採血系列耗材、用於藥品包裝的預充式注射器及醫用針製品,主要包括靜脈針、注射針、留置針、採血針、異形針等系列製品等;

II. 骨科材料及工具,主要包括鋼板、螺釘等創傷治療耗材、脊柱系列耗材及人工關節系列耗材;

III. 血液淨化系列耗材,主要包括穿刺針、血液淨化裝置之體外循環管路、透析器等有關耗材;及

IV. 心臟支架產品,主要包括藥物塗層心臟支架、球囊等。

On behalf of the board of directors (the "Board") of Shandong Weigao Group Medical Polymer Company Limited, I would like to present the audited consolidated results of the Group for the year ended 31st December 2010. The Group's results in 2010 have continued to grow steadily, with prominent effect from the optimization adjustment to product mix, which laid a foundation for our future development.

本人欣然代表山東威高集團醫用高分子製品股份有限公司董事會(「董事會」)向股東提呈本集團截至二零一零年十二月三十一日止年度的經審核綜合業績。本集團二零一零年度業績持續穩步增長,產品結構調整與優化的效果顯著,為未來發展奠定了基礎。

FINANCIAL SUMMARY

During the year under review, the Group recorded turnover of approximately RMB2,462,557,000 for the year ended 31st December 2010, representing an increase of approximately 31.1% over the previous year and profit attributable to equity shareholders was approximately RMB799,072,000 and basic earning per share was approximately RMB0.37. The growth in turnover and profit attributable to shareholders have been mainly due to our strategy in improving the product mix.

財務摘要

回顧年度內,本集團截至二零一零年十二月三十一日止年度的營業額達到約人民幣2,462,557,000元,較上一年度增加約31.1%,而權益股東應佔溢利約為人民幣799,072,000元,每股基本盈利約為人民幣0.37元。營業額及股東應佔溢利增加主要因本集團按策略優化產品結構。

FINANCIAL HIGHLIGHT

財務概覽

		Audited 經審核		
		2010	2009	**Growth**
		二零一零年	二零零九年	**增長**
		RMB'000	RMB'000	*%*
		人民幣千元	人民幣千元	*%*
Turnover	營業額	**2,462,557**	1,878,495	31.1%
Gross profit	毛利	**1,359,699**	1,001,259	35.8%
Net profit attributable to shareholders	股東應佔純利	**799,072**	633,864	26.1%

BUSINESS REVIEW

Product Mix

During the year, the Group continued the strategy of improving the product mix, focusing on the business development of orthopaedic products, blood purification products and increased the marketing and sales effort on high value-added products such as intravenous catheters, high-end infusion sets, safety auto disable syringes, and phased out the production of some low value-added products. The result was remarkable. Due to effective change in product mix, the Group further increased the gross profit margin to 55.2% from 53.3% in the previous year. The performance of the Group in four business segments was as follows:

1. Consumables: Remarkable results were achieved following the product mix adjustment on the principal products. The Group recorded a turnover of approximately RMB1,981,247,000, representing an increase of 29.8% over the previous year. The Group recorded a continued growth in needle products, with turnover of approximately RMB398,354,000 during the year, representing an increase of 21.3% when compared with the previous year. The Directors believe that needle products will become an important area for continued development of the Company.

   Market development of specialized infusion set with dosage control device and infusion sets made of proprietary non PVC based material has also maintained the rapid growing momentum during the year. It drove the turnover of infusion sets of the Group to RMB723,697,000, representing an increase of 37.9% over the previous year. With the keen market competition for infusion sets, the Group's favourable position in the high-end infusion set was further strengthened.

   During the year, the glass tube production line for pre-filled syringes has been operated smoothly. The Company established a favourable position in market development. The turnover of pre-filled syringes for the year amounted to approximately RMB97,676,000, representing an increase of 53.0% over the previous year.

業務回顧

產品結構優化調整

年內，本集團繼續按策略推進產品結構的優化調整，重點發展骨科產品業務、血液淨化產品業務，加強留置針、高檔輸液器、安全自毀注射器等高附加值產品的市場推介與銷售及淘汰部分附加值較低產品，取得較好業績。由於產品結構的有效調整，本集團進一步提升了毛利率水平，從去年的53.3%提升到55.2%。本集團四個業務部類取得了如下發展：

1. 常規耗材：本集團常規產品部類各主要產品的產品結構調整效果顯著，實現營業額達人民幣約1,981,247,000元，較去年增長29.8%。本集團的針類製品持續增長，年內錄得營業額約人民幣398,354,000元，較去年增長21.3%。董事相信，針類製品將成為威高持續發展的重要領域。

   年內，本集團特種流量監控輸液器與發明的非PVC材料所製造之輸液器的市場拓展也保持了快速增長的態勢，帶動本集團輸液器產品錄得銷售額人民幣723,697,000元，較上一年度增長37.9%。隨著輸液器市場優勝劣汰市場競爭格局的進展，該產品進一步鞏固了本集團在高端輸液器市場之優勢地位。

   年內，預充式注射器之玻璃管生產線運作良好，市場拓展已取得有利地位，年度內預充式注射器產品錄得營業額約為人民幣97,676,000元，較上一年度增長53.0%。

2. The blood purifications business of Weigao Blood, a subsidiary of the Company, has achieved fast growth and recorded a turnover for the year of approximately RMB142,893,000, representing an increase of approximately 107.4% when compared with the previous year; the Group planned to invest approximately RMB100,000,000 for purchasing the second polymer membrane dialysis device production line to expand the production capacity so as to meet the market demand. The Directors expect that the blood purification business will become an important direction and area for development of the Group.

2. 本公司之附屬公司威高血液之血液淨化業務獲得快速發展，年度營業收入約人民幣142,893,000元，較去年增長107.4%；本集團計劃投資約人民幣1億元採購合成膜透析器第二條生產線，以擴大生產能力，滿足市場需求。董事預期，血液淨化業務將成為本集團重要的發展方向與領域。

3. The turnover of orthopaedic business for the year was approximately RMB175,233,000, representing a growth of 39.9% when compared with the previous year. The Distribution Joint Venture with Medtronic, Inc. in orthopaedic products was running well and net profit attributable to the Group for the year were approximately RMB44,140,000, representing an increase of 39.7% when compared with the previous year.

3. 骨科業務年度營業收入約人民幣175,233,000元，較去年增長39.9%；與美敦力合營的骨科產品分銷公司運行良好，年度內為本集團貢獻44,140,000元淨收益，較去年增長39.7%；

As result of the aforesaid measures in adjusting the product mix, the percentage of turnover from high value-added products (products with gross profit margins of over 60%) of the Group to its total turnover maintained at 44.8% (2009: 44.6%).

受以上產品結構調整舉措的影響，年內，本集團高附加值產品（毛利率超過60%）之營業收入佔營業收入總額之百分比維持在44.8%（二零零九年：44.6%）。

4. The stent business of JW Medical, a 50% jointly owned entity of the Company, has sustained its fast growth trend, and contributed approximately RMB155,587,000 to the profit of the Group, representing an increase of 42.3% when compared with the previous year.

4. 本公司持有50%股權的吉威醫療的心臟支架業務仍保持快速增長趨勢，為本集團的利潤貢獻達人民幣155,587,000元，較去年增長42.3%。

Outlook

The year 2010 was the toughest year in the history of the Group. Firstly, there was no major improvement in the delay of settlement from customers. It was necessary to strike a balance in terms of sales growth, resources allocation and selection of different product categories from time to time to ensure the balance between short-term interests and long-term development. Secondly, the materials costs during the year were again increased significantly and the trend continues resulting in fairly low profit margin or loss making for majority of the conventional single use consumables. The Group continues to suppress such product sales so as to maintain a reasonable level of profit margin. It certainly has, to certain extent, had an impact on the growth in sales of conventional single use consumables. Furthermore, during the year, the Company faced drastic increase in labour cost and pressure in recruitment. Due to the speed up of business expansion of multinational companies in China market and the listing of industry players which are in common business areas of that of the Group in various capital markets, it has major impact on substantially speeds up the increase in salary and fringe benefits. The Group considers that a stable working team is fundamental to the continuous development of the Company. With this new market development in human resources, the Group promptly adjusted the salary and the policy on fringe benefits to retain a stable working team. The Group expects that continuous increase in labour costs and fringe benefits will be a major challenge. Through emphasis on innovation and increase in high value added products, the Company will maintain its long term competitive edge in the competitive environment. The Group will take into account the changes in the market and appropriately offer a long term competitive salary and fringe benefits to retain talents in the competitive market.

回顧與展望

二零一零年，是本集團歷史上經歷的最艱苦的一年：首先是客戶結算付款狀況仍沒有較大改善，公司必須在銷售增長和資源分配上、在不同品種的取捨上時刻進行平衡，以保證短期利益和長期發展的均衡；其次，年內原料價格回復強勁漲勢，導致大部分的常規產品處於微利和虧損狀態，本集團持續壓縮該等產品的發貨量，以維持合理的盈利水平，這在一定程度上影響了常規產品的收入增長；再次，公司面臨巨大的人工成本上漲壓力和招工壓力，加之跨國公司加快進軍中國市場的步伐和更多同業公司在不同資本市場上市，對加劇薪酬和福利水平的快速上漲有重大影響，本集團認為維持員工隊伍的穩定是公司持續發展的根本所在，面對人才市場的新變化，本集團適時調整了薪酬和福利政策來維持員工隊伍的穩定，本集團預期薪酬和福利的持續上漲將會是公司未來面臨的巨大挑戰，只有加大創新的力度，提升公司產品的附加值才能在長期競爭中維持競爭優勢。本集團將會根據市場變化，適時推出長效的具有競爭力的薪酬福利和人才儲備政策以應對競爭。

Looking forward to 2011, the Group believes that materials and labour costs will continue to increase significantly, but with a lowered growth rate based on the huge surge in 2010. With the continuous increase of capital investment in the healthcare industry, the receivables collection should be eased to a certain degree when compared with 2010. Competition in talent recruitment will be further intensified and the continuous talents shortage situation will remain. On the basis of the significant improvement of the remuneration and welfare levels of production staff in 2010, the Group will continue to face the pressure arising from the surge in remuneration and welfares for management, research and development, and sales staff in 2011. The shortage of conventional single use consumables and blood purification consumables production capacity will constraint further market development. The Group will accelerate on product mix adjustment and technological improvement, as well as raising the production capacity of existing equipment to satisfy the demand of the current market. Meanwhile, the Group will speed up the relocation of new factories to fully relieve the pressure in production capacity. Overall, 2011 will still be a tough year. The directors believe that the Group will place emphasis on the following aspects in 2011:

1. Continue to intensify more efforts on research and development of new products and product sales mix adjustment and consolidate the Group's competitive position in the PRC high-end market. The Group will strengthen the medical staff training and the selection and consolidation of distributors in the middle-end market, thereby laying a solid foundation for the Group's entry into the middle-end market after production capacity expansion in 2012.

展望二零一一年，本集團認為材料和人工成本將會繼續大幅度增長，但在二零一零年巨大上漲的基礎上，漲速將有所下降；隨著財政在醫療領域投入的持續增加，收款狀況會在一定程度上較二零一零年有所緩解；人才競爭將會進一步加劇，持續的人才短缺狀況不會改變，在二零一零年大幅度提高生產員工薪酬福利水平的基礎上，二零一一年將繼續面臨管理、研發、銷售人員薪酬福利上漲的壓力；常規產品、血液淨化耗材產能的不足會制約市場的進一步發展，集團必須加快產品結構的調整力度和技改的速度，提升現有裝置的產出能力，以滿足目前市場的產品需求，並加快新廠區搬遷的速度，以全面緩解產能壓力。綜合來看，二零一一年仍是艱苦的一年，董事認為二零一一年的工作重點如下：

1. 繼續加大新產品的研發力度和產品銷售結構的調整力度，持續鞏固集團在中國高端市場的競爭地位；加大中端市場醫護人員培訓的力度和分銷商的篩選整合，為集團二零一二年產能擴充後進入中端市場奠定基礎。

2. Continue to focus on domestic market. Leverage on the stable development of domestic market to backup the long term process of developing and expanding overseas market. Fully capitalise on the customer resource strengths in the PRC high-end market, through international collaboration by ways of joint venture, co-operation, technology transfer, acquisitions and mergers, etc., thereby introducing technologies and further expanding product categories.

3. Capitalize on the Group's research and development strengths, continue to increase the investments in technological improvement, and increase automation with an objective of assimilating the rising labour cost and recruitment pressure in the long run. The Group will speed up the study and implementation of the long term incentive scheme for employees to share the success of the Group. The Group will continue to offer competitive salary and fringe benefits packages to retain and expand the work force.

With the launching of more upgraded products and new product series, gradual expansion of production capacity and the entry into the middle-end market, the management believes that the Group will continue to consolidate its leading position in the PRC market. The Group and its employees are confident to face new challenges.

By leveraging on the Group's in-depth knowledge of the domestic market and the application of advanced technology and the continued innovation in operation management, the Group will continue to strengthen its professional management team. The Group and its employees are confident to face new challenges.

2. 繼續將重心放在國內市場，用國內市場的穩步發展為國外市場的未來突破提供保障，繼續以打持久戰的心態逐漸擴充現有產品的國際市場份額；充分發揮於中國高端市場的客戶資源優勢，通過合資、合作、技術轉讓、收購兼併等各種方式推進國際合作，引進技術，進一步擴充產品品種。

3. 充分利用本集團的研發優勢，繼續加大技改投入，提升自動化水平，在長期上消化人工成本上漲壓力和招工壓力。加快長效激勵機制的研究和推出，讓員工共享企業發展的成果，逐漸打造具有極強競爭力的薪酬和福利體系，穩定和擴大員工隊伍。

管理層相信，隨著本集團更多升級產品的推出和新系列產品的大規模上市，以及產能壓力的逐漸緩解和中端市場的進入，本集團在中國市場的領先地位將持續鞏固。本集團及其僱員有信心面對新的挑戰。

我們將繼續壯大其專業化的管理團隊，憑著本集團對本土市場的深入瞭解，先進技術的應用及經營理念的不斷創新，本集團及其僱員有信心面對新的挑戰。

DIVIDENDS, BONUS ISSUE AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend a final dividend of RMB0.075 per share (inclusive of tax). The total amount of dividends to be distributed shall be approximately RMB161,442,000, of which dividends paid to non-resident corporate shareholders will be subject to the corporate tax applicable on the PRC sourced income pursuant to the PRC Corporate Income Tax Law and the Regulations on the Implementation of the PRC Corporate Income Tax Law that became effective on 1 January 2008 and the applicable tax rate is 10%. The listed issuer will be responsible for withholding the relevant amount of tax from the dividend payment and the dividends to be received by the non-resident corporate shareholders will be net of withholding tax. The proposal to declare and pay this final dividend will be submitted to the shareholders of the Company at the forthcoming annual general meeting ("AGM") to be held on Tuesday, 7 June 2011. Final dividend for non-listed Shares will be distributed and paid in RMB whereas dividend for H Shares will be declared in RMB and paid in Hong Kong dollars.

The Board has also proposed the bonus issue to its shareholders of H Shares and Non-listed Shares on the basis of one (1) bonus H Share for every one (1) H Share and one (1) bonus Non-listed Share for every one (1) existing Non-listed Share in issue on the record date, i.e. 7 June 2011. The proposal to issue bonus shares will be submitted to the Shareholders of the Company at the forthcoming first special general meeting ("First SGM") and class meetings for holders of H shares and class meetings for holders of non-listed shares ("Class Meetings") to be held on Tuesday, 7 June 2011. The register of holder of H Shares of the Company will be closed from Friday, 6 May 2011 to Tuesday, 7 June 2011 (both days inclusive) during which no transfer of H Shares will be registered. In order to qualify for entitlement to the proposed final dividend, bonus shares and for attending and for voting in the AGM, the First SGM, Class Meetings of the Company, all transfers of H Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's H Share Registrar, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 5 May 2011. The final dividend and bonus shares will be distributed on or before Thursday, 30 June 2011 by ordinary post at shareholder's own risk.

股息、發行紅股及暫停辦理股份過戶登記手續

董事會提議案派付末期股息每股人民幣0.075元(含税)。將分派的股息總額約人民幣161,442,000元。其中,根據於二零零八年一月一日正式實施的《中華人民共和國企業所得税法》及《中華人民共和國企業所得税法實施條例》,向非居民企業股東派發的股息如來源於中國境內的所得應當繳納企業所得税,適用税率為10%由上市發行人從股息付款代扣代繳。非居民企業股東的股息將先扣除預扣税。宣派和支付末期股息的建議將在即將於二零一一年六月七日(星期二)舉行的股東週年大會(「股東週年大會」)上提呈予本公司股東。非上市股份的末期股息將以人民幣派發和支付,而H股股息將以人民幣宣派和以港元支付。

董事會亦建議向其H股及非上市股份股東進行發行紅股,基準為於記錄日期(即二零一一年六月七日)每一(1)股已發行H股股份獲發一(1)股H股紅股及每一(1)股已發行現有非上市股份獲發行一(1)股非上市紅股。發行紅股股份之建議將在即將於二零一一年六月七日(星期二)舉行的第一次股東特別大會(「第一次股東特別大會」)及H股股份持有人類別大會及非上市股份持有人類別大會(「類別大會」)上提呈予本公司股東。本公司將於二零一一年五月六日(星期五)起至二零一一年六月七日(星期二)(包括首尾兩天)暫停H股股東名冊過戶登記,於該期間將不會辦理H股股份過戶登記手續。為有資格收取擬派末期股息、紅股股份及出席本公司股東週年大會、第一次股東特別大會及類別大會並於會上投票,所有H股轉讓文件連同有關股票及轉讓表格,最遲須於二零一一年五月五日(星期四)下午四時三十分交回本公司的H股股份登記及過戶辦事處卓佳標準有限公司(地址:香港灣仔皇后大道東28號金鐘匯中心26樓)以辦理過戶登記手續。末期股息及紅股股份將於二零一一年六月三十日(星期四)或之前以平郵方式派發,郵誤風險概由股東自行承擔。

ANNUAL GENERAL MEETING, THE FIRST SPECIAL GENERAL MEETING AND MEETING FOR HOLDER OF H SHARES AND MEETING FOR HOLDER OF NON-LISTED SHARES

The AGM, the First SGM and Class Meeting for holders of H shares and Class Meeting for holders of non-listed shares of the Company will be held at 9:00 a.m., 9:15 a.m., 9:30 a.m. and 9:45 a.m. respectively (or immediately after the conclusion or adjournment of the previous meeting) on Tuesday, 7 June 2011 at the registered office of the Company at No. 312 Shichang Road, Weihai City, Shandong Province, PRC.

ACKNOWLEDGEMENTS

The Group's various achievements as mentioned above are attributable to the continued supports of the staff, customers and business partners and shareholders. I would like to take this opportunity to express my most sincere thanks for all your contributions!

Chen Xue Li
15 March 2011

股東週年大會、第一次股東特別大會及H股股份持有人大會及非上市股份持有人大會

本公司將分別於二零一一年六月七日(星期二)上午九時正、上午九時十五分、上午九時三十分及上午九時四十五分(或緊隨上次大會結束或續會後)在本公司註冊辦事處舉行股東週年大會、第一次股東特別大會及H股股份持有人類別大會及非上市股份持有人類別大會,地址為中國山東省威海市世昌大道312號。

致謝

本人在上文提及本集團各項成就,均有賴於全體僱員、顧客及業務夥伴和各位股東一貫以來不斷的支持。對於彼等的貢獻,本人謹此致以深切感謝!

陳學利
二零一一年三月十五日

BUSINESS REVIEW

During the year, the listing of the Company's H shares was transferred to the Main Board of the Stock Exchange and issue of bonus shares were completed. The listing of the Company's H shares was successfully transferred from the Growth Enterprise Market to the Main Board of Hong Kong Stock Exchange on 29th July, 2010. The bonus issue of one bonus share for every existing share held on 26th October, 2010 has been completed. The enlarged issued share capital of the Company is 2,152,562,162 shares.

業務回顧

年內，本公司轉往主板交易和派發紅股股份完成。本公司自二零一零年七月二十九日轉往香港聯交所主板交易。並於二零一零年十月二十六日，完成一股送一股紅股的安排，公司總股本擴大為2,152,562,162股。

INTERNATIONAL COLLABORATION

The Group is dedicated to becoming a leading medical device manufacturer in Asia.

During the year, the Distribution Joint Venture with Medtronic in orthopaedic product was running well and net profit attributable to the Group for the year were approximately RMB44,140,000, representing an increase of 39.7% when compared with the previous year. In the OEM business co-operation, with good communication with the Medtronic management and the working teams during the integration process, the business was gradually developed, with the turnover for the year of approximately RMB16,256,000.

During the year, Weigao Blood, the subsidiary of the Company, obtained government approval to operate independent dialysis centers.

During the year, Weigao Blood, a subsidiary of the Group, established a strategic business alliance with Nikkiso Co., Ltd. in haemodialysis business. Weigao Blood contributed US$5,610,000 and established a joint venture company with Nikkiso Co., and holds 51% equity interest in the joint venture company. The registered capital of the joint venture company is US$11,000,000. The joint venture company produces hemodialysis machines and provides after-sales services in China. Weigao Blood will distribute the hemodialysis machines produced by the joint venture company in China. The alliance combines the complementary strengths of the two partners. It will further strengthen the Group's competitive position in blood purification segment and lays a solid foundation for the Group's business expansion in the blood purification market in China. During the year, the joint venture company has obtained the approval from the PRC government authorities and has been incorporated and has commenced operation.

國際合作

本集團矢志成為亞洲具領先地位的醫療器械製造商。

年內，與美敦力合營的骨科產品分銷公司運行良好，年度內為本集團貢獻約人民幣44,140,000元淨收益，較去年增長39.7%。在OEM業務合作上，透過與美敦力雙方管理層及工作隊伍在整合之過程中的良好溝通，該等業務正逐步發展，年內營業額約人民幣16,256,000元。

於年內，本集團之附屬公司威高血液已取得政府批準，可以開始獨立營運透析中心。

年內，本集團之附屬公司威高血液與日機裝株式會社建立人工透析業務戰略性業務聯盟，威高血液出資5,610,000美元，與日機裝株式會社成立合資公司，合資公司註冊資本為11,000,000美元，威高血液擁有51%權益。合資公司在中國生產血液透析機，並提供售後服務，而合資公司生產的血液透析機將由威高血液在中國市場銷售。該等合作業務實現了優勢互補，進一步增強了本集團在血液淨化領域的優勢地位，為本集團全面進軍中國血液淨化市場奠定了堅實的基礎。該合資公司年度內已經獲得中國政府審批，並已經註冊成立，開始運營。

OPTIMIZATION ADJUSTMENTS TO PRODUCT MIX

During the year, the Group continued the strategy of improving the product mix, focusing on the business development of orthopaedic products, blood purification products and increased the marketing and sales effort on high value-added products such as intravenous catheters, high-end infusion sets, safety auto disable syringes, and phased out the production of some low value-added products. The result was remarkable. Due to effective change in product mix, the Group further increased the gross profit margin to 55.2% from 53.3% in the previous year. The performance of the Group in four business segments was as follows:

1. Consumables: Remarkable results were achieved following the product mix adjustment on the principal products. The Group recorded a turnover of approximately RMB1,981,247,000, representing an increase of 29.8% over the previous year. The Group recorded a continued growth in needle products, with turnover of approximately RMB398,354,000 during the year, representing an increase of 21.3% when compared with the previous year. The Directors believe that needle products will become an important area for continued development of the Company.

   Market development of specialized infusion set with dosage control device and infusion sets made of proprietary non PVC based material has also maintained the rapid growing momentum during the year. It drove the turnover of infusion sets of the Group to RMB723,697,000, representing an increase of 37.9% over the previous year. With the keen market competition for infusion sets, the Group's favourable position in the high-end infusion set was further strengthened.

   During the year, the glass tube production line for pre-filled syringes has been operated smoothly. The Company established a favourable position in market development. The turnover of pre-filled syringes for the year amounted to approximately RMB97,676,000, representing an increase of 53.0% over the previous year.

產品結構優化調整

年內，本集團繼續按策略推進產品結構的優化調整，重點發展骨科產品業務、血液淨化產品業務，加強留置針、高檔輸液器、安全自毀注射器等高附加值產品的市場推介與銷售及淘汰部分附加值較低產品，取得較好業績。由於產品結構的有效調整，本集團進一步提升了毛利率水平，從去年的53.3%提升到55.2%。本集團四個業務部類取得了如下發展：

1. 常規耗材：本集團常規產品部類各主要產品的產品結構調整效果顯著，實現營業額達人民幣約1,981,247,000元，較去年增長29.8%。本集團的針類製品持續增長，年內錄得營業額約人民幣398,354,000元，較去年增長21.3%。董事相信，針類製品將成為威高持續發展的重要領域。

   年內，本集團特種流量監控輸液器與發明的非PVC材料所製造之輸液器的市場拓展也保持了快速增長的態勢，帶動本集團輸液器產品錄得銷售額人民幣723,697,000元，較上一年度增長37.9%。隨著輸液器市場優勝劣汰市場競爭格局的進展，該產品進一步鞏固了本集團在高端輸液器市場之優勢地位。

   年內，預充式注射器之玻璃管生產線運作良好，市場拓展已取得有利地位，年度內預充式注射器產品錄得營業額約為人民幣97,676,000元，較上一年度增長53.0%。

OPTIMIZATION ADJUSTMENTS TO PRODUCT MIX (continued)

2. The blood purifications business of Weigao Blood, a subsidiary of the Company, has achieved fast growth and recorded a turnover for the year of approximately RMB142,893,000, representing an increase of 107.4% when compared with the previous year; the Group planned to invest approximately RMB100,000,000 for purchasing the second polymer membrane dialysis device production line to expand the production capacity so as to meet the market demand. The Directors expect that the blood purification business will become an important direction and area for development of the Group.

3. The turnover of orthopaedic business for the year was approximately RMB175,233,000, representing a growth of 39.9% when compared with the previous year. The Distribution Joint Venture with Medtronic, Inc. in orthopaedic products was running well and net profit attributable to the Group for the year were RMB44,140,000, representing an increase of 39.7% when compared with the previous year.

   As result of the aforesaid measures in adjusting the product mix, the percentage of turnover from high value-added products (products with gross profit margins of over 60%) of the Group to its total turnover maintained at 44.8% (2009: 44.6%).

4. The stent business of JW Medical, a 50% jointly owned entity of the Company, has sustained its fast growth trend, and contributed RMB155,587,000 to the profit of the Group, representing an increase of 42.3% when compared with the previous year.

產品結構優化調整(續)

2. 本公司之附屬公司威高血液之血液淨化業務獲得快速發展，年度營業收入約人民幣142,893,000元，較去年增長107.4%；本集團計劃投資約人民幣1億元採購合成膜透析器第二條生產線，以擴大生產能力，滿足市場需求。董事預期，血液淨化業務將成為本集團重要的發展方向與領域。

3. 骨科業務年度營業收入約人民幣175,233,000元，較去年增長39.9%；與美敦力合營的骨科產品分銷公司運行良好，年度內為本集團貢獻44,140,000元淨收益，較去年增長39.7%。

   受以上產品結構調整舉措的影響，年內，本集團高附加值產品(毛利率超過60%)之營業收入佔營業收入總額之百分比維持在44.8%(二零零九年：44.6%)。

4. 本公司持有50%股權的吉威醫療的心臟支架業務仍保持快速增長趨勢，為本集團的利潤貢獻達人民幣155,587,000元，較去年增長42.3%。

RESEARCH AND DEVELOPMENT

For the twelve months ended 31st December, 2010, the Group obtained 31 new patents and is applying for 33 new patents. Product registration certificates for 29 new products were obtained. Research and development were completed for 34 products for which application for product registration certificates are underway.

The operation strategy of placing strong emphasis on research and development has enhanced the Group's competitiveness and allows the Group to leverage on its customer base and provides the Group with new growth drivers.

As at 31st December, 2010, the Group had over 190 product registration certificates and over 100 patents, of which 15 were patents on invention.

In view of the need for the strategic adjustments to product mix, the Group continued to increase its investments in the research and development in expanding existing products ranges and new medical devices, so as to further improve its product series and expand product range. The Group continued to maintain its leading position in research and development capability in China. For the twelve months ended 31st December, 2010, total research and development expenses amounted to approximately RMB100,042,000 (2009: RMB77,676,000), representing 4.1% (2009: 4.1%) of the turnover of the Group.

研究與開發

截至二零一零年十二月三十一日止十二個月，本集團新獲得專利31項，正在申請中的33項，新取得產品註冊證29項，已經研發完成、尚在取證過程中的有34項。

注重研發的經營策略提升了公司的競爭力，為充分利用客戶資源奠定了基礎，並為集團盈利提供了新的增長點。

截至二零一零年十二月三十一日止，本集團擁有190餘項產品註冊證，100餘項專利，其中15項是發明專利。

基於產品結構戰略性調整的要求，本集團繼續加大在現有產品系列和多個新醫療器械領域的研發投入，以進一步完善產品系列和拓寬產品領域，持續保持本土研發實力的領先地位。截至二零一零年十二月三十一日止十二個月，研發之總開支約為人民幣100,042,000元（二零零九年：人民幣77,676,000元），佔收入的4.1%（二零零九年：4.1%）。

PRODUCTION

For the year ended 31st December, 2010, the production volume of the Group's products as compared with the previous year is as follows:

生產

截至二零一零年十二月三十一日止年度，本集團各類可比產品的產量及與去年對比情況如下：

Product Type 產品名稱	Measurement unit 計量單位	For the twelve months ended 31st December 十二月三十一日止十二個月 **2010 二零一零年**	2009 二零零九年	Increase/ (Decrease) % 較同期%
Needles 針製品	1,000 pieces 千支	**2,915,216**	2,325,686	25.3
Syringes 注射器	1,000 pieces 千支	**801,257**	657,967	21.8
Infusion sets 輸液器	1,000 pieces 千支	**384,880**	340,538	13.0
Blood Sampling products (note 1) 採血產品（註1）	1,000 pieces 千支	**135,330**	145,490	(7.0)
Pre-filled syringes 預充式注射器	1,000 pieces 千支	**31,224**	24,640	26.7
Blood bags 血袋製品	1,000 sets 千套	**20,433**	18,446	10.8
PVC granules PVC粒料	Tons 噸	**13,556**	12,878	5.3
Orthopaedic products (note 2) 骨科製品（註2）	1,000 sets 千套	**2,030**	2,421	(16.2)
Blood purification products 血液透析器	1,000 sets 千套	**1,162**	365	218.4
Others 其他	1,000 pieces 千支	**345,330**	283,864	21.7

Note 1: The decrease in production volume of blood sampling products was due to the decrease in sales volume of the Company's export in blood sampling products.

註1： 採血產品產量下降是由於本公司外貿出口採血產品銷售量下降所致。

Note 2: The decrease in production volume of orthopaedic products was due to the reduction of inventory level by the Group and change in production mix of orthopaedic products.

註2： 骨科製品產量下降是由於本集團壓縮該類產品庫存量與骨科產品生產結構變化所致。

During the year, the Group continued to implement strategy on product mix adjustment by increasing the proportion of high value added products while decreasing the production plan of low value added products with low rate of returns. This has enhanced the contribution rate for each type of products and raised the overall profitability of the Company.

年內，本集團繼續實施產品結構調整戰略，提高高附加值產品比例，壓縮低附加值、低回報率產品的生產計劃，提高單品種產品對公司利潤的貢獻率，最終提升公司的整體盈利能力。

PRODUCTION (continued)

生產（續）

Sales and Marketing

銷售及市場推廣

The Group persisted to implement the strategy in integrating its sales channels. It focused on product mix adjustment and improved the efficiency of credit resources extended on account receivables. The results have been remarkable.

本集團堅持銷售渠道整合之策略，致力於產品結構調整和提升應收帳款信用資源效率，並已卓見成效。

During the year, the Group consolidated its sales management system, strengthened the development momentum of direct sales, integrated customer resources and phased out low profitability customers. For the twelve months ended 31st December, 2010, the Group has secured new customers of 20 hospitals. The Group had transferred a number of small size medical units to be covered by its distributors. Those distributors of less competitiveness were being phased out or merged and became the second tier distributors. The number of other medical units decreased by 25 and corporate customers decreased by 80 from the previous year. As at the date of this report, the Group has a customer base of 5,055 (including 2,940 hospitals, 413 blood stations, 616 other medical units and 1,086 trading companies).

年度內，本集團強化了銷售管理體系，加強直銷客戶的開發力度，整合市場客戶的資源，淘汰回報率低的客戶。截至二零一零年十二月三十一日止十二個月，客戶新增20家醫院，由於本集團將一批小規模醫療單位併入分銷渠道，部分競爭力較弱的分銷商被淘汰合併，成為二級分銷商。其他醫療單位客戶數目較去年減少25個，而公司類客戶則減少80個。於本報告刊發日期，本集團的客戶總數為5,055名（包括醫院2,940家、血站413家、其它醫療單位616家和1,086家經銷商）。

Comparison of the sales by geographical areas and the previous year is set out as follows:

各種產品在不同地區的銷售佔比及與去年對比如下：

Turnover by geographical segments

營業收入地區分部

		For the twelve months ended 31st December 截至十二月三十一日止十二個月			For the three months ended 31st December 截至十二月三十一日止三個月		
		2010	2009	Growth	**2010**	2009	Growth
		二零一零年	二零零九年	較同期	**二零一零年**	二零零九年	較同期
		RMB'000	RMB'000	%	**RMB'000**	RMB'000	%
		人民幣千元	人民幣千元	%	**人民幣千元**	人民幣千元	%
Region	地區						
Northeast	東北	**361,824**	272,654	32.7	**103,078**	79,266	30.0
Northern	華北	**590,558**	448,059	31.8	**160,908**	122,261	31.6
Eastern and Central	華東與華中	**731,973**	563,430	29.9	**160,921**	134,456	19.7
Southwest	西南	**196,589**	145,814	34.8	**55,055**	37,182	48.1
Northwest	西北	**67,696**	58,866	15.0	**22,281**	19,159	16.3
Southern	華南	**240,588**	202,879	18.6	**81,156**	67,388	20.4
Overseas	海外	**116,498**	65,585	77.6	**39,159**	8,171	379.2
Shandong Meiwei	山東美威	**156,831**	121,208	29.4	**46,570**	32,309	44.1
Total	總計	**2,462,557**	1,878,495	31.1	**669,128**	500,192	33.8

PRODUCTION (continued)

Turnover by geographical segments (continued)

The integration of sales channels has strengthened the Group's market penetration in and influence over direct sales to high-end customers. It enhanced sales contribution and reduced selling expenses per customer significantly. Average sales per customer was increased by approximately 33.3% over the previous year. Continued driving higher product penetration to high-end customers is an important way to generate revenue growth.

Adjustment in product mix is another important factor in enhancing the results for the year. During the year, the Group focused on sales and marketing of high value added products such as needle products, pre-filled syringes, high valued added infusion sets. It has increased the proportion of sales generated from high value added products. Comparison of the sales of the principal products with that of the previous year is set as follows:

生產（續）

營業收入地區分部（續）

渠道的整合，增強了本集團在直銷高端客戶群的滲透力、影響力，提高了單客戶的貢獻率，使單客戶平均銷售額較去年增長約33.3%。持續推進高端客戶的產品滲透率，是本集團拉動收入增長的一項重要手段。

產品結構的調整為提升期內業績的另一項重要因素，年內本集團重點推進針製品、預充式注射器、高檔輸液器等高附加值產品的銷售，使高附值產品收入佔總收入之比例增長。各主導產品銷售收入與上年對比情況如下：

Product category 產品類別		For the twelve months ended 31st December 截至十二月三十一日止十二個月			For the three months ended 31st December 截至十二月三十一日止三個月		
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	Increase/ (Decrease) 較同期 %	**2010 二零一零年 RMB'000 人民幣千元**	2009 二零零九年 RMB'000 人民幣千元	Increase/ (Decrease) 較同期 %
Self-produced Consumables	**自產產品耗材**						
Self-produced products	自產產品						
– Infusion sets	－輸液器	**723,697**	524,830	37.9	**198,656**	145,834	36.2
– Syringes	－注射器	**408,054**	319,186	27.8	**112,448**	76,514	47.0
– Needles	－醫用針製品	**398,354**	328,524	21.3	**103,165**	83,308	23.8
– Blood bags	－血袋製品	**168,744**	139,966	20.6	**53,667**	40,003	34.2
– Blood sampling products	－採血產品	**49,675**	42,326	17.4	**15,063**	6,413	134.9
– Pre-filled syringes	－預充式注射器	**97,676**	63,822	53.0	**20,795**	14,801	40.5
– Other consumables	－其他耗材	**135,047**	108,254	24.8	**19,623**	30,075	(34.8)
– Subtotal for consumables	－耗材小計	**1,981,247**	1,526,908	29.8	**523,417**	396,948	31.9
Orthopaedic products	骨科製品	**175,233**	125,262	39.9	**51,895**	32,053	61.9
Blood purification products	血液淨化產品	**142,893**	68,887	107.4	**51,982**	21,538	141.4
PVC granules	PVC粒料	**60,179**	62,976	(4.4)	**20,413**	17,074	19.6
Trading of medical equipment products	醫療儀器產品貿易	**66,829**	63,898	4.6	**11,010**	21,120	(47.9)
Other products	其他產品	**36,176**	30,564	18.4	**10,411**	11,459	(9.1)
Total	總計	**2,462,557**	1,878,495	31.1	**669,128**	500,192	33.8

HUMAN RESOURCES

As at 31st December, 2010, the Group employed a total of 7,233 employees. The breakdown by departments when compared with the previous year is as follows:

Department

人力資源

於二零一零年十二月三十一日，本集團共聘用7,233名僱員，與去年比較的部門分析如下：

部門

		2010 二零一零年	2009 二零零九年
Production	生產	**5,010**	4,770
Sales and marketing	銷售及市場推廣	**1,012**	904
Research and development	研發	**731**	725
Finance and administration	財務及行政	**250**	242
Quality control	質量控制	**129**	124
Management	管理	**71**	68
Purchasing	採購	**30**	29
Total	總計	**7,233**	6,862

Save for the seven employees (including the company secretary) who reside in Hong Kong and Europe, all employees of the Group are resided in China. For the year, total cost of salaries, welfare and social benefits of the Group amounted to approximately RMB320,377,000 (2009: RMB204,248,000).

除7名僱員（包括公司秘書）於香港、歐洲居住外，本集團的所有僱員均位於中國內地。本年度，本集團在員工薪資、福利、社會保障等的成本總額約為人民幣320,377,000元（二零零九年：人民幣204,248,000元）。

Remuneration System

The Group's remuneration policy has been determined based on its performance, changes in the local consumption level and competition in human resources market. The remuneration policy so determined has become the basis of determining the salary levels of employees recruited for different positions. The salary of each employee is determined according to the employee's performance, ability, employment conditions and the salary standards set by the Company. Remuneration of Directors is determined by the Remuneration Committee with reference to the operating results of the Company, personal performance of the Director and market competition. The proposed remuneration of Directors requires approval by shareholders at annual general meeting.

薪酬訂立制度

本集團的薪酬政策是根據其表現，本地的消費水平變化和人力資源市場競爭狀況釐定。該釐定的薪酬政策作為聘任不同崗位僱員薪資水平的基準。每位僱員的薪資視乎僱員的表現、能力、任職條件及本公司的預定薪資標準而定。董事的酬金是由薪酬委員會經參考本公司的經營業績、董事個人表現及市場競爭情況的基礎上制定薪酬方案，並經股東於股東週年大會上授權董事會釐定。

FINANCIAL REVIEW

For the year ended 31st December, 2010, the Group recorded a turnover of RMB2,462,557,000, representing an increase of 31.1% over the previous financial year and net profit attributable to shareholders was RMB799,072,000, representing an increase of 26.1% over the previous financial year.

The significant growth in turnover and profit was mainly due to the Group's optimization and adjustments to the product mix, enhancement in operation efficiency and efforts in exploring new businesses.

財務回顧

截至二零一零年十二月三十一日止年度，本集團錄得營業額人民幣2,462,557,000元，較上一財政年度增長了31.1%，以及股東應佔純利人民幣799,072,000元，較上一財政年度增長26.1%。

營業額和利潤的大幅度增長主要得益於集團透過產品結構的優化調整、營運效率的提升及努力拓展新業務。

Financial Summary

財務摘要

		Audited 經審核		
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	Growth 增長 %
Turnover	營業額	**2,462,557**	1,878,495	31.1
Gross profit	毛利	**1,359,699**	1,001,259	35.8
Profit before interest, tax, depreciation and amortization (note)	未計算利息、税項、折舊及攤銷之盈利（附註）	**794,414**	642,749	23.6
Net profit attributable to shareholders	股東應佔純利	**799,072**	633,864	26.1

Note: Exclude share of profits from jointly controlled entities and an associate.

附註： 不包括共同控制實體及一間聯營公司之應佔溢利。

FINANCIAL REVIEW (continued)

Liquidity and Financial Resources

The Group has maintained a sound financial position during the year. As at 31st December, 2010, the Group's cash and bank balance amounted to approximately RMB628,223,000. For the year ended 31st December, 2010, net cash flow from operating activities of the Group amounted to approximately RMB523,511,000. The Group has maintained a sound cash flow position.

During the year under review, the Group repaid bank borrowings of approximately RMB40,839,000 in total. As at 31st December, 2010, the Group had only the outstanding long-term borrowings from the International Finance Corporation ("IFC"). As at 31st December, 2010, the total amount of bank and other borrowings payable within one year was approximately RMB26,418,000 (including borrowing from IFC for RMB22,076,000 and bank loans secured by the pledge of bill receivables for RMB4,342,000) (2009: RMB37,415,000) and the total amount of bank and other borrowings payable after one year amounted to approximately RMB88,303,000 (2009: RMB113,803,000).

Total interest expenses of the Group for the year ended 31st December, 2010 were approximately RMB9,658,000 (2009: RMB4,003,000).

Gearing Ratio

As at 31st December, 2010, total net cash of the Group amounted to approximately RMB517,844,000 (2009: RMB586,603,000). The change in the total net cash was mainly due to increase in profit and capital expenditure in 2010.

財務回顧(續)

流動資金及財務資源

本集團於本年維持良好的財務狀況,於二零一零年十二月三十一日,本集團現金及銀行結餘約為人民幣628,223,000元。截至二零一零年十二月三十一日止年度,本集團經營活動現金流量淨額約為人民幣523,511,000元,現金流量狀況健康。

於回顧年度,本集團共償還銀行貸款約人民幣40,839,000元,於二零一零年十二月三十一日,本集團惟餘國際金融公司(「IFC」)長期借款。於二零一零年十二月三十一日,於一年內到期應付的銀行及其他借款總額約為人民幣26,418,000元(二零零九年:人民幣37,415,000元)(包括來自IFC的借款人民幣22,076,000元及以應收票據作抵押的銀行貸款人民幣4,342,000元),而一年後到期應付的銀行及其他借款總額約為人民幣88,303,000元(二零零九年:人民幣113,803,000元)。

截至二零一零年十二月三十一日止年度,本集團的整體利息支出總額約為人民幣9,658,000元(二零零九年:人民幣4,003,000元)。

資本負債比率

於二零一零年十二月三十一日,本集團淨現金總額約為人民幣517,844,000元(二零零九年:586,603,000元),淨現金總額的變動主要由於二零一零年的盈利增加與資本開支增加所致。

FINANCIAL REVIEW (continued)

Foreign Exchange Risks

The Group's purchases and sales are mainly conducted in the PRC. All of its assets, liabilities and transactions are denominated in RMB. For the year ended 31st December, 2010, the Group has not encountered any material difficulty due to currency fluctuation nor shortage of its own operating funds. For the twelve months ended 31st December, 2010, the Group had no significant exposure to foreign exchange fluctuation or hedging for such risk.

Due to the change in exchange rates, foreign exchange gain equivalent to RMB3,025,000 for the year ended 31st December, 2010 was recognized (2009: foreign exchange loss equivalent to RMB1,799,000) by the Company.

Contingent liabilities

The Group did not have any material contingent liabilities as at 31st December, 2010.

Material Investments in subsidiaries/Future material investment plans

1. According to the municipal planning of Weihai City, the industrial zone of the Group's medical consumables production plant will be re-zoned as commercial and residential use. Hence, during the year, the Group made an actual investment of approximately RMB455,610,000 on plant construction for the re-location of all of the medical consumables production plants in the next five years.

2. In light of the strong market potential of pre-filled syringes, during the year, the Group had started to work on acquiring the second pre-filled syringe production line and total budgeted investments amounted to approximately RMB70,000,000 and it is expected to commence operation in the second quarter of 2011.

財務回顧（續）

匯率風險

本集團的採購和銷售以中國內地為主，所有資產、負債及交易均以人民幣計值。截至二零一零年十二月三十一日止年度，本集團並無因匯率波動而遇到重大困難或自身的營運資金因此受到影響。截至二零一零年十二月三十一日止十二個月，本集團並無任何重大外匯波動及任何相關風險之對沖。

由於匯率變動，本公司在截至二零一零年十二月三十一日止年度，實現匯兑收益折合人民幣3,025,000元（二零零九年：匯兑損失折合人民幣1,799,000元）。

或有負債

本集團截至二零一零年十二月三十一日止，不存在重大的或有負債。

重大附屬公司投資／未來重大投資計劃

1. 按照威海市的市政規劃，本集團醫療耗材工業園所在區域將轉為商住用途，故本年度，本集團實際投資約人民幣455,610,000元，用於廠房建設，為本集團醫療耗材工業園未來五年內實現整體搬遷之用。

2. 鑒於預充式注射器的強大市場潛力，於期內，本集團已經開始引進第二條的預充式注射器之生產線的工作，該生產線預算總投資約人民幣7,000萬元，預計二零一一年第二季度可以投產。

FINANCIAL REVIEW (continued)

Material Investments in subsidiaries/Future material investment plans (continued)

3. In view of the strong demand on blood purification consumables, Weigao Blood had commenced the acquisition of the second production line. The total investment costs will be approximately RMB100,000,000 and it is expected to commence operation in the fourth quarter of 2011.

Save for the above material investment and investment plans, the Group had no material capital commitments or any future plans involving significant investments or capital assets acquisition as at 31st December, 2010, and there was no material acquisition and disposal in any other subsidiaries and associates during the year.

Capital commitment

As at 31st December, 2010, the capital commitment of the Group and the Company contracted but not provided for in respect of the acquisition of property, plant and equipment amounted to approximately RMB328,961,000 (2009: RMB230,718,000), of which the capital commitment in relation to the re-location of plant amounted to approximately RMB193,323,000. The above amounts will be financed by the internal resources of the Group.

Pledge of the Group's Assets

As at 31st December, 2010, the Group had pledged the land use rights and buildings with a net book value of approximately RMB82,021,000 (2009: RMB84,593,000) and pledged bank deposits of RMB134,109,000 (2009: RMB100,258,000) to secure the bills and banking facilities granted to the Group.

財務回顧(續)

重大附屬公司投資／未來重大投資計劃(續)

3. 鑒於血液淨化耗材的生產壓力，威高血液已經開始第二條生產線的購置工作。總投資約人民幣1億元，預計二零一一年第四季度可以投產。

除上述重大投資與投資計劃外，於截至二零一零年十二月三十一日，本集團並無重大資本承擔，無參與重大投資或購入資本資產之未來計劃。於本年來亦無進行任何其他附屬公司及聯營公司之重大收購及出售事項。

資本承擔

於二零一零年十二月三十一日，本集團及本公司已經簽約但尚未於財務報表中作出撥備的購置物業、廠房及設備的資本承擔約為人民幣328,961,000元(二零零九年：人民幣230,718,000元)，其中與廠房搬遷相關的資本承諾約為人民幣193,323,000元。上述款項將以本集團之內部資源支付。

本集團資產抵押

於二零一零年十二月三十一日，本集團已經抵押的土地使用權及樓宇，賬面淨值約為人民幣82,021,000元(二零零九年：人民幣84,593,000元)，及抵押存款人民幣134,109,000元(二零零九年：人民幣100,258,000元)以獲取本集團的票據及銀行貸款額度。

FINANCIAL REVIEW (continued)

Reserves and Distributable Reserves

As at 31st December, 2010, the total reserves of the Group amounted to RMB3,411,154,000 (2009: RMB2,832,055,000).

Under the PRC laws and regulations, the Company's distributable reserves will be based on the lower of the amount calculated according to the PRC accounting principles and rules and the amount calculated according to the Hong Kong generally accepted accounting principles. As at 31st December, 2010, the distributable reserves of the Company were approximately RMB600,537,000 (2009: RMB409,134,000).

Review and Outlook

The year 2010 was the toughest year in the history of the Group. Firstly, there was no major improvement in the delay of settlement from customers. It was necessary to strike a balance in terms of sales growth, resources allocation and selection of different product categories from time to time to ensure the balance between short-term interests and long-term development. Secondly, the materials costs during the year were again increased significantly and the trend continues resulting in fairly low profit margin or loss making for majority of the conventional single use consumables. The Group continues to suppress such product sales so as to maintain a reasonable level of profit margin. It certainly has, to certain extent, had an impact on the growth in sales of conventional single use consumables. Furthermore, during the year, the Company faced drastic increase in labour cost and pressure in recruitment. Due to the speed up of business expansion of multinational companies in China market and the listing of industry players which are in common business areas of that of the Group in various capital markets, it has major impact on substantially speeds up the increase in salary and fringe benefits. The Group considers that a stable working team is fundamental to the continuous development of the Company. With this new market development in human resources, the Group promptly adjusted the salary and the policy on fringe benefits to retain a stable working team. The Group expects that continuous increase in labour costs and fringe benefits will be a major challenge. Through emphasis on innovation and increase in high value added products, the Company will maintain its long term competitive edge in the competitive environment. The Group will take into account the changes in the market and appropriately offer a long term competitive salary and fringe benefits to retain talents in the competitive market.

財務回顧（續）

儲備及可供分派儲備

於二零一零年十二月三十一日，本集團儲備總額為人民幣3,411,154,000元（二零零九年：人民幣2,832,055,000元）。

根據中國的法律及條例，本公司可供分派的儲備，以按照中國會計原則及規則與按照香港公認會計原則所計算金額中的較低者為基準。於二零一零年十二月三十一日， 本公司可供分派的儲備約為人民幣600,537,000元（二零零九年：人民幣409,134,000元）。

回顧與展望

二零一零年，是本集團歷史上經歷的最艱苦的一年：首先是客戶結算付款狀況仍沒有較大改善，公司必須在銷售增長和資源分配上、在不同品種的取捨上時刻進行平衡，以保證短期利益和長期發展的均衡；其次，年內原料價格回復強勁漲勢，導致大部分的常規產品處於微利和虧損狀態，本集團持續壓縮該等產品的發貨量，以維持合理的盈利水平，這在一定程度上影響了常規產品的收入增長；再次，公司面臨巨大的人工成本上漲壓力和招工壓力，加之跨國公司加快進軍中國市場的步伐和更多同業公司在不同資本市場上市，對加劇薪酬和福利水平的快速上漲有重大影響，本集團認為維持員工隊伍的穩定是公司持續發展的根本所在，面對人才市場的新變化，本集團適時調整了薪酬和福利政策來維持員工隊伍的穩定，本集團預期薪酬和福利的持續上漲將會是公司未來面臨的巨大挑戰，只有加大創新的力度，提升公司產品的附加值才能在長期競爭中維持競爭優勢。本集團將會根據市場變化，適時推出長效的具有競爭力的薪酬福利和人才儲備政策以應對競爭。

FINANCIAL REVIEW (continued)

Review and Outlook (continued)

Looking forward to 2011, the Group believes that materials and labour costs will continue to increase significantly, but with a lowered growth rate based on the huge surge in 2010. With the continuous increase of capital investment in the healthcare industry, the receivables collection should be eased to a certain degree when compared with 2010. Competition in talent recruitment will be further intensified and the continuous talents shortage situation will remain. On the basis of the significant improvement of the remuneration and welfare levels of production staff in 2010, the Group will continue to face the pressure arising from the surge in remuneration and welfares for management, research and development, and sales staff in 2011. The shortage of conventional single use consumables and blood purification consumables production capacity will constraint further market development. The Group will accelerate on product mix adjustment and technological improvement, as well as raising the production capacity of existing equipment to satisfy the supply of the current market. Meanwhile, the Group will speed up the relocation of new factories to fully relieve the pressure in production capacity. Overall, 2011 will still be a tough year. The directors believe that the Group will place emphasis on the following aspects in 2011:

1. Continue to intensify more efforts on research and development of new products and product sales mix adjustment and consolidate the Group's competitive position in the PRC high-end market. The Group will strengthen the medical staff training and the selection and consolidation of distributors in the middle-end market, thereby laying a solid foundation for the Group's entry into the middle-end market after production capacity expansion in 2012.

2. Continue to focus on domestic market. Leverage on the stable development of domestic market to backup the long term process of developing and expanding overseas market. Fully capitalise on the customer resource strengths in the PRC high-end market, through international collaboration by ways of joint venture, co-operation, technology transfer, acquisitions and mergers, etc., thereby introducing technologies and further expanding product categories.

財務回顧（續）

回顧與展望（續）

展望二零一一年，本集團認為材料和人工成本將會繼續大幅度增長，但在二零一零年巨大上漲的基礎上，漲速將有所下降；隨著財政在醫療領域投入的持續增加，收款狀況會在一定程度上較二零一零年有所緩解；人才競爭將會進一步加劇，持續的人才短缺狀況不會改變，在二零一零年大幅度提高生產員工薪酬福利水平的基礎上，二零一一年將繼續面臨管理、研發、銷售人員薪酬福利上漲的壓力；常規產品、血液淨化耗材產能的不足會制約市場的進一步發展，集團必須加快產品結構的調整力度和技改的速度，提升現有裝置的產出能力，以滿足目前市場的供給，並加快新廠區搬遷的速度，以全面緩解產能壓力。綜合來看，二零一一年仍是艱苦的一年，董事認為二零一一年的工作重點如下：

1. 繼續加大新產品的研發力度和產品銷售結構的調整力度，持續鞏固集團在中國高端市場的競爭地位；加大中端市場醫護人員培訓的力度和分銷商的篩選整合力度，為集團二零一二年產能擴充後進入中端市場奠定基礎。

2. 繼續將重心放在國內市場，用國內市場的穩步發展為國外市場的未來突破提供保障，繼續以打持久戰的心態逐漸擴充現有產品的國際市場份額；充分發揮於中國高端市場的客戶資源優勢，通過合資、合作、技術轉讓、收購兼併等各種方式推進國際合作，引進技術，進一步擴充產品品種。

FINANCIAL REVIEW (continued)

Review and Outlook (continued)

3. Capitalize on the Group's research and development strengths, continue to increase the investments in technological improvement, and increase automation with an objective of assimilating the rising labour cost and recruitment pressure in the long run. The Group will speed up the study and implementation of the long term incentive scheme for employees to share the success of the Group. The Group will continue to offer competitive salary and fringe benefits packages to retain and expand the work force.

With the launching of more upgraded products and new product series, gradual expansion of production capacity pressure and the entry into the middle-end market, the management believes that the Group will continue to consolidate its leading position in the PRC market. The Group and its employees are confident to face new challenges.

財務回顧（續）

回顧與展望（續）

3. 充分利用本集團的研發優勢，繼續加大技改投入，提升自動化水平，在長期上消化人工成本上漲壓力和招工壓力。加快長效激勵機制的研究和推出，讓員工共享企業發展的成果，逐漸打造具有極強競爭力的薪酬和福利體系，穩定和擴大員工隊伍。

管理層相信，隨著本集團更多升級產品的推出和新系列產品的大規模上市，以及產能壓力的逐漸緩解和中端市場的進入，本集團在中國市場的領先地位將持續鞏固。本集團及其僱員有信心面對新的挑戰。

To all shareholders:

The Supervisory Committee (the "Supervisory Committee") of Shandong Weigao Group Medical Polymer Company Limited, in compliance with the relevant requirements of the Company Law and the Articles of Association of the Company, has conducted its work in accordance with the fiduciary principle, and has taken up an active role to work seriously and with diligence to protect the interests of the Company and its shareholders.

During the year, the Supervisory Committee had reviewed cautiously the development plans of the Company and provided reasonable suggestions and opinions to the Board. It also strictly and effectively monitored and supervised the Company's management in making significant policies and decisions to ensure that they are in compliance with the relevant requirements of the Company Law and the Articles of Association of the Company, and in the interests of its shareholders.

We have reviewed and agreed to the report of the Directors, audited financial statements and the dividend to be proposed by the Board for presentation at the forthcoming annual general meeting. We are of the opinion that the Directors, the chief executive officer and other senior management of the Company are able to strictly observe their fiduciary duty, to act diligently, to exercise their authority faithfully in the best interests of the Company and to work in accordance with the Articles of Association of the Company. The transactions between the Company and connected parties are in the interests of the shareholders as a whole and under fair and reasonable price.

As of today, none of the Directors, chief executive officer and senior management staff had been found to have abused their authority, damaged the interests of the Company or infringed upon the interests of its shareholders and employees. None of them was found to be in breach of any laws and regulations or the Articles of Association of the Company.

致各位股東：

山東威高集團醫用高分子製品股份有限公司監事會(「本監事會」)遵照公司法及本公司組織章程的有關規定，遵守誠信原則，認真履行職責，保護本公司及其股東利益，勤勉主動地開展工作。

在年度內，本監事會對本公司的發展計劃進行謹慎審核，並向董事會提出合理的建議和意見，對本公司管理層的重大決策及決定是否符合公司法及本公司組織章程的有關規定，是否符合股東利益等，進行了嚴謹及有效的監督。

本監事會已審閱並同意董事會提呈予應屆股東週年大會的董事會報告、經審核財務報表及建議派發的股息。本監事會認為本公司董事、行政總裁及其他高級管理人員能夠嚴格遵守誠信原則，工作勤勉盡職並真誠地以本公司最佳利益為出發點行使職權，並按照本公司組織章程開展各項工作。本公司與關連人士進行的交易均符合股東的整體利益，且價格公平合理。

本監事會至今並無發現董事、行政總裁及高級管理人員濫用職權，損害本公司利益或侵犯本公司股東和員工權益的行為，亦未發現上述人員違反任何法律法規或本公司的組織章程。

The Supervisory Committee is satisfied with the achievement and cost-effectiveness of the Company in 2010 and has great confidence in the future prospect of the Company.

本監事會對本公司於二零一零年的各項工作和取得的成本效益表示滿意，並對本公司的未來前景充滿信心。

By Order of the Supervisory Committee
Shandong Weigao Group Medical Polymer Company Limited
Bi Dong Mei
Chairman of Supervisory Committee
Weihai, Shandong Province, the PRC

15th March, 2011

承監事會命
山東威高集團醫用高分子製品股份有限公司
監事會主席
畢冬梅
中國山東省威海市

二零一一年三月十五日

OVERVIEW

The Board of Directors of the Company recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the "Code") contained in the Listing Rules, which have been adopted by the Group since its listing on 28th February, 2004.

概覽

本公司董事會深知在本集團的管理架構及內部監控程序引入優良的企業管治元素的重要性，藉以達致有效的問責性。本報告概述上市規則所載的企業管治常規守則(「守則」)的原則及守則條文，本集團已自其於二零零四年二月二十八日上市以來採納該守則及守則條文。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the year of 2010.

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則作為董事進行證券交易的標準。本公司已向全體董事作出特定查詢，而全體董事亦已確認彼等在二零一零年度一直遵守標準守則所載標準及其有關董事進行證券交易的行為守則。

The following summarizes the corporate governance practices of the Company:

以下概述本公司的企業管治常規：

The Board of Directors

The Board take responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and monitoring the performance of the senior management. The management is responsible for the daily operations of the Group under the leadership of the CEO. The Directors have the responsibility to act objectively in the interests of the Company.

董事會

董事會負責監察本公司的所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理系統，以及監督高級管理人員的表現。管理層在行政總裁的領導下負責本集團的日常營運。董事負責以本公司利益客觀行事。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (continued)

The Board of Directors (continued)

Currently, the Board comprises 13 Directors, including five are executive Directors, four non-executive Directors and four independent non-executive Directors. The Directors as at 31st December, 2010 are:

Executive Directors:

Mr. Zhang Hua Wei
Mr. Wang Yi
Mr. Miao Yan Guo
Mr. Wang Zhi Fan
Mr. Wu Chuan Ming

Non-executive Directors:

Mr. Chen Xue Li
Mrs. Zhou Shu Hua
Mr. Li Bing Yung
Mr. Jean-Luc Butel

Independent non-executive Directors:

Mr. Lo Wai Hung
Mr. Shi Huan
Mr. Luan Jian Ping
Mr. Li Jia Miao

遵守董事進行證券交易的標準守則（續）

董事會（續）

目前，董事會由十三名董事組成，包括五名執行董事、四名非執行董事以及四名獨立非執行董事。於二零一零年十二月三十一日，董事的具體名單如下：

執行董事：

張華威先生
王毅先生
苗延國先生
王志范先生
吳傳明先生

非執行董事：

陳學利先生
周淑華女士
李炳容先生
Jean-Luc Butel先生

獨立非執行董事：

盧偉雄先生
石峘先生
欒建平先生
李家淼先生

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (continued)

The Board of Directors (continued)

In compliance of Rule 3.10(1) of the Listing Rules, the Board currently comprises four independent non-executive Directors. Pursuant to paragraph 12B of the Appendix 16 of the Listing Rules, each of the independent non-executive Directors has confirmed by annual confirmation that he has complied with the independence criteria set out in Rules 3.13 of the Listing Rules. The Director consider that all four independent non-executive Directors are independent under these independence criteria and are capable to effectively exercise independent judgment. Amongst the four independent non-executive Directors, Mr. Lo Wai Hung has the appropriate professional qualifications and accounting and related financial management expertise required under Rule 3.10 (2) of the Listing Rules.

Board Meetings

The Company adopts the practice of holding board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of board meeting will be sent to all Directors at least 10 days prior to a regular board meeting. Reasonable notice will be given to Directors for ad-hoc board meetings. Directors may participate either in person or through electronic means of communications.

The Company will adopt the practice to provide relevant materials to all the Directors relating to the matters brought before the meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable requests, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

遵守董事進行證券交易的標準守則（續）

董事會（續）

為符合上市規則第3.10(1)條，董事會目前包括四名獨立非執行董事。根據上市規則附錄十六第12B段，各獨立非執行董事均已以年度確認書確認，彼符合上市規則第3.13條所載獨立身份標準。董事認為，根據此等獨立身份標準，全部四名獨立非執行董事均為獨立人士，能有效作出獨立判斷。在四名獨立非執行董事中，盧偉雄先生具備上市規則第3.10(2)條所規定的適當專業資格及會計以及相關財務管理專業知識。

董事會會議

本公司的董事會會議每年最少定期舉行四次，大約每季舉行一次。需要時亦會召開臨時會議，以商討整體策略以及本集團的營運和財務表現。全體董事將於舉行定期董事會會議前最少十天獲發董事會會議通告，而臨時董事會會議通告則於合理時間內派發予董事。董事可親身或通過電子通訊方式出席。

本公司於大會前向所有董事提供會上討論事項的相關資料。全體董事將獲得充分的資源以履行其職責，並在合理的要求下，董事可於合適情況下尋求獨立專業意見，費用由本公司承擔。全體董事均有機會於董事會會議議程內加入議題。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (continued)

遵守董事進行證券交易的標準守則(續)

Board Meetings (continued)

董事會會議(續)

Number of Board meetings held during the year 2010: 8.

於二零一零年度舉行的董事會會議次數:8次。

The attendance of each Director at Board meetings during the year ended 31st December, 2010 was as follows:

截至二零一零年十二月三十一日止年度,各董事出席董事會會議的情況載列如下:

		Attendance in 2010 於二零一零年的出席率 (%)
Executive Directors	**執行董事**	
Mr. Zhang Hua Wei	張華威先生	100%
Mr. Wang Yi	王毅先生	100%
Mr. Miao Yan Guo	苗延國先生	100%
Mr. Wang Zhi Fan	王志范先生	100%
Mr. Wu Chuan Ming	吳傳明先生	100%
Non-executive Directors	**非執行董事**	
Mr. Chen Xue Li	陳學利先生	100%
Mrs. Zhou Shu Hua	周淑華女士	100%
Mr. Li Bing Yung	李炳容先生	100%
Mr. Jean-Luc Butel	Jean-Luc Butel先生	63%
Independent non-executive Directors	**獨立非執行董事:**	
Mr. Shi Huan	石峘先生	100%
Mr. Luan Jian Ping	欒建平先生	100%
Mr. Li Jia Miao	李家淼先生	100%
Mr. Lo Wai Hung	盧偉雄先生	100%

Minutes of the Board and the committee meetings are recorded, and draft minutes and final version are submitted to Directors for review within reasonable time after the meetings, normally 14 days after the meetings.

董事會及委員會會議均備有記錄,而記錄草稿與最終稿均在大會後合理時間內(一般為大會後十四日內)送交董事審閱。

Secretary of the Board assists the chairman to establish meeting agenda, and each Director may request inclusion of items in the agenda.

董事會秘書協助主席編製會議議程,而各董事可要求在議程內加入議題。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (continued)

遵守董事進行證券交易的標準守則(續)

Board Meetings (continued)

董事會會議(續)

Matters on transactions where Directors are considered having conflict of interests or material interests will not be dealt with by way of written resolutions. The Directors concerned can express views but will not be counted in the quorum of meetings and shall abstain from voting on the relevant resolution(s).

對於董事被視為存在利益衝突或擁有重大權益的交易事宜,將不會通過書面決議案方式處理。有關董事可在會上表達意見,但不會計入會議法定人數,並須就有關決議案放棄表決。

All Directors have access to the company secretary who is responsible for ensuring that the Board procedures are complied with, and advising the Board on compliance matters.

全體董事均可接觸公司秘書,而公司秘書負責確保董事會程序得以遵守,並就合規事宜向董事會提供意見。

Minutes of the Board and the committee meetings are kept by the company secretary and are open for inspection by Directors.

董事會及委員會會議的會議記錄均由公司秘書保存,而董事可隨時查閱。

Chairman and Chief Executive Officer

主席與行政總裁

Under provision A2.1 of the Code, the roles of the Chairman and the CEO should be separate and should not be performed by the same individual. Mr. Chen Xue Li is the Chairman of the Board and a non-executive Director who is not involved in the day-to-day management of the Group's business. Mr. Zhang Hua Wei is the CEO of the Company and an executive Director of the Company.

根據守則第A2.1條條文,主席及行政總裁的職責應分開且不得由同一人士擔任。陳學利先生為董事會主席兼非執行董事,彼不會參與本集團業務的日常管理。張華威先生為本公司的行政總裁兼本公司執行董事。

The Chairman of the Board is appointed by the Board itself, who is responsible for the leadership of effective operation of the Board, and ensuring that all major and appropriate issues are discussed by the Board on a timely basis and in a constructive manner. The CEO is appointed by the Board. He is responsible for the management of daily operations of the Company and the implementation of the strategies and plans determined by the Board.

董事會主席由董事會自行委任,負責領導董事會,並使其有效運作,同時確保董事會以適時及具建設性的方式討論所有主要及適當的事項。行政總裁由董事會委任,負責管理本公司的日常業務以及執行董事會釐定的戰略及計劃。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (continued)

遵守董事進行證券交易的標準守則(續)

Experience

經驗

The executive Directors and non-executive Directors possess administrative leadership, diversified knowledge and extensive management experience in the industry. The independent non-executive Directors possess extensive knowledge, experience and judgment in different areas. The Board will seriously consider the objective views of the independent non-executive Directors for making decisions, and regard this as an effective guidance for the Group's business direction.

執行董事和非執行董事具有行政領導能力、多元化知識及豐富行業管理經驗。獨立非執行董事擁有不同領域的豐富知識、經驗及判斷力。董事會作決策時將認真考慮獨立非執行董事的客觀意見，以此作為本集團業務方針的有效指引。

Nomination, Appointment and removal of Directors

提名、委任及罷免董事

Each of the Directors of the Company has entered into a service contract with the Company for a specific term of three years, and are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

本公司各董事均與本公司訂立一份指定任期為三年的服務合約，並須根據本公司的組織章程細則輪值告退及膺選連任。

The Company has not experienced any casual vacancy for members of the Board. In the event that there is such circumstance, the Director appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after his appointment.

本公司未曾出現過董事會成員臨時空缺的情況。倘出現該等情況，為填補臨時空缺而獲委任的董事將在接受委任後的首次股東大會上接受股東選舉。

The Board selects and nominates Director candidates based on whether they possess the skills and experience needed for the Group's development.

董事會根據本集團發展需要的技能與經驗來挑選及提名董事候選人。

The Company has not set up a nomination committee, the Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the nomination of directors and assessing the independence of independent non-executive directors of the Company.

本公司並無設立提名委員會，董事會整體負責審閱董事會的組成、發展及草擬提名及委任董事的相關程序、監管董事提名及評估本公司獨立非執行董事之獨立性。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (continued)

遵守董事進行證券交易的標準守則(續)

Directors' responsibility

董事責任

The Board manages the business of the Company on behalf of its shareholders. The Directors consider that they are obliged to fulfill their responsibilities in a prudent, diligent and faithful manner, so as to create value for shareholders and safeguard the best interests of the Company and its shareholders.

董事會代表其股東管理本公司業務。董事認為，彼等須謹慎、勤勉且忠誠地履行職責，為股東創造價值，維護本公司及其股東的最佳利益。

Remuneration of Directors and Senior Management

董事及高級管理人員的薪酬

Remuneration Committee

薪酬委員會

The Company established a remuneration committee on 12th August, 2005 in accordance with the requirement of the Code. The remuneration committee comprises four independent non-executive Directors, namely Mr. Shi Huan, Mr. Luan Jian Ping, Mr. Li Jia Miao and Mr. Lo Wai Hung. The chairman of the remuneration committee is Mr. Shi Huan.

本公司已根據守則規定於二零零五年八月十二日成立薪酬委員會。薪酬委員會由四名獨立非執行董事石峘先生、欒建平先生、李家淼先生及盧偉雄先生組成。石峘先生為薪酬委員會主席。

The remuneration committee has reviewed the remuneration policy, the performance and the remuneration of executive Directors and members of senior management, the existing terms of service contracts of the executive Directors. The objective of the remuneration policy is to ensure that the Company is able to attract, retain and motivate high-caliber staff, which is vital to the success of the Company.

薪酬委員會已檢討薪酬政策、執行董事及高級管理層成員的表現及薪酬，以及執行董事的服務合約現有條款。薪酬政策的目標是確保本公司能吸納、挽留及激勵優秀員工，而此對本公司的成功十分重要。

In reviewing and determining the remuneration packages of the executive Directors and members of senior management, the remuneration committee considers their responsibilities, skills, expertise and contribution to the Group's performance and whether remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain the best available executive talent.

在審閱及釐定執行董事及高級管理層成員的薪酬時，薪酬委員會將考慮他們的職責、技能、專業知識及對本集團業績作出的貢獻，以及薪酬是否具競爭能力，以及是否足以保證本集團能吸引及挽留頂尖的行政人才。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (continued)

遵守董事進行證券交易的標準守則(續)

Remuneration of Directors and Senior Management (continued)

董事及高級管理人員的薪酬(續)

***Remuneration Committee** (continued)*

***薪酬委員會**(續)*

Remuneration of Directors is subject to annual assessment and recommendation by the Remuneration Committee to the Board for further review and approval, which subsequently subject to shareholders' approval at annual general meeting. The primary goal of the remuneration policy on executive Directors remuneration packages is to enable the Company to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives. Under the policy, a Director is not allowed to approve his own remuneration.

董事酬金須由薪酬委員會進行年度評估並將建議提交董事會,董事會進一步審議並通過之後再提呈股東週年大會經股東批准後方可作實。執行董事的酬金組合政策主旨是使本公司執行董事的酬金及其表現與公司目標掛鈎,有助激勵執行董事的工作表現及留任。根據該政策,董事不可批准其本身的薪酬。

During the year, one meeting has been held by the remuneration committee. All members of the remuneration committee attended the meeting during which the responsibilities of the remuneration committee were defined and matters such as the remuneration policy, incentive mechanism of the Directors and senior management of the Group were reviewed. The chairman of the remuneration committee reports the findings and provides recommendations to the Board after each meeting.

年內,薪酬委員會舉行過一次會議。所有薪酬委員會成員均參加了會議。會議細化薪酬委員會的職責,並對本集團的董事及高級管理人員的薪酬政策、激勵機制等進行了審閱。薪酬委員會主席於每次會議後向董事會匯報討論結果,並提供建議。

ACCOUNTABILITY AND AUDIT

問責及核數

Financial Reporting

財務報告

All Directors are provided with explanations and information by the management of the Company so as to enable them to have discussions and make assessment at Board meetings.

全體董事均能夠獲得本公司管理層提供的解釋及資料,以供其在董事會會議上討論與評審。

All Directors acknowledge the responsibility for the preparation of its accounts, with the responsibility statement in respect to the financial reports made by the Directors set out in this annual report. The auditors have also made a statement about their responsibilities in the auditor's report.

本公司的全體董事均承認其編製賬目的責任,於本年報內就載有董事就財務報告作出的責任聲明。核數師亦已於核數師報告中就彼等的責任作出了聲明。

The Board presents a comprehensive, balanced and understandable assessment on the position and prospects of the Group in all shareholder communications.

董事會於所有股東通訊中,對本集團的狀況及前景作出了全面、均衡及易於理解的評估。

ACCOUNTABILITY AND AUDIT (continued)

問責及核數(續)

Internal control

內部監控

Directors are responsible for reviewing the internal control and risk management system of the Company periodically to ensure its effectiveness and efficiency. With the support of the internal audit department, they will review the practices, procedures, expenditure and internal control of the Company and its subsidiaries on a regular basis. The management will regularly monitor the concerns as reported by the internal audit department to ensure appropriate remedial measures have been implemented. The Board or senior management can also request the internal audit group to review the specific scope of concerns and report the significant findings of such review to the Board and the audit committee.

董事負責定期檢討本公司的內部監控及風險管理系統，確保其有效性及效率。在內部核數部門的支持下，定期對本公司及其附屬公司的常規、程序、開支及內部監控進行檢討，管理層將定期監察內部核數部門所匯報的關注事項，確保實施適當的補救措施。董事會或高級管理人員亦可要求內部審核小組對特定的關注範圍進行檢討，並向董事會及審核委員會匯報重要的檢討結果。

The Board has conducted a review of the effectiveness of the system of internal control of the Group.

董事會已審查本集團內部監控系統的效能。

Audit committee

審核委員會

The audit committee of the Company comprises independent non-executive Directors, namely Mr. Lo Wai Hung (chairman of the audit committee), Mr. Shi Huan, Mr. Luan Jian Ping and Mr. Li Jia Miao and a non-executive Director, Mrs. Zhou Shu Hua. The terms of reference of the audit committee have been clearly defined. Its principal responsibilities include:

本公司的審核委員會由獨立非執行董事盧偉雄先生(審核委員會主席)、石峘先生、欒建平先生及李家淼先生及非執行董事周淑華女士組成。審核委員會的職責範圍已清晰界定，其主要職責包括：

- To serve as a focal point for communication amongst Directors and auditors in respect of the duties relating to financial and other reporting, internal control, external and internal auditors and such other matters as the Board determines from time to time.

- 就有關財務及其他匯報、內部監控、外聘及內部核數師及董事會不時釐定的其他事宜，充當董事及核數師之間的溝通橋樑。

- To assist the Board in fulfilling its responsibilities by providing independent reviews and supervising financial reporting, by satisfying themselves as to the effectiveness of the internal control of the Group and the adequacy of the external and internal audits.

- 透過提供獨立審閱及監察財務匯報、使其本身滿意於本集團內部監控的效能以及外聘和內部審核充足，以協助董事會履行其職責。

ACCOUNTABILITY AND AUDIT (continued)

Audit committee (continued)

- To review the adequacy of staffing of the financial reporting functions of the Company.
- To review the scope and findings of internal audit procedures, to ensure coordination between internal and external auditors, and to ensure that the preparation of the financial reporting complied with the applicable accounting standards and requirements.
- To review the appointment of the external auditors on an annual basis, including a review on the scope of audit and approval of audit fees.
- To review annual, quarterly and interim financial statements prior to their approval by the Board, and to recommend application of accounting policies and changes to financial reporting requirements.
- To ensure the objectivity and independence of succession auditors.

During the year, the audit committee has convened four meetings, at which, they have primarily discussed and reviewed the quarterly, interim and annual results and have discussed and considered the internal control procedures of the Group. The attendance of each Director is set out below:

問責及核數(續)

審核委員會(續)

- 審閱本公司財務報告職能的員工人數是否充足。
- 審閱內部審核程序的範圍及結果、確保內部與外聘核數師之間的協調及確保財務報告的編製均符合適用的會計標準及規定。
- 每年審查外聘核數師的聘任,包括審閱核數範圍及審批核數費用。
- 在董事會作出批准前,審閱年度、季度及中期財務報表,並建議採用會計政策及財務匯報規定的變動。
- 確保續任核數師的客觀性及獨立性。

於本年度,審核委員會共召開四次會議,會上主要討論與審閱季度、中期及年度業績,並就本集團內部監控程序進行了討論與審議。各董事的出席率如下:

		Attendance in 2010 於二零一零年的出席率 (%)
Independent non-executive Directors	**獨立非執行董事**	
Mr. Lo Wai Hung	盧偉雄先生	100%
Mr. Shi Huan	石岅先生	100%
Mr. Luan Jian Ping	欒建平先生	100%
Mr. Li Jia Miao	李家淼先生	100%
Non-executive Director	**非執行董事**	
Mrs. Zhou Shu Hua	周淑華女士	100%

The scope of responsibilities of the audit committee is available for inspection upon request.

審核委員會的職責範圍可按要求以供查閱。

ACCOUNTABILITY AND AUDIT (continued)

問責及核數(續)

Audit committee (continued)

審核委員會(續)

There was no disagreement between the audit committee and the Board in respect of the selection, appointment, resignation or removal of external auditors during the year of 2010.

於二零一零年度,審核委員會與董事會在外聘核數師的挑選、委聘、辭任或罷免方面並無分歧。

The audit committee can consult independent professional advice in accordance with stated procedures at the expense of the Company.

審核委員會可按既定程序諮詢獨立專業意見,費用由本公司支付。

In 2010, the audit fees paid to the external auditors by the Company was approximately RMB1,900,000.

於二零一零年,本公司向外聘核數師支付的核數費用約為人民幣1,900,000元。

Mandate Granted to the Board

董事會的授權

The Board should assume the responsibility for the leadership and monitoring of the Company, and is collectively responsible for promoting the success of the Company. The responsibilities of the Board are defined explicitly in the Articles of Association of the Company.

董事會應負有領導及監控本公司的責任,同時集體負責促進本公司成功。董事會的職權已在本公司的組織章程細則內清晰界定。

(1) to be responsible for convening shareholders' meetings and report on its work at shareholders' meetings;

(一) 負責召集股東大會,並於股東大會報告工作;

(2) to implement the resolutions passed at shareholders' meetings;

(二) 執行股東大會通過的決議案;

(3) to determine the business plans and investment plans of the Company;

(三) 決定本公司的經營計劃和投資方案;

(4) to formulate the annual fiscal budgets and final accounts of the Company;

(四) 制訂本公司的年度財務預算方案及決算方案;

(5) to formulate profit distribution proposals and loss recovery proposals of the Company;

(五) 制訂本公司的利潤分配方案和彌補虧損方案;

(6) to formulate proposals for increasing or reducing of the registered capital of the Company and proposals for issue of debentures of the Company;

(六) 制訂本公司增加或削減註冊資本的方案以及發行本公司債券的方案;

(7) to draft proposals for the merger, division and dissolution of the Company;

(七) 擬定本公司合併、分拆及解散的方案;

ACCOUNTABILITY AND AUDIT (continued)

問責及核數（續）

Mandate Granted to the Board (continued)

董事會的授權（續）

(8) to determine the establishment of the internal management bodies of the Company;

（八） 決定本公司內部管理機構的組成；

(9) to appoint or dismiss the general manager of the Company, and to appoint or dismiss the deputy general manager and other senior management, including the person in charge of finance, pursuant to the recommendations of the general manager, as well as to determine their compensations;

（九） 聘任或解聘本公司總經理，並根據總經理的推薦，聘任或解聘副總經理和其他高級管理人員（包括財務負責人），並釐定其報酬；

(10) to formulate the basic management system of the Company;

（十） 制訂本公司的基本管理制度；

(11) to formulate proposals for amendments to the Articles of Association of the Company; and

（十一） 制訂本公司組織章程的修改方案；及

(12) to exercise other functions as stipulated by the articles of association or granted by the shareholders' meetings.

（十二） 行使本公司組織章程規定或股東大會授予的其他職能。

The Board has granted authority to the chief executive officer to implement the following strategies and to be responsible for the day-to-day operation:

董事會授權行政總裁執行以下各項策略及負責日常業務：

(1) to be in charge of the management of production and operation and to organize the implementation of the resolutions of the Board;

（一） 負責本公司的生產經營管理工作並組織實施董事會決議案；

(2) to organize the implementation of the annual business plans and investment plans of the Company;

（二） 組織實施本公司年度經營計劃和投資方案；

(3) to draft proposals for the establishment of internal management bodies of the Company;

（三） 擬訂本公司內部管理機構的組成方案；

(4) to draft the basis management system of the Company;

（四） 擬訂本公司的基本管理制度；

(5) to formulate the basic rules and regulations of the Company;

（五） 制訂本公司的基本規章；

(6) to propose the appointment or removal of the deputy general manager and other senior management, including the person in charge of finance, of the Company;

（六） 提請聘任或罷免本公司副總經理和其他高級管理人員（包括財務負責人）；

ACCOUNTABILITY AND AUDIT (continued)

問責及核數（續）

Mandate Granted to the Board (continued)

董事會的授權（續）

(7) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the Board; and

（七） 聘任或解聘管理人員，惟應由董事會聘任或解聘者除外；及

(8) to exercise other functions granted by the Articles of Association and the Board.

（八） 行使本公司組織章程和董事會授予的其他職權。

The chief executive officer grants authorisation to chief financial officers, and senior management within his terms of reference.

行政總裁在其職權範圍內向財務總監及高級管理人員授權。

The Board is supported by two committees, namely the audit committee and the remuneration committee. Each of the committees has its defined terms of reference covering its duties, rights and functions. The chairmen of the respective committees report to the Board regularly and make recommendations on matters discussed as appropriate.

董事會下設兩個委員會：即審核委員會和薪酬委員會，每個委員會各有涵蓋其責任、權利和職能的職權範圍。各委員會的主席會定期向董事會匯報，並按情況需要就討論事宜提出建議。

Communications with shareholders

與股東的溝通

Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual Director.

每項實際獨立的事宜，均會在股東大會上以個別決議案提呈，包括個別董事的選舉。

The shareholders' meeting provides an effective forum for shareholders to exchange views with the Board. The chairman, together with the chairmen or members of the audit committee and the remuneration committee are available to answer shareholders' questions.

股東大會為股東提供一個有效的場合，以與董事會交流意見。主席以及審核委員會及薪酬委員會的主席或成員將會在大會上解答股東的提問。

The procedures demanding for a poll and the rights of shareholders to demand for a poll are included in the notice of shareholders' meeting and the accompanying circular. The relevant procedures are explained at the shareholders' meetings.

要求以投票方式表決的程序及股東可要求以投票方式表決的權利載於股東大會通告及隨附的通函內。有關程序亦會於股東大會上解釋。

The external auditor has been appointed as the scrutineer to ensure the votes cast are properly counted and recorded.

已委任外聘核數師擔任監票員，以確保所有票數均適當點算及記錄在案。

The results of the poll have been posted on the website of the Stock Exchange of Hong Kong Limited on the business day following the meeting.

投票表決結果已於大會後首個營業日刊登在香港聯合交易所有限公司網站上。

ACCOUNTABILITY AND AUDIT (continued)

Communications with shareholders (continued)

Furthermore, the Company continues to enhance the ongoing communications amongst the shareholders, investors and analysts, including:

- establishing specialized bodies and employing staff to serve investors and analysts and answer their relevant questions;
- arranging site visits to the production bases of the Company in order to keep them abreast of the operations and the latest developments of the Company;
- collecting and analyzing, in a timely manner, the respective opinions and recommendations on the operations of the Company given by securities analysts and investors and compiling them into reports periodically, and selectively adopting them in the operations of the Company;
- providing relevant information, including introduction to the Company, the Board and corporate governance, results of the Company, financial summary, marketing materials of the Company and press releases on the website of the Company; and
- taking the initiative to communicate with various parties, particularly following the announcement of interim, annual results and substantial investment decisions, organizing briefings, press conferences and one-on-one interviews with investment institutions. Besides, the Company also regularly communicates with investors on a one-on-one basis.

問責及核數(續)

與股東的溝通(續)

此外,本公司亦不斷加強與股東,投資者及分析員的持續溝通,其中包括:

- 設置專門機構及聘請人員接待投資者和分析員並解答彼等提出的相關問題;
- 安排彼等到本公司的生產基地進行實地考察,便於彼等及時了解本公司的經營情況及業務發展的最新動向;
- 本公司及時收集並分析證券分析員及投資者對本公司營運的各種意見及建議,定期匯集成報告,並在本公司的營運中有選擇地加以採納;
- 通過本公司網站提供有關資料,包括本公司簡介、董事會及企業管治、本公司業績、財務摘要、公司推介材料及新聞稿等;及
- 本公司主動與各方人士溝通,特別是在中期、年度業績公佈及作出重大投資決策事項後,舉行推介會、記者招待會以及與投資機構單對單會談。除此,本公司亦定期與投資者進行單對單的溝通。

BOARD OF DIRECTORS

董事會

Executive Directors

執行董事

Mr. Zhang Hua Wei, age 47, is the vice chairman and general manager of the Company and vice chairman of Weigao Holding Company Limited ("Weigao Holding"). Mr. Zhang studied politics and economics at the Weihai Campus of Shandong University from 1996 to 1998. Mr. Zhang was the deputy factory director of Weigao Holding from 1988 to 1998, and has been the general manager of Weigao Holding since 1998. Mr. Zhang joined the Company in December 2000.

張華威先生，47歲，本公司副董事長兼總經理兼威高集團有限公司(「威高控股」)副董事長。張先生於一九九六年至一九九八年在山東大學威海分校修讀政治及經濟學。張先生於一九八八年至一九九八年任威高控股副廠長，自一九九八年起為威高控股總經理。張先生於二零零零年十二月加入本公司。

Mr. Miao Yan Guo, age 48, is an executive Director and deputy general manager of research and development of the Company. Mr. Miao studied Business Administration at the Weihai Campus of Shandong University from 1999 to 2001. Mr. Miao joined Weigao Holding in 1988 and was sales director from 1988 to 1991, operating manager from 1991 to 1993 and head of the No. 1 branch of Weigao Holding from 1993 to 1998. He was a deputy general manager of Weigao Holding from 1998 to 2000. Mr. Miao joined the Company in December 2000.

苗延國先生，48歲，本公司執行董事兼研發副總經理。苗先生於一九九九年至二零零一年在山東大學威海分校修讀工商管理。苗先生於一九八八年加入威高控股，歷任威高控股第一分廠銷售科長(一九八八年至一九九一年)、經營經理(一九九一年至一九九三年)及主管(一九九三年至一九九八年)、於一九九八年至二零零零年為威高控股的副總經理。苗先生於二零零零年十二月加入本公司。

Mr. Wang Yi, age 51, is an executive Director and deputy general manager of general affairs of the Company. Mr. Wang studied Business Administration at the Shandong Cadres Distance Learning University from 1994 to 1997. He joined Weigao Holding in 1988 and was production director from 1988 to 1989, head of the No. 2 branch of Weigao Holding from 1989 to 1992 and manager of the No. 3 branch of Weigao Holding from 1992 to 2004 . Mr. Wang joined the Company in December 2000.

王毅先生，51歲，本公司執行董事兼常務副總經理。王先生於一九九四年至一九九七年在山東幹部函授大學就讀工商管理，彼於一九八八年加入威高控股，歷任生產科長(一九八八年至一九八九年)、威高控股第二分廠主管(一九八九年至一九九二年)、威高控股第三分廠經理(一九九二年至二零零四年)。王先生於二零零零年十二月加入本公司。

Mr. Wang Zhi Fan, age 56, is an executive Director and deputy general manager of sales of the Company. He joined Weigao Holding in 1988 and was the production head and the manager of foreign trade of Weigao Holding. Mr. Wang joined the Group in December 2000.

王志范先生，56歲，本公司執行董事兼銷售副總經理 。王先生於一九八八年加入威高控股，歷任威高控股生產主管及外貿經理。王先生於二零零零年十二月加入本集團。

Mr. Wu Chuan Ming, age 52, is an executive Director and deputy general manager of production of the Company. Mr. Wu joined Weigao Holding in 1988. He has been the manager of the blood transfusion branch from 1996 to 2004. He joined the Group in December 2000.

吳傳明先生，52歲，本公司執行董事兼生產副總經理 。吳先生於一九八八年加入威高控股，於一九九六年至二零零四年任輸血器材分公司經理。吳先生於二零零零年十二月加入本集團。

BOARD OF DIRECTORS (continued)

董事會（續）

Non-executive Directors

非執行董事

Mr. Chen Xue Li, age 59, is the Chairman of both the Company and Weigao Holding. Mr. Chen founded Weigao Holding in 1988, and was the head of it from 1988 to 1998, Mr. Chen has been elected as the chairman of the Company since December 2000. He received the award of Entrepreneur of Weihai Economy Development in June 2003.

陳學利先生，59歲，本公司及威高控股董事長。陳先生於一九八八年創立威高控股，曾任威高控股廠長（一九八八年至一九九八年）。陳先生自二零零零年十二月起獲選任為本公司董事長。於二零零三年六月榮獲威海市發展經濟創業功臣榮譽稱號。

Mrs. Zhou Shu Hua, age 54, is a non-executive Director of the Company and financial deputy general manager of Weigao Holding. Mrs. Zhou studied Business Administration at the Weihai Campus of Shandong University from 1999 to 2001. Mrs. Zhou joined Weigao Holding in 1989 and held a number of positions such as head of the finance division in the finance department, manager of the finance department and deputy general manager of Weigao Holding.

周淑華女士，54歲，本公司非執行董事兼威高控股財務副總經理。彼於一九九九年至二零零一年在山東大學威海分校修讀工商管理。周女士於一九八九年加入威高控股，歷任威高控股財務部財務科長、財務部經理及財務副總經理等職。

Mr. Li Bing Yung, age 61, is and has been the President of Medtronic's operations in the Greater China region since February 2007. Prior to his current position, Mr. Li served as vice president of the commercial operations section of Medtronic, Inc. ("Medtronic") operations in the greater China region. Mr. Li has extensive experience in management in the Asia Pacific region. From 1996 to 2005, Mr. Li was with Johnson & Johnson Medical (China) Co. Ltd. where he held a number of executive positions and he was subsequently promoted to International Vice President in North Asia. Mr. Li graduated with a bachelor degree in Social Sciences from the University of Hong Kong in 1976 and obtained a master degree in Business Administration from Henley Management School of the United Kingdom in 1989. Mr. Li was appointed as a non-executive Director of the Company on 15th December, 2008.

李炳容先生，61歲，自二零零七年二月起擔任美敦力大中華區總裁。擔任上述職位前，李先生曾擔任Medtronic, Inc.（「美敦力」）大中華區商務運營部副總裁。李先生擁有多年亞太區管理經驗。一九九六年至二零零五年間，李先生任職強生醫療中國公司不同高級行政管理職位，及後獲晉升為北亞區國際副總裁。李先生於一九七六年畢業於香港大學社會科學專業，獲學士學位，並於一九八九年獲英國亨利管理學院(Henley Management School)工商管理碩士學位。李先生於二零零八年十二月十五日獲委任為本公司非執行董事。

BOARD OF DIRECTORS (continued)

Non-executive Directors (continued)

Mr. Jean-Luc Butel, age 54, is executive vice president of Medtronic and the President of Medtronic International Limited. Mr. Butel is responsible for all of Medtronic's operations outside of the United States. Prior to holding his current position, Mr. Butel served as President of Medtronic in Asia Pacific region and he was responsible for managing and driving all business activities for Medtronic in the Asia Pacific region. Prior to joining Medtronic, he was the president of Independence Technology, a Johnson & Johnson company, where he focused on providing mobility systems for the movement impaired. From 1991 till 1999, he worked for Becton Dickinson, initially as the general manager of its microbiology business in Japan and then as President of Nippon Becton Dickinson. From 1985 to 1991, Mr. Butel was with Johnson & Johnson and served multiple roles including general manager of Fiji, China project manager and marketing director of Johnson & Johnson's ophthalmic business in Southeast Asia. Mr. Butel has a bachelor degree in International Affairs from George Washington University and a master degree in Business and Administration from American Graduate School of International Management (Thunderbird). Mr. Butel was appointed as a non-executive Director of the Company on 15th December, 2008.

Independent Non-executive Directors

Mr. Shi Huan, age 74, is an independent non-executive Director. Mr. Shi is the president of China Pharmaceutical Association of Plant Engineering, a senior engineer and a former deputy head of State Pharmaceutical Administrative Bureau. He was appointed as an independent non-executive Director in September 2002.

董事會（續）

非執行董事（續）

Jean-Luc Butel先生，54歲，為美敦力的執行副總裁兼美敦力國際的總裁。Butel先生負責美敦力美國境外的所有業務。擔任其現有職位前，Butel先生曾擔任美敦力亞太區總裁，負責管理及促進美敦力在亞太區的所有業務活動。加入美敦力前，彼曾擔任強生旗下公司Independence Technology的總裁，專注為傷殘人士提供活動系統。由一九九一年至一九九九年，彼於Becton Dickinson任職，最初擔任日本微生物業務總經理，及後晉升為Nippon Becton Dickinson總裁。由一九八五年至一九九一年，Butel先生任職強生多個職位，包括斐濟總經理、中國項目經理及東南亞強生眼科業務的市場推廣總監。Butel先生持有喬治華盛頓大學(George Washington University)國際事務學士學位及美國國際管理研究生院(American Graduate School of International Management (Thunderbird))工商管理碩士學位。Butel先生於二零零八年十二月十五日獲委任為本公司非執行董事。

獨立非執行董事

石岘先生，74歲，獨立非執行董事。石先生為中國醫藥設備工程協會總裁、高級工程師及前國家醫藥管理局副局長。彼於二零零二年九月獲委任為獨立非執行董事。

BOARD OF DIRECTORS (continued)

Independent Non-executive Directors (continued)

Mr. Luan Jian Ping, age 57, is an independent non-executive Director. Mr. Luan studied philosophy and logic at the People's University of China from 1979 to 1986. He also studied Business Administration at the Aston University in the United Kingdom from 1992 to 1994. He obtained a PRC Lawyer's License issued by the Ministry of Justice of the PRC in October 1996 and is currently a partner of Beijing De Run Law Firm. He was appointed as an independent non-executive Director of the Company in September 2002.

Mr. Li Jia Miao, age 71, is an independent non-executive Director. Mr. Li is a senior economist and obtained a degree in economics and management in Hohai University in 1998. Mr. Li has over 30 years of pharmaceutical related management experiences and has been an assistant general manager and a general manager in Nanjing Pharmaceutical Company since he joined NPC in 1965. Prior to the retirement of Mr. Li in 2005, he was the chairman of Nanjing Pharmaceutical Company Limited since 2000. He was appointed as an independent non-executive director of the Company on 28th February, 2007.

Mr. Lo Wai Hung, age 51, obtained a bachelor degree in Commerce from James Cook University of North Queensland, Australia. Mr. Lo is an associate member of Institute of Chartered Accountants in Australia and a fellow member of Hong Kong Institute of Certified Public Accountants. Mr. Lo was appointed as an independent non-executive director, chairman of audit committee and a member of remuneration committee of the Company on 10th August, 2009. Mr. Lo is also an independent non-executive director of Tomorrow International Holdings Limited, which is listed on the Stock Exchange of Hong Kong Limited.

董事會（續）

非執行董事（續）

欒建平先生，57歲，獨立非執行董事。欒先生於一九七九年至一九八六年在中國人民大學研修哲學及邏輯學，於一九九二年至一九九四年在英國阿斯頓大學修讀工商管理，並於一九九六年十月獲得中國司法部頒發的中國律師資格證書，現為北京德潤律師事務所合夥人。彼於二零零二年九月獲委任為本公司獨立非執行董事。

李家淼先生，71歲，獨立非執行董事。李先生為一名高級經濟師，於一九九八年在南京河海大學獲經濟管理學士學位。李先生擁有逾30年醫藥相關管理經驗，自一九六五年加入南京醫藥公司後，曾擔任副總經理及總經理等職位。李先生自二零零零年起任南京醫藥總公司董事長直至二零零五年退休。彼於二零零七年二月二十八日獲委任為本公司獨立非執行董事。

盧偉雄先生，51歲，獲澳洲北崑士蘭詹姆斯庫克大學(James Cook University of North Queensland)頒授商學學士學位。盧先生為澳洲特許會計師公會會員及香港會計師公會資深會員。盧先生於二零零九年八月十日獲委任為本公司獨立非執行董事、審核委員會主席及薪酬委員會成員。盧先生亦為於香港聯合交易所有限公司上市之明日國際集團有限公司之獨立非執行董事。

BOARD OF DIRECTORS (continued)

董事會（續）

Supervisors

監事

The Company has a committee of Supervisors whose primary duty is to supervise the senior management of the Company, including the Board, Directors, managers and other senior officers. The function of the committee of Supervisors is to ensure that the senior management of the Company acts in the interests of the Company, and does not violate the rights of the Company's shareholders and employees. The committee of Supervisors reports to the shareholders in general meetings. The articles of association provides that the committee of Supervisors has the right to investigate the Group's financial affairs; to supervise the directors, general manager and other senior officers of the Company in the event that they contravene any laws, administrative regulations or the articles of association in the performance of their duties; to require the Directors, general managers and other senior management to rectify any activities committed by them that is harmful to the interests of the Company; to examine financial reports, result reports, profit distribution plans and other financial documents prepared by the Board to be submitted to shareholders in general meeting, and in appropriate cases, to appoint certified accountants or certified practicing auditors in the name of the Company to assist in such review; to propose the convening of extraordinary general meetings of shareholders; to represent the Company during negotiations with the Directors or to initiate legal proceedings against the Directors; and other functions and powers given by the shareholders in general meeting. The committee of Supervisors currently comprises the following three members:

本公司設有監事會，主要職責為監督本公司的高級管理人員，包括董事會、董事、經理及其他高級主管人員。監事會職能為確保本公司高級管理人員依據本公司的利益行事，且不會違反本公司股東及僱員的權利。監事會在股東大會上向股東匯報。本公司組織章程規定監事會有權調查本集團的財務狀況；監察本公司董事、總經理及其他高級主管人員在履行彼等的職責時不會違反任何法律、行政法規或本公司組織章程；要求董事、總經理及其他高級管理人員停止進行有違本公司利益的活動；審核董事會編製並於股東大會向股東呈交的財務報告、業績報告、溢利分配計劃及其他財務文件，並在適當情況下，代表本公司委聘執業會計師或執業核數師協助有關審核工作；建議召開臨時股東大會；代表本公司與董事磋商或對董事提出法律訴訟；以及股東在股東大會上所授予的其他職權。目前，監事會由以下三名成員組成：

Ms. Bi Dong Mei, age 47, is a supervisor of the Company and the finance manager of the subsidiaries of the Company. Ms. Bi graduated from the Economic Management Department of Shandong Cadres Distance Learning University in 1997. She joined Weigao Holding in December 1988 and has been the head of the finance division and the deputy manager of the infusion sets branch from 2001 to 2004. She joined the Company in December 2000.

畢冬梅女士，47歲，本公司監事兼本公司附屬公司之財務經理，畢女士於一九九七年畢業於山東幹部函授大學經濟管理系，於一九八八年十二月加入威高控股，歷任輸液器製品分公司財務科長及副經理（二零零一年至二零零四年）。彼於二零零零年十二月加入本公司。

BOARD OF DIRECTORS (continued)

董事會（續）

Supervisors (continued)

監事（續）

Mr. Miao Hai Sheng, age 38, is a supervisor of the Company and the finance manager of the subsidiaries of the Company. Mr. Miao graduated from the Weihai Campus of Shandong University in 1997, majoring in operation management. He joined Weigao Holding in 1991 and has been the accountant, finance director, the labour and management officer of Weigao Holding. He joined the Company in December 2000.

苗海生先生，38歲，本公司監事及本公司附屬公司之財務經理。苗先生於一九九七年畢業於山東大學威海分校，主修經營管理專業，於一九九一年加入威高控股，歷任威高控股會計師、財務科長、勞資員等職。彼於二零零零年十二月加入本公司。

Ms. Chen Xiao Yun, age 37, is a supervisor of the Company and the finance manager. Ms. Chen studied financial accounting at the Shandong Broadcast and Television University from 1994 to 1998. She joined Weigao Holding in July 1991 and was the head of the finance division in finance department and the assistant to the manager of infusion sets branch. She joined the Company in December 2000.

陳曉雲女士，37歲，本公司監事及財務經理。陳女士於一九九四年至一九九八年在山東廣播電視大學修讀財務會計，於一九九一年七月加入威高控股，曾任財務部財務科長，輸液器製品分公司經理助理等職。彼於二零零零年十二月加入本公司。

Senior Management

高級管理人員

Mr. Jiang Qiang, age 38, is the head of corporate strategy and the deputy general manager of the Company. Mr. Jiang obtained a master degree in Accounting from Northeast University of Finance and Economics in the PRC in 1998. He has extensive experience in accounting and financial management. Mr. Jiang joined the Company in June 2002.

姜強先生，38歲，本公司企業策略總監及副總經理。姜先生於一九九八年取得中國東北財經大學會計學碩士學位。彼在會計與財務管理方面具有豐富經驗。姜先生於二零零二年六月加入本公司。

Mr. Chen Xiao Tong, age 44, is the head of production of the Company. Mr. Chen obtained a diploma in economics and management from Shandong Broadcasting and Television University and Mr. Chen join the Group in 1992 and has been the sales manager and deputy general manager in subsidiaries of the Group. Mr Chen has over 20 years of valuable experiences in medical device industry.

陳曉通先生，44歲，本公司生產總監。陳先生取得山東廣播電視大學經濟管理文憑，自一九九二年入職本集團以來歷任本集團之附屬公司銷售經理及副總經理等職。陳先生具有醫療器械行業逾二十年的寶貴經驗。

BOARD OF DIRECTORS (continued)

董事會（續）

Senior Management (continued)

高級管理人員（續）

Mr. Song Xiu Shan, age 47, is the head of sales department of the Company. Mr. Song was graduated from University of Shandong, major in corporate administration in 2001, and studied in an advanced business administration program administered by the People University of China from 2002 to 2004. Mr. Song joined Weigao Holding in June 1992, and has been the manager of the Beijing sales branch of Weigao Holding, marketing manager of infusion device branch of Weigao Holding, and has extensive experience in corporate marketing. He joined the Company in December 2000.

宋修山先生，47歲，本公司銷售總監。宋先生於二零零一年畢業於山東大學企業管理專業，於二零零二年至二零零四年修讀中國人民大學高級工商管理課程。宋先生於一九九二年六月加入威高控股，曾任威高控股北京銷售分公司經理、威高控股輸液器分公司營銷經理，具有豐富的企業營銷經驗。彼於二零零零年十二月加入本公司。

Mr. Ju Hong Feng, age 36, is the chief financial officer of the Company. Mr. Ju graduated from in industry and commerce management from University of Shandong and studied in an advanced business administration program administered by the People's University of China from 2002 to 2004. Mr. Ju joined the Company in 2002 and has been the manager of financial and accounts department of the Company. Mr. Ju has over 10 years of valuable experiences in finance and accounting industry.

鞠洪峰先生，36歲，本公司財務總監。鞠先生畢業於山東大學工商管理專業，並於二零零二年至二零零四年修讀中國人民大學高級工商管理課程。鞠先生於二零零二年加入本公司，曾任本公司財務及會計部經理。鞠先生於財務及會計行業積逾十年寶貴經驗。

Mr Zhou De Jun, age 52, is the deputy general manager (blood transfusion division) of the Company. Mr. Zhou obtained a diploma of economics and management from the Communist Party Colleague of Shandong province. Mr. Zhou joined the Company in November 1992 and has been the deputy manager and deputy general manager of the subsidiaries of the Company. Mr. Zhou has about 20 years of valuable experience in medical device industry in China.

周德軍先生，52歲，本公司（輸血器材分部）副總經理。周先生取得山東省中共黨校經濟管理文憑。周先生於一九九二年十一月加入本公司，曾任本公司附屬公司副經理及副總經理。周先生在中國醫療器械行業積約二十年寶貴經驗。

Ms. Chan Yuk Ying, Phyllis, age 50, is the head of business development and investor relations and is a chartered accountant with the Institute of Chartered Accountants in Australia and joined the Company in May 2006. Ms. Chan has over 20 years of experience in accounting and corporate finance.

陳玉英女士，50歲，業務發展及投資者關係總監，為澳洲特許會計師公會的特許會計師，於二零零六年五月加入本公司。陳女士於會計及企業融資積逾二十年經驗。

BOARD OF DIRECTORS (continued)

Senior Management (continued)

Ms. Wong Miu Ling, Phillis, age 42, is the company secretary of the Company. Ms. Wong joined the Company in May 2006. She is an associate member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Wong has over 15 years of experience in corporate finance and management.

董事會（續）

高級管理人員（續）

黃妙玲女士，42歲，本公司的公司秘書，於二零零六年五月加入本公司。黃女士為香港特許秘書公會及英國特許秘書及行政人員公會會員。黃女士於企業融資及管理方面積逾十五年經驗。

The Directors are pleased to submit their annual report and the audited financial statements of the Group for the year ended 31st December, 2010.

董事欣然提呈本集團截至二零一零年十二月三十一日止年度的年報及經審核財務報表。

The Company was established and registered as a joint stock company with limited liability in the PRC under the Company Law of the PRC on 28th December, 2000. The H Shares of the Company were listed on GEM board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27th February, 2004 and were transferred to Main board of the Stock Exchange on 29th July, 2010.

本公司於二零零零年十二月二十八日根據中國公司法在中國成立並註冊為股份有限公司。本公司H股自二零零四年二月二十七日起在香港聯合交易所有限公司(「聯交所」)創業板上市,並於二零一零年七月二十九日轉板至聯交所主板。

PRINCIPAL ACTIVITIES

主要業務

Based in Shandong province, the Company is principally engaged in the research and development, production and sale of single-use medical devices. The Group has a wide range of products, which includes: 1) consumables (infusion set, syringes, medical needle, blood bags, blood sampling products, and other consumables); 2) orthopedic materials; 3) blood purification consumables; and 4) stent. The Group's products are sold under its own brand names, including "Jierui" "Excel"and "Wego Ortho". The products are sold throughout the PRC and exported to overseas. The Company has a nationwide sales network and an extensive customer base of over 5,140 healthcare organizations, including over 2,900 hospitals and 410 blood stations.

本公司位於山東省,主要從事研發、生產及銷售一次性醫療器械。本集團的產品種類繁多,包括:1)耗材(輸液器、注射器、醫用針製品、血袋、採血產品及其他使用耗材);2)骨科材料;3)血液淨化耗材;及4)心臟支架。本集團以自有品牌包括「潔瑞」、「Excel」及「威高骨科」出售產品,產品銷售中國各地和出口至海外其他國家。本公司擁有全國性的銷售網絡,以及遍佈超過5,140家醫療機構,其中包括2,900多家醫院及410多家血站的客戶基礎。

RESULTS AND DIVIDENDS

業績及股息

The results of the Group for the year ended 31st December, 2010 are set out in the consolidated statement of comprehensive income on page 69 of this annual report.

本集團截至二零一零年十二月三十一日止年度的業績載於本年報第69頁的綜合全面收入報表。

The Directors now recommend the payment of a final dividend of RMB0.075 per shares to the shareholders on the register of members on Tuesday, 7th June, 2011 amounting to approximately RMB161,442,000. The Directors also recommend the distribution of one bonus share for every share held on 7th June, 2011. Both proposals are subject to the approval by shareholders of the Company at the forthcoming general meeting. The retention of the remaining profit for the year of approximately RMB641,575,000.

董事現建議向於二零一一年六月七日(星期二)名列股東名冊的股東派付末期股息每股人民幣0.075元,總值約達人民幣161,442,000元。於二零一一年六月七日,董事亦建議就每持有一股股份派發一股紅股股份。兩項建議均須經本公司股東在即將舉行的股東大會上批准後,方可作實。保留本年度其餘溢利約人民幣641,575,000元。

The Board did not recommend the distribution of an interim dividend for the six months ended 30th June, 2010, however the Board distributed one bonus share for every share held on 26th October, 2010.

董事會並不建議派發截至二零一零年六月三十日止六個月之中期股息,然而,董事會按於二零一零年十月二十六日所持每股股份派發一股紅股股份。

PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment during the year of 2010 at an aggregate cost of approximately RMB339,735,000 in order to enhance its production capacity. Details of movements in the property, plant and equipment of the Group are set out in note 16 to the financial statements.

物業、廠房及設備

本集團為提高產能而於二零一零年年內購置物業、廠房及設備的總成本約人民幣339,735,000元。有關本集團物業、廠房及設備的變動詳情，載於財務報表附註16。

SHARE CAPITAL

As at 31st December, 2010, there was a total issued share capital of 2,152,562,162 shares of the Company (the "Shares") which include:

股本

於二零一零年十二月三十一日，本公司全部已發行股本為2,152,562,162股股份（「股份」），當中包括：

		Number of Shares 股份數目	Approximate percentages 概約百分比
Non-listed Shares	非上市股份	1,296,320,000	60.2%
H Shares	H股	856,242,162	39.8%

The changes in share capital of the Company is set out in note 31 to the Financial Statements.

本公司的股本變動載於財務報表附註31。

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31st December, 2010, an amount of approximately RMB600,537,000 (2009: RMB409,134,000) standing to the credit of the Company's reserve account, which is computed based on the lower of, (i) in accordance with the PRC accounting standards and regulation, the aggregate amount of profit after taxation for the year and (ii) in accordance with Hong Kong accounting standards and regulation, the retained profit brought forward after deduction of the current year's appropriation to the statutory surplus reserve and statutory public welfare fund.

本公司之可供分派儲備

於二零一零年十二月三十一日，本公司儲備賬記有約人民幣600,537,000元（二零零九年：人民幣409,134,000元），該數按下列金額較低者計算：(i)根據中國會計準則及規定計算的本年度除税後溢利總額；及(ii)根據香港會計準則及規定計算的扣除本年度調配至法定盈餘儲備及法定公積金後的承前保留溢利。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

董事及董事服務合約

The directors of the Company during the year were:

年內，本公司的董事為：

Executive directors

執行董事

Mr. Zhang Hua Wei	張華威先生
Mr. Miao Yan Guo	苗延國先生
Mr. Wang Yi	王毅先生
Mr. Wang Zhi Fan	王志范先生
Mr. Wu Chuan Ming	吳傳明先生

Non-executive directors

非執行董事

Mr. Chen Xue Li	陳學利先生
Mrs. Zhou Shu Hua	周淑華女士
Mr. Li Bing Yung	李炳容先生
Mr. Jean-Luc Butel	Jean-Luc Butel先生

Independent non-executive directors

獨立非執行董事

Mr. Lo Wai Hung	盧偉雄先生
Mr. Luan Jian Ping	欒建平先生
Mr. Shi Huan	石峘先生
Mr. Li Jia Miao	李家淼先生

Each of the executive and non-executive directors entered into service agreements with the Company. The service contracts were signed for an initial term of three years, unless and until terminated by either party by giving notice to the other party with three months' notice in writing. In accordance with the Company's Articles of Association, the service agreements of all directors are renewable for successive three-year terms upon expiry.

各位執行董事和非執行董事已與本公司訂立服務協議。服務協議已簽署初步為期三年，除非及直至任何一方給予另一方三個月的書面通知予以終止。根據本公司的組織章程，所有董事的服務協議均可於屆滿時再續三年。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (continued)

董事及董事服務合約(續)

The service agreements for executive and non-executive directors do not stipulate for any amount of remuneration or bonus payment to be paid for services provided. The executive directors are paid with a fixed sum of annual salaries for holding positions in the Company and entitled to welfare benefits (including retirement benefits and medical insurance) in accordance with the relevant laws and regulations in the PRC. All four non-executive directors waived their directors' remuneration for the year ended 31st December, 2010 and accepted a nominal annual fee of RMB1.00.

執行及非執行董事的服務協議均無訂明其提供董事服務可獲取的任何酬金或花紅款額。執行董事獲支固定年薪以擔任本公司職位，並根據中國有關法律和法規，有權享有各項福利待遇(包括退休福利及醫療保險)。所有四名非執行董事於截至二零一零年十二月三十一日止年度放棄彼等的董事袍金，僅收取名義年度袍金人民幣1.00元。

According to the respective service agreements entered into between the Company and each of the three independent non-executive directors, Mr. Luan Jian Ping, Mr. Li Jia Miao and Mr. Shi Huan who receive an annual fee of RMB72,000. Mr. Lo Wai Hung received an annual fee of HK$120,000.

根據本公司與三位獨立非執行董事欒建平先生、李家淼先生及石峘先生各自訂立的服務協議，每名獨立非執行董事可獲取年度袍金人民幣72,000元，盧偉雄先生可獲取年度袍金120,000港元。

Apart from the foregoing, no directors have a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

除上述者外，董事概無與本公司訂立本公司不可於一年內未有支付賠償(法定賠償除外)而終止的服務合約。

DIRECTORS' INTERESTS IN CONTRACTS

董事於合約中的權益

No director, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

概無董事於年內簽訂對本集團業務直接或間接屬重大的任何合約，而本公司、其控股公司或其任何附屬公司或同系附屬公司屬訂約方。

DIRECTORS' INTERESTS AND LONG POSITIONS IN SHARES

As at 31st December, 2010, the interests of the directors in the share capital of the Company and their associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules:

董事於股份的權益及好倉

於二零一零年十二月三十一日，董事於本公司及其相關法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股本中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益（包括根據證券及期貨條例的相關條文彼等視作或被視為擁有的權益或淡倉），或(ii)將予記入本公司根據證券及期貨條例第352條須存置之登記冊之權益，或(iii)根據上市規則所載的上市公司董事進行證券交易之標準守則（「標準守則」）而須知會本公司及聯交所之權益如下：

(i) Long positions of non-listed Shares of RMB0.10 each of the Company

(i) 於本公司每股面值人民幣0.10元非上市股份中的好倉

Name of Director 董事姓名	Types of interests 權益類別	Capacity 身份	Total number of non-listed Shares 非上市股份總數	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本的概約百分比
Mr. Zhang Hua Wei 張華威先生	Personal 個人	Beneficial owner 實益擁有人	16,200,000	0.75%
Mr. Miao Yan Guo 苗延國先生	Personal 個人	Beneficial owner 實益擁有人	11,700,000	0.54%
Mr. Wang Yi 王毅先生	Personal 個人	Beneficial owner 實益擁有人	11,700,000	0.54%
Mrs. Zhou Shu Hua 周淑華女士	Personal 個人	Beneficial owner 實益擁有人	7,650,000	0.36%
Mr. Wang Zhi Fan 王志范先生	Personal 個人	Beneficial owner 實益擁有人	4,050,000	0.19%
Mr. Wu Chuan Ming 吳傳明先生	Personal 個人	Beneficial owner 實益擁有人	3,600,000	0.17%

In addition, Mr. Chen Lin, son of Mr. Chen Xue Li is holder of the Company's 100,000 non-listed Shares, representing 0.005% of the issue share capital of the Company.

另外，陳學利先生之子陳林先生乃本公司100,000股非上市股份的持有人，佔本公司已發行股本的0.005%。

DIRECTORS' INTERESTS AND LONG POSITIONS IN SHARES (continued)

董事於股份的權益及好倉(續)

(ii) Long positions in the registered capital of the ultimate holding company, Weigao Holding, an associated corporation of the Company

(ii) 於最終控股公司威高控股(本公司相關法團)註冊資本的好倉

Name of director 董事姓名	Capacity 身份	Amount of registered capital 註冊資本金額	Approximate percentage of the registered capital of Weigao Holding 佔威高控股註冊資本概約百分比
Mr. Chen Xue Li 陳學利先生	Beneficial owner 實益擁有人	36,600,000	30.00%
Mr. Zhang Hua Wei 張華威先生	Beneficial owner 實益擁有人	29,280,000	24.00%
Mrs. Zhou Shu Hua 周淑華女士	Beneficial owner 實益擁有人	14,579,000	11.95%
Mr. Miao Yan Guo 苗延國先生	Beneficial owner 實益擁有人	7,320,000	6.00%
Mr. Wang Yi 王毅先生	Beneficial owner 實益擁有人	7,320,000	6.00%
Mr. Wang Zhi Fan 王志范先生	Beneficial owner 實益擁有人	2,610,800	2.14%
Mr. Wu Chuan Ming 吳傳明先生	Beneficial owner 實益擁有人	2,257,000	1.85%

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares of the Company or any of its associated corporations as at the date of this report.

除上文披露者外，於本報告日期，概無董事及其聯繫人於本公司或其任何相關法團任何股份中擁有任何權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF SECURITIES

購買、出售或贖回證券

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debenture of the Company granted to any directors or their respective associates or were any such rights exercised by them; or was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire such rights in the Company or any other body corporate.

於年內任何時間，概無任何董事或彼等各自的聯繫人獲授以收購本公司股份或債券方式獲利的權利，而彼等亦無行使任何該等權利；或本公司、其最終控股公司或其最終控股公司的任何附屬公司或同系附屬公司的任何附屬公司概無訂立任何安排，使本公司董事可收購於本公司或任何其他法人團體的該等權利。

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2010, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO recorded that other than the interests disclosed above in respect of certain Directors, the following shareholder had notified the Company of relevant interest in the issued share capital of the Company.

主要股東

於二零一零年十二月三十一日，按本公司根據證券及期貨條例第336節存置的主要股東登記冊所示，除上文披露有關若干董事的權益外，下列股東已通知本公司其於本公司已發行股本中的有關權益。

Name of Shareholder 股東名稱	Capacity 身份	Number of non-listed shares 非上市股份數目	Percentage of issued non-listed Shares 佔已發行非上市股份百分比	Number of H Shares H股數目	Percentage of total issued share capital 佔已發行股本總額的百分比
Weigao Holding 威高控股	Beneficial owner 實益擁有人	1,064,877,838	82.1%	–	49.5%
Medtronic Holding Switzerland GmbH	Beneficial owner 實益擁有人	161,442,162	12.5%	161,442,162	15.0%

Save as disclosed above, the following shareholders have disclosed their relevant interests or long positions in the issued share capital of the Company.

除上文披露者外，下列股東已披露彼等於本公司已發行股本中擁有的相關權益或好倉。

Name of substantial shareholder 主要股東名稱	Number of H shares interested 擁有權益H股數目	% of issued H share capital 佔已發行H股股本百分比
Medtronic Holding Switzerland GmbH	161,442,162(L)	18.9
Atlantis Investment Management Limited	94,088,000(L)	11.0
Liu Yang 劉央	94,088,000(L)	11.0
FMR LLC	68,732,000(L)	8.0

Notes: (L) – Long Position

附註： (L)－好倉

MAJOR CUSTOMERS AND SUPPLIERS

In 2010, sales to the Group's five largest customers accounted for 9.0% of the total sales for the year and sales to the largest customer included therein accounted for 6.4% of the total sales of the year. Purchases from the Group's five largest suppliers accounted for 25.1% of the total purchases for the year and purchases to the largest supplier included therein accounted for 6.5% of the total sales of the year. During the Year, none of the directors of the Company or any of their associates or any shareholders (which to the knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the top five customers and suppliers of the Group.

主要客戶及供應商

於二零一零年，向本集團五大客戶的銷售佔年內總銷售9.0%，而向其中最大客戶的銷售則佔年內總銷售6.4%。向本集團五大供應商所作採購佔年內總採購額25.1%，而向其中最大供應商所作採購則佔年內總採購額6.5%。年內，本公司董事、其任何聯繫人或據董事所知擁有本公司已發行股本5%以上的股東概無於本集團五大客戶及供應商中擁有任何實際權益。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive right under the Company's articles of association and the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Pursuant to the terms of the subscription and sale and purchase agreement dated 18th December, 2007 entered into between the Company, Weigao Holding Company Limited, certain management shareholders, Medtronic, Inc. and Medtronic Holding Switzerland GmbH ("Medtronic Switzerland"), so long as Medtronic Switzerland continuously and beneficially owns at least five percent (5%) of the enlarged issued share capital of the Company in the form of H Shares, it shall be entitled to certain pre-emptive rights in the event that the Company proposes to issue H Shares or securities that are convertible into H Shares. Provided that Medtronic Switzerland maintains the five percent (5%) threshold requirement described immediately above, the Company shall, prior to issuing any H Shares or securities that are convertible into H Shares, give Medtronic Switzerland notice in writing specifying (a) the number of H Shares it proposes to issue, and (b) the price at which such H Shares are being issued. Upon receipt of such notice, Medtronic Switzerland shall have the right, but not the obligation, to subscribe for up to such number of H shares (or securities that are convertible into H Shares), at the same price and on the same terms and conditions as set out in the notice, as necessary to maintain its pro rata equity ownership of the Company.

優先購買權

根據本公司的組織章程和中國法律，概無優先購買權之規定須向本公司現有股東按比例發售新股份。

根據本公司、威高控股有限公司、若干管理層股東、Medtronic, Inc.及Medtronic Holding Switzerland Gmbh（「Medtronic Switzerland」）於二零零七年十二月十八日訂立的認購及買賣協議之條款，只要Medtronic Switzerland以H股形式持續及實益擁有本公司經擴大已發行股本至少百分之五(5%)，倘本公司建議發行H股或可轉換為H股之證券，則其將擁有若干優先購買權之權利。假設Medtronic Switzerland如上所述保持百分之五(5%)持股規定，本公司在發行任何H股或可轉換為H股之證券之前，須向Medtronic Switzerland發出書面通知，列明(a)其建議發行之H股數目，及(b)有關H股的發行價。Medtronic Switzerland在收到有關通知後，將有權但並非有義務按該通知所載之相同價格及相同條款及條件認購最多達該數目之H股（或可轉換為H股之證券），乃由於必須維持在本公司之股權比例。

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or the management shareholders as defined under the "Listing Rules" of the Company or their respective associates has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interests with the Group.

競爭及利益衝突

本公司的董事或管理層股東(定義見「上市規則」)或其各自的聯繫人概無在與本集團業務構成或可能構成競爭或與本集團有任何其他利益衝突的業務中有任何權益。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company recorded transactions under the following announced agreements which constitute continuing connected transactions, and are subject to reporting and announcement requirements and exempt from independent shareholders' approval requirements under Rule 14A.23 of the Listing Rules.

關連交易及持續關連交易

於本年度,本公司已根據下列已宣佈協議進行構成持續關連交易的有關交易,而根據上市規則第14A.23條須遵守申報及公告規定但獲豁免取得獨立股東批准的規定。

CONTINUING CONNECTED TRANSACTIONS

1. On 1st January, 2010, HeZe Weigao entered into a medical supplies agreement with the Company regarding the supply of medical products for an annual cap of less than RMB5.0 million for the year from 1st January, 2010 to 31st December, 2010. For the year under review, the actual transaction amount was approximately RMB2.0 million.

2. On 11th December, 2009, Weigao Medical Materials Company Limited ("Weigao Medical Materials"), a wholly owned subsidiary of Weigao Holding, entered into a supply agreement with Jierui Subsidiary regarding the supply of packaging materials and printing ink by Weigao Medical Materials to the Company during the year from 1st January, 2010 to 31st December, 2010 with a cap of less than RMB3.0 million. For the year under review, the actual amount of transaction for the year was approximately RMB1.3 million.

持續關連交易

1. 於二零一零年一月一日,菏澤威高與本公司訂立醫用供應協議,內容有關供應醫用製品,年度上限少於人民幣5,000,000元,年期由二零一零年一月一日至二零一零年十二月三十一日。於回顧年度,實際交易額約為人民幣2,000,000元。

2. 於二零零九年十二月十一日,威高控股的全資附屬公司威高醫用材料有限公司(「威高醫用材料」)與潔瑞附屬公司訂立供應協議,內容有關由威高醫用材料於二零一零年一月一日至二零一零年十二月三十一日之年度向本公司供應包裝物料及印刷油墨,上限少於人民幣3,000,000元。於回顧年度,年度實際交易額約為人民幣1,300,000元。

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關連交易(續)

3. On 26th March, 2010, the Company entered into a supplemental agreement with Weihai Weigao Fusen Medical Materials Company Limited ("Weigao Fusen"), a 70% owned subsidiary of Weigao Holding, pursuant to which the Company purchased from Weigao Fusen surgical suture, medical dressing and surgical tape with an annual cap of less than RMB25.0 million during the year from 1st January, 2010 to 31st December, 2010. For the year under review, the actual amount of transaction was approximately RMB13.4 million.

3. 於二零一零年三月二十六日,本公司與威高控股擁有70%權益的附屬公司威海威高富森醫用材料有限公司(「威高富森」)訂立補充協議,據此,本公司向威高富森購買手術縫合線、醫用敷料及手術膠帶,年度上限少於人民幣25,000,000元,年期由二零一零年一月一日至二零一零年十二月三十一日。於回顧年度,實際交易額約為人民幣13,400,000元。

4. On 20th August, 2010, Weigao Orthopaedic and Medtronic SD entered into OEM agreement regarding the manufacturing and sale of orthopaedic products by Weigao Orthopaedic to Medtronic SD during the contract period from 20th August, 2010 to 31st December, 2010 with a cap of less than RMB20.0 million. The actual amount of transaction for the year was approximately RMB16.3 million.

4. 於二零一零年八月二十日,威高骨科與Medtronic SD訂立原設備製造協議,內容有關威高骨科為Medtronic SD製造並向其銷售骨科產品,合約期由二零一零年八月二十日至二零一零年十二月三十一日,上限少於人民幣20,000,000元。年度實際交易額約為人民幣16,300,000元。

5. On 18th December, 2007, the Company and Medtronic International Limited entered into a distribution joint venture agreement ("Distribution JV Agreement") in respect of the establishment of the distribution joint venture in the PRC which specialize in the sale and distribution of orthopedic medical device products in the PRC. Following the completion of the Distribution JV Agreement, the entering of the transaction between the Distribution JV and the Company constitutes continuing connected transaction for the Company and the annual cap for the year ended 31st December, 2010 was RMB352.0 million. During the year under review, the actual amount of products sold by the Company to the Distribution JV was approximately RMB156.8 million.

5. 於二零零七年十二月十八日,本公司與Medtronic International Limited就於中國成立分銷合營公司而訂立分銷合營公司協議(「分銷合營協議」),該分銷合營公司專門於中國從事銷售及分銷骨科醫療設備產品。於分銷合營協議完成後,分銷合營公司與本公司進行的交易構成本公司的持續關連交易,而截至二零一零年十二月三十一日止年度的年度上限為人民幣352,000,000元。於回顧年度,本公司售予分銷合營公司的產品的實際金額約為人民幣156,800,000元。

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關連交易(續)

6. On 30th December, 2008, Weigao Jierui Medical Products Company Limited ("Jierui Subsidiary"), a wholly owned subsidiary of the Company entered into the packaging material supply agreement for a period of three years from 1st January, 2009 to 31st December, 2011 with Weigao Pharmaceutical, a non wholly owned subsidiary of Weigao Holding, for the sales of packaging materials from Jierui Subsidiary to Weigao Pharmaceutical with an annual cap of less than RMB9.0 million. For the year under review, the actual transaction amount was approximately RMB7.6 million.

6. 於二零零八年十二月三十日,本公司的全資附屬公司威高潔瑞醫用製品有限公司(「潔瑞附屬公司」)與威高控股的非全資附屬公司威高藥業訂立包裝物料供應協議,由二零零九年一月一日至二零一一年十二月三十一日為期三年,由潔瑞附屬公司向威高藥業銷售包裝物料,年度上限少於人民幣9,000,000元。於回顧年度,實際交易額約為人民幣7,600,000元。

7. On 4th May, 2009, Weihai Weigao Biotech Company Limited ("Weigao Biotech"), a wholly owned subsidiary of Weigao Holding entered into a supply agreement with the Company for the supply of sterilizers to the Company by Weigao Biotech with an annual cap of less than RMB2.0 million. During the year under review, there was no transaction recorded under the agreement.

7. 於二零零九年五月四日,威高控股的全資附屬公司威海威高生物技術有限公司(「威高生物」)與本公司訂立供應協議,由威高生物向本公司供應滅菌器,年度上限少於人民幣2,000,000元。於回顧年度,並無根據該協議錄得任何交易。

8. On 15th November, 2010, Weihai Weigao Construction Company Limited ("Weigao Construction"), a indirect subsidiary of Weigao Holding entered into a master fitting out contract with the Company regarding the provision of fitting out work and decoration services to the Company with a cap of less than RMB10.0 million covering the period from 15th November, 2010 to 31st December, 2010. For the year under review, there was no transaction recorded under the agreement.

8. 於二零一零年十一月十五日,威高控股的間接附屬公司威海威高建築有限公司(「威高建築」)與本公司訂立主裝修合約,內容有關向本公司提供裝修工程及裝潢服務,上限少於人民幣10,000,000元,年期由二零一零年十一月十五日至二零一零年十二月三十一日。於回顧年度,並無根據該協議錄得任何交易。

9. On 15th November, 2010, Weihai Weigao Blood Purification Products Company Limited, ("Weigao Blood"), a 70% indirect owned subsidiary of the Company entered into the peritoneal dialysis fluid supply agreement with Shandong Weigao Pharmaceutical Company Limited ("Weigao Pharmaceutical"), a non-wholly owned subsidiary of Weigao Holding for the purchase of peritoneal dialysis fluid, substitution liquid, potassium powder and calcium powder with a cap of less than RMB6.0 million covering the contract period of from 15th November, 2010 to 31st December, 2010. For the year under review, the actual amount of transaction was approximately RMB5.1 million.

9. 於二零一零年十一月十五日,本公司擁有70%權益的間接附屬公司威海威高血液淨化製品有限公司(「威高血液」)與威高控股的非全資附屬公司山東威高藥業有限公司(「威高藥業」)訂立腹膜透析液供應協議,以購買腹膜透析液、置換液、鉀粉及鈣粉,上限少於人民幣6,000,000元,合約期由二零一零年十一月十五日至二零一零年十二月三十一日。於回顧年度,實際交易額約為人民幣5,100,000元。

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關連交易(續)

10. On 15th November, 2010, Weihai Weigao Medical Materials Company Limited, ("Weigao Materials), a 100% owned subsidiary of the Weigao Holding entered into the medical supplies agreement with the Company with a cap of less than RMB5.0 million covering the contract period of from 15th November, 2010 to 31st December, 2010. For the year under review, the actual transaction under the agreement was RMB2.6 million.

10. 於二零一零年十一月十五日,威高控股擁有100%權益的附屬公司威海威高醫用材料有限公司(「威高材料」)與本公司訂立醫用供應協議,上限少於人民幣5,000,000元,合約期由二零一零年十一月十五日至二零一零年十二月三十一日。於回顧年度,該協議項下之實際交易額為人民幣2,600,000元。

11. On 15th November, 2010, Shenyang Weigao Jinbao Trading Company Limited, ("Shenyang Jinbao"), a 90% owned subsidiary of the Company entered into the dialysis consumables supply agreement with Shandong Weigao Pharmaceutical Company Limited ("Weigao Pharmaceutical"), a non-wholly owned subsidiary of Weigao Holding for the purchase of dialysis consumables, such as dialysis powder with a cap of less than RMB2.0 million covering the contract period of from 15th November, 2010 to 31st December, 2010. For the year under review, the actual amount of transaction was approximately RMB1.2 million.

11. 於二零一零年十一月十五日,本公司擁有90%權益的附屬公司瀋陽威高金寶商貿有限公司(「瀋陽金寶」)與威高控股的非全資附屬公司山東威高藥業有限公司(「威高藥業」)訂立透析耗材供應協議,以購買透析耗材(例如透析粉),上限少於人民幣2,000,000元,合約期由二零一零年十一月十五日至二零一零年十二月三十一日。於回顧年度,實際交易額約為人民幣1,200,000元。

12. On 20th March, 2008, Weigao Holding, a controlling shareholder of the Company as the landlord entered into the tenancy agreement with the Company as the tenant in respect of the lease of premises located at No. 369 Wenhua Road West, Weihai, Shandong, the PRC. The annual rental paid by the Company was RMB2.1 million in 2010.

12. 於二零零八年三月二十日,本公司的控股股東威高控股(作為業主)與本公司(作為租戶)訂立租賃協議,內容有關租賃位於中國山東省威海文化西路369號的物業。本公司於二零一零年支付年租金人民幣2,100,000元。

The above continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors have confirmed that the continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Company; (b) on normal commercial terms or on terms no less favourable than those available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests the shareholders of the Company as a whole.

上述持續關連交易已由本公司獨立非執行董事審閱。獨立非執行董事已確認,持續關連交易是(a)在本公司日常及正常業務過程中;(b)根據一般商業條款或根據不遜於該等向或自獨立第三方提供或獲得的條款;(c)按照規管該等交易的相關協議根據公平合理且符合本公司股東整體利益的條款訂立。

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關連交易(續)

The Directors, including the independent non-executive directors, of the Company are of the view that all of the above transactions were on normal commercial terms and in the ordinary and usual course of business of the Company and that the terms of the relevant agreements were fair and reasonable and in the interests of the shareholders of the Company as a whole.

本公司董事(包括獨立非執行董事)認為上述所有交易是根據一般商業條款在本公司於其日常及正常業務過程中訂立,且相關協議的條款屬公平合理,並符合本公司股東的整體利益。

The Company confirms that the continuing connected transactions as disclosed above fall under the definition of continuing connected transactions in Chapter 14A of the Listing Rules and that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

本公司確認,上文所披露的持續關連交易屬上市規則第14A章定義下的持續關連交易,而本公司已遵守上市規則第14A章的披露規定。

AUDIT COMMITTEE

審核委員會

The Company set up an audit committee with terms of reference in compliance with the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Company. The audit committee has five members comprising Mr. Lo Wai Hung, Mr. Shi Huan, Mr Luan Jian Ping and Mr Li Jia Miao, being independent non-executive directors and Mrs. Zhou Shu Hua, a non-executive director.

本公司已根據上市規則的規定成立審核委員會並訂明職權範圍。審核委員會的主要職責為審核及監督本公司的財務申報程序及內部監控系統。審核委員會由獨立非執行董事盧偉雄先生、石峘先生、欒建平先生、李家淼先生及非執行董事周淑華女士五名成員組成。

During the year, the audit committee held four meetings and the committee had reviewed and approved the annual report for the year ended 31st December, 2009 and the first three quarterly reports of the year 2010. On 15th March, 2011, the audit committee had reviewed and approved the financial statements for the year ended 31st December, 2010.

於本年度,審核委員會已舉行四次會議,並審核和批准截至二零零九年十二月三十一日止年度之年報及二零一零年首三個季度報告。於二零一一年三月十五日,審核委員會已審閱並批准截至二零一零年十二月三十一日止年度的財務報表。

The unaudited quarterly and interim results and audited annual results for the year ended 31st December, 2010 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

截至二零一零年十二月三十一日止年度之未經審核季度及中期業績及經審核年度業績已經審核委員會審閱。審核委員會認為該等業績之編製方式符合適用會計準則及規定,並已作出充分披露。

AUDITORS

A resolution will be proposed at the forthcoming annual general meeting to re-appoint Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board
Chen Xue Li

Chairman

Weihai, Shandong, the PRC
15th March, 2011

核數師

在應屆股東週年大會上，將會呈交一項決議案，以重新委任德勤•關黃陳方會計師行作為本公司的核數師。

代表董事會
陳學利

董事長

中國山東威海
二零一一年三月十五日

Deloitte.
德勤

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Hong Kong

TO THE MEMBERS OF
SHANDONG WEIGAO GROUP MEDICAL POLYMER COMPANY LIMITED
山東威高集團醫用高份子製品股份有限公司
(A joint stock limited company established in the People's Republic of China)

致山東威高集團醫用高分子製品股份有限公司股東

(於中華人民共和國註冊成立的股份有限公司)

We have audited the consolidated financial statements of Shandong Weigao Group Medical Polymer Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 69 to 153, which comprise the consolidated statement of financial position as at 31st December, 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

本行已完成審核第69至153頁所載山東威高集團醫用高分子製品股份有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表,該等綜合財務報表包括於二零一零年十二月三十一日的綜合財務狀況表、及截至該日止年度的綜合全面收入報表、綜合權益變動報表及綜合現金流量報表,及主要會計政策及其他註釋附註的概要。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

董事就綜合財務報表的責任

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

貴公司董事須按照香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定,負責編製可真實及公平地反映情況的綜合財務報表,董事所採取的該等內部監控須確保編製綜合財務報表不存在因詐騙或錯誤而導致的重大錯誤陳述。

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

核數師的責任

本行的責任為根據吾等的審核結果，對該等綜合財務報表發表意見，並僅向全體股東報告吾等的意見，而根據隻方協定的委聘條款，本報告不作其他用途。吾等並不會就本報告內容對任何其他人士負上責任或承擔法律責任。本行是按照香港會計師公會頒佈的香港核數準則進行審核工作。該等準則要求本行遵守道德規範，及計劃與執行審核工作，以合理確定綜合財務報表是否不存在重大錯誤陳述。

審核範圍包括執行程序以取得與綜合財務報表所載數額及披露事項有關的審核憑證。所選取的程序視乎核數師的判斷，包括綜合財務報表中因詐騙或錯誤而導致存有重大錯誤陳述的風險的評估。在作出該等風險評估時，核數師會考慮到該實體就編製真實而公平的綜合財務報表所採用的內部監控，從而設計切合於當時狀況的審核程序，但並非旨在就實體內部監控是否有效表達意見。審核範圍亦包括評估所採用的會計政策是否恰當、董事所作出的會計估計是否合理以及評估綜合財務報表的整體表現。

本行相信，吾等所取得的審核憑證已足夠及適當地為吾等的審核意見提供基礎。

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st December, 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
15th March, 2011

意見

本行認為，綜合財務報表按照香港財務報告準則真實及公平地反映　貴集團於二零一零年十二月三十一日的財務狀況，以及截至該日止年度的溢利及現金流量狀況，並已依據香港公司條例的披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一一年三月十五日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收入報表

For the year ended 31st December, 2010 截至二零一零年十二月三十一日止年度

		NOTES 附註	2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Revenue	收入	7	**2,462,557**	1,878,495
Cost of sales	銷售成本		**(1,102,858)**	(877,236)
Gross profit	毛利		**1,359,699**	1,001,259
Other income, gains and losses	其他收入、收益及虧損	11	**104,158**	68,991
Distribution costs	分銷成本		**(501,324)**	(321,319)
Administrative expenses	行政開支		**(262,188)**	(180,941)
Finance costs	融資成本	9	**(9,658)**	(4,003)
Share of profit of jointly controlled entities	應佔共同控制實體盈利		**153,057**	109,369
Share of profit of an associate	應佔一間聯營公司盈利		**44,140**	31,604
Profit before taxation	除税前溢利		**887,884**	704,960
Income tax expense	所得税開支	10	**(85,532)**	(71,782)
Profit for the year	年內溢利	12	**802,352**	633,178
Other comprehensive income	其他全面收入			
Exchange differences arising on translation of foreign operations	換算海外業務產生匯兑差額		**665**	216
Total comprehensive income for the year	年內全面收入總額		**803,017**	633,394
Profit for the year attributable to:	下列各項應佔年內溢利：			
Owners of the Company	本公司擁有人		**799,072**	633,864
Non-controlling interests	非控股權益		**3,280**	(686)
			802,352	633,178
Total comprehensive income attributable to:	下列各項應佔全面收入總額：			
Owners of the Company	本公司擁有人		**799,737**	634,080
Non-controlling interests	非控股權益		**3,280**	(686)
			803,017	633,394
				(Restated) (經重列)
Earnings per share – basic	每股盈利－基本	15	**人民幣RMB0.37元**	人民幣RMB0.29元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31st December, 2010 於二零一零年十二月三十一日

		NOTES 附註	2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	**1,411,384**	1,166,751
Investment properties	投資物業	17	**14,905**	15,497
Prepaid lease payments	預付租賃款項	18	**226,953**	232,521
Intangible assets	無形資產	19	**20,849**	23,963
Interests in jointly controlled entities	於共同控制實體的權益	20	**431,436**	240,389
Interest in an associate	於一間聯營公司的權益	21	**130,127**	65,268
Goodwill	商譽	22	**202,900**	202,900
Deferred tax asset	遞延稅項資產	30	**12,505**	9,887
			2,451,059	1,957,176
Current assets	流動資產			
Inventories	存貨	23	**380,222**	319,002
Trade and other receivables	應收貿易及其他應收款	24	**1,055,751**	852,192
Pledged bank deposits	已抵押銀行存款	25	**134,109**	100,258
Bank balances and cash	銀行結餘及現金	26	**628,223**	723,167
			2,198,305	1,994,619
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他應付款	27	**838,534**	771,565
Bank borrowings – repayable within one year	銀行借款－須於一年內償還	28	**26,418**	37,415
Tax payable	應付稅項		**41,872**	56,363
			906,824	865,343
Net current assets	流動資產淨額		**1,291,481**	1,129,276
			3,742,540	3,086,452
Capital and reserves	資本及儲備			
Share capital	股本	31	**215,256**	107,628
Reserves	儲備		**3,411,154**	2,832,055
Equity attributable to owners of the Company	本公司擁有人應佔權益		**3,626,410**	2,939,683
Non-controlling interests	非控股權益		**7,463**	3,183
Total equity	股權總額		**3,633,873**	2,942,866

		NOTES 附註	2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Non-current liability	非流動負債			
Bank borrowings – repayable after one year	銀行借款－須於一年後償還	28	**88,303**	113,803
Other payable	其他應付款項	29	**20,364**	29,783
			108,667	143,586
			3,742,540	3,086,452

The consolidated financial statements on pages 69 to 153 were approved and authorised for issue by the Board of Directors on 15th March, 2011 and are signed on its behalf by:

第69至153頁的綜合財務報表已獲董事會於二零一一年三月十五日批准及授權刊發，並由以下董事代表董事會簽署：

Chen Xue Li
陳學利
DIRECTOR
董事

Zhang Hua Wei
張華威
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動報表

For the year ended 31st December, 2010 截至二零一零年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital RMB'000 股本 人民幣千元	Share premium reserve RMB'000 股份溢價儲備 人民幣千元	Statutory surplus reserve RMB'000 (Note) 法定盈餘儲備 人民幣千元 (附註)	Translation reserve RMB'000 匯兌儲備 人民幣千元	Retained earnings RMB'000 保留盈利 人民幣千元	Total RMB'000 總計 人民幣千元	Non-controlling interests RMB'000 非控股權益 人民幣千元	Total RMB'000 總計 人民幣千元
At 1st January, 2009	於二零零九年一月一日	107,628	1,393,170	111,217	(853)	865,570	2,476,732	8,191	2,484,923
Profit for the year	本年度溢利	–	–	–	–	633,864	633,864	(686)	633,178
Other comprehensive income for the year	年內其他全面收入	–	–	–	216	–	216	–	216
Total comprehensive income for the year	年內全面收入總額	–	–	–	216	633,864	634,080	(686)	633,394
Dividend paid	已付股息	–	–	–	–	(171,129)	(171,129)	–	(171,129)
Disposal of a subsidiary	出售一間附屬公司	–	–	–	–	–	–	(4,822)	(4,822)
Capital injection from minority shareholder	少數股東注資	–	–	–	–	–	–	500	500
At 31st December, 2009	於二零零九年十二月三十一日	107,628	1,393,170	111,217	(637)	1,328,305	2,939,683	3,183	2,942,866
Profit for the year	本年度溢利	–	–	–	–	799,072	799,072	3,280	802,352
Other comprehensive income for the year	年內其他全面收入	–	–	–	665	–	665	–	665
Total comprehensive income for the year	年內全面收入總額	–	–	–	665	799,072	799,737	3,280	803,017
Capital injection from minority shareholder	少數股東注資	–	–	–	–	–	–	1,000	1,000
Transfer to statutory reserve	轉撥至法定儲備	–	–	52,656	–	(52,656)	–	–	–
Dividend paid	已付股息	–	–	–	–	(113,010)	(113,010)	–	(113,010)
Bonus issue of shares	紅股發行	107,628	(107,628)	–	–	–	–	–	–
At 31st December, 2010	於二零一零年十二月三十一日	215,256	1,285,542	163,873	28	1,961,711	3,626,410	7,463	3,633,873

Note: The Articles of Association of the companies comprising the Company and its subsidiaries incorporated in PRC require the appropriation of 10% of profit after taxation (prepared under the generally accepted accounting principles in the PRC) each year to the statutory surplus reserve until the balance reaches 50% of the registered share capital. According to the provisions of the Articles of Association of the companies comprising the Group, in normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of its production and operation. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital.

附註： 包括本公司及其於中國註冊成立之附屬公司的該等公司的組織章程規定將其各年除稅後溢利(根據中國公認會計原則編製)的10%分派至法定盈餘儲備，直至法定盈餘儲備的結餘達註冊股本的50%為止。根據本集團旗下公司的組織章程的條文規定，在一般情況下，法定盈餘儲備僅可用作彌補虧損、撥充股本及擴充生產及營運。將法定盈餘儲備撥充股本後，該儲備的餘額不得低於註冊股本的25%。

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量報表

For the year ended 31st December, 2010 截至二零一零年十二月三十一日止年度

		NOTES 附註	2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
OPERATING ACTIVITIES	**經營業務**			
Profit before taxation	除税前溢利		**887,884**	704,960
Adjustments for:	經作出下列調整：			
Interest income	利息收入		**(5,572)**	(5,989)
Interest expense	利息開支		**9,658**	4,003
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損		**2,314**	–
Depreciation of property, plant and equipment	物業、廠房及設備折舊		**90,363**	71,052
Depreciation of investment properties	投資物業折舊		**592**	593
Prepaid lease payments charged to profit or loss	從損益中扣除預付租賃款項		**5,242**	3,675
Allowances for bad and doubtful debts	呆壞賬撥備		**19,661**	12,911
Amortisation of intangible assets	無形資產攤銷		**3,114**	3,114
Share of profit of jointly controlled entities	應佔共同控制實體溢利		**(153,057)**	(109,369)
Share of profit of an associate	應佔一間聯營公司溢利		**(44,140)**	(31,604)
Unrealised profit on sales to associate	就銷售予聯營公司的未變現溢利		**1,700**	271
Realised gain arising from establishing of an associate	成立一間聯營公司產生的變現收益	21	**(35,419)**	(22,137)
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損（收益）		**129**	(200)
Loss on disposal of a subsidiary	出售一間附屬公司虧損	32	**–**	356
Operating profit before working capital changes	未計營運資金變動前的經營溢利		**782,469**	631,636
Increase in inventories	存貨增加		**(61,220)**	(30,326)
Increase in trade and other receivables	應收貿易賬款及其他應收款項增加		**(222,894)**	(176,436)
Increase in trade and other payables	應付貿易賬款及其他應付款項增加		**127,797**	103,304
Net cash generated from operations	經營所得現金淨額		**626,152**	528,178
PRC income tax paid	已付中國所得税		**(102,641)**	(49,104)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**經營業務所得現金淨額**		**523,511**	479,074
INVESTING ACTIVITIES	**投資業務**			
Purchase of property, plant and equipment	購買物業、廠房及設備		**(339,441)**	(318,396)
Prepaid lease payments made	預付租賃款項		**(10,628)**	(89,346)
Acquisition of a jointly controlled entity	收購一間共同控制實體		**(37,990)**	–
Dividend income received from an associate	收取一間聯營公司的股息收入		**13,000**	2,272
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		**2,296**	5,494
Interest received	已收利息		**5,572**	5,989
Increase in pledged bank deposits	已抵押銀行存款增加		**(33,851)**	(25,238)
Disposal of a subsidiary	出售一間附屬公司	32	**–**	6,126
NET CASH USED IN INVESTING ACTIVITIES	**投資業務所用現金淨額**		**(401,042)**	(413,099)

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量報表

For the year ended 31st December, 2010 截至二零一零年十二月三十一日止年度

		NOTES 附註	2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
FINANCING ACTIVITIES	**融資業務**			
New borrowings raised	籌得新借款		**4,342**	14,654
Repayments of borrowings	償還借款		**(40,839)**	(1,844)
Settlement of other payable	償付其他應付款項		**(60,905)**	(11,000)
Interest paid	已付利息		**(8,666)**	(4,624)
Dividend paid	已付股息		**(113,010)**	(171,129)
Capital injection from minority shareholder	少數股東注資		**1,000**	500
NET CASH USED IN FINANCING ACTIVITIES	**融資業務所用現金淨額**		**(218,078)**	(173,443)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**現金及現金等價物減少淨額**		**(95,609)**	(107,468)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**於年初的現金及現金等價物**		**723,167**	830,419
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	**外匯匯率變動的影響，淨額**		**665**	216
CASH AND CASH EQUIVALENTS AT END OF YEAR, representing bank balances and cash	**於年末的現金及現金等價物**，指銀行結餘及現金		**628,223**	723,167

1. GENERAL

The Company was established and registered as a joint stock company with limited liability in the People's Republic of China (the "PRC") under the Company Law of the PRC on 28th December, 2000. Its immediate and ultimate holding company is Weigao Holding Company Limited ("Weigao Holding"), a company registered in the PRC with limited liability. The address of the registered office and principal place of business of the Company is 312 Shi Chang Road, Weihai, Shandong Province, PRC.

The Company's shares were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27th February, 2004 and the listing of the shares has been transferred to the Main Board of the Stock Exchange since 29th July, 2010.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the research and development, production and sale of single-use medical devices, orthopaedic products and blood purification products.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

1. 概述

本公司於二零零零年十二月二十八日根據中華人民共和國(「中國」)公司法在中國成立及註冊為股份有限公司。其直接及最終控股公司為威高控股有限公司(「威高控股」),一間於中國註冊的有限責任公司。本公司的註冊辦事處及主要營業地點的地址為中國山東省威海市世昌大道312號。

本公司的股份於二零零四年二月二十七日在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市,自二零一零年七月二十九日起轉往聯交所主板交易。

本公司及其附屬公司(以下統稱「本集團」)主要從事研究及開發、生產及銷售一次性使用醫療產品、骨科產品及血液淨化產品。

綜合財務報表以本公司的功能貨幣人民幣(「人民幣」)呈列。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKAS 39 (Amendments)	Eligible hedged items
HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners
HK – INT 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

The adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度,本集團應用由香港會計師公會(「香港會計師公會」)頒佈的下列新訂及經修訂準則、修訂及詮釋(「新訂及經修訂香港財務報告準則」)。

香港財務報告準則(修訂)	作為二零零八年頒佈之香港財務報告準則改進之一部份之香港財務報告準則第5號之修訂
香港財務報告準則(修訂)	二零零九年頒佈的香港財務報告準則的改進
香港會計準則第27號(二零零八年經修訂)	綜合及獨立財務報表
香港會計準則第39號(修訂)	合資格對沖項目
香港財務報告準則第2號(修訂)	集團的現金結算股份付款交易
香港財務報告準則第3號(經修訂)	業務合併
香港(國際財務報告詮釋委員會)-詮釋第17號	向擁有人分派非現金資產
香港-詮釋第5號	財務報表的呈報-借款人對載有按要求償還條款之定期貸款之分類

採納新訂及經修訂香港財務報告準則對本集團於本會計期間或過往會計期間的綜合財務報表並無重大影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[2]
HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets[5]
HKFRS 9	Financial instruments[7]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[6]
HKAS 24 (Revised)	Related party disclosures[4]
HKAS 32 (Amendments)	Classification of rights issues[1]
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement[4]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments[3]

1 Effective for annual periods beginning on or after 1st February, 2010.
2 Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate.
3 Effective for annual periods beginning on or after 1st July, 2010.
4 Effective for annual periods beginning on or after 1st January, 2011.
5 Effective for annual periods beginning on or after 1st July, 2011.
6 Effective for annual periods beginning on or after 1st January, 2012.
7 Effective for annual periods beginning on or after 1st January, 2013.

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial instruments" (as revised in November 2010) add requirements for financial liabilities and for derecognition.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提早應用下列已頒佈但尚未生效的新訂及經修訂準則、修訂或詮釋。

香港財務報告準則(修訂)	二零一零年頒佈的香港財務報告準則的改進[2]
香港財務報告準則第7號(修訂)	披露－轉讓金融資產[5]
香港財務報告準則第9號	金融工具[7]
香港會計準則第12號(修訂)	遞延稅項:收回相關資產[6]
香港會計準則第24號(經修訂)	關連人士披露[4]
香港會計準則第32號(修訂)	供股分類[1]
香港(國際財務報告詮釋委員會)－詮釋第14號(修訂)	最低資金規定的預付款項[4]
香港(國際財務報告詮釋委員會)－詮釋第19號	以股本工具抵銷金融負債[3]

1 於二零一零年二月一日或以後開始之年度期間生效。
2 於二零一零年七月一日及二零一一年一月一日(如適用)或以後開始的年度期間生效。
3 於二零一零年七月一日或以後開始的年度期間生效。
4 於二零一一年一月一日或以後開始的年度期間生效。
5 於二零一一年七月一日或以後開始的年度期間生效。
6 於二零一二年一月一日或以後開始的年度期間生效。
7 於二零一三年一月一日或以後開始的年度期間生效。

香港財務報告準則第9號「金融工具」(於二零零九年十一月所頒佈)引入金融資產分類及計量的新規定。香港財務報告準則第9號「金融工具」(於二零一零年十一月所修訂)增加金融負債及取消確認的規定。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31st December, 2013 and that the application of the new Standard will not have a significant impact on amounts reported in respect of the Groups' financial assets and financial liabilities.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

根據香港財務報告準則第9號,所有屬於香港會計準則第39號「金融工具:確認及計量」的範圍內的已確認金融資產其後將按攤銷成本或公平值計量。具體而言,即於目標為收取合約現金流量的業務模式內持有及具有純粹用以支付本金及未付本金的利息的合約現金流量的債務投資,一般於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資均於其後會計期間結束時按公平值計量。

就金融負債而言,重大變動與指定為按公平值計入損益的金融負債有關。具體而言,根據香港財務報告準則第9號,就按公平值計入損益的金融負債而言,除非於其他全面收入中呈列負債的信貸風險改變的影響會於損益中產生或擴大會計錯配,否則因負債的信貸風險改變而引致金融負債公平值金額的變動乃於其他全面收入中呈列。金融負債的信貸風險引致的公平值變動其後不會重新分類至損益。過往,根據香港會計準則第39號,分類為按公平值計入損益的金融負債的公平值變動的全部金額乃於損益中呈列。

香港財務報告準則第9號於二零一三年一月一日或以後開始之年度期間生效,並准許提早應用。

董事預期,本集團將於截至二零一三年十二月三十一日止財政年度之綜合財務報表內採納香港財務報告準則第9號,而預期採納新準則並不會對本集團呈報之金融資產及金融負債的呈報金額造成重大影響。

本公司董事預期,應用其他新訂及經修訂準則、修訂或詮釋將不會對綜合財務報表造成重大影響。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

3. 主要會計政策

誠如下文會計政策所載列之説明，除若干金融工具按公平值計量外，綜合財務報表乃以歷史成本為基礎編製。

綜合財務報表乃按照香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定的適用披露。

主要會計政策載列如下。

綜合基準

綜合財務報表載有本公司及受本公司（其附屬公司）所控制的實體（包括特設實體）的財務報表。當本公司擁有權力監管一間實體的財務及營運政策，從而可於業務中獲取利益時，便取得控制權。

年內所收購或出售的附屬公司的業績，由實際收購日期起或直至實際出售日期止（如適用）於綜合全面收入報表中列賬。

倘有需要時，會對附屬公司的財務報表作出調整，以使附屬公司的會計政策與本集團其他成員公司所用者相符一致。

所有集團內公司間交易、結餘、收入及開支已於綜合賬目時抵銷。

於附屬公司之非控股權益與本集團於其中的權益分開呈列。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1st January, 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. 主要會計政策(續)

分配全面收入總額至非控股權益

附屬公司的全面收入與開支總額會歸屬於本公司擁有人及非控股權益,即使其將導致非控股權益為赤字結餘。於二零一零年一月一日之前,適用於非控股權益之虧損超出附屬公司股本的非控股權益,該虧損則分配至本集團的權益內,惟具約束性責任及作出額外投資以彌補虧損的非控股權益除外。

業務合併

購買業務採用購買法入賬。業務合併所轉撥之代價以公平值計量,並按本集團於收購日期所轉撥之資產公平值、本集團與被收購者之前擁有人產生之負債及本集團於交換被收購者之控制中所發行之股本權益總額計算。與收購有關的成本一般於發生時於損益內確認。

商譽按所轉撥的代價、於被收購方的任何非控股權益金額及收購方先前所持被收購方股本權益(如有)的公平值總和超出所收購的可識別資產及所承擔的負債於收購日期淨額的差額計量。倘(經評估後)所收購的可識別資產及所承擔的負債於收購日期淨額超出所轉撥的代價、於被收購方的任何非控股權益金額及收購方先前所持被收購方權益(如有)的公平值總和,所超出的差額即時於損益確認為議價收購收益。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another Standard.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

Goodwill is tested for impairment annually, and whenever there is an indication that the cash-generating unit to which the goodwill relates may be impaired.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

3. 主要會計政策(續)

業務合併(續)

屬現時擁有權權益且於清盤時賦予其持有人按比例分佔實體資產淨值的非控股權益可初步按公平值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準的選擇乃按每次交易為基礎。其他類型的非控股權益乃按其公平值或按另一項準則要求的另一項計量基準計量。

商譽

收購業務所產生的商譽乃按成本值減去任何累計減值虧損入賬，並於綜合財務狀況表內分開呈列。

商譽會每年及凡與商譽有關的現金產生單位有可能出現減值跡象時進行減值測試。

就減值測試而言，收購產生的商譽會分配至各預期可受惠於收購的協同效益的有關現金產生單位或多組現金產生單位。獲分配商譽的現金產生單位會每年及於有跡象顯示該單位可能出現減值時進行減值測試。就財政年度內收購所產生的商譽而言，獲分配商譽的現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位的可收回金額低於該單位的賬面值，則減值虧損會先分配以調減分配至該單位的任何商譽的賬面值，其後則按該單位內各項資產的賬面值的比例分配至該單位的其他資產。任何商譽的減值虧損均會直接於損益確認。商譽的減值虧損不會於其後期間撥回。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales taxes and sales returns.

Revenue from sales of medical products are recognised when the medical products are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

3. 主要會計政策(續)

商譽(續)

於往後出售相關現金產生單位時，其應佔資本化商譽金額會計入作釐定出售溢利或虧損數額之用。

收入確認

收入按所收取或應收取代價的公平值計量，相等於在正常業務過程中就所出售貨品而應收取的金額(經扣除折扣、銷售稅項及銷售退貨)。

銷售醫療產品的收入在有關醫療產品付運及所有權已轉讓時確認。

來自金融資產的利息收入是參考尚餘本金及以適用實際利率按時間基準累計，而實際利率為透過初次確認的金融資產的預期可使用年期將估計日後現金收入實際貼現至該資產的賬面淨值的比率。

研究及開發開支

研究工作的開支於產生的年度內確認為開支。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and development expenditure (continued)

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

3. 主要會計政策(續)

研究及開發開支(續)

當且僅當所有下列事項已獲證實,則由開發活動(或內部項目的開發階段)產生的內部生成無形資產予以確認:

- 在技術可行性上能完成無形資產以供使用或出售;
- 有意完成無形資產及使用或出售無形資產;
- 使用或出售無形資產的能力;
- 無形資產日後可能產生經濟利益的方式;
- 可動用適當科技、財務及其他資源完成開發及使用或出售無形資產;及
- 可於開發期間可靠計算無形資產應佔的開支的能力。

就內部產生的無形資產而初步確認的金額指從無形資產首次符合上文所列的確認標準日期起所發生的開支的總額。倘不能確認內部產生的無形資產,則開發開支會於發生期間內自損益扣除。

初步確認之後,內部產生的無形資產乃按成本減累計攤銷及累計減值虧損(如有),並按與所收購無形資產相同的基準單獨計量。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

Payments to defined contributions schemes including Mandatory Provident Fund Scheme and state-managed retirement benefits schemes are charged as expenses when employees have rendered service entitling them to the contributions.

Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at no consideration.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions associated with the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount that is received or receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策(續)

退休福利成本

用以支付定額供款計劃(包括向強制性公積金計劃及國家管理的退休福利計劃供款)的款項,於僱員提供服務而享有供款時列作開支扣除。

政府補助

政府補助是本集團從政府無償取得的貨幣性資產或非貨幣性資產。

當本集團滿足有關政府補助的條件,並合理確保可收取時,對政府補助予以確認。若政府補助以貨幣性資產形式轉讓,則按已收或應收的金額計量。

政府補助乃就本集團確認的有關支出(預期補助可予抵銷成本的支出)期間按系統化的基準於損益中確認。與可折舊資產有關的政府補助於綜合財務狀況表確認為遞延收入,並於有關資產的可使用年限內轉移至損益。其他政府補助於(必須與預期可予抵銷的成本配對的)期間按系統化的基準確認為收入。政府補助是抵銷已產生的支出或虧損或旨在給予本集團的即時財務支援(而無未來有關成本),於有關補助成為應收款項的期間在損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策(續)

Taxation

稅項

Income tax expense represents the sum of the tax currently payable and deferred tax.

所得稅開支指現時應付的稅項及遞延稅項總和。

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

現時應付的稅項以年內的應納稅溢利為基礎。應納稅溢利有別於綜合全面收入報表所報的溢利,由於其不包括於其他年度應納稅或可扣稅的收入或開支項目,且亦不包括不應納稅或不可扣稅的項目。本集團目前的稅務責任乃採用報告期末已制定或大致上已制定的稅率計算。

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

遞延稅項就綜合財務報表內資產及負債的賬面值與用以計算應納稅溢利的相關稅基的暫時差額而確認。遞延稅項負債一般就所有應納稅暫時差額確認。倘有應納稅溢利以致可動用可扣稅即暫時差額,遞延稅項資產一般就所有可扣稅暫時差額確認。倘暫時差額來自商譽或來自一項不會影響應納稅溢利或會計溢利的交易的其他資產及負債的初步確認(業務合併除外),該等資產及負債不會予以確認。

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

遞延稅項負債乃按因於附屬公司及聯營公司之投資及於合營企業的權益而產生的應課稅暫時差額而確認,惟若本集團可令暫時差額撥回及暫時差額有可能未必於可見將來撥回之情況除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額的益處且預計於可見將來可以撥回時確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策(續)

稅項(續)

於各報告期末審閱遞延稅項資產的賬面值,及倘應納稅溢利不再足夠收回全部或部分資產,即減少遞延稅項資產的賬面值。

遞延稅項資產及負債乃根據於報告期末已實施或大致上已實施的稅率(及稅法),按預期於負債清償或資產變現期間適用的稅率計算。遞延稅項負債與資產的計算,反映按照本集團於報告期末時預期收回或清償資產及負債賬面值的方式所產生稅務結果。遞延稅項於損益內確認,惟倘遞延稅項涉及於其他全面收益或直接在權益確認項目,則遞延稅項亦會於其他全面收益或直接於權益內確認。

物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本減累計折舊及累計減值虧損列賬。

物業、廠房及設備(在建工程除外)的項目乃按其估計可使用年限,及經考慮其估計剩餘價值後,以直線法撇銷成本為折舊作出撥備。

在建工程包括在建造供生產或自用的物業、廠房及設備。在建工程按成本減已確認減值虧損列賬。在建工程於竣工時及可用於擬定用途時歸類為適當類別的物業、廠房及設備。該等資產的折舊基準與其他物業資產相同,乃於資產可供用於擬定用途時開始計提。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Leasehold land and buildings under development for future owner-occupied purpose

When the leasehold land and buildings are in the course of development for production or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties measured using the cost model

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value using the straight-line method.

3. 主要會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備的項目於出售或預期日後繼續使用資產時不再產生經濟利益時終止確認。終止確認資產產生的收益或虧損(按出售所得款項淨額與有關項目賬面值的差額計算),於終止確認項目的期內於損益中確認。

供擁有人於未來佔用的租賃土地及在建樓宇

當用作進行生產或撥作行政用途的租賃土地及樓宇興建期間,租賃土地部分分類作預付租賃款項,並按租期以直線法攤銷。建築期間,就租賃土地作出的攤銷費用會計入在建樓宇成本其中部分。在建樓宇乃按成本值減已確認減值虧損入賬,當相關樓宇可供使用,即達致作管理層擬定營運方式所需地點及狀況時,方會開始折舊。

採用成本模式計量的投資物業

投資物業指持作賺取租金及/或資本增值的物業。

於初步確認時,投資物業乃以成本(包括任何直接應佔開支)計值。初步確認後,投資物業乃按成本減其後累計折舊及任何累計減值虧損計值。扣除折舊以便於經考慮該等物業的估計剩餘價值後採用直線法按估計使用年限撇銷投資物業成本。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties measured using the cost model (continued)

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction. Investment properties under construction are stated at cost less any accumulated impairment losses.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Jointly controlled entity

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as the jointly controlled entity.

3. 主要會計政策（續）

採用成本模式計量的投資物業（續）

在建投資物業產生的建築成本資本化為在建投資物業的賬面值的一部分。在建投資物業乃按成本減任何累計減值虧損列賬。

當投資物業出售或永久停止使用或預計不會從出售該項物業中獲得未來經濟收益時，即取消確認該項投資物業。取消確認某項資產所產生的任何收益或虧損（按出售所得款項淨額與該資產的賬面值兩者之差額計算），於取消確認項目的期間於損益表中確認。

無形資產

獨立收購且使用年期有限的無形資產乃以成本減累計攤銷及任何累計減值虧損列值。有限使用年期的無形資產的攤銷乃按直線基準於估計可使用年期內撥備。

終止確認無形資產所產生的收益或虧損乃以出售所得款項淨額與該項資產面值之間的差額計量，並於該項資產終止確認時的期內於損益表中確認。

共同控制實體

共同控制實體指根據合營安排而成立的獨立實體，而合營者在該實體的經濟活動上擁有聯合控制權。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled entity (continued)

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in the jointly controlled entity is carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of the jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly controlled entity recognised at the date of acquisition is recognised as goodwill. Goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

3. 主要會計政策(續)

共同控制實體(續)

共同控制實體的業績及資產與負債利用權益會計法載入綜合財務報表。根據權益法,於共同控制實體的投資乃按成本值(已就本集團於共同控制實體應佔損益及其他全面收入於收購後的變動作出調整)減任何已識別減值虧損於綜合財務狀況表內列賬。當本集團應佔共同控制實體的虧損相等於或超過其於該共同控制實體的權益(包括實質上構成本集團於共同控制實體的投資淨額一部分的任何長期權益),本集團將終止確認其應佔的進一步虧損。本集團已就額外應佔虧損作撥備,並只會於本集團產生法律或推定責任或代表該共同控制實體付款時確認負債。

任何收購成本超出本集團應佔於收購日期確認的共同控制實體的可識別資產、負債及或然負債公平淨值的差額確認為商譽。有關商譽計入投資的賬面值及毋須個別進行減值測試。相反,全部的投資賬面值要作為單獨資產進行減值測試,任何確認的減值虧損不能分配給構成於聯營公司的投資的賬面值的一部份的任何資產,包括商譽在內。任何減值虧損的撥回於隨後投資數額增加之後方予確認。

本集團應佔可識別資產、負債及或然負債公平淨值超出收購成本的任何差額,在重新評估後即時於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled entity (continued)

From 1st January, 2010 onwards, upon disposal of a jointly controlled entity that results in the Group losing joint control over that jointly controlled entity, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the jointly controlled entity attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the jointly controlled entity. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that jointly controlled entity on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that jointly controlled entity would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses joint control over that jointly controlled entity.

When a group entity transacts with the jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

Associate

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint controlled entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. 主要會計政策(續)

共同控制實體(續)

自二零一零年一月一日起,倘出售共同控制實體會導致本集團失去對該共同控制實體的共同控制權,則任何保留投資會按當日的公平值計量,並根據香港會計準則第39號於首次確認時將其視為金融資產的公平值。先前已保留權益應佔共同控制實體賬面值與其公平值之間的差額,計入出售該共同控制實體的盈虧。此外,本集團將先前在其他全面收入就該共同控制實體確認的所有金額入賬,基準與該共同控制實體直接出售相關資產或負債的基準相同。因此,倘該共同控制實體先前已於其他全面收入確認的盈虧,則會重新分類至出售相關資產或負債時產生的損益,當本集團失去對該共同控制實體的共同控制權時,本集團將收益或虧損由權益重新分類至損益(作為重新分類調整)。

於集團實體與本集團共同控制實體進行交易時,未變現溢利或虧損會按本集團於共同控制實體的權益予以對銷。

聯營公司

聯營公司指投資者對其擁有重大影響力的實體,且其並非為附屬公司或於共同控制實體的權益。重大影響力是有權參與被投資方的財務和經營決策,而不是控制或共同控制這些政策。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策(續)

Associate (continued)

聯營公司(續)

Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

根據權益法,於聯營公司的投資初步在綜合財務狀況表按成本確認,並於其後就確認本集團應佔該聯營公司的損益及其他全面收入而作出調整。當本集團應佔一間聯營公司虧損相等於或超出其於該聯營公司的權益時(包括任何實際上構成本集團於聯營公司投資淨值其中部分的長期權益),本集團會終止確認其應佔的進一步虧損。當本集團產生法定或推定責任或代表該聯營公司付款時,方會確認額外虧損。

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

任何收購成本超出本集團應佔於收購日期確認的聯營公司的可識別資產、負債及或然負債公平淨值的差額確認為商譽。有關商譽計入投資的賬面值及毋須個別進行減值測試。相反,全部的投資賬面值要作為單獨資產進行減值測試,任何確認的減值虧損不能分配給構成於聯營公司的投資的賬面值的一部份的任何資產,包括商譽在內。任何減值虧損的撥回於隨後投資數額增加之後方予確認。

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

本集團應佔可識別資產、負債及或然負債公平淨值超出收購成本的任何差額,經重估後,即時於損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Associate (continued)

From 1st January, 2010 onwards, upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

Where a group entity transacts with the associate of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the associate.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

3. 主要會計政策(續)

聯營公司(續)

自二零一零年一月一日起,倘出售聯營公司會導致本集團失去對該聯營公司的重大影響力,則任何保留投資會按當日的公平值計量,並根據香港會計準則第39號於首次確認時將其視為為金融資產的公平值。先前已保留權益應佔聯營公司賬面值與其公平值之間的差額,乃計入出售該聯營公司的盈虧。此外,本集團將先前在其他全面收入就該聯營公司確認的所有金額入賬,基準與該聯營公司直接出售相關資產或負債的基準相同。因此,倘該聯營公司先前已於其他全面收入確認的盈虧,則會重新分類至出售相關資產或負債時產生的損益,當本集團失去對該聯營公司的重大影響力時,本集團將收益或虧損由權益重新分類至損益(作為重新分類調整)。

倘集團實體與本集團的聯營公司進行交易,未變現溢利或虧損會按本集團於聯營公司的權益予以對銷。

存貨

存貨按成本與可變現淨值兩者中較低者列賬。成本以加權平均成本法計算。可變現淨值指估計售價減所有估計完成成本,以及市場推廣、銷售及分銷所產生的成本。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策(續)

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

除商譽以外的有形及無形資產減值虧損(見上文有關商譽的會計政策)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

於報告期末,本集團檢討其有形及無形資產的賬面值,以釐定該等資產是否出現蒙受減值虧損的跡象。如若有此跡象,估計資產的可收回金額以確定減值虧損的程度(如有)。此外,具有無限可使用年期的無形資產與未可供使用的無形資產每年及於出現可能減值的跡象時進行減值測試。倘估計資產的可收回金額少於其賬面值,資產的賬面值被削減至其可收回金額。減值虧損即時確認為開支。

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

倘減值虧損於其後撥回,則將資產的賬面值增至經修訂後估計可收回金額,惟所增加的賬面值不超過假設資產於以往年度並無確認減值虧損而應釐定的賬面值。撥回的減值虧損即時確認為收入。

Leasing

租賃

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

租約條款列明將所有權的絕大部分風險及回報轉移予承租人的租約分類為融資租約。所有其他租約則被分類為經營租約。

The Group as lessor

本集團作為出租人

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

經營租約的租金收入以直線法按有關租約年期於損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specifically, the minimum lease payments (including any lump sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人

經營租約付款以直線法按租約年期確認為開支,惟如有另一種系統基準更能反映租賃資產消耗經濟利益的時間模式則除外。經營租約產生的或然租金於產生期間確認為開支。

倘訂立經營租約可獲得租賃獎勵,則該等獎勵確認為負債。獎勵的利益總額以直線法確認為租金開支減少,惟如有另一種系統基準更能反映租賃資產消耗經濟利益的時間模式則除外。

租賃土地及樓宇

當租賃包括土地及樓宇兩部份,本集團根據評估各項所有權附帶的絕大部份風險及回報是否轉移至本集團將每部份單獨視為融資或經營租賃。尤其是,最低租賃款項(包括任何一次性預付款)在租賃開始時,按租賃土地部份及樓宇部份的租賃權益的相關公平值比例於土地及樓宇部份之間作出分配。

倘租賃款項能作出可靠分配,列作經營租賃的租賃土地權益在綜合財務狀況表中列為「預付租賃款項」,並按直線基準於租期內攤銷。當租賃款項不能夠在土地及樓宇部份間可靠地分配,整項租賃一般分類為融資租賃,並列作物業、廠房及設備,除非明確地將兩部份視為經營租賃,在此情況下,整項租賃分類為經營租賃。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

3. 主要會計政策(續)

借貸成本

收購、建造或生產合資格資產所直接產生的借貸成本乃撥充該等資產的成本,直至有關資產大致上可作擬定用途或銷售為止,而合資格資產為需較長時間預備以用於擬定用途或銷售的資產。特定借貸於撥作合資格資產的支出前用作臨時投資所賺取的投資收入,會從可撥充資本的借貸成本中扣除。

所有其他借貸成本於其產生年度在損益中確認。

外幣

在編製各個別集團實體的財務報表時,以實體功能貨幣以外貨幣(外幣)進行的交易按各項功能貨幣(即實體經營所在的主要經濟環境的貨幣)於交易日通用的匯率記錄。於報告期末,以外幣列值的貨幣項目以該日通用的匯率重新換算。按以外幣計值的公平值入賬的非貨幣項目按公平值釐定日期通用的匯率重新換算。以外幣歷史成本計算的非貨幣項目不會重新換算。

結算及重新換算貨幣項目時產生的匯兑差額會於產生期間在損益確認。

為呈報綜合財務報表,本集團海外業務的資產及負債乃按報告期末的通用匯率換算為本集團的呈列貨幣(即人民幣),而其收支項目按年內平均匯率換算。所產生的匯兑差額(如有)會在其他全面收入確認並於權益(匯兑儲備)累計。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策(續)

Financial instruments

金融工具

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

金融資產及金融負債乃於某集團實體成為工具合同條文的訂約方時在綜合財務狀況表內確認。

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(透過損益以公平值列賬的金融資產及金融負債除外)直接應佔的交易成本乃於初步確認時,計入金融資產或金融負債的公平值內或自當中扣除(如適用)。收購透過損益以公平值入賬的金融資產或金融負債直接產生的交易成本即時於損益中確認。

Financial assets

金融資產

The Group's financial assets are loans and receivables.

本集團的金融資產為貸款及應收款項。

Loans and receivables

貸款及應收款項

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, bank balances and pledged bank deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses.

貸款及應收款項乃並非於活躍市場報價而具備固定或可釐定款項的非衍生金融資產。於首次確認後,貸款及應收款項(包括應收貿易款項及其他應收款項、銀行結餘及已抵押銀行存款)乃採用實際利率法按攤銷成本減任何已確認減值虧損計值。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For loans and receivable, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

實際利率法

實際利率法乃計算金融資產的攤銷成本及按有關期間攤分利息收入的方法。實際利率乃於最初確認時將估計日後現金收入(包括所有支付或所收構成整體實際利率的費用、交易成本及其他溢價或折讓)按金融資產的預期使用年期或較短期間(倘合適)準確折現至賬面淨值的利率。

就債務工具而言,收入按實際利率基準確認。

金融資產的減值

於報告期末評定金融資產是否有減值跡象。當有客觀證據顯示金融資產的估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時,即對該金融資產確認減值。

對於貸款及應收款項而言,減值的客觀證據可包括:

- 發行人或對手方出現重大財政困難;
- 未能繳付或延遲償還利息或本金;或
- 借款人有可能面臨破產或財務重組。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

Impairment of financial assets (continued)

For certain categories of financial asset, such as trade and bills receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and bills receivable are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策（續）

金融工具（續）

金融資產（續）

金融資產的減值（續）

就若干金融資產（例如應收貿易款項及應收票據）而言，不會單獨作出減值的資產會於其後匯集一併評估減值。應收款項組合出現減值的客觀證據包括本集團過往收款記錄、組合內超出平均信貸期的延遲付款數量有所增加、國家或地區經濟狀況出現明顯變動（與應收款項未能償還的情況吻合）。

對於按攤銷成本計值的金融資產而言，減值虧損乃當有客觀證據證明資產減值時於損益中確認，並按該資產的賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。

所有金融資產的減值虧損會直接於金融資產的賬面值中作出扣減，惟應收貿易款項及應收票據及其他應收款項除外，應收貿易款項及應收票據及其他應收款項的賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益中確認。當應收貿易款項及應收票據被視為不可收回時，其將於撥備賬內撇銷。之前已撇銷的款項如其後收回，將計入損益內。

對於按攤銷成本計值的金融資產而言，倘減值虧損金額於隨後期間有所減少，而有關減少在客觀上與確認減值後發生的事件有關，則先前已確認的減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日的賬面值不得超過未確認減值時之已攤銷成本。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策(續)

Financial instruments (continued)

金融工具(續)

Financial liabilities and equity instruments

金融負債及股本工具

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for financial liabilities and equity instruments are set out below.

集團實體發行的金融負債及股本工具乃根據合約安排的性質與金融負債及股本工具的定義分類。股本工具乃證明集團於扣減所有負債後的資產中擁有剩餘權益之任何合約。本集團所採納的有關金融負債及股本工具的會計政策載列如下。

Effective interest method

實際利率法

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

實際利率法乃計算金融負債的攤銷成本及按有關期間攤分利息支出的方法。實際利率乃將估計日後現金付款按金融負債的預期年限,或較短期間(倘合適)準確折現的利率。

Interest expense is recognised on an effective interest basis.

利息支出按實際利率基準確認。

Financial liabilities

金融負債

Financial liabilities including bank and other borrowings, and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

金融負債包括銀行及其他借款、應付貿易款項及其他應付款項,其後乃以實際利率法按攤銷成本計量。

Equity instruments

股本工具

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

本公司發行的股本工具乃按已收所得款項(扣除直接發行成本)記賬。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, in its entirely, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumption concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed as below:

3. 主要會計政策(續)

終止確認

當從資產獲取現金流量的權利屆滿時,或當金融資產被轉讓,而本集團已將絕大部分的金融資產擁有權的風險及回報轉讓時,金融資產便會被終止確認。當金融資產悉數終止確認時,資產的賬面值與已收及應收代價款項之間的差額,以及已於其他全面收入中確認及於股權內累計的收益或虧損將於損益中確認。

當有關合約內所列明的責任獲解除、取消或屆滿時,金融負債便會終止確認。終止確認的金融負債的賬面值與已付及應付代價之間的差額於損益中確認。

4. 估計不明朗因素的主要來源

有重大風險可能導致下個財政年度資產及負債賬面值須作重大調整而與未來有關的主要假設及估計不明朗因素的其他主要來源討論如下:

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The discount rate represents rate that reflects current market assessments of time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. As at 31st December, 2010, the carrying amount of goodwill is RMB202,900,000. Details of the recoverable amount calculation are disclosed in note 22.

4. 估計不明朗因素的主要來源（續）

商譽的估計減值

釐定商譽是否減值須對獲分配商譽的現金產生單位的使用價值作出估計。計算使用價值時，本集團須估計該現金產生單位預期產生的未來現金流量，並以適當的貼現率計算其現值。倘實際未來現金流量低於預期，可能會出現重大減值虧損。貼現率乃反映目前市場對貨幣時間價值及未調整未來現金流量估計的資產的特定風險的評估的利率。於二零一零年十二月三十一日，商譽的賬面值為人民幣202,900,000元。可收回金額計算方法的詳情載於附註22。

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in note 28, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and issue of new shares as well as the issue of new debt or the repayment of existing debt.

5. 資本風險管理

本集團的資本管理乃確保本集團內各實體將可以持續方式經營，同時透過適當優化資本與負債結構為股東帶來最大回報。本集團的整體策略與以往年度保持不變。

本集團的資本結構包括負債淨額，其中包括附註28所披露的借款、現金及現金等價物以及本公司擁有人應佔權益（包括已發行股本、儲備及保留盈利）。

本公司董事每年對資本結構進行檢討。作為是次檢討的一環，董事會考慮資本成本及與各類資本有關的風險。根據董事建議，本集團將透過派付股息、發行新股份及發行新債務或償還現有負債平衡其整體資本結構。

6. FINANCIAL INSTRUMENTS

6. 金融工具

Categories of financial instruments

金融工具類別

		Group 本集團	
		2010	2009
		RMB'000	RMB'000
		二零一零年	二零零九年
		人民幣千元	人民幣千元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	**1,722,394**	1,604,028
Financial liabilities	金融負債		
Amortised cost	攤銷成本	**909,596**	883,475

Financial risk management objectives and policies

財務風險管理目標及政策

The Group's major financial instruments include trade and bills receivables, other receivables, pledged bank deposits, bank balances, trade and bills payable, other payables and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

本集團的主要金融工具包括應收貿易款項及應收票據、其他應收款項、已抵押銀行存款、銀行結餘、應付貿易款項及應付票據、其他應付款項及借款。該等金融工具詳情於各附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列如何降低該等風險的政策。管理層管理及監控該等風險,以確保及時有效地採取適當的措施。

Market risk

市場風險

Currency risk

貨幣風險

The Group collects most of the revenue in RMB and incurs most of the expenditures as well as capital expenditures in RMB.

本集團大部份收入以人民幣計值,大部份開支及資本開支亦以人民幣計值。

The director considered that the Group's exposure to foreign currency exchange risk is insignificant as all of the Group's transactions are denominated in the functional currency of each individual group entity.

由於本集團所有交易以各集團實體的功能貨幣計值,故董事認為,本集團的外匯風險甚微。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

***Market risk** (continued)*

Currency risk (continued)

The directors consider that the sensitivity of the Group's exposure towards the change in foreign exchange rates is minimal as none of the assets and liabilities of the Group denominated in currency other than functional currency of a particular group entity as at the end of the reporting period.

Interest rate risk

The Group was exposed to fair value interest rate risk in relation to fixed-rate bank borrowings for the year ended 31st December, 2010 (see note 28 for details of these borrowings).

The Group's cash flow interest rate risk relates to the bank balances as well as variable-rate bank borrowings (see note 28 for details of bank borrowings). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of lending rate promulgated by the People's Bank of China.

The Group manages its interest rate exposure based on the interest rate level and outlook as well as potential impact on the Group's financial position arising from volatility of the interest rate.

The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

6. 金融工具(續)

財務風險管理目標及政策(續)

***市場風險**(續)*

貨幣風險(續)

由於本集團的資產及負債於報告期末概無以某特定集團實體的功能貨幣以外的貨幣計值,故董事認為,本集團面臨的外匯匯率變動的風險的敏感度甚低。

利率風險

截至二零一零年十二月三十一日止年度,本集團面臨有關固定利率銀行借款的公平值利率風險(有關該等借款的詳情請參閱附註28)。

本集團的現金流量利率風險與銀行結餘及浮動利率銀行借款(有關銀行借款的詳情請參閱附註28)有關。本集團的現金流量利率風險主要集中於中國人民銀行頒佈的貸款利率波動。

本集團基於利率水平及展望以及因利率波動對本集團財政狀況的潛在影響管理其利息風險。

本集團現時並無利率對沖政策。然而,管理層將於有需要時考慮對沖重大利率風險。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

***Market risk** (continued)*

Sensitivity analysis

The sensitivity analysis below is prepared assuming the bank balances as well as bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and it represents management's assessment of the reasonably possible change in interest rates.

If interest rates on variable rate bank borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31st December, 2010 would increase/decrease by RMB2,771,000 (2009: RMB2,919,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to discharge their obligations as at 31st December, 2010 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

6. 金融工具(續)

財務風險管理目標及政策(續)

***市場風險**(續)*

敏感度分析

下文的敏感度分析經假設銀行結餘以及於報告期末未償還的銀行借款於全年均屬未償還而編製。於向主要管理層人員內部呈報利率風險時,將使用50個基本點子增加或減少代表管理層對利率的合理可能變動作出的評估。

倘浮息銀行借款利率升高/降低50個基本點子,而所有其他變動維持不變,則本集團於截至二零一零年十二月三十一日止年度的除稅後溢利將增加/減少人民幣2,771,000元(二零零九年:人民幣2,919,000元)。此乃主要由於本集團須承受其浮息銀行借款的利率風險所致。

信貸風險

倘對手方於二零一零年十二月三十一日未能履行彼等的責任,則本集團就每類已確認金融資產而須承受的最大信貸風險為已於綜合財務狀況表列賬的該等資產賬面金額。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

***Credit risk** (continued)*

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debtors. In addition, the Group reviews the recoverable amount of each individual debtor at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because most of the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

6. 金融工具(續)

財務風險管理目標及政策(續)

***信貸風險**(續)*

為盡量降低信貸風險,本集團管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控措施,以確保採取跟進措施收回逾期債項。此外,於各報告期末,本集團會評估每項個別負債的可收回金額,以確保就不可收回金額所作出足夠的減值虧損。就此而言,本公司董事認為本集團的信貸風險已大幅降低。

流動資金的信貸風險屬有限,原因是大多數對手方為獲得國際信貸評級機構評定為高信貸評級的銀行。

本集團並無重大集中的信貸風險,有關風險乃分散至多個對手方。

流動資金風險

在管理流動資金風險時,本集團監察及維持管理層視為足夠水平的現金及現金等價物,以為本集團營運提供資金並減輕現金流量波動所帶來的影響。管理層監察銀行借款的使用情況並確保符合貸款契約。

下表根據協定償還期限詳細載列本集團非衍生金融負債的剩餘合約到期日。該表乃根據要求本集團償還金融負債的最早日期的金融負債的未貼現現金流量而編製。該表包括利息及本金現金流量。在利息流量以浮動利率為準的前提下,未貼現數額乃以報告期末的利率曲線得出。

6. FINANCIAL INSTRUMENTS (continued)

6. 金融工具(續)

Financial risk management objectives and policies (continued)

財務風險管理目標及政策(續)

Liquidity risk *(continued)*

流動資金風險(續)

Liquidity and interest risk tables

流動資金及利率風險表

		Weighted average effective interest rate % 加權平均實際利率 %	Less than 1 year RMB'000 少於1年 人民幣千元	1-2 year RMB'000 1至2年 人民幣千元	2-5 years RMB'000 2至5年 人民幣千元	Over 5 years RMB'000 超過5年 人民幣千元	Total undiscounted cash flows RMB'000 未貼現現金流量總額 人民幣千元	Carrying amount at 31.12.2010 RMB'000 於二零一零年十二月三十一日的賬面值 人民幣千元
2010	**二零一零年**							
Non-derivative financial liabilities	**非衍生金融負債**							
Trade payables	應付貿易款項	–	263,085	–	–	–	263,085	263,085
Bills payable	應付票據	–	328,130	–	–	–	328,130	328,130
Other payables	其他應付款項	–	151,697	–	–	–	151,697	151,697
Other payables relating to the acquisition of additional interest in a subsidiary	與收購一間附屬公司額外權益有關的其他應付款項	5.31%	33,180	11,000	11,000	–	55,180	51,963
Bank borrowings – fixed rate	銀行借款–固定利率	2.56%	24,336	24,054	68,770	–	117,160	110,379
Bank borrowings – variable rate	銀行借款–浮動利率	3.12% – 6.88%	4,342	–	–	–	4,342	4,342
			804,770	35,054	79,770	–	919,594	909,596

		Weighted average effective interest rate % 加權平均實際利率 %	Less than 1 year RMB'000 少於1年 人民幣千元	1-2 year RMB'000 1至2年 人民幣千元	2-5 years RMB'000 2至5年 人民幣千元	Over 5 years RMB'000 超過5年 人民幣千元	Total undiscounted cash flows RMB'000 未貼現現金流量總額 人民幣千元	Carrying amount at 31.12.2009 RMB'000 於二零零九年十二月三十一日的賬面值 人民幣千元
2009	二零零九年							
Non-derivative financial liabilities	**非衍生金融負債**							
Trade payables	應付貿易款項	–	230,843	–	–	–	230,843	230,843
Bills payable	應付票據	–	251,215	–	–	–	251,215	251,215
Other payables	其他應付款項	–	139,387	–	–	–	139,387	139,387
Other payables relating to the acquisition of additional interest in a subsidiary	與收購一間附屬公司額外權益有關的其他應付款項	5.31%	83,086	11,000	22,000	–	116,086	110,812
Bank borrowings – fixed rate	銀行借款–固定利率	3.56%	26,812	26,407	74,359	23,166	150,744	136,564
Bank borrowings – variable rate	銀行借款–浮動利率	3.56% – 5.12%	14,654	–	–	–	14,654	14,654
			745,997	37,407	96,359	23,166	902,929	883,475

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk *(continued)*

Liquidity and interest risk tables (continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Fair value

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. REVENUE

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, less sales tax and sales returns during the year.

6. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表(續)

倘浮動利率變動與報告期末釐定的利率估計不同,上文所載的非衍生金融負債的浮動利率工具數額可能有變。

公平值

金融資產及金融負債的公平值乃根據貼現現金流量分析的公認定價模式,基於使用當前市場可供觀察交易的價格或利率作為輸入值釐定。

董事認為,按攤銷成本列入綜合財務報表內的金融資產及金融負債賬面值與彼等的公平值相若。

7. 收入

收入指本集團向外部客戶所售出貨品的已收及應收金額減於年內的銷售稅及退貨。

8. SEGMENT INFORMATION

The Group is principally engaged in the research and development, production and sale of single-use medical device products, orthopaedic products and blood purification products and operates in the PRC.

For management purposes, the Group is currently organised into three operating divisions – single use medical products, orthopaedic products, blood purification products. These divisions are the basis of the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

Principal activities of the Group's operating segments are as follows:

Single use medical products	–	production and sale of single use consumables such as infusion sets, syringes, blood transfusion sets and blood bags.
Orthopaedic products	–	production and sale of orthopaedic products.
Blood purification products	–	production and sale of blood purification products and related medical equipment.

8. 分部資料

本集團主要從事研發、生產及銷售一次性醫療器械產品、骨科產品及血液淨化產品，主要經營地為中國。

就管理而言，本集團目前分為三個經營分部：一次性使用醫療產品、骨科產品，血液淨化產品。該等部門乃按本集團各部的內部呈報基準劃分，定期由主要營運決策者審核，以分配資源至分部並評估其表現。

本集團經營分部的主要業務如下：

一次性使用醫療產品	–	生產及銷售一次性使用耗材，如輸液器、注射器、輸血器及血袋。
骨科產品	–	生產及銷售骨科產品。
血液淨化產品	–	生產及銷售血液淨化產品及相關醫療設備。

8. SEGMENT INFORMATION (continued)

8. 分部資料(續)

Segment revenues and results

分部收益及業績

The following is an analysis of the Group's revenue and results by operating segment:

本集團按經營分部分析其收益及業績如下:

2010

二零一零年

		Single use medical products RMB'000 一次性使用醫療產品 人民幣千元	Orthopaedic products RMB'000 骨科產品 人民幣千元	Blood purification products RMB'000 血液淨化產品 人民幣千元	Eliminations RMB'000 撇減 人民幣千元	Total RMB'000 合計 人民幣千元
Revenue	收益					
External sales	外部銷售	2,077,602	175,233	209,722	–	2,462,557
Inter-segment sales	內部分部銷售	13,443	–	6,308	(19,751)	–
Total	合計	2,091,045	175,233	216,030	(19,751)	2,462,557
Segment profit	分部溢利	520,807	54,237	24,092	–	599,136
Unallocated expenses	未分配開支					(594)
Unallocated other income, gain and losses	未分配其他收入、收益及虧損					92,145
Share of profit of jointly controlled entities	應佔共同控制實體溢利					153,057
Share of profit of an associate	應佔一間聯營公司溢利					44,140
Profit before tax	除稅前溢利					887,884

Inter-segments sales are charged at prevailing market rates.

內部分部銷售均按現行市價計算。

8. SEGMENT INFORMATION (continued)

8. 分部資料(續)

Segment revenues and results (continued)

分部收益及業績(續)

2009 二零零九年

		Single use medical products RMB'000 一次性使用醫療產品 人民幣千元	Orthopaedic products RMB'000 骨科產品 人民幣千元	Blood purification products RMB'000 血液淨化產品 人民幣千元	Eliminations RMB'000 撇減 人民幣千元	Total RMB'000 合計 人民幣千元
Revenue	收益					
External sales	外部銷售	1,620,448	125,262	132,785	–	1,878,495
Inter-segment sales	內部分部銷售	5,530	–	2,235	(7,765)	–
Total	合計	1,625,978	125,262	135,020	(7,765)	1,878,495
Segment profit (loss)	分部溢利(虧損)	476,628	29,577	(4,090)	–	502,115
Unallocated expenses	未分配開支					(674)
Unallocated other income, gain and losses	未分配其他收入、收益及虧損					62,546
Share of profit of a jointly controlled entity	應佔一間共同控制實體溢利					109,369
Share of profit of an associate	應佔一間聯營公司溢利					31,604
Profit before tax	除税前溢利					704,960

Inter-segments sales are charged at prevailing market rates.

內部分部銷售均按現行市價計算。

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of unallocated other income, gains and losses, unallocated expenses, share of profit of jointly controlled entities and share of profit of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

經營分部的會計政策與附註3所述之本集團會計政策相同。分部溢利指各分部所賺取的溢利,未計及未分配其他收入、收益及虧損、未分配開支、應佔共同控制實體溢利及應佔一間聯營公司溢利。此為向主要營運決策者就資源分配及表現評估呈報的計量方式。

8. SEGMENT INFORMATION (continued)

8. 分部資料(續)

Segment assets and liabilities

分部資產及負債

The following is an analysis of the Group's assets and liabilities by operating segment:

本集團按經營分部分析其資產及負債如下:

2010

二零一零年

		Single use medical products RMB'000 一次性使用醫療產品 人民幣千元	Orthopaedic products RMB'000 骨科產品 人民幣千元	Blood purification products RMB'000 血液淨化產品 人民幣千元	Consolidated RMB'000 綜合 人民幣千元
Assets	資產				
Segment assets	分部資產	2,545,178	418,926	333,955	3,298,059
Interest in an associate	於一間聯營公司權益				130,127
Interest in jointly controlled entities	於共同控制實體權益				431,436
Investment properties	投資物業				14,905
Deferred tax assets	遞延稅項資產				12,505
Pledged bank deposits	抵押銀行存款				134,109
Bank balances and cash	銀行結餘及現金				628,223
Consolidated assets	綜合資產				4,649,364
Liabilities	負債				
Segment liabilities	分部負債	778,262	32,339	49,386	859,987
Bank borrowings	銀行借貸				114,721
Other payable relating to the acquisition of additional interest in a subsidiary (note 29)	與收購一間附屬公司額外權益有關的其他應付款項(附註29)				40,783
Consolidated liabilities	綜合負債				1,015,491

8. SEGMENT INFORMATION (continued)

8. 分部資料(續)

Segment assets and liabilities (continued)

分部資產及負債(續)

2009 二零零九年

		Single use medical products RMB'000 一次性使用醫療產品 人民幣千元	Orthopaedic products RMB'000 骨科產品 人民幣千元	Blood purification products RMB'000 血液淨化產品 人民幣千元	Consolidated RMB'000 綜合 人民幣千元
Assets	資產				
Segment assets	分部資產	2,093,715	451,820	251,794	2,797,329
Interest in an associate	於一間聯營公司權益				65,268
Interest in a jointly controlled entity	於一間共同控制實體權益				240,389
Investment properties	投資物業				15,497
Deferred tax assets	遞延稅項資產				9,887
Pledged bank deposits	抵押銀行存款				100,258
Bank balances and cash	銀行結餘及現金				723,167
Consolidated assets	綜合資產				3,951,795
Liabilities	負債				
Segment liabilities	分部負債	745,275	34,817	38,893	818,985
Bank borrowings	銀行借貸				151,218
Other payable relating to the acquisition of additional interest in a subsidiary (note 29)	與收購一間附屬公司額外權益有關的其他應付款項(附註29)				38,726
Consolidated liabilities	綜合負債				1,008,929

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than investment properties, pledged bank deposits, bank balances and cash, deferred tax assets, interest in jointly controlled entities and interest in an associate. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual operating segments; and
- all liabilities are allocated to operating segments other than bank borrowings and other payables relating to the acquisition of additional interest in a subsidiary. Liabilities for which operating segments are jointly liable are allocated in proportion to segment assets.

監控分部之間的分部表現和分配資源的目的:

- 所有資產分配至經營分部,惟投資物產、抵押銀行存款、銀行結餘及現金、遞延稅項資產、於共同控制實體權益及於一間聯營公司權益除外。經營分部共同採用的資產按獨立經營分部所得收益基準分配;及
- 所有負債分配至經營分部,惟有關收購於一間附屬公司之額外權益之銀行借貸及其他應付款項除外。經營分部共同承擔的負債按分部資產比例予以分配。

8. SEGMENT INFORMATION (continued)

8. 分部資料(續)

Other segment information

其他分部資料

2010

二零一零年

		Single use medical products RMB'000 一次性使用醫療產品 人民幣千元	Orthopaedic products RMB'000 骨科產品 人民幣千元	Blood purification products RMB'000 血液淨化產品 人民幣千元	Total RMB'000 合計 人民幣千元
Amounts included in the measure of segment profit or segment assets:	計量分部溢利或分部資產時應計款項:				
Additions to property, plant and equipment	新增物業、廠房及設備	295,503	6,795	37,437	339,735
Allowance for bad and doubtful debts	呆壞賬撥備	6,600	9,223	3,838	19,661
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	2,314	–	–	2,314
Release of prepaid lease payment	預付租金付款付回	4,774	193	275	5,242
Amortisation of intangible assets	無形資產攤銷	–	3,114	–	3,114
Depreciation of property, plant and equipment	物業、廠房及設備折舊	64,163	13,087	13,113	90,363
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)虧損	293	(79)	(85)	129
Research and development expenditure	研發開支	84,236	9,728	6,078	100,042
Government grant	政府補助	–	–	(21,197)	(21,197)
Rebate of value added tax ("VAT")	增值稅(「增值稅」)退款	(35,000)	–	–	(35,000)

8. SEGMENT INFORMATION (continued) 8. 分部資料(續)

Other segment information (continued) 其他分部資料(續)

2009 二零零九年

		Single use medical products RMB'000 一次性使用醫療產品 人民幣千元	Orthopaedic products RMB'000 骨科產品 人民幣千元	Blood purification products RMB'000 血液淨化產品 人民幣千元	Total RMB'000 合計 人民幣千元
Amounts included in the measure of segment profit or segment assets:	計量分部溢利或分部資產時應計款項:				
Additions to property, plant and equipment	新增物業、廠房及設備	260,002	18,427	47,515	325,944
Additions to prepaid lease payments	新增預付租賃款項	97,830	–	8,929	106,759
Allowance for bad and doubtful debts	呆壞賬撥備	8,864	2,833	1,214	12,911
Release of prepaid lease payment	預付租金付款付回	3,378	193	104	3,675
Amortisation of intangible assets	無形資產攤銷	–	3,114	–	3,114
Depreciation of property, plant and equipment	物業、廠房及設備折舊	53,107	11,454	6,491	71,052
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)虧損	(244)	26	18	(200)
Research and development expenditure	研發開支	63,644	11,050	2,982	77,676
Government grant	政府補助	–	–	(6,581)	(6,581)
Rebate of VAT	增值稅退款	(33,434)	–	–	(33,434)

Revenue from major products 主要產品收益

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Sale of single use medical products	銷售一次性使用醫療產品		
– Infusion sets	–輸液器	**723,697**	524,830
– Syringes	–注射器	**408,054**	319,186
– Pre-filled syringes	–預充式注射器	**97,676**	63,822
– Needles	–針製品	**398,354**	328,524
– Blood bags and sampling products	–血袋製品及採血產品	**218,419**	182,292
– PVC granules	–PVC粒料	**60,179**	62,976
– Other products	–其他產品	**171,223**	138,818
Sale of orthopaedic products	銷售骨科產品	**175,233**	125,262
Sale of blood purification products	銷售血液淨化產品	**209,722**	132,785
		2,462,557	1,878,495

8. SEGMENT INFORMATION (continued)

Information about major customers

There is no single customer contributing over 10% of total sales of the Group for both years.

Geographical segment

The Group's operations, assets and most of the customers are located in the PRC. Accordingly, no analysis of the carrying amount of segment assets, additions to property, plant and equipment and intangible assets is presented.

8. 分部資料(續)

主要客戶的資料

於兩個年度內,概無單一客戶銷售額超逾本集團總銷售額的10%。

地區分部

本集團的經營業務、資產及大部分客戶均位於中國。因此,毋須呈列分部資產賬面值、新增物業、廠房及設備以及無形資產。

9. FINANCE COSTS

9. 融資成本

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Imputed interest expenses on other payable	其他應付款項之推算利息開支	**2,056**	2,507
Interest on bank borrowings wholly repayable within five years	須於五年內悉數償還的銀行借貸利息	**8,666**	3,801
Interest on bank borrowings wholly repayable after five years	須於五年後悉數償還的銀行借貸利息	**–**	823
Less: Amount capitalised in construction in progress	減:在建工程撥充資本	**(1,064)**	(3,128)
		9,658	4,003

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 3.88% (2009: 4.22%) per annum to expenditure on qualifying assets.

年內資本化之借貸成本乃於一般借貸中產生,乃採用合資格資產開支之年度資本化率3.88%(二零零九年:4.22%)計算。

10. INCOME TAX EXPENSE

10. 所得稅開支

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
PRC Enterprise Income Tax	中國企業所得稅	**88,150**	73,802
Deferred taxation (note 30)	遞延稅項(附註30)	**(2,618)**	(2,020)
		85,532	71,782

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of certain PRC subsidiaries is 25% from 1st January, 2008 onwards.

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及《企業所得稅法實施條例》,自二零零八年一月一日起,若干中國附屬公司之稅率為25%。

In accordance with the "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax", New and High Technical Enterprise was subject to income tax at a tax rate of 15%.

根據《財政部國家稅務總局有關企業所得稅若干優惠政策的通知》,高新技術企業須按15%稅率繳付所得稅。

The Company, Weihai Jierui Medical Products Company Limited ("Jierui Subsidiary"), Shandong Weigao Orthopaedic Device Company Limited ("Weigao Ortho") and Weihai Weigao Blood Purification Product Company Limited ("Weigao Blood") were recognised as Shandong Province New and High Technical Enterprises (山東省高新技術企業) for the year ended 31st December, 2010 and 2009. Therefore, they were subject to income tax at a tax rate of 15% for both years.

本公司、威海潔瑞醫用製品有限公司(「潔瑞附屬公司」)、山東威高骨科材料有限公司(「威高骨科」)及威海威高血液淨化製品有限公司(「威高血液」)獲確認為截至二零一零年及二零零九年十二月三十一日止年度山東省高新技術企業,故彼等兩年內按15%稅率繳納所得稅。

Commencing from 1st July, 2004, the Company is entitled to an exemption from PRC income tax for the two years starting from its first profit-making year, followed by a 50% tax relief for the subsequent three years. The Company commenced its first profit-making year in 2004. Starting from the year ended 31st December, 2009, the Company is subject to income tax at a tax rate of 15%.

由二零零四年七月一日起,本公司可由其首個獲利年度起計兩年內豁免繳付中國所得稅,而其後三年內可獲享所得稅減半。本公司於二零零四年開始其首個獲利年度。自截至二零零九年十二月三十一日止年度起,本公司須按15%的稅率繳納所得稅。

10. INCOME TAX EXPENSE (continued)

Jierui Subsidiary was recognised as a "Social Welfare Entity" and pursuant to Guo Fa 2007 No. 92 issued by the State Council, with effect from 1st July, 2007, Jierui Subsidiary is subject to a statutory tax rate but an amount equivalent to the total salaries paid to staff with physical disability is further deducted from the taxable income of Jierui Subsidiary and the rebate of value added tax is exempted from the PRC income tax. Jierui Subsidiary is subject to income tax at a tax rate of 15%. The tax charge provided for the years ended 31st December, 2010 and 2009 were made after taking these tax incentives into account.

Weigao Ortho is a foreign-invested enterprise operating in the PRC and is entitled to an exemption from PRC income tax for the two years starting from its first profit-making year, followed by 50% tax relief for the subsequent three years. Weigao Ortho commenced its first profit-making year in 2006. For the year ended 31st December, 2010, Weigao Ortho was subject to income tax at a tax rate of 7.5% (2009: 7.5%).

Taxation for other PRC subsidiaries are calculated at a tax rate of 25% (2009: 25%).

No provision of Hong Kong taxation has been made for Weigao International Medical Co., Ltd, Wego Medical Investment Company Limited and Wego Medical Holding Company Limited as they did not have assessable profit in Hong Kong during both years.

No provision of overseas taxation has been made for Weigao Medical (Europe) Co., Ltd and Weigao Medical Germany Gmbh as they did not have assessable profit made during both years.

10. 所得稅開支(續)

潔瑞附屬公司獲確認為「社會福利企業」,並根據國務院發出之國發2007第92號文件,由二零零七年七月一日起,潔瑞附屬公司亦須按法定稅率繳稅,但相等於支付予殘障員工薪金總額之金額進一步自潔瑞附屬公司的應課稅收入中扣減,而增值稅退款則自中國所得稅中扣除。潔瑞附屬公司須按15%稅率繳付所得稅。截至二零一零年及二零零九年十二月三十一日止年度之稅項撥備已根據該等稅務優惠後而作出。

威高骨科為一間在中國經營之中外合資企業,有權由其首個獲利年度起計兩年獲豁免中國所得稅,而其後三年可享所得稅減半。二零零六年為威高骨科首個獲利年度。截至二零一零年十二月三十一日止年度,威高骨科須按7.5%(二零零九年:7.5%)稅率繳付所得稅。

其他中國附屬公司的稅項乃按25%(二零零九年:25%)稅率計算。

概無就威高國際醫療控股有限公司、威高醫療投資有限公司及威高醫療控股有限公司的香港稅項作出撥備,原因為兩年內彼等於香港並無應課稅溢利。

概無就威高醫療(歐洲)有限公司及威高醫療研發(德國)有限公司的海外稅項作出撥備,原因為兩年內彼等並無應課稅溢利。

10. INCOME TAX EXPENSE (continued) 10. 所得稅開支(續)

The charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

於本年度的稅項與綜合全面收入報表中的溢利對賬如下:

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Profit before taxation	除稅前溢利	**887,884**	704,960
Taxation at the domestic income tax rate of 15% (2009: 15%)	按15%國內所得稅率計算的稅項(二零零九年:15%)	**133,183**	105,744
Tax effect of share of profit of a jointly controlled entity	應佔共同控制實體之溢利的稅務影響	**(22,959)**	(16,405)
Tax effect of share of profit of an associate	應佔一間聯營公司之溢利的稅務影響	**(6,621)**	(4,741)
PRC income tax on concessionary rate	按優惠稅率繳納之中國所得稅	**(13,828)**	(11,842)
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	**(5,312)**	(3,322)
Additional tax benefit in research and development cost (note)	研發成本之額外稅務優惠(附註)	**(6,640)**	(3,737)
Utilisation of estimated tax losses previously not recognised	動用過往未確認的估計稅項虧損	**(1,480)**	(1,049)
Tax effect of expenses not deductible for tax purpose	就稅務而言不可扣稅開支的稅務影響	**6,602**	5,334
Effect of differential tax rate on the Company	不同稅率對本公司的影響	**1,986**	492
Others	其他	**601**	1,308
Taxation	稅項	**85,532**	71,782

Note: Additional tax allowance of RMB44,267,000 (2009: RMB24,913,000) was granted by the PRC tax authority in respect of the research and development cost incurred in new products.

附註: 中國稅務機關已就於新產品產生之研發成本授出人民幣44,267,000元(二零零九年:人民幣24,913,000)之額外免稅額。

11. OTHER INCOME, GAINS AND LOSSES 11. 其他收入、收益及虧損

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Rebate of VAT (note a)	增值税退款(附註a)	**35,000**	33,434
Government grant (note b)	政府補貼(附註b)	**21,197**	6,581
Gain arising from increase in share of net assets of an associate (note 21)	應佔一間聯營公司的淨資產增加所產生的收益(附註21)	**35,419**	22,137
Bank interest income	銀行利息收入	**5,572**	5,989
Rental income	租金收入	**2,485**	2,255
Net exchange (loss) gain	匯兑(虧損)收益淨額	**3,025**	(1,799)
Others	其他	**1,460**	394
		104,158	68,991

Note:

(a) As Jierui Subsidiary was recognised as a "Social Welfare Entity", the Tax Bureau in Weihai granted a rebate of the value added tax paid by Jierui Subsidiary with effect from 1st May, 1999 on the basis of "payment first then rebate". Pursuant to Guo Fa 2007 No. 92 issued by the State Council, with effect from 1st July, 2007, Jierui Subsidiary was granted a rebate of value added tax determined with reference to the number of staff with physical disability. For each staff with physical disability, six times of the minimum salary approved by the local government in Weihai is granted to Jierui Subsidiary as rebate of value added tax but subject to an annual maximum limit of RMB35,000 per staff with physical disability.

(b) During the year, a government grant of RMB21,197,000 (2009: RMB6,581,000) was awarded to the Group for the research and development projects completed during the year.

附註:

(a) 由於潔瑞附屬公司獲確認為「社會福利企業」,因此威海稅務局向潔瑞附屬公司授出增值税退款,由一九九九年五月一日起生效,原則為「先付款後退還」。根據國務院發出之國發2007第92號文件,由二零零七年七月一日起,潔瑞附屬公司獲授出的增值税退款乃參考殘障員工之數目釐定。就每名殘障員工而言,將授予由威海市政府所批准之最低薪金之六倍予潔瑞附屬公司,作為增值税退款,惟每名殘障員工之退税年度上限為人民幣35,000元。

(b) 年內,本集團就年內完成的研發項目獲獎勵政府補貼人民幣21,197,000元(二零零九年:人民幣6,581,000元)。

12. PROFIT FOR THE YEAR 12. 年內溢利

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Profit for the year has been arrived at after charging (crediting):	年內溢利經扣除(計入)下列項目後達致:		
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	**2,314**	–
Allowances for bad and doubtful debts	呆壞賬撥備	**19,661**	12,911
Amortisation of intangible assets (included in administration expenses)	無形資產攤銷(包括於行政開支中)	**3,114**	3,114
Auditors' remuneration	核數師酬金	**1,900**	1,916
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**90,363**	71,052
Depreciation of investment properties	投資物業折舊	**592**	593
Prepaid lease payments charged to profit or loss	在損益表扣除的預付租賃款項	**5,242**	3,675
Rental payments in respect of premises under operating leases	經營租賃的物業租金支出	**6,617**	1,716
Research and development expenditure (including staff costs of RMB33,818,000 (2009: RMB10,945,000)	研究與開發支出(包括員工成本人民幣33,818,000元(二零零九年:人民幣10,945,000元))	**100,042**	77,676
Cost of inventories recognised as an expense	確認為開支的存貨成本	**1,037,236**	829,504
Staff costs, including directors' and supervisors' remuneration	員工成本(包括董事及監事薪酬)		
– Retirement benefits scheme contributions (note 37)	–退休福利計劃供款(附註37)	**58,522**	41,812
– Salaries and other allowances	–薪金及其他津貼	**261,855**	162,436
Total staff costs	員工成本總額	**320,377**	204,248
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損(收益)	**129**	(200)
Loss on disposal of a subsidiary	出售附屬公司虧損	**–**	356

13. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

13. 董事、監事及僱員薪酬

Directors' and supervisors' emoluments

董事及監事酬金

Supervisors are the members of the supervisory committee of the Company.

監事為本公司監事會的成員。

The emoluments of directors and supervisors during the year are analysed as follows:

年內，董事及監事的酬金分析如下：

		2010 二零一零年				2009 二零零九年			
		Fee 袍金 RMB'000 人民幣千元	Salaries and other allowances 薪酬及其他津貼 RMB'000 人民幣千元	Retirement benefits schemes contributions 退休福利計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Fee 袍金 RMB'000 人民幣千元	Salaries and other allowances 薪酬及其他津貼 RMB'000 人民幣千元	Retirement benefits schemes contributions 退休福利計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors	**執行董事**								
Mr. Zhang Hua Wei	張華威先生	–	397	3	400	–	184	6	190
Mr. Miao Yan Guo	苗延國先生	–	134	3	137	–	151	5	156
Mr. Wang Yi	王毅先生	–	314	2	316	–	168	5	173
Mr. Wang Zhi Fan	王志范先生	–	211	2	213	–	149	5	154
Mr. Wu Chuan Ming	吳傳明先生	–	154	3	157	–	149	5	154
		–	1,210	13	1,223	–	801	26	827
Non-executive directors	**非執行董事**								
Mr. Chen Xue Li	陳學利先生	–	–	–	–	–	–	–	–
Mrs. Zhou Shu Hua	周淑華女士	–	–	–	–	–	–	–	–
Mr. Li Bing Yung	李炳容先生	–	–	–	–	–	–	–	–
Mr. Jean-Luc Butel	Jean-Luc Butel先生	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
Independent non-executive directors	**獨立非執行董事**								
Mr. Lau Wai Kit (Note 1)	劉偉傑先生（附註1）	–	–	–	–	–	–	–	–
Mr. Luan Jian Ping	欒建平先生	72	–	–	72	66	–	–	66
Mr. Shi Huan	石岅先生	72	–	–	72	66	–	–	66
Mr. Li Jia Miao	李家淼先生	72	–	–	72	66	–	–	66
Mr. Lo Wai Hung (Note 2)	盧偉雄先生（附註2）	103	–	–	103	105	–	–	105
		319	–	–	319	303	–	–	303
Supervisors	**監事**								
Ms. Bi Hong Mei	畢冬梅女士	–	178	2	180	–	120	4	124
Ms. Chen Xiao Yun	陳曉雲女士	–	121	2	123	–	92	4	96
Mr. Miao Hai Sheng	苗海生先生	–	105	2	107	–	99	4	103
		–	404	6	410	–	311	12	323
		319	1,614	19	1,952	303	1,112	38	1,453

13. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)

13. 董事、監事及僱員薪酬(續)

Directors' and supervisors' emoluments (continued)

董事及監事酬金(續)

Notes:

1. Mr. Lau Wai Kit resigned as independent non-executive director on 25th June, 2009.
2. Mr. Lo Wai Hung was appointed as independent non-executive director on 10th August, 2009.

附註:

1. 劉偉傑先生於二零零九年六月二十五日辭任獨立非執行董事一職。
2. 盧偉雄先生於二零零九年八月十日獲委任為獨立非執行董事。

Employees' emoluments

僱員薪酬

Of the five individuals with highest emoluments in the Group, two (2009: two) were directors of the Company whose emoluments are included in the disclosure above. The emoluments of the remaining three (2009: three) individual were as follows:

本集團五位最高薪酬人士中,兩名(二零零九年:兩名)為本公司董事,彼等的薪酬詳情已於上文披露。其餘三名人士(二零零九年:三名)的薪酬如下:

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Salaries and other benefits	薪金及其他福利	**1,291**	1,121

Their emoluments were within the following band:

彼等的薪酬範圍如下:

		2010 No. of employees 二零一零年 僱員人數	2009 No. of employees 二零零九年 僱員人數
Nil to HK$1,000,000	零至1,000,000港元	**3**	3

During the two years ended 31st December, 2010, no emoluments were paid by the Group to the directors and supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一零年十二月三十一日止兩個年度內,本集團並無支付酬金予董事及監事,作為吸引加入本集團或於加入時的獎勵,或作為離職補償。

14. DIVIDENDS

14. 股息

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Dividends recognised as distribution during the year:	年內確認為分派的股息：		
2010 Interim – RMB nil (2009: interim dividend – RMB0.072) per share	二零一零年中期股息 每股人民幣零元 （二零零九年：中期股息 每股人民幣0.072元）	–	77,493
2009 Final – RMB0.105 (2009: 2008 final dividend – RMB0.087) per share	二零零九年末期股息 每股人民幣0.105元 （二零零九年：二零零八年末期股息每股 人民幣0.087元）	113,010	93,636
		113,010	171,129

The final dividend of RMB0.075 per share in respect of the year ended 31st December, 2010 (2009: final dividend of RMB0.105 per share in respect of the year ended 31st December, 2009) amounting to RMB161,442,000 (2009: RMB113,010,000) has been proposed by the directors. The directors also propose bonus issue of one share for every existing share. Both proposals are subject to approval by the shareholders in the forthcoming annual general meeting.

董事建議派付截至二零一零年十二月三十一日止年度的末期股息每股人民幣0.075元（二零零九年：截至二零零九年十二月三十一日止年度的末期股息每股人民幣0.105元），合計人民幣161,442,000元（二零零九年：人民幣113,010,000元）。董事亦建議就每持有一股現有股份獲派一股紅股股份。兩項建議須經股東在即將舉行的股東週年大會上批准後，方可作實。

15. EARNINGS PER SHARE

15. 每股盈利

The calculation of the basic earnings per share for the year is based on the profit for the year attributable to owners of the Company of approximately RMB799,072,000 (2009: RMB633,864,000) and on weighted average of 2,152,562,000 shares (2009: weighted average of 2,152,562,000 shares) in issue during the year.

本年度每股基本盈利是按本公司擁有人應佔本年度溢利約人民幣799,072,000元（二零零九年：人民幣633,864,000元）及年內已發行加權平均數2,152,562,000股（二零零九年：加權平均數2,152,562,000股）計算。

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the one-for-one bonus issue for the calculation and restatement of basic earnings per share of the current year and prior year respectively.

就每股基本盈利而言，普通股加權平均數已分別就本年度及上一年度之每股基本盈利的計算及重列按一股送一股的紅股發行而作出調整。

No potential ordinary shares were outstanding either in the current or prior year. Diluted earnings per share is not presented.

於本年度或上一年度均無潛在已發行普通股股份。概無呈列每股攤薄盈利。

16. PROPERTY, PLANT AND EQUIPMENT 16. 物業、廠房及設備

		Construction in progress 在建工程 RMB'000 人民幣千元	Buildings 建築物 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Moulds 模具 RMB'000 人民幣千元	Furniture, fixtures and office equipment 傢俱、固定裝置及辦公室設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	**成本**							
At 1st January, 2009	於二零零九年一月一日	227,292	441,612	361,030	25,649	11,404	51,525	1,118,512
Additions	添置	268,546	6,509	25,192	11,625	–	14,072	325,944
Transfer	轉讓	(232,937)	59,327	170,455	179	–	2,976	–
Disposals	出售	(2,481)	(219)	(2,899)	(1,481)	–	(1,134)	(8,214)
Disposal of a subsidiary	出售附屬公司	–	–	(7,660)	(337)	–	(33)	(8,030)
At 31st December, 2009	於二零零九年十二月三十一日	260,420	507,229	546,118	35,635	11,404	67,406	1,428,212
Additions	添置	295,301	9,562	13,956	4,670	–	16,246	339,735
Transfer	轉讓	(29,096)	93	26,284	905	–	1,814	–
Disposals	出售	–	(3)	(3,486)	(3,735)	–	(2,078)	(9,302)
At 31st December, 2010	於二零一零年十二月三十一日	526,625	516,881	582,872	37,475	11,404	83,388	1,758,645
DEPRECIATION	**折舊**							
At 1st January, 2009	於二零零九年一月一日	–	52,022	92,064	10,671	10,813	30,467	196,037
Provided for the year	年內撥備	–	12,354	41,016	4,793	234	12,655	71,052
Eliminated on disposals	於出售時抵銷	–	(26)	(1,206)	(730)	–	(958)	(2,920)
Disposal of a subsidiary	出售附屬公司	–	–	(2,574)	(116)	–	(18)	(2,708)
At 31st December, 2009	於二零零九年十二月三十一日	–	64,350	129,300	14,618	11,047	42,146	261,461
Provided for the year	年內撥備	–	15,918	53,146	6,817	123	14,359	90,363
Eliminated on disposals	於出售時抵銷	–	–	(2,465)	(2,583)	–	(1,829)	(6,877)
Impairment loss recognised in profit or loss (note)	於損益確認之減值虧損(附註)	2,314	–	–	–	–	–	2,314
At 31st December, 2010	於二零一零年十二月三十一日	2,314	80,268	179,981	18,852	11,170	54,676	347,261
CARRYING VALUES	**賬面值**							
At 31st December, 2010	於二零一零年十二月三十一日	524,311	436,613	402,891	18,623	234	28,712	1,411,384
At 31st December, 2009	於二零零九年十二月三十一日	260,420	442,879	416,818	21,017	357	25,260	1,166,751

Note: Impairment loss was recognised for certain construction in progress because one of the assembling lines was abandoned during the year.

附註： 由於年內廢棄其中一條裝配線，故若干在建工程已確認減值虧損。

16. PROPERTY, PLANT AND EQUIPMENT (continued)

16. 物業、廠房及設備(續)

The above items of property, plant and equipment other than construction in progress are depreciated on a straight-line basis after taking into account their estimated residual value and at the following rates per annum:

上述的物業、廠房及設備項目(在建工程除外)以直線法就計入其估計剩餘價值後,按下列年率折舊:

Buildings	3.3% – 10%
Plant and machinery	10% – 20%
Motor vehicles	20%
Moulds	50%
Furniture, fixtures and office equipment	20%

建築物	3.3%至10%
廠房及機器	10%至20%
汽車	20%
模具	50%
傢俱、固定裝置及辦公室設備	20%

The buildings of the Group are situated in the PRC and erected on leasehold land under medium-term lease.

本集團的建築物均位於中國,建於以中期租約持有的租賃土地上。

The construction in progress represented buildings, plant and machinery and furniture, fixtures and office equipment under construction which are situated in the PRC.

在建工程指位於中國的在建中建築物、廠房及機器及傢俱、固定裝置及辦公室設備。

At 31st December, 2010, the Group has pledged buildings having a carrying value of approximately RMB47,722,000 (2009: RMB49,507,000) to banks to secure bank loans granted to the Group.

於二零一零年十二月三十一日,本集團已將賬面值約人民幣47,722,000元(二零零九年:人民幣49,507,000元)的建築物質押予銀行,作為授予本集團的銀行貸款的抵押。

17. INVESTMENT PROPERTIES 17. 投資物業

		RMB'000 人民幣千元
COST	**成本**	
At 1st January, 2009, 31st December, 2009 and 31st December, 2010	於二零零九年一月一日、二零零九年十二月三十一日及二零一零年十二月三十一日	18,715
DEPRECIATION	**折舊**	
At 1st January, 2009	於二零零九年一月一日	2,625
Provided for the year	年內撥備	593
At 31st December, 2009	於二零零九年十二月三十一日	3,218
Provided for the year	年內撥備	592
At 31st December, 2010	於二零一零年十二月三十一日	3,810
CARRYING VALUES	**賬面值**	
At 31st December, 2010	於二零一零年十二月三十一日	14,905
At 31st December, 2009	於二零零九年十二月三十一日	15,497

The fair value of the Group's investment properties of approximately RMB18,000,000 as at 31st December, 2010 (2009: RMB18,000,000) has been determined by the directors. No valuation has been performed by independent qualified professional valuers. The valuation performed by the directors was arrived by reference to recent market prices for similar properties in the same location and conditions.

本集團投資物業於二零一零年十二月三十一日的公平值約為人民幣18,000,000元(二零零九年:人民幣18,000,000元),該公平值由董事釐定。並無獨立合資格專業估值師就此進行估值。董事進行的估值乃以相同地點及條件下類似物業近日的市價作參考。

The above investment properties are depreciated on a straight-line basis at 5% per annum.

上述投資物業按直線法以年率5%予以折舊。

The carrying value of investment properties shown above comprise of:

以上所述投資物業的賬面值包括:

		2010 **RMB'000** **二零一零年** **人民幣千元**	2009 RMB'000 二零零九年 人民幣千元
Land in PRC Medium term lease	於中國的土地 中期租賃	**14,905**	15,497

18. PREPAID LEASE PAYMENTS

18. 預付租賃款項

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
The Group's prepaid lease payments comprise:	本集團的預付租賃款項包括：		
Leasehold land in PRC	於中國的租賃土地		
Medium-term lease	中期租約	**232,195**	237,437
Analysed for reporting purposes as:	就呈報目的分析為：		
Current portion (included in trade and other receivables)	即期部分（包括於應收貿易賬款及其他應收款項中）	**5,242**	4,916
Non-current portion	非即期部分	**226,953**	232,521
		232,195	237,437

The leasehold land in PRC are held under medium-term lease of 45-50 years.

在中國的租賃土地乃根據45至50年的中期租約持有。

At 31st December, 2010, the Group has pledged prepaid lease payments having a carrying value of approximately RMB34,299,000 (2009: RMB35,086,000) to banks to secure bank loans granted to the Group.

於二零一零年十二月三十一日，本集團將賬面值約人民幣34,299,000元（二零零九年：人民幣35,086,000元）的預付租賃款項抵押予銀行作為授予本集團的銀行貸款的抵押。

19. INTANGIBLE ASSETS 19. 無形資產

		Registration rights RMB'000 登記權 人民幣千元
COST	**成本**	
At 1st January, 2009, 31st December, 2009 and 31st December, 2010	於二零零九年一月一日、二零零九年十二月三十一日及二零一零年十二月三十一日	31,144
AMORTISATION	**攤銷**	
At 1st January, 2009	於二零零九年一月一日	4,067
Charge for the year	年內開支	3,114
At 31st December, 2009	於二零零九年十二月三十一日	7,181
Charge for the year	年內開支	3,114
At 31st December, 2010	於二零一零年十二月三十一日	10,295
CARRYING VALUES	**賬面值**	
At 31st December, 2010	於二零一零年十二月三十一日	20,849
At 31st December, 2009	於二零零九年十二月三十一日	23,963

The registration rights were acquired on acquisition of subsidiaries from independent third parties. They are amortised on a straight-line basis over the period of 10 years.

於收購附屬公司時向獨立第三方取得登記權。登記權於10年期間按直線法予以攤銷。

20. INTERESTS IN JOINTLY CONTROLLED ENTITIES 20. 於共同控制實體的權益

		2010 **RMB'000** **二零一零年** **人民幣千元**	2009 RMB'000 二零零九年 人民幣千元
Cost of unlisted investment, at cost (note)	非上市投資成本（按成本計算）（附註）	**50,990**	13,000
Share of post-acquisition profit and other comprehensive income	應佔收購後溢利及其他全面收入	**380,446**	227,389
		431,436	240,389

20. INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued)

20. 於共同控制實體的權益(續)

Note:

On 12th April, 2010, Weigao Blood and Nikkiso Co., Ltd(日本日機裝株式會社)("Nikkiso") entered into an agreement in respect of establishing a joint venture ("Nikkiso JV") in the PRC with a total registered capital of USD11,000,000 to undertake the sale and distribution of haemodialysis machine products in the PRC (the "Nikkiso JV Agreement").

The Nikkiso JV will take the form of a Sino-foreign co-operative joint venture limited liability company.

Pursuant to the terms in the Nikkiso JV Agreement, the registered capital of USD5,610,000 (equivalent to RMB37,990,000) was contributed by Weigao Blood and USD5,390,000 (equivalent to RMB36,500,000) was contributed by Nikkiso. Under the Memorandum and Article of Nikkiso JV, Weigao Blood is entitled to 50% voting right and is entitled to share 51% of the result of Nikkiso JV since its incorporation. As Weigao Blood is entitled to 50% voting right, thus investment in Nikkiso JV is classified as investment in jointly controlled entity.

附註:

於二零一零年四月十二日,威高血液與日本日機裝株式會社(「Nikkiso」)就於中國成立合營企業(「Nikkiso合營企業」)訂立協議,總註冊資本為11,000,000美元,以於中國從事銷售及分銷血液透析儀器產品(「Nikkiso合營協議」)。

Nikkiso合營企業將以中外合作合營有限責任公司的形式進行。

根據Nikkiso合營協議的條款,註冊資本5,610,000美元(相等於人民幣37,990,000元)已由威高血液出資及5,390,000美元(相等於人民幣36,500,000元)已由Nikkiso出資。根據Nikkiso合營企業的組織章程大綱及公司細則,威高血液擁有Nikkiso合營企業50%的投票權,並有權分佔Nikkiso合營企業自註冊成立起業績的51%。由於威高血液擁有50%的投票權,故於Nikkiso合營企業的投資分類為於共同控制實體的投資。

Details of the Group's jointly controlled entities as at 31st December, 2010 and 2009 are as follows:

於二零一零年及二零零九年十二月三十一日,本集團的共同控制實體的詳情如下:

Name 名稱	Form of business structure 業務架構形式	Place of incorporation or registration/ operation 註冊成立或註冊/營運地點	Proportion of nominal value of registered capital held by the Group 本集團持有的應佔註冊資本面值比例 **2010 二零一零年**	2009 二零零九年	Principal activities 主要業務
Shandong JW Medical Products Co., Ltd. ("JW Medical") 山東吉威醫療製品有限公司(「吉威醫療」)	Incorporated 註冊成立	PRC 中國	**50%**	50%	Production and sales of drug eluting stents 生產及銷售醫療製品
Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd. ("Weigao Nikkiso") 威高日機裝(威海)透析機器有限公司(「威高日機裝」)	Incorporated 註冊成立	PRC 中國	**51%**	–	Manufacture, sale and after-sale service of Nikkiso technology-based medical products 製造、銷售及售後服務以Nikkiso技術製造的醫療製品

20. INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued)

20. 於共同控制實體的權益(續)

The summarised financial information in respect of the Group's interests in the jointly controlled entities which is accounted for using equity method is set out below:

有關本集團於共同控制實體的權益(按權益法列賬)的財務資料摘要載列如下:

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Current assets	流動資產	**364,409**	214,985
Non-current assets	非流動資產	**89,300**	48,794
Current liabilities	流動負債	**22,273**	23,390
Non-current liabilities	非流動負債	**–**	–
Income recognised in profit or loss	於損益表確認的收入	**307,196**	213,822
Expenses recognised in profit or loss	於損益表確認的支出	**154,139**	104,453

21. INTEREST IN AN ASSOCIATE

21. 於一間聯營公司的權益

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Cost of unlisted investment in an associate, at cost (note)	於聯營公司之非上市投資成本(按成本計算)(附註)	**–**	–
Gain arising on increase in share of net assets of an associate	因分佔聯營公司的資產淨值增加而產生的收益	**35,419**	22,137
Realised gain arising from establishing of an associate	成立聯營公司產生的變現收益	**36,895**	14,758
Share of post-acquisition profit and other comprehensive income, net of dividends received	分佔收購後溢利及其他全面收入(扣除已收股息)	**68,920**	37,780
Unrealised profit on sales to an associate	銷售予聯營公司之未變現溢利	**(11,107)**	(9,407)
		130,127	65,268

21. INTEREST IN AN ASSOCIATE (continued)

Note:

On 18th December 2008, the Company and Medtronic International Limited ("Medtronic International") entered into an agreement in respect of establishing a joint venture (the "Distribution JV") in the PRC with a total registered capital of RMB147,580,000 to undertake the sale and distribution of orthopaedic medical device products in the PRC (the "Distribution JV Agreement").

The Distribution JV will take the form of a Sino-foreign co-operative joint venture limited liability company.

Pursuant to the terms in the Distribution JV Agreement, the registered capital of RMB147,580,000 were contributed by Medtronic International while the Company is entitled to 49% voting right and is entitled to share 49% of the result of Distribution JV since its incorporation.

The Company is entitled to share the remaining net assets of the Distribution JV in the following percentage, when the Distribution JV is dissolved under the agreement of the Company and Medtronic International:

0 – 1 year since incorporation	10%
1 – 2 year since incorporation	25%
More than 2 years since incorporation	49%

During the year ended 31st December, 2010, 25% (2009: 10%) of the registered capital of the Distribution JV of RMB36,895,000 (2009: RMB14,758,000) was recognised as a gain arising from establishing of an associate.

During the year ended 31st December, 2010, an additional 24% (2009: 15%) of the registered capital of the Distribution JV of RMB35,419,000 (2009: RMB22,137,000) was recognised as a gain arising from increase in the Group's share of capital contributed by majority shareholder of an associate and credited to the consolidated statement of comprehensive income.

21. 於一間聯營公司的權益(續)

附註:

於二零零八年十二月十八日,本公司與Medtronic International Limited(「Medtronic International」)就於中國成立合營企業(「分銷合營企業」)訂立協議(「分銷合營協議」),總註冊資本為人民幣147,580,000元,以於中國從事銷售及分銷骨科醫療設備產品。

分銷合營企業將以中外合作合營有限責任公司的形式進行。

根據分銷合營協議的條款,註冊資本人民幣147,580,000元已由Medtronic International出資,而本公司則擁有分銷合營企業49%的投票權,並有權分佔分銷合營企業自註冊成立起業績的49%。

分銷合營企業由本公司與Medtronic International根據協議結業清盤時,本公司有權按以下百分比分佔分銷合營企業的餘下資產淨值:

自註冊成立起0至1年	10%
自註冊成立起1至2年	25%
自註冊成立起2年以上	49%

截至二零一零年十二月三十一日止年度,分銷合營企業註冊資本的25%(二零零九年:10%)人民幣36,895,000元(二零零九年:人民幣14,758,000元)確認為因本集團成立聯營公司而產生之收益。

截至二零一零年十二月三十一日止年度,分銷合營企業註冊資本的額外24%(二零零九年:15%)人民幣35,419,000元(二零零九年:人民幣22,137,000元)確認為因本集團應佔聯營公司主要股東注資增加而產生之收益,並計入綜合全面收入報表。

21. INTEREST IN AN ASSOCIATE (continued) 21. 於一間聯營公司的權益(續)

Details of the Group's associate as at 31st December, 2010 and 2009 are as follows:

於二零一零年及二零零九年十二月三十一日,本集團的聯營公司詳情如下:

Name 名稱	Form of business structure 業務架構形式	Place of incorporation or registration/ operation 註冊成立或註冊/營運地點	Attributable equity interest directly held by the Company 本公司直接持有的應佔股權 **2010 二零一零年**	2009 二零零九年	Principal activities 主要業務
Medtronic Weigao Orthopaedic Device Company Limited 美敦力威高骨科器械有限公司	Incorporated 註冊成立	PRC 中國	**49%**	49%	Sale and distribution of orthopaedic medical device products 銷售及分銷骨科醫療設備產品

The summarised financial information in respect of the Group's associate is set out below:

本集團聯營公司的財務資料概述如下:

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Total assets	總資產	**378,959**	310,140
Total liabilities	總負債	**(95,114)**	(86,612)
Net assets	資產淨值	**283,845**	223,528
Group's share of net assets of an associate	本集團應佔聯營公司的資產淨值	**130,127**	65,268
Revenue	收入	**547,072**	433,082
Profit for the year	本年度溢利	**90,082**	64,498
Other comprehensive income	其他全面收入	**–**	–
Group's share of profit and other comprehensive income of an associate for the year	本年度本集團應佔聯營公司的溢利及其他全面收入	**44,140**	31,604

22. GOODWILL

22. 商譽

	RMB'000 人民幣千元
CARRYING AMOUNTS At 1st January, 2009, 31st December, 2009 and 31st December, 2010	**賬面值** 於二零零九年一月一日、二零零九年十二月三十一日及二零一零年十二月三十一日 202,900

Impairment testing on goodwill

商譽減值測試

As explained in note 8, the Group uses operating divisions as the basis for reporting segment information. For the purposes of impairment testing, goodwill has been allocated to the following groups of cash generating units ("CGUs"). The carrying amounts of goodwill as at 31st December, 2010 and 2009 and as follows:

誠如附註8所釋，本集團使用經營分部作為其報告分部資料的基準。為進行減值測試，商譽被分配到以下現金產生單位(「現金產生單位」)組別。於二零一零年及二零零九年十二月三十一日，商譽之賬面值如下：

		Goodwill 商譽 **2010 二零一零年 RMB'000 人民幣千元**	2009 二零零九年 RMB'000 人民幣千元
Single use medical products	一次性使用醫療產品	**28,934**	28,934
Orthopaedic products	骨科產品	**173,966**	173,966
		202,900	202,900

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

本集團每年檢測商譽減值，或倘有跡象顯示商譽可能已減值，則會更頻密檢測減值。

The management considers that groups of CGUs are represented by different groups of subsidiaries for the purpose of goodwill impairment testing.

就商譽減值測試而言，管理層認為現金產生單位組別指不同的附屬公司組別。

22. GOODWILL (continued)

Impairment testing on goodwill (continued)

The recoverable amounts of the groups of CGUs of single use medical products have been determined based on a value in use calculation. The recoverable amount is based on the financial budget approved by management for the next year and extrapolates cash flows for the following four years based on an estimated constant growth rate of 10% (2009: 10%). This rate does not exceed the long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows is 15%. (2009: 15%). A key assumption for the value in use calculations is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development.

The recoverable amounts of the groups of CGUs of orthopaedic products have been determined based on a value in use calculation. The recoverable amount is based on the financial budget approved by management for the next year and extrapolates cash flows for the following four years based on an estimated constant growth rate of 20% (2009: 20%). This rate does not exceed the long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows is 15% (2009: 15%). A key assumption for the value in use calculations is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development.

Management believes that any reasonably possible change in any of the assumption would not cause the aggregate carrying amount of the above CGUs to exceed the aggregate recoverable amount of the above CGUs, thus there is no impairment on goodwill.

22. 商譽(續)

商譽減值測試(續)

一次性使用醫療產品之現金產生單位組別之可收回金額乃按使用價值計算而釐定。可收回金額以管理層批准之下個財政年度預算為基礎,並按10%(二零零九年:10%)的估計持續增長率推斷未來四年的現金流量。該比率不超過相關市場的長期增長率。預測現金流量所用的貼現率為15%(二零零九年:15%)。計算使用價值之主要假設為預算增長率,乃按過往表現及管理層對市場發展之預期而釐定。

骨科產品之現金產生單位組別之可收回金額乃按使用價值計算而釐定。可收回金額以管理層批准之下年度財政預算為基礎,並按20%(二零零九年:20%)的估計持續增長率推斷未來四年的現金流量。該比率不超過相關市場的長期增長率。預測現金流量所用的貼現率為15%(二零零九年:15%)。計算使用價值之主要假設為預算增長率,乃按過往表現及管理層對市場發展之預期而釐定。

管理層相信,任何假設之任何合理可能變動不會令上述現金產生單位之總賬面值超出其可收回總額,因此商譽並無減值。

23. INVENTORIES 23. 存貨

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
At cost:	按成本：		
Raw materials	原料	**169,555**	144,940
Finished goods	製成品	**210,667**	174,062
		380,222	319,002

24. TRADE AND OTHER RECEIVABLES 24. 應收貿易賬款及其他應收款項

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Trade receivables	應收貿易賬款	**945,615**	774,007
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備	**(77,375)**	(56,467)
		868,240	717,540
Bills receivable	應收票據	**91,822**	63,063
Other receivables	其他應收款項	**28,241**	27,977
Deposits and prepayments	按金及預付款項	**67,448**	43,612
		1,055,751	852,192

All the bills receivable will be matured within a period of 90-180 days.

所有應收票據均將於90至180天期間內到期。

Included in trade receivables are an amount due from a subsidiary of a shareholder of the Company and an amount due from an associate of RMB3,458,000 and RMB1,205,000 (2009: RMB676,000 and RMB4,225,000) respectively. The amounts are unsecured, interest-free and repayable on demand.

應收貿易賬款包括應收本公司一名股東之附屬公司款項以及應收一間聯營公司款項分別為人民幣3,458,000元及人民幣1,205,000元（二零零九年：人民幣676,000元及人民幣4,225,000元）。該等款項為無抵押、免息及須於要求時償還。

24. TRADE AND OTHER RECEIVABLES (continued)

24. 應收貿易賬款及其他應收款項（續）

The Group allows an average credit period of 90 – 180 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period.

本集團給予貿易客戶平均90至180天之信貸期。按報告期末的發票日呈列的應收貿易賬款（經扣減呆賬撥備）之賬齡分析如下：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
0 to 90 days	0至90天	**542,565**	458,531
91 to 180 days	91至180天	**212,710**	142,176
181 to 365 days	181至365天	**72,920**	68,238
Over 365 days	365天以上	**40,045**	48,595
Trade receivables	貿易應收賬款	**868,240**	717,540

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

接納任何新客戶前，本集團評估潛在客戶的信用質素及決定客戶信用限額。本集團對各客戶的限額及評級一年檢討一次。

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB112,965,000 (2009: RMB116,833,000) which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these trade receivables is 377 days and 382 days in the year of 2010 and 2009 respectively.

本集團的應收貿易賬款結餘已包括賬面總值為人民幣112,965,000元（二零零九年：人民幣116,833,000元）的應收賬款，其已於報告日期逾期，惟由於信用質素並無重大變動且金額仍視為可收回，故本集團並無作出減值虧損撥備。本集團概無就該等結餘持有任何抵押品。該等應收貿易賬款於二零一零年及二零零九年的平均賬齡分別為377天及382天。

24. TRADE AND OTHER RECEIVABLES (continued)

24. 應收貿易賬款及其他應收款項（續）

Ageing of trade receivables which are past due but not impaired:

已逾期但未減值的應收貿易賬款的賬齡：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
181 to 365 days	181至365天	**72,920**	68,238
Over 365 days	365天以上	**40,045**	48,595
		112,965	116,833

The Group has provided fully for all receivables over 2 years because historical experience is such that receivables that are past due beyond 2 years are generally not recoverable.

本集團一般會為所有超過兩年的應收賬款作出全數撥備，因根據過往經驗，該等逾期超過兩年的應收賬款通常無法收回。

Movement in the allowance for bad and doubtful debt:

呆壞賬撥備的變動：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Balance at beginning of year	年初結餘	**56,467**	43,735
Impairment losses recognised on receivables	就應收款項確認的減值虧損	**20,908**	13,013
Impairment losses reversed	減值虧損撥回	**–**	(60)
Amounts written off as uncollectible	註銷為不能收回的款項	**–**	(221)
Balance at end of year	年末結餘	**77,375**	56,467

Bills receivables of approximately RMB78,578,000 (2009: RMB27,186,000) was endorsed with recourse to third parties at 31st December, 2010 and corresponding trade payables of RMB78,578,000 (2009: RMB27,186,000) were included in the consolidated statement of financial position accordingly.

於二零一零年十二月三十一日，具第三方追索權的已背書應收票據約為人民幣78,578,000元（二零零九年：人民幣27,186,000元），而人民幣78,578,000元（二零零九年：人民幣27,186,000元）的相應貿易應付款項已計入綜合財務狀況表。

At 31st December, 2010, the Group has pledged bills receivables having a carrying value of approximately RMB4,342,000 (2009: RMB14,654,000) to banks to secure bank borrowings granted to the Group.

於二零一零年十二月三十一日，本集團已抵押賬面值約為人民幣4,342,000元（二零零九年：人民幣14,654,000元）的應收票據予銀行，以作為取得授予本集團之銀行借貸之擔保。

24. TRADE AND OTHER RECEIVABLES (continued)

24. 應收貿易賬款及其他應收款項（續）

Other receivables are unsecured, non-interest bearing and have no fixed term of repayment. In the opinion of the directors of the Company, the amounts are expected to be recovered in the next twelve months. The ageing analysis of other receivables net of allowance for bad and doubtful debts based on the invoice date is stated as follows:

其他應收款項為無抵押、免息及無固定還款期。本公司董事認為，該等款項預期將於未來十二個月內收回。其他應收款項（經扣減呆壞賬撥備）按發票日期的賬齡分析呈列如下：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
0 to 90 days	0至90天	**16,621**	20,741
91 to 180 days	91至180天	**3,343**	904
181 to 365 days	181至365天	**3,196**	432
Over 365 days	365天以上	**5,081**	5,900
		28,241	27,977

Included in other receivables is an amount due from immediate holding company of RMB131,000 (2009: RMB4,417,000). The amount is unsecured, interest-free and repayable on demand.

其他應收款項包括應收直接控股公司款項人民幣131,000元（二零零九年：人民幣4,417,000元）。該款項為無抵押、免息及須於要求時償還。

Movement in the allowance for bad and doubtful debt:

呆壞賬撥備的變動：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Balance at beginning of year	年初結餘	**2,770**	2,814
Impairment losses recognised on receivables	就應收款項確認的減值虧損	**53**	78
Impairment losses reversed	減值虧損撥回	**(1,300)**	(120)
Amounts written off as uncollectible	註銷為不能收回的款項	**–**	(2)
Balance at end of year	年末結餘	**1,523**	2,770

24. TRADE AND OTHER RECEIVABLES (continued)

Included in deposits and prepayments is an amount due from a jointly controlled entity of RMB147,000 (2009: RMB nil). The amount is unsecured, interest-free and repayable on demand.

Receivables that were past due but not impaired relate to a number of independent customers that have a good repayment record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances and with good credit quality.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default and with good credit quality.

24. 應收貿易賬款及其他應收款項（續）

按金及預付款項包括應收一間共同控制實體款項人民幣147,000元（二零零九年：人民幣零元）。該款項為無抵押、免息及須於要求時償還。

已逾期但未減值的應收款項涉及本集團若干還款記錄良好的獨立客戶。根據過往經驗，由於信貸質素並無重大變動且結餘仍被視為可全數收回，故管理層相信毋須就該等結餘作出減值撥備。本集團並無就該等具有良好信用質素的結餘持有任何抵押。

既未過期亦未減值的應收款項與近期並無拖欠記錄且信用質素良好的眾多客戶有關。

25. PLEDGED BANK DEPOSITS

The amounts represented deposits pledged to banks to secure banking facilities granted to the Group. The amounts had been pledged to secure short-term bank loans and banking facilities and were therefore classified as current assets. The deposits carried fixed interest rate ranging from 1.98% – 2.28% (2009: 0.36% – 1.15%) per annum.

25. 已抵押銀行存款

該款項指已抵押予銀行的存款，用作擔保授予本集團的銀行融資。該款項已抵押作為短期銀行貸款及銀行融資擔保，故列為流動資產。該筆存款的固定年利率介乎1.98厘至2.28厘之間（二零零九年：0.36厘至1.15厘）。

26. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The deposits carry interest rate of 0.36% (2009: 0.58%) per annum.

26. 銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期時間為三個月或以下的短期銀行存款。有關存款的年利率為0.36厘（二零零九年：0.58厘）。

27. TRADE AND OTHER PAYABLES

27. 應付貿易賬款及其他應付款項

The following is an aged analysis of accounts payable presented based on the invoice date at the end of the reporting period:

按報告期末的發票日呈列的應付貿易賬款的賬齡分析如下：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
0 to 90 days	0至90天	**200,613**	127,115
91 to 180 days	91至180天	**32,753**	58,136
181 to 365 days	181至365天	**21,028**	36,491
Over 365 days	365天以上	**8,691**	9,101
Trade payables	應付貿易賬款	**263,085**	230,843
Bills payable	應付票據	**328,130**	251,215
Consideration payable for the acquisition of additional interest in a subsidiary (Note 29)	收購一間附屬公司額外權益應付的代價（附註29）	**31,599**	81,029
Consideration payable for acquisition of land use right and buildings	收購土地使用權及樓宇應付的代價	**12,308**	23,706
Other payables and accrued expenses	其他應付款項及應計開支	**203,412**	184,772
		838,534	771,565

The normal credit period taken for trade purchases is 90-120 days. All the bills payable will mature within six months.

貿易採購的正常信貸期為90至120天。所有應付票據均將於六個月內到期。

Included in trade payables is amounts due to fellow subsidiaries of RMB840,000 (2009: RMB640,000). The amount is unsecured, interest-free and repayable on demand.

貿易應付款項包括應付同系附屬公司款項人民幣840,000元（二零零九年：人民幣640,000元）。該款項為無抵押、免息及於要求時償還。

28. BANK BORROWINGS 28. 銀行借款

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Secured bank loans	有抵押銀行貸款	**114,721**	151,218
The loans are repayable as follows:	有關貸款須於下列期限償還：		
On demand or within one year	即期或於一年內	**26,418**	37,415
More than one year, but not exceeding two years	於一年以上但不超過兩年	**22,076**	22,761
More than two years, but not exceeding more than five years	於兩年以上但不超過五年以上	**66,227**	68,282
More than five years	於五年以上	**–**	22,760
		114,721	151,218
Less: Amount due within one year shown under current liabilities	減：列為流動負債而於一年以內到期的款項	**(26,418)**	(37,415)
Amount due after one year	於一年後到期的款項	**88,303**	113,803
Fixed-rate borrowings:	固定利率借款：		
Within one year	於一年內	**22,076**	22,761
More than one year but not exceeding two years	於一年以上但不超過兩年	**22,076**	22,761
More than two years, but not exceeding five years	於兩年以上但不超過五年	**66,227**	68,282
More than five years	於五年以上	**–**	22,760
		110,379	136,564
Variable-rate borrowing	浮動利率借款	**4,342**	14,654

As at 31st December, 2010, the bank loans of the Group amounting to RMB110,379,000 (2009: RMB136,564,000) were secured by the pledge of buildings and land use rights. The bank loans carry interest ranging from 2.40% to 2.73% (2009: 3.47% to 3.66%) per annum.

於二零一零年十二月三十一日，本集團為數人民幣110,379,000元（二零零九年：136,564,000元）的銀行貸款，已由抵押樓宇及土地使用權作擔保。銀行貸款按2.40厘至2.73厘（二零零九年：3.47厘至3.66厘）的年利率計息。

28. BANK BORROWINGS (continued)

As at 31st December, 2010, the bank loans of the Group amounting to RMB4,342,000 (2009: RMB14,654,000) were secured by the pledge of bills receivables. The bank loans carry interest ranging from 3.12% to 6.88% (2009: 3.56% to 5.12%) per annum.

At 31st December, 2010, RMB110,379,000 (2009: RMB136,564,000) are denominated in USD, which are not denominated in functional currency of the respective group entities.

28. 銀行借款(續)

於二零一零年十二月三十一日,本集團為數人民幣4,342,000元(二零零九年:人民幣14,564,000元)的銀行貸款,已由抵押應收票據作擔保。銀行貸款按3.12厘至6.88厘(二零零九年:3.56厘至5.12厘)的年利率計息。

於二零一零年十二月三十一日,人民幣110,379,000元(二零零九年:人民幣136,564,000元)以美元計值,而並非以有關集團實體的功能貨幣計值。

29. OTHER PAYABLE

As at 31st December, 2010, the remaining consideration relating to the acquisition of additional interest in a subsidiary, Weigao Ortho payable by the Group amounted to RMB51,963,000 (2009: RMB110,812,000). The amount was unsecured, interest-free and RMB11,180,000 (2009: RMB72,086,000) of which was payable on demand and had been included in other payables as current liabilities (note 27). The remaining RMB40,783,000 (2009: RMB38,726,000) was repayable by five installments since year 2009 until year 2013. The present value of the instalment due in the next 12 months amounted to RMB20,419,000 (2009: RMB8,943,000) and it has been included in other payables of the current liabilities (note 27). The imputed interest rate was 5.31% (2009: 5.31%) per annum.

Included in other payables is an amount due to immediate holding company of RMB11,204,000 (2009: RMB21,833,000). The amount is unsecured, interest-free and repayable on demand.

29. 其他應付款項

於二零一零年十二月三十一日,有關收購於附屬公司Weigao Ortho的額外權益而本集團應支付的餘下代價為人民幣51,963,000元(二零零九年:人民幣110,812,000元)。該款項為無抵押及免息,其中人民幣11,180,000元(二零零九年:人民幣72,086,000元)須應要求時支付,並已計入流動負債項下的其他應付款項(附註27)。餘額人民幣40,783,000元(二零零九年:人民幣38,726,000元)須於二零零九年至二零一三年期間分五期償還。未來十二個月到期的分期還款的現值為人民幣20,419,000元(二零零九年:人民幣8,943,000元),並計入流動負債項下的其他應付款項(附註27)。估算年利率為5.31厘(二零零九年:5.31厘)。

其他應付款項包括應付一間直接控股公司款項人民幣11,204,000元(二零零九年:人民幣21,833,000元)。該款項為無抵押、免息及於要求時償還。

30. DEFERRED TAXATION

The following is the deferred tax asset recognised and movements thereon during the current reporting year:

30. 遞延稅項

以下為經確認的遞延稅項資產及其於現時報告年度的有關變動：

		Excess of depreciation over tax depreciation RMB'000 折舊較稅項折舊超出的金額 人民幣千元	Allowance for bad and doubtful debts RMB'000 呆壞賬撥備 人民幣千元	Unrealised profit RMB'000 未變現溢利 人民幣千元	Total RMB'000 總計 人民幣千元
At 1st January, 2009	於二零零九年一月一日	1,423	4,634	1,810	7,867
Credited to profit or loss	計入損益表	58	1,296	666	2,020
At 31st December, 2009	於二零零九年十二月三十一日	1,481	5,930	2,476	9,887
Credited to profit or loss	計入損益表	(13)	2,521	110	2,618
At 31st December, 2010	於二零一零年十二月三十一日	1,468	8,451	2,586	12,505

At the end of the reporting period, the Group has estimated unused tax losses of approximately RMB99,000 (2009: RMB9,958,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The tax losses can be carried forward for 5 years from the date it incurred. Included in unrecognised tax losses are losses of RMB89,000 that will expire in 2014, losses of RMB10,000 that will expire in 2015.

於報告期末，本集團擁有可供抵銷未來溢利的估計未使用稅項虧損約人民幣99,000元（二零零九年：人民幣9,958,000元）。由於未能預測未來的溢利來源，故並無就稅項虧損確認遞延稅項資產。稅項虧損可由產生當日起承前五年。未確認稅項虧損項下包括將於二零一四年到期的虧損人民幣89,000元及將於二零一五年到期的虧損人民幣10,000元。

31. SHARE CAPITAL

31. 股本

		Nominal value of each share RMB 每股股份面值 人民幣	Number of Non-listed shares (Note b) 非上市股份數目 (附註b)	Number of H shares (Note b) H股數目 (附註b)	Total number of shares 股份總數	Value RMB'000 價值 人民幣
At 1st January, 2009 and 31st December, 2009	於二零零九年一月一日及二零零九年十二月三十一日	0.1	648,160,000	428,121,081	1,076,281,081	107,628
Bonus issue of shares (Note a)	發行紅股(附註a)		648,160,000	428,121,081	1,076,281,081	107,628
At 31st December, 2010	於二零一零年十二月三十一日		1,296,320,000	856,242,162	2,152,562,162	215,256

Notes:

(a) On 26th October, 2010, 648,160,000 Non-listed Shares of RMB0.1 each and 428,121,081 H Shares of RMB0.1 each were issued by way of bonus issue on the basis of one bonus H Share for every existing H Share and one bonus Non-listed Share for every Non-listed Share held in the Company.

The bonus shares issued rank pari passu with the existing H Shares and Non-listed Shares in issue in all respect.

(b) Non-listed Shares and H Shares are all ordinary shares in the share capital of the Company. However, H Shares may only be subscribed for by, and traded in currencies other than RMB between, legal or natural persons of Hong Kong, the Macau Special Administrative Region, Taiwan or any country other than the PRC. Non-listed Shares must be subscribed for and traded in RMB. All dividends in respect of H Shares are to be paid by the company in Hong Kong dollars whereas all dividends in respect of Non-listed Shares are to be paid by the Company in RMB. The Non-listed Shares and the H Shares rank pari passu with each other in all other respects and in particular, rank equally for all dividends or distributions declared, paid or made.

附註：

(a) 於二零一零年十月二十六日，本公司以紅股發行方式按每持有一股本公司現有H股獲發一股H股紅股以及每持有一股現有非上市股份獲發一股非上市紅股股份之基準發行648,160,000股每股面值人民幣0.1元的非上市股份及428,121,081股每股面值人民幣0.1元的H股。

所發行紅股與現有已發行H股及非上市股份於各方面均享有同等地位。

(b) 本公司股本中之非上市股份及H股均為普通股。然而，H股僅可由在香港、中國澳門特別行政區、台灣或除中國以外任何國家之法人或自然人以人民幣以外的貨幣認購及在彼等之間買賣。非上市股份必須以人民幣認購及買賣。本公司就H股派付之所有股息均以港元支付，而本公司就非上市股份派付之所有股息均以人民幣支付。非上市股份及H股彼此於所有其他方面均享有同等地位，特別是就所有已宣派、支付或作出之股息或分派方面享有同等地位。

32. DISPOSAL OF A SUBSIDIARY

On 30th July, 2009, the Group disposed of 51.6% of the equity interest of Shanxi Huading Medical Device Manufacturing Co., Ltd ("Shanxi Huading"). The net assets of Shanxi Huading at the date of disposal were as follows:

32. 出售附屬公司

於二零零九年七月三十日，本集團出售於山西威高華鼎醫療器械製造有限公司(「山西華鼎」)的51.6%股權。山西華鼎於出售日期的資產淨值如下：

		30th July, 2009 RMB'000 **二零零九年七月三十日** 人民幣千元
NET ASSETS DISPOSED OF	**出售下列各項的資產淨值**	
Property, plant and equipment	物業、廠房及設備	5,322
Inventories	存貨	3,442
Trade and other receivables	應收貿易賬款及其他應收款項	3,506
Bank balances and cash	銀行結餘及現金	4
Trade and other payables	應付貿易賬款及其他應付款項	(966)
Non-controlling interest	非控股權益	(4,822)
		6,486
Loss on disposal	出售虧損	(356)
Total consideration	總代價	6,130
Satisfied by:	支付方式：	
Cash	現金	6,130
Net cash inflow arising on disposal:	出售產生的現金流入淨額：	
Cash consideration	現金代價	6,130
Bank balances and cash disposed of	已出售銀行結餘及現金	(4)
		6,126

No significant profit or loss and contribution to cash flow was noted from Shanxi Huading before disposal during the year ended 31st December, 2009.

於截至二零零九年十二月三十一日止年度內，山西華鼎於出售前並無重大損益及現金流量貢獻。

33. MAJOR NON-CASH TRANSACTION

As at 31st December, 2009, consideration for the acquisition of land use right of RMB17,413,000 and buildings of RMB4,420,000 from ultimate holding company were not paid and included in other payables.

33. 主要非現金交易

於二零零九年十二月三十一日，向最終控股公司收購土地使用權的代價人民幣17,413,000元及收購樓宇的代價人民幣4,420,000元尚未支付，並已計入其他應付款項。

34. LEASE COMMITMENTS

34. 租約承擔

The Group as lessee

本集團作為承租人

At the end of the reporting period, the Group had the following future minimum payments under non-cancellable operating leases which fall due as follows:

於報告期末，本集團根據不可取消經營租約，有下列日期到期的未來最低付款金額：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Within one year	於一年內	**845**	2,916
In the second to fifth year inclusive	於第二至第五年（包括首尾兩年）	**328**	289
		1,173	3,205

Operating lease payments represent rentals payable by the Group for its branch office premises, staff quarters and warehouses. Leases are mainly negotiated for a period ranging from two to five years and all rentals are fixed.

經營租約款項指本集團為分公司物業、員工宿舍及貨倉支付的租金。租約主要按年期由二年至五年間磋商，而所有租金均固定不變。

The Group as lessor

本集團作為出租人

Property rental income earned during the year was approximately RMB2,485,000 (2009: RMB2,255,000). At the end of the reporting period, the Group had contracted with tenants for following future minimum lease payments.

於年內，所賺取的物業租金收入約為人民幣2,485,000元（二零零九年：人民幣2,255,000元）。於報告期末，本集團就下列未來最低租金與租戶訂立租約。

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Within one year	於一年內	**1,639**	–

Operating lease payments represent rentals receivable by the Group from a portion of its office premises. Leases are negotiated and rentals are fixed for one year.

經營租約款項指本集團就其辦公物業部分所應收的租金。租約經已磋商，而租金於一年內固定不變。

35. CAPITAL COMMITMENTS

At 31st December, 2010, the Group had commitments which were contracted for but not provided in the consolidated financial statements:

35. 資本承擔

於二零一零年十二月三十一日，本集團於綜合財務報表中擁有已訂約但未撥備的承擔：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Acquisition of property, plant and equipment	收購物業、廠房及設備	**328,961**	230,718

36. RELATED PARTY TRANSACTIONS

(a) The Group had the following related party transactions during the two years ended 31st December, 2010:

36. 關連人士交易

(a) 於截至二零一零年十二月三十一日止兩個年度內，本集團有下列關連人士交易：

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Sales to a fellow subsidiary	銷售予同系附屬公司	**7,554**	4,047
Sales to an associate	銷售予聯營公司	**156,794**	118,252
Sales to a subsidiary of a shareholder of the Company	銷售予本公司股東的附屬公司	**16,271**	6,866
Purchases from fellow subsidiaries	向同系附屬公司採購	**25,763**	15,270
Purchases from a jointly controlled entity	向共同控制實體採購	**7,577**	7,222
Acquisition of land use right from ultimate holding company	向最終控股公司收購土地使用權	**–**	17,413
Acquisition of buildings from ultimate holding company	向最終控股公司收購樓宇	**–**	4,420
Rental payments to ultimate holding company	向最終控股公司支付租金	**2,100**	1,683
Rental income from a jointly controlled entity	自共同控制實體取得租金收入	**1,241**	759

Details of amounts due from/to related parties are set out in notes 24, 27 and 29.

應收／付關連人士款項的詳情載於附註24、27及29。

36. RELATED PARTY TRANSACTIONS (continued)

36. 關連人士交易(續)

(b) Compensation of key management personnel

(b) 主要管理人員的報酬

The remuneration of directors and other members of key management during the year was as follows:

於年內,董事及主要管理層的其他成員的薪酬列載如下:

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Short-term employee benefits	短期僱員福利	**3,894**	3,129
Post-employment benefits	離職後福利	**47**	56
		3,941	3,185

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

董事及主要行政人員的薪酬乃由薪酬委員會參照個別人士的表現及市場趨勢而釐定。

37. RETIREMENT BENEFITS SCHEMES

37. 退休福利計劃

The Group operates a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees of the Group in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of the trustees. The contributions are charged to the consolidated statement of comprehensive income as incurred.

本集團為本集團在香港所有合資格的僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃的資產跟本集團的資產分開持有,並以基金形式由信託人作管理。該供款於產生時於綜合全面收入報表內扣除。

The Group has established different benefits schemes for its full-time PRC employees according to the relevant PRC regulations and rules, including provision of housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury insurance and pregnancy insurance. Pursuant to these existing schemes the Group contributes 8%, 8%, 18%, 2%, 1% and 1% of the basic salary of its employees to the housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury insurance and pregnancy insurance, respectively.

本集團已根據有關中國法規為全職中國僱員設立不同福利計劃,包括提供住房公積金、醫療保險、退休保險、失業保險、工傷保險及妊娠保險。根據本集團該等現有計劃,本集團分別按僱員基本薪金的8%、8%、18%、2%、1%及1%向住房公積金、醫療保險、退休保險、失業保險、工傷保險及妊娠保險作出供款。

The contributions paid and payable to the schemes by the Group are disclosed in note 12.

本集團就該等計劃已付及應付的供款於附註12作出披露。

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

38. 本公司附屬公司詳情

Particulars of the Company's subsidiaries as at 31st December, 2010 and 2009 are as follows:

於二零一零年及二零零九年十二月三十一日，本集團附屬公司的詳情如下：

Name 名稱	Form of business structure 業務架構形式	Country of incorporation or registration/ operations 註冊成立或登記／經營的國家	Registered capital 註冊資本	Proportion ownership interest held by the Company 本公司持有權益的所有權比例		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Weihai Jierui Medical Products Company Limited#@ (威海潔瑞醫用製品有限公司)	Incorporated 註冊成立	PRC 中國	RMB32,000,000 人民幣32,000,000元	100%	–	Manufacturing of medical PVC granules, plastic packing bags and carton boxes 製造醫用PVC粒料、塑料包裝袋及紙箱
Weihai Weigao Blood Purification Products Co., Ltd#@ (威海威高血液淨化製品有限公司)	Incorporated 註冊成立	PRC 中國	RMB20,000,000 人民幣20,000,000元	–	70%	Manufacturing of medical blood purification treatments and related consumables 製造血液淨化療法及相關耗材
Shenyang Weigao Jinbao Trading Co., Ltd#@ (瀋陽威高金寶商貿有限公司)	Incorporated 註冊成立	PRC 中國	RMB15,000,000 人民幣15,000,000元	90%	–	Trading of medical products 買賣醫療產品
Weihai Weigo Group Mould Co., Ltd.#@ (威海威高集團模具有限公司)	Incorporated 註冊成立	PRC 中國	RMB8,000,000 人民幣8,000,000元	90%	10%	Manufacturing of moulds 製造模具
Shandong Weigao Orthopaedic Device Co., Ltd*@ (山東威高骨科材料有限公司)	Incorporated 註冊成立	PRC 中國	RMB60,000,000 人民幣60,000,000元	75%	25%	Manufacturing of orthopaedic medical device products 製造醫用骨科產品
Fuzhou Fanshun Medical Device Technology Co., Ltd.#@ (福州帆順醫療器械技術有限公司)	Incorporated 註冊成立	PRC 中國	RMB500,000 人民幣500,000元	95%	–	Trading of medical products 買賣醫療用品

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

38. 本公司附屬公司詳情(續)

Name 名稱	Form of business structure 業務架構形式	Country of incorporation or registration/ operations 註冊成立或登記／經營的國家	Registered capital 註冊資本	Proportion ownership interest held by the Company 本公司持有權益的所有權比例		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Weigao International Medical Co., Ltd (威高國際醫療有限公司)	Incorporated 註冊成立	HK 香港	HK$1,000,000 1,000,000港元	100%	–	Trading of medical products 買賣醫療產品
Changzhou Jianli Bangde Medical Devices Co., Ltd.#@ (常州邦德醫療器械有限公司)	Incorporated 註冊成立	PRC 中國	RMB8,000,000 人民幣8,000,000元	–	100%	Manufacturing of orthopaedic products 製造骨科產品
Beijing Yahua Artificial Joints Development Company Limited#@ (北京亞華人工關節開發公司)	Incorporated 註冊成立	PRC 中國	RMB12,000,000 人民幣12,000,000元	–	100%	Manufacturing of orthopaedic products 製造骨科產品
Weigao Medical (Europe) Co., Ltd (威高醫療(歐洲)有限公司)	Incorporated 註冊成立	The United Kingdom 英國	USD945,200 945,200美元	100%	–	Trading of medical products 醫療產品的貿易
Sichuan Jierui Weigao Medical Device Co., Ltd.#@ (四川潔瑞威高醫療器械有限公司)	Incorporated 註冊成立	PRC 中國	RMB2,000,000 人民幣2,000,000元	100%	–	Trading of medical products 醫療產品買賣
Shandong Weigao New Life Medical Device Company Limited#@ (山東威高新生醫療器械有限公司)	Incorporated 註冊成立	PRC 中國	RMB5,000,000 人民幣5,000,000元	100%	–	Manufacturing of medical products 製造醫用產品
Shandong Weigao Automated Equipment Company Limited#@ (山東威高自動化設備有限公司)	Incorporated 註冊成立	PRC 中國	RMB5,000,000 人民幣5,000,000元	–	100%	Manufacturing of industrial automatic equipments and parts 製造工業自動化設備及零部件

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

38. 本公司附屬公司詳情(續)

Name 名稱	Form of business structure 業務架構形式	Country of incorporation or registration/ operations 註冊成立或登記／經營的國家	Registered capital 註冊資本	Proportion ownership interest held by the Company 本公司持有權益的所有權比例		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Shandong Weigao Group Logistic Company Limited#@ (山東威高集團物流有限公司)	Incorporated	PRC	RMB20,000,000	100%	–	Provision of logistics and storage services
	註冊成立	中國	人民幣20,000,000元			提供物流及儲存服務
Shandong Weigao Medical Holding Company Limited#@ (山東威高醫療控股有限公司)	Incorporated	PRC	RMB20,000,000	100%	–	Manufacturing of medical products
	註冊成立	中國	人民幣20,000,000元			製造醫療設備
Weigao Medical Germany Gmbh (威高醫療研發(德國)有限公司) (note) (附註)	Incorporated	Germany	EUR250,000	100%	–	Manufacturing and trading of medical products
	註冊成立	德國	250,000歐元			製造及買賣醫療產品
Liaoning Weigao Zhengfeng Medical Technology Co., Ltd#@ (遼寧威高正豐醫療科技有限公司) (note) (附註)	Incorporated	PRC	RMB10,000,000	90%	–	Trading of medical devices
	註冊成立	中國	人民幣10,000,000元			買賣醫療設備
Weihai Weigao Life Tech Company Ltd#@ (威海威高生命科技有限公司) (note) (附註)	Incorporated	PRC	RMB10,000,000	–	70%	Manufacturing and trading of medical products
	註冊成立	中國	人民幣10,000,000元			製造及買賣醫療產品
Wego Medical Holding Company Limited (威高醫療控股有限公司) (note) (附註)	Incorporated	HK	HKD1,000,000	–	100%	Investment holding
	註冊成立	香港	1,000,000港元			投資控股
Wego Medical Investment Company Limited (威高醫療投資有限公司) (note) (附註)	Incorporated	HK	HKD1,000,000	–	100%	Investment holding
	註冊成立	香港	1,000,000港元			投資控股

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

None of the subsidiaries issued any debt securities at the end of the year or at any time during the year.

\# Registered under the laws of the PRC as domestic enterprise

* Registered under the laws of the PRC as Sino-foreign equity jointly venture enterprises

@ English Company names are translated for identification only

Note: Incorporated during the year ended 31st December, 2010.

38. 本公司附屬公司詳情(續)

概無附屬公司於年末或年內任何時間發行任何債務證券。

\# 根據中國法律註冊為本土企業

* 根據中國法律註冊為中外合資企業

@ 英文公司名稱之翻譯僅供識別

附註：於截至二零一零年十二月三十一日止年度註冊成立。

39. COMPANY'S STATEMENT OF FINANCIAL POSITION 39. 本公司之財務狀況表

		2010 RMB'000 二零一零年 人民幣千元	2009 RMB'000 二零零九年 人民幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	**821,679**	600,594
Investment properties	投資物業	**178,898**	184,282
Prepaid lease payments	預付租賃款項	**198,031**	202,616
Intangible assets	無形資產	**2,649**	3,099
Interests in subsidiaries	於附屬公司的權益	**499,948**	293,857
Interests in jointly controlled entities	於共同控制實體的權益	**395,976**	240,389
Interest in an associate	於一間聯營公司的權益	**141,234**	74,675
Deferred tax asset	遞延稅項資產	**7,974**	6,635
		2,246,389	1,606,147
Current assets	流動資產		
Inventories	存貨	**186,657**	148,273
Trade and other receivables	應收貿易及其他應收款	**1,147,103**	1,098,734
Pledged bank deposits	已抵押銀行存款	**100,546**	98,973
Bank balances and cash	銀行結餘及現金	**356,082**	463,886
		1,790,388	1,809,866
Current liabilities	流動負債		
Trade and other payables	應付貿易及其他應付款	**1,172,412**	921,580
Bank borrowings – repayable within one year	銀行借款－須於一年內償還	**26,418**	30,215
Tax payable	應付稅項	**29,895**	34,799
		1,228,725	986,594
Net current assets	流動資產淨額	**561,663**	823,272
		2,808,052	2,429,419
Capital and reserves	資本及儲備		
Share capital	股本	**215,256**	107,628
Reserves	儲備	**2,484,129**	2,178,206
Total equity	股權總額	**2,699,385**	2,285,834
Non-current liability	非流動負債		
Bank borrowings – repayable after one year	銀行借款－須於一年後償還	**88,303**	113,803
Other payable	其他應付款項	**20,364**	29,782
		108,667	143,585
		2,808,052	2,429,419

		For the year ended 31st December, 截至十二月三十一日止年度				
		2010	2009	2008	2007	2006
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		二零一零年	二零零九年	二零零八年	二零零七年	二零零六年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
RESULTS	**業績**					
Revenue	收入	**2,462,557**	1,878,495	1,514,367	1,095,109	786,926
Profit before taxation	除税前溢利	**887,884**	704,960	524,082	332,074	189,348
Taxation	税項	**(85,532)**	(71,782)	(38,977)	(2,732)	(6,745)
Profit for the year	年內溢利	**802,352**	633,178	485,105	329,342	182,603
Profit attributable to:	下列各項應佔溢利：					
Owners of the Company	本公司擁有人	**799,072**	633,864	482,394	308,149	170,921
Non-controlling interests	非控股權益	**3,280**	(686)	2,711	21,193	11,682
		802,352	633,178	485,105	329,342	182,603

		As at 31st December, 於十二月三十一日				
		2010	2009	2008	2007	2006
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		二零一零年	二零零九年	二零零八年	二零零七年	二零零六年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
ASSETS AND LIABILITIES	**資產及負債**					
Total assets	總資產	**4,649,364**	3,951,795	3,340,666	2,140,506	1,394,119
Total liabilities	總負債	**(1,015,491)**	(1,008,929)	(855,743)	(755,511)	(646,273)
Non-controlling interests	非控股權益	**(7,463)**	(3,183)	(8,191)	(57,233)	(49,106)
		3,626,410	2,939,683	2,476,732	1,327,762	698,740

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the "**AGM**") of Shandong Weigao Group Medical Polymer Company Limited 山東威高集團醫用高分子製品股份有限公司 (the "**Company**") will be held at 9:00 a.m. on Tuesday, 7 June 2011 at the registered office of the Company at No. 312 Shichang Road, Weihai City, Shandong Province, PRC for the purpose of considering the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the audited consolidated financial statements of the Group (including the Company and its subsidiaries) for the year ended 31 December 2010;

2. To consider and approve the report of the board of directors of the Company (the "Board") for the year ended 31 December 2010;

3. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2010;

4. To consider and approve the profit distribution plan for the year ended 31 December 2010, and the final distribution plan of the Company for the year ended 31 December 2010 and to authorise the Board for the distribution of the final dividends to the shareholders of the Company for the year ended 31 December 2010;

5. To consider and approve the proposal for the re-appointment of Deloitte Touche Tohmatsu as the auditor of the Company for the year ending 31 December 2011, and to authorise the Board to determine his remuneration;

6. To consider and authorise the Board to approve the remuneration of the directors, supervisors and senior management of the Company for the year ending 31 December 2011; and

7. To pass the following resolution as a special resolution of the Company;

茲通告山東威高集團醫用高分子製品股份有限公司(「**本公司**」)將於二零一一年六月七日(星期二)上午九時正於本公司註冊辦事處中國山東省威海市世昌大道312號舉行股東週年大會(「**股東週年大會**」),以考慮以下決議案:

普通決議案

1. 考慮及批准本集團(包括本公司及其附屬公司)截至二零一零年十二月三十一日止年度的經審核綜合財務報表;

2. 考慮及批准本公司截至二零一零年十二月三十一日止年度的董事會(「董事會」)報告;

3. 考慮及批准本公司截至二零一零年十二月三十一日止年度的監事會報告;

4. 考慮及批准本公司截至二零一零年十二月三十一日止年度的利潤分配方案、截至二零一零年十二月三十一日止年度的最終分派計劃,並授權董事會向本公司股東分派截至二零一零年十二月三十一日止年度的末期股息;

5. 考慮及批准續聘德勤•關黃陳方會計師行為截至二零一一年十二月三十一日止年度本公司核數師的建議,並授權董事會釐訂其酬金;

6. 考慮及授權董事會批准本公司截至二零一一年十二月三十一日止年度的董事、監事及高級管理人員酬金;及

7. 通過以下決議案作為本公司的特別決議案;

SPECIAL RESOLUTION

"THAT:

a) subject to paragraphs (c), (d) and (e) below, the exercise by the Board during the Relevant Period (as herein after defined in paragraph (f)) of all the powers of the Company to allot, issue and deal with non-listed Shares and/or H Shares severally or jointly be and is hereby approved;

b) the approval in paragraph (a) above shall authorise the Board the Relevant Period to make or grant offers, agreement and options which would or might require the exercise of such powers to allot and issue non-listed Shares and/or H Shares during the Relevant Period or after the end of the Relevant Period;

c) the aggregate nominal amount of non-listed Shares allotted and issued or agreed to be allotted and issued (whether pursuant to an option or otherwise) by the board of directors pursuant to paragraphs (a) and (b) above, otherwise than pursuant to (i) Rights Issue (as hereinafter defined in paragraph (f)); (ii) upon the exercise of rights of conversion under the terms of any securities which are convertible into Shares; (iii) upon the exercise of rights of subscription under the terms of any warrants issued by the Company; or (iv) any scrip dividend plan of other similar arrangement in lieu of the whole or part of a dividend on Shares allotted pursuant to the Company's Articles of Association, shall not exceed 20% of the aggregate nominal amount of the non-listed Shares in issue on the date of passing this resolution;

特別決議案

「**動議**：

a) 在下文第(c)、第(d)及第(e)段的規限下，批准董事會於有關期間（定義見下文第(f)段），行使本公司一切權力，個別或同時配發、發行及處理非流通股及／或H股；

b) 上文第(a)段的批准將授權董事會於有關期間內做出或授出將要或可能須在有關期間內或結束後行使該等權力配發及發行非流通股及/或H股的售股建議、協議或授出購股權；

c) 除因根據(i)供股（定義見下文第(f)段）；(ii)根據可轉換為股份的任何證券的條款行使換股權；(iii)根據本公司發行的任何認股權證的條款行使認購權；或(iv)根據本公司公司章程配發股份代替有關股份的全部或部分股息的任何以股代息計劃或類似安排，董事會根據上文第(a)及第(b)段將予配發及發行或同意配發及發行（不論是否根據購股權或其他方式）的非流通股總面值，不得超過於通過本決議案當日已發行非流通股總面值20%；

d) the aggregate nominal amount of H Shares allotted and issued or agreed to be allotted and issued (whether pursuant to an option or otherwise) by the board of directors pursuant to paragraphs (a) and (b) above, otherwise than pursuant to (i) Rights Issue (as hereinafter defined in paragraph (f)); (ii) upon the exercise of rights of conversion under the terms of any securities which are convertible into Shares; (iii) upon the exercise of rights of subscription under the terms of any warrants issued by the Company; or (iv) any scrip dividend plan of other similar arrangement in lieu of the whole or part of a dividend on Shares allotted pursuant to the Company's Articles of Association, shall not exceed 20% of the aggregate nominal amount of the H Shares in issue on the date of passing this resolution;

d) 除因根據(i)供股(定義見下文第(f)段);(ii)根據可轉換為股份的任何證券的條款行使換股權;(iii)根據本公司發行的任何認股權證的條款行使認購權;或(iv)根據本公司的公司章程配發股份代替有關股份的全部或部分股息的任何以股代息計劃或類似安排,董事會根據上文第(a)及第(b)段將予配發及發行或同意配發及發行(不論是否根據購股權或其他)之H股總面值,不得超過於通過本決議案當日已發行H股總面值20%;

e) the approval referred to in paragraph (a) above is conditional upon the Company obtaining the approval from China Securities Regulatory Commission;

e) 上文第(a)段所述批准須待本公司獲得中國證券監督管理委員會批准,始可作實;

f) for the purpose of this resolution;

"Relevant Period" means the period from the date of the passing of this special resolution until whichever is the earliest of:

i) the conclusion of next annual general meeting of the Company after the passing of this resolution;

ii) the expiration of the period within the twelve month period after the passing of this resolution; or

iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in a general meeting.

f) 就本決議案而言,

「有關期間」指由本特別決議案通過日期起至下列三者中的較早者止期間:

i) 於通過本決議案後本公司下屆股東週年大會結束時;

ii) 於通過本決議案後十二個月期間屆滿時;或

iii) 本公司股東於股東大會上通過普通決議案撤銷或更改本決議案授予的權力的日期。

"Right Issue" means an offer of shares open for a fixed period to holders of shares on the register of members of the Company and (where appropriate) other holders of the equity securities of the Company that are entitled to accept such offer on a fixed record date in proportion to their then holdings of such shares or such equity securities (subject to such exclusion or other arrangements as the directors of the Company may deem necessary of expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in relevant jurisdiction); and

「供股」指根據一項售股建議，將或可能須向於固定記錄日期名列本公司股東名冊的股份持有人及向（如合適）本公司其他有權接受此建議的股本證券持有人，按彼等當時持有股份或持有該等股本證券的比例提出，惟受本公司董事就零碎股權或考慮到任何有關司法權區的法律的任何限制或委任下或任何認可監管機構或任何證券交易所的規定而可能視為必須或權宜的豁免或其他安排；及

g) authorise the Board to, at its discretion, make any amendment of the Articles of Association of the Company where necessary, so as to increase the registered capital of the Company, and to refect the new capital structure upon the granting of approval for the allotment or issue of the shares in the Company pursuant to paragraph (a) above."

g) 授權董事會酌情對本公司的公司章程做出必須修訂，以增加本公司的註冊資本，反映因根據上文第(a)段所授出批准配發或發行本公司股份而出現的新股本結構。」

By order of the Board
Shandong Weigao Group Medical Polymer Company Limited
Chen Xue Li
Chairman

承董事會命
山東威高集團醫用高分子製品股份有限公司
董事長
陳學利

Weihai, Shandong, the PRC
8 April 2011

中國山東威海
二零一一年四月八日

Registered address in the PRC:
No. 312 Shichang Road
Weihai
Shandong
PRC

於中國的註冊辦事處：
中國
山東省
威海市
世昌大道312號

As at the date of this announcement, the Board comprises:

Mr. Zhang Hua Wei (Executive Director)
Mr. Miao Yan Guo (Executive Director)
Mr. Wang Yi (Executive Director)
Mr. Wang Zhi Fan (Executive Director)
Mr. Wu Chuan Ming (Executive Director)
Mr. Chen Xue Li (Non-executive Director)
Mrs. Zhou Shu Hua (Non-executive Director)
Mr. Li Bing Yung (Non-executive Director)
Mr. Jean-Luc Butel (Non-executive Director)
Mr. Lo Wai Hung (Independent non-executive Director)
Mr. Li Jia Miao (Independent non-executive Director)
Mr. Luan Jian Ping (Independent non-executive Director)
Mr. Shi Huan (Independent non-executive Director)

Notes:

(i) A shareholder who has the right to attend and vote at the AGM is entitled to appoint one proxy (or more) in writing to attend the AGM and vote on his behalf in accordance with the Company's Articles of Association. The proxy need not be a shareholder of the Company. Enclosed herewith a form of proxy for use in the general meeting. In the case of joint registered holders, the proxy form may be signed by any joint registered holder. In the case that any one of such joint registered holders is present at any meeting personally or by proxy, then one of such joint registered holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

(ii) To be valid, a form of proxy together with a power of attorney or other authority , if any, under which it is signed or certified by a notary or an official copy of that power of attorney or authority, must be delivered at the Company's H Share Registrars in Hong Kong, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong (in respect of the H Shareholders of the Company) and the Company's principal place of business at No. 312 Shichang Road, Weihai, Shandong Province, PRC (in respect of non-listed Shareholders) not less than 24 hours before the time appointed for holding the AGM or 24 hours before the time designated for voting.

(iii) Shareholders and their proxies attending the AGM shall produce their proof of identification.

於本公佈刊發日期，董事會成員包括：

張華威先生（執行董事）
苗延國先生（執行董事）
王毅先生（執行董事）
王志范先生（執行董事）
吳傳明先生（執行董事）
陳學利先生（非執行董事）
周淑華女士（非執行董事）
李炳容先生（非執行董事）
Jean-Luc Butel先生（非執行董事）
盧偉雄先生（獨立非執行董事）
李家淼先生（獨立非執行董事）
欒建平先生（獨立非執行董事）
石峘先生（獨立非執行董事）

附註：

(i) 有權出席股東週年大會及於會上投票的股東，均可依照本公司的公司章程以書面委派一名（或多名）委任代表出席股東週年大會及代其投票。委任代表無須為本公司股東。現附上供於大會上使用的代表委任表格。倘股份為聯名持有，則代表委任表格可由任何一名聯名持有人簽署，但倘有一名以上聯名持有人出席會議（不論為親身或委派代表出席），則僅有在本公司股東名冊內就有關聯名持有的股份排名首位的出席者方有權就該等股份投票。

(ii) 代表委任表格及倘代表委任表格由他人根據授權書或其它授權文件代表委託人簽署，經由公證律師證明的該等授權書或其它授權文件的副本，必須最遲於股東週年大會召開前二十四小時或指定投票時間前二十四小時，送達本公司香港H股過戶登記處卓佳標準有限公司（地址：香港皇后大道東28號金鐘匯中心26樓）（就本公司H股股東而言）及本公司的主要業務地點，中國山東省威海市世昌大道312號（就非流通股股東而言），方為有效。

(iii) 出席股東週年大會的股東及其委任代表應出示其身份證明。

(iv) The register of members in Hong Kong will be closed from Friday, 6 May 2011 to Tuesday, 7 June 2011, both days inclusive, during which no transfer of shares will be effected. In order to be eligible to attend the AGM, to vote and to entitle the final dividend thereat as shareholders, all transfers of H shares together with the relevant share certificates must be delivered at the Company's H Share Registrars, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 5 May 2011.

(v) The holders of the Company's H shares who intend to attend the AGM should complete and return the reply slip to the Company's H share Registrars in Hong Kong, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong no later than Tuesday, 17 May 2011 by hand, by post, by telegraph or by fax to (852) 2528 3158.

(vi) The holders of the Company's non-listed Shares who intend to attend the AGM should complete and return the reply slip to the Company's registered address at No. 312 Shichang Road, Weihai, Shandong Province, PRC no later than Tuesday, 17 May 2011 by hand, by post, by telegraph or by fax to (86) 631 5622419.

(vii) The AGM is expected not to exceed half a day, and all shareholders and proxies shall be responsible for their own traveling and accommodation expenses.

(viii) Any enquiries about this notice and the AGM shall be sent for the attention to Ms. Xing Jingran at No. 312 Shichang Road, Weihai, Shandong Province, PRC (Tel. (86) 631 5622418).

(iv) 本公司將於二零一一年五月六日(星期五)至二零一一年六月七日(星期二)(包括首尾兩天)暫停辦理香港股東名冊過戶手續。為符合資格以股東身份出席股東週年大會及於會上投票且有權收取末期股息,所有H股轉讓文件連同有關股票,最遲須於二零一一年五月五日(星期四)下午四時三十分交回本公司的H股過戶登記處卓佳標準有限公司(地址:香港皇后大道東28號金鐘匯中心26樓)。

(v) 擬出席股東週年大會的本公司H股持有人應填妥出席會議的回條,並將回條於二零一一年五月十七日(星期二)之前送達本公司的香港H股過戶登記處卓佳標準有限公司(地址:香港皇后大道東28號金鐘匯中心26樓),回條可親身交回本公司,亦可以郵遞、電報方式交回或傳真至(852) 2528 3158。

(vi) 擬出席股東週年大會的本公司非流通股持有人應填妥出席會議的回條,並於二零一一年五月十七日(星期二)之前將回條送達本公司註冊地址(中國山東省威海市世昌大道312號)。回條可親身交回本公司,亦可以郵遞、電報方式交回或傳真至(86) 631 5622419。

(vii) 股東週年大會預期需時不超過半天,所有股東及委任代表的往返及食宿費用自理。

(viii) 任何有關本通告及股東週年大會的查詢應寄至中國山東省威海市世昌大道312號邢靜然小姐收,電話:(86) 631 5622418。

WEGO威高