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 2011 年報

* For identification purposes only
僅供識別

WEGO 威高

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DIRECTORS AND SUPERVISORS

董事及監事

Executive Directors

執行董事

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

張華威先生
苗延國先生
王毅先生
王志范先生
吳傳明先生

Non-executive Directors

非執行董事

Mr. Chen Xue Li
Mrs. Zhou Shu Hua
Mr. Li Bing Yung

陳學利先生
周淑華女士
李炳容先生

Independent non-executive Directors

獨立非執行董事

Mr. Lo Wai Hung
Mr. Li Jia Miao
Mrs. Fu Ming Zhong

盧偉雄先生
李家淼先生
付明仲女士

Supervisors

監事

Ms. Bi Dong Mei
Mr. Miao Hai Sheng
Ms. Chen Xiao Yun

畢冬梅女士
苗海生先生
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
Weihai
Shandong Province
PRC

中國
山東省
威海市
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
178 Gloucester Road
Wanchai
Hong Kong

香港
灣仔
告士打道178號
華懋世紀廣場801室

Company secretary

公司秘書

Ms. Wong Miu Ling, Phillis, *ACIS*

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. Li Jia Miao
Mrs. Fu Ming Zhong
Mrs. Zhou Shu Hua

審核委員會

盧偉雄先生
李家淼先生
付明仲女士
周淑華女士

Remuneration committee

Mr. Lo Wai Hung
Mr. Li Jia Miao
Mrs. Fu Ming Zhong
Mrs. Zhou Shu Hua

薪酬委員會

盧偉雄先生
李家淼先生
付明仲女士
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 sets, syringes, medical needles, blood bags, pre-filled syringes, blood sampling products, and other consumables); ii) orthopedic materials and iii) blood purification consumables. 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 5,069 healthcare organizations and distributors, including 2,951 hospitals, 414 blood stations, 622 other medical units and 1,082 trading companies.

The Group produces a wide range of products in following 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; and

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

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)骨科材料及iii)血液淨化耗材。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5,069家醫療單位和分銷商,其中包括醫院2,951家、血站414家、其他醫療機構622家和1,082家經銷商。

本集團生產的多種產品,主要可分為以下系列,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;及

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。

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, 2011 (the "Year"). The Group's results in 2011 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二零一一年十二月三十一日止年度(「本年度」)的經審核綜合業績。本集團二零一一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 RMB3,180,577,000 (2010: RMB2,462,557,000) for the year ended 31st December, 2011, representing an increase of approximately 29.2% over the previous year and profit attributable to equity shareholders was approximately RMB3,462,172,000 (2010: RMB799,072,000), representing an increase of approximately 333.3% over the previous year. Net profit attributable to the owner of the Company excluding extraordinary item was RMB958,036,000 (2010: RMB760,628,000) representing an increase of approximately 26.0% over the previous year and basic earning per share was approximately RMB0.78. The growth in turnover and profit attributable to shareholders have been mainly due to our strategy of optimizing the product mix, focusing on the business development of blood purification products and increased the marketing and sales efforts on high value-added products.

財務摘要

回顧年度內,本集團截至二零一一年十二月三十一日止年度的營業額達到約人民幣3,180,577,000元(二零一零年:人民幣2,462,557,000元),較上一年度增加約29.2%,而權益股東應佔溢利約為人民幣3,462,172,000元(二零一零年:人民幣799,072,000元),較上一年度上升約333.3%。不計特殊項目的本公司擁有人應佔純利為人民幣958,036,000元(二零一零年:人民幣760,628,000元),較上一年度上升約26.0%。每股基本盈利約為人民幣0.78元。營業額及股東應佔溢利增加主要因本集團按策略推進產品結構的優化調整,重點發展血液淨化產品業務,增加高附加值產品的市場推介與銷售。

FINANCIAL HIGHLIGHT

財務概覽

		Audited 經審核		
		2011	2010	Growth
		二零一一年	二零一零年	增長
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	%
Turnover	營業額	**3,180,577**	2,462,557	29.2
Gross profit	毛利	**1,760,116**	1,359,699	29.4
Net profit attributable to the owners of the Company excluding extraordinary items	不計特殊項目的本公司擁有人應佔純利	**958,036**	760,628	26.0
Net profit attributable to shareholders	股東應佔純利	**3,462,172**	799,072	333.3

BUSINESS REVIEW

During the Year, the Group continued the strategy of optimizing the product mix, focusing on the business development of blood purification products and increased the marketing and sales efforts on high value-added products such as intravenous catheters, non PVC infusion sets, specialized infusion set with dosage control device, achieving a continuous growth in turnover. Due to effective adjustments in product mix, the Group absorbed the impact of escalating raw materials and labour costs during the Year, and further increased the gross profit margin to 55.3% from 55.2% in the previous year. The performance of the Group in four business segments was as follows:

(1) The growth momentum continued for consumables of the Group, reaching approximately RMB2,643,990,000 for the year ended 31st December, 2011, representing an increase of 27.3% when compared with the previous year;

(2) The turnover of orthopaedic for the year was approximately RMB243,423,000, representing a growth of 38.9% when compared with the previous year. The Distribution Joint Venture with Medtronic, Inc. in orthopaedic products contributed approximately a net profit of RMB47,224,000 to the Group for the year, representing an increase of 7.0% when compared with the previous year;

(3) The turnover of haemodialysis consumables and equipment for the year was approximately RMB293,164,000, representing an increase of 39.8% when compared with the previous year. Loss attributable to Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd. ("Weigao Nikkiso"), which is 51% held by the Group, amounted to approximately RMB6,601,000; and

(4) The stent business of 山東吉威醫療製品有限公司 (Shandong JW Medical Products Company Limited) ("JW Medical"), a 50% jointly owned entity of the Company, contributed approximately RMB106,443,000 to the profit of the Group for the nine months ended 30th September, 2011. The Company disposed of its 50% equity interest in JW Medical and an one-off profit contribution of approximately RMB2,568,534,000 was recognized by the Group. Biosensors International Pte Ltd. ("Biosensors"), which is 21.6% held by the Group, contributed approximately RMB4,195,000 to the profit of the Group. Excluding extraordinary items, Biosensors contributed approximately RMB36,595,000 to the profit of the Group.

業務回顧

年內，本集團繼續按策略推進產品結構的優化調整，重點發展血液淨化產品業務，增加留置針、非PVC輸液器與特種流量監控輸液器等高附加值產品的市場推介與銷售，營業收入持續增長。由於產品結構的有效調整，本集團消化了年內原材料價格上漲與工資水平提高的成本上漲影響，進一步提升了毛利率水平，從去年的55.2%提升到55.3%。本集團四個業務部類取得了如下發展：

(1) 本集團常規耗材醫療製品維持持續增長態勢，截至二零一一年十二月三十一日止年度營業額達人民幣約2,643,990,000元，較去年增長27.3%；

(2) 骨科年度營業收入約人民幣243,423,000元，較去年增長38.9%；與美敦力合營的骨科產品分銷公司年度內為本集團貢獻約人民幣47,224,000元淨收益，較去年增長7.0%；

(3) 血液透析耗材與設備年度營業收入約人民幣293,164,000元，較去年增長39.8%，本集團持有51%股權的威高日機裝（威海）透析機器有限公司（「威高日機裝」）的應佔虧損約為人民幣6,601,000元；及

(4) 本公司持有50%股權的山東吉威醫療製品有限公司（「吉威醫療」）的心臟支架業務截至二零一一年九月三十日止九個月，為本集團的利潤貢獻約人民幣106,443,000元；本公司出售其於吉威醫療的50%股權，而本集團確認的一次性利潤貢獻約為人民幣2,568,534,000元；本集團持有21.6%股權的新加坡柏盛國際有限公司（「新加坡柏盛」）為本集團的利潤貢獻約為人民幣4,195,000元，不計特殊項目的新加坡柏盛為本集團的利潤貢獻約為人民幣36,595,000元。

BUSINESS REVIEW (continued)

The Directors recommended the payment of a final dividend of RMB0.03 (2010: RMB0.075), which is subject to approval by the shareholders of the Company ("Shareholders") at the forthcoming general meeting.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Saturday, 21st April, 2012 to Monday, 21st May, 2012 (both days inclusive), for the purpose of determining shareholders' entitlement to attend the forthcoming annual general meeting (the "Annual General Meeting"), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the Annual General Meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 20th April, 2012.

In order to qualify for attending the annual general meeting:–

Latest time to lodge in the transfer instrument accompanied by the share certificates	4:30 p.m., Friday, 20th April, 2012
Closure of register of members of the Company for attendance of the annual general meeting	Saturday, 21st April, 2012 to Monday, 21st May, 2012
Latest time to lodge in the reply slip	4:30 p.m., Monday, 30th April, 2012
Date of annual general meeting	Monday, 21st May, 2012

業務回顧（續）

董事建議派付末期股息每股人民幣0.03元（二零一零年：人民幣0.075元），該項建議須經本公司股東（「股東」）在即將舉行的股東大會上批准後，方可作實。

股東週年大會及暫停辦理股份過戶登記手續

為確定股東出席應屆股東週年大會（「股東週年大會」）之權力，本公司將於二零一二年四月二十一日（星期六）至二零一二年五月二十一日（星期一）（包括首尾兩天）暫停股東名冊過戶登記，於該期間將不會辦理本公司股份過戶登記手續。為符合資格出席股東週年大會，股東應確保所有過戶文件連同有關股票不遲於二零一二年四月二十日（星期五）下午四時三十分送交本公司的股份過戶登記分處卓佳標準有限公司，地址為香港皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

為符合資格出席股東週年大會：

交回過戶文件連同有關股票之最後期限	二零一二年四月二十日（星期五）下午四時三十分
本公司截止過戶登記以釐定出席股東週年大會之資格	二零一二年四月二十一日（星期六）至二零一二年五月二十一日（星期一）
交回回條之最後期限	二零一二年四月三十日（星期一）下午四時三十分
股東週年大會日期	二零一二年五月二十一日（星期一）

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board recommended a final dividend of RMB0.03 per share (inclusive of tax). The total amount of final dividends to be distributed shall be approximately RMB134,291,000, 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 1st 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 the final dividend will be submitted to the forthcoming Annual General Meeting to be held on Monday, 21st May, 2012. Final dividend for non-listed shares will be distributed and paid in Renminbi whereas dividend for H shares will be declared in Renminbi and paid in Hong Kong dollars.

The register of members of the Company will be closed from Saturday, 26th May, 2012 to Thursday, 31st May, 2012 (both days inclusive) for the purpose of determining shareholders' entitlement to final dividend for the year ended 31st December, 2011, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement of final dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 25th May, 2012.

建議末期股息及暫停辦理股份過戶登記手續

董事會建議派付末期股息每股人民幣0.03元(含税)。將分派的末期股息總額約人民幣134,291,000元。其中,根據於二零零八年一月一日正式實施的《中國企業所得税法》及《中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二零一二年五月二十一日(星期一)舉行的股東週年大會上提呈。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。

為確定股東收取截至二零一一年十二月三十一日止年度之末期股息之權利,本公司將於二零一二年五月二十六日(星期六)至二零一二年五月三十一日(星期四)(包括首尾兩天)暫停股東名冊過戶登記,於該期間將不會辦理本公司股份過戶登記手續。為符合資格收取末期股息,股東應確保所有過戶文件連同有關股票不遲於二零一二年五月二十五日下午四時三十分送交本公司的股份過戶登記分處卓佳標準有限公司,地址為香港皇后大道東28號金鐘匯中心26樓,以辦理登記手續。

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS (continued)

In order to qualify to entitle the final dividend for the year ended 31st Saturday, December, 2011:–

Latest time to lodge in the transfer instrument accompanied by the share certificates	4:30 PM., Friday, 25th May, 2012
Closure of register of members of the Company for the entitlement of final dividend for the year ended 31st December, 2011	Saturday, 26th May, 2012 to Thursday, 31st May, 2012
Record date for entitlement of final dividend	Thursday, 31st May, 2012
Despatch date of final dividend	Friday, 15th June, 2012

建議末期股息及暫停辦理股份過戶登記手續(續)

為符合資格獲派截至二零一一年十二月三十一日止年度之末期股息:

交回過戶文件連同有關股票之最後期限	二零一二年五月二十五日(星期五)下午四時三十分
本公司截止過戶登記以釐定截至二零一一年十二月三十一日止年度之末期股息配額	二零一二年五月二十六日(星期六)至二零一二年五月三十一日(星期四)
釐定末期股息配額之記錄日期	二零一二年五月三十一日(星期四)
末期股息寄發日期	二零一二年六月十五日(星期五)

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!

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!

Chen Xue Li
15th March, 2012

陳學利
二零一二年三月十五日

BUSINESS REVIEW

During the Year, the Company issued bonus non-listed Shares and bonus H Shares and placed new H Shares. The Company placed a total of 85,624,000 new H shares on 27th April, 2011 and completed the placing on 30th June, 2011. Bonus Shares were issued on the basis of one bonus Share for every Share held on 7th June, 2011. The total issued share capital of the Company was enlarged to 4,476,372,324 Shares after the bonus issue and placing.

業務回顧

年內，本公司派發紅股股份與增發股份完成。本公司於二零一一年四月二十七日配售合共85,624,000股H股新股，並於二零一一年六月三十日完成配售，並按二零一一年六月七日作基準日派發一股送一股紅股的安排，公司總股本擴大為4,476,372,324股。

INTERNATIONAL COLLABORATION

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

During the Year, the Company agreed to dispose of its entire 50% equity interest in JW Medical which is principally engaged in stent business to Biosensors International Group Ltd ("Biosensors"), a Singapore listed company at a consideration of S$625,400,000, and the consideration was satisfied by way of cash, by the issue of Biosensors new shares and by the issue of convertible notes convertible into Biosensors shares. The transaction has been completed on 3rd October, 2011.

During the Year, Distribution Joint Venture with Medtronic for the twelve months ended 31st December, 2011 contributed approximately RMB47,224,000 to net profit of the Group, representing an increase of 7.0% when compared with the previous year. This was mainly due to the establishment of a technology support centre and the implementation of an employee incentive growth plan resulting in additional expenses. During the Year, Weigao Nikkiso（威高日機裝）, a joint venture company with Nikkiso Co., Ltd., was undergoing trial production and was in the process of applying for product registration certificate for its dialysis machine. It is expected to commence production in the second quarter of 2012. The joint venture company produces haemodialysis machines and provides after-sales services in China. Weigao Blood will distribute haemodialysis machines in China produced by the joint venture company. The collaboration leverages the complementary strengths of the two partners and it will further strengthen the Group's competitive position in the blood purification segment. It also lays a solid foundation for the business expansion of the Group in the blood purification market in China. Loss from Weigao Nikkiso attributable to the Group for the twelve months ended 31st December, 2011 amounted to RMB6,601,000。

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，本集團將持有50%股權的吉威醫療的心臟支架業務，以625,400,000新加坡元的代價出售予新加坡柏盛公司，新加坡柏盛以現金、配售新股與發行轉換為柏盛股份的可換股票據三種方式支付對價。於二零一一年十月三日，此交易已完成。

年內，與美敦力合營的分銷公司截至二零一一年十二月三十一日止十二個月，為本集團貢獻約人民幣47,224,000元淨收益，較去年增長7.0%，主要為成立技術支持中心與實施了員工分享計劃，引致開支上升，年內與日機裝株式會社成立的合資公司威高日機裝就其透析機而言仍處於生產設備調試和產品註冊階段，預計於二零一二年第二季度正式投產。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。截至二零一一年十二月三十一日止十二個月本集團應佔威高日機裝虧損約為人民幣6,601,000元。

OPTIMIZATION ADJUSTMENTS TO PRODUCT MIX

During the Year, the Group continued the strategy of optimizing the product mix, focusing on the business development of blood purification products and increased the marketing and sales efforts on high value-added products such as intravenous catheters, non PVC infusion sets, specialized infusion set with dosage control device, achieving a continuous growth in turnover. Due to effective adjustments in product mix, the Group absorbed the impact of escalating raw materials and labour costs during the Year, and further increased the gross profit margin to 55.3% from 55.2% in the previous year. The performance of the Group in four business segments were as follows:

1. Consumables: the principal products segment of the Group maintained a continuous growth trend and achieved a turnover of approximately RMB2,643,990,000 representing an increase of 27.3% when compared with the previous year.

   The Group recorded a continuing growth in needle products, with turnover of approximately RMB549,263,000, representing an increase of 37.9% when compared with the last year. The Directors believe that needle products will become an important area for the on-going development of the Company.

   During the Year, the Group overcame the impact from certain provinces and cities that initiated to regulate the usage of high-ended infusion sets. The market development of specialized infusion sets with dosage control device and infusion sets made of proprietary non PVC based material maintained growth momentum. Turnover of infusion sets of the Group amounted to RMB937,652,000, representing an increase of 29.6% over last year. The Directors believe that the product development trend in safety infusion set will remain unchanged and hence specialized infusion sets with dosage control device and non PVC based infusion sets will have enormous development potential in the PRC. The Group will continue to consolidate its core competitive advantages in this sector.

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，重點發展血液淨化產品業務，增加留置針、非PVC輸液器與特種流量監控輸液器等高附加值產品的市場推介與銷售，營業收入持續增長。由於產品結構的有效調整，本集團消化了年內原材料價格上漲與工資水平提高的成本上漲影響，並進一步提升了毛利率水平，從去年的55.2%提升到55.3%。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維持持續增長態勢，實現營業額達人民幣約2,643,990,000元，較去年增長27.3%。

   本集團的針類製品持續增長，年內錄得營業額約人民幣549,263,000元，較去年增長37.9%。董事相信，針類製品將成為威高持續發展的重要領域。

   年內，本集團克服了個別省市發起的規範高檔輸液器應用影響，特種流量監控輸液器與發明的非PVC材料輸液器的市場拓展保持了增長態勢，帶動本集團輸液器產品錄得銷售額人民幣937,652,000元，較去年增長29.6%。董事相信，安全輸液的發展趨勢不會改變，特種流量監控輸液器與非PVC輸液器產品在中國市場具有廣闊發展空間，本集團將繼續鞏固在該領域的核心競爭優勢。

OPTIMIZATION ADJUSTMENTS TO PRODUCT MIX (continued)

產品結構優化調整(續)

During the Year, the glass tube production line for pre-filled syringes was operating smoothly. The Group established a favourable position in market development. However, sales were affected by the reduction in demand from pre-filled syringes customers whose production facilities were subject to GMP inspection and certification. Turnover of pre-filled syringes for the Year amounted to approximately RMB126,492,000, representing an increase of 29.5% over the last year. As at the date of this report, the customers for the Company's pre-filled syringes had passed the GMP inspection and certification. During the Year, the Company invested approximately RMB60,000,000 to purchase new production lines for pre-filled syringes to expand its production capacity.

年內，預充式注射器之玻璃管生產線運作良好，國內市場銷售份額已處於優勢地位，惟受客戶的GMP生產驗收影響減少了需求，年度內預充式注射器產品錄得營業額約為人民幣126,492,000元，較去年增長29.5%。截止本報告日，公司預充式注射器的客戶已完成GMP生產驗收。年內，本公司已投資約人民幣60,000,000元採購預充式注射器新生產線，以擴大生產能力。

2. The blood purification business of Weigao Blood, a subsidiary of the Company, had achieved rapid growth and the haemodialysis consumables production line had reached its full operating capacity. During the Year, Weigao Blood restructured the distribution channels for haemodialysis machine products and resulted a temporarily drop in sales volume. During the Year, the Group recorded a turnover of approximately RMB293,164,000, representing an increase of approximately 39.8% when compared with last year. The Group invested approximately RMB100 million to purchase the second dialyser production line to expand the production capacity to meet market demand, and it is expected that the installation and trial run will be completed in the second quarter of 2012. The Directors expect that the blood purification business will become an important future direction and segment for the development of the Group. Weigao Blood has already obtained the approval from the government to operate pilot haemodialysis centres independently. As at the date of this report, Weigao Blood established one haemodialysis centre and preparation is underway for opening up two other haemodialysis centres.

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，血液透析耗材生產線已達到滿負荷運營狀態，年內威高血液對血液透析設備產品的分銷渠道進行了整合，銷售發出量暫時下滑，年度內營業收入約人民幣293,164,000元，較去年增長39.8%；本集團已投資約人民幣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，預計於二零一二年第二季度可完成安裝調試。董事預期，血液淨化業務將成為本集團未來重要的發展方向與領域。威高血液已取得政府試點批準，可以獨立營運血液透析中心。截止本報告日，已成立一家透析中心並開始運營，另有兩家透析中心正處於籌備階段。

OPTIMIZATION ADJUSTMENTS TO PRODUCT MIX (continued)

3. During the Year, turnover of orthopaedic business was approximately RMB243,423,000, representing a growth of 38.9% when compared with last year.

4. For the nine months ended 30th September, 2011, 山東吉威醫療製品有限公司 (Shandong JW Medical Products Company Limited) ("JW Medical"), a 50% jointly owned entity of the Company, contributed approximately RMB106,443,000 (for the year ended 31st December, 2010: RMB155,587,000) to the profit of the Group. An one-off profit of RMB2,568,534,000 was recognised by the Group for the sale of JW Medical by the Company. For the three months ended 31st December, 2011, Biosensors which is 21.6% held by the Group, contributed approximately RMB4,195,000 to the profit of the Group. Excluding extraordinary items, Biosensors contributed approximately RMB36,595,000 to the profit of the Group.

產品結構優化調整(續)

3. 骨科業務年內營業收入約人民幣243,423,000元，較去年增長38.9%。

4. 公司持有50%股權的山東吉威醫療製品有限公司(「吉威醫療」)截至二零一一年九月三十日止九個月為本集團的利潤貢獻約人民幣106,443,000元(截至二零一零年十二月三十一日止年度：人民幣155,587,000元)；本集團就本公司出售吉威醫療確認的一次性利潤貢獻為人民幣2,568,534,000元；本集團持有21.6%股權的新加坡柏盛截至二零一一年十二月三十一日止三個月為本集團的利潤貢獻約為人民幣4,195,000元，不計特殊項目的新加坡柏盛為本集團的利潤貢獻約為人民幣36,595,000元。

RESEARCH AND DEVELOPMENT

For the twelve months ended 31st December, 2011, the Group obtained 28 new patents and 40 new patents are under application. Product registration certificates for 20 new products were obtained. The research and development for 41 products were completed for which application for product registration certificates are underway.

The strategy of placing strong emphasis on research and development had enhanced the Company's competitiveness and laid a solid foundation for the Company to fully leverage on its customer resources and provided the Group with new profit growth drivers.

For the twelve months ended 31st December, 2011, the Group had over 210 product registration certificates and over 150 patents, of which 21 were patents on invention.

研究與開發

截至二零一一年十二月三十一日止十二個月，本集團新獲得專利28項，正在申請中的40項，新取得產品註冊證20項，已經研發完成、尚在取證過程中的有41項。

注重研發的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。

截至二零一一年十二月三十一日止十二個月，本集團擁有210餘項產品註冊證，150餘項專利，其中21項是發明專利。

RESEARCH AND DEVELOPMENT (continued)

In view of the need for the strategic adjustments to product mix, the Group continued to increase its investments in the research and development of its existing products series and new medical devices, so as to further improve its product series and expand product range. The Group continued to consolidate its leading position in research and development capability in China. For the twelve months ended 31st December, 2011, total research and development expenses amounted to approximately RMB142,031,000 (2010: RMB100,042,000), representing 4.5% (2010: 4.1%) of the turnover of the Group.

研究與開發（續）

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。截至二零一一年十二月三十一日止十二個月，研發之總開支約為人民幣142,031,000元（二零一零年：人民幣100,042,000元），佔收入的4.5%（二零一零年：4.1%）。

PRODUCTION

For the year ended 31st December, 2011, the production volume of the Group's products as compared with the previous year is as follows:

生產

截至二零一一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 截至十二月三十一日止十二個月 2011 二零一一年	2010 二零一零年	Increase/ (Decrease) 增加／（減少） %
Syringes 注射器	1,000 pieces 千支	**893,452**	801,257	11.5
Infusion sets 輸液（血）器	1,000 pieces 千支	**424,800**	384,880	10.4
Blood Sampling products 採血產品	1,000 pieces 千支	**175,957**	135,330	30.0
Intravenous catheters 留置針	1,000 pieces 千支	**50,856**	37,651	35.1
Pre-filled syringes 預充式注射器	1,000 pieces 千支	**48,634**	31,224	55.8
Blood bags 血袋製品	1,000 sets 千套	**22,918**	20,433	12.2
PVC granules PVC粒料	Tons 噸	**13,817**	13,556	1.9
Orthopaedic products 骨科製品	1,000 sets 千套	**3,175**	2,030	56.4
Blood purification consumables 血液淨化耗材	1,000 sets 千套	**1,605**	1,162	38.1

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. It has enhanced the contribution rate for each type of product 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。

SALES AND MARKETING

The Group persisted to implement the strategy of integrating its sales channels and focused on product mix adjustment and improved the efficiency of credit resources extended on account receivables. The above measures had made fruitful progress.

During the Year, the Group consolidated its sales management system, strengthened the development of direct sales, integrated market resources and phased out low profitability customers. For the twelve months ended 31st December, 2011, the Group newly added 11 hospitals and 1 blood station to its customer portfolio. As at the date of this report, the Group has a customer base of 5,069 (including 2,951 hospitals, 414 blood stations, 622 other medical units and 1,082 distributors).

Sales comparison by geographical regions for the Year when compared with last year are set out as follows:

銷售及市場推廣

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賬款信用資源效率，並已卓見成效。

年度內，本集團強化了銷售管理體系，加強直銷開發，整合市場資源，淘汰回報率低的客戶。截至二零一一年十二月三十一日止十二個月，客戶新增11家醫院，1家血站。於本報告刊發日期，本集團的客戶總數為5,069名（包括醫院2,951家、血站414家、其它醫療單位622家和1,082家經銷商）。

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

Region	地區	For the twelve months ended 31st December 截至十二月三十一日止十二個月 2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	Increase/ (Decrease) over corresponding period 較同期 增加／（減少） %
Eastern and Central	華東與華中	**1,003,799**	731,010	37.3
Northern	華北	**720,116**	590,558	21.9
Northeast	東北	**411,122**	361,824	13.6
Southern	華南	**289,810**	240,588	20.5
Southwest	西南	**273,832**	196,589	39.3
Northwest	西北	**90,139**	67,696	33.2
Overseas	海外	**160,694**	116,498	37.9
Distribution JV	分銷合營公司	**231,065**	156,794	47.4
Total	總計	**3,180,577**	2,462,557	29.2

TURNOVER BY GEOGRAPHICAL SEGMENTS (continued)

營業收入地區分部(續)

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 significantly. Average sales per customer were increased by approximately 28.8% over last year. Continued driving higher product penetration to high-end customers is an important way to generate revenue growth.

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28.8%。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。

Adjustment in product mix was 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 and high value-added infusion sets. It has increased the proportion of sales generated from high value-added products. Sales revenue comparison of principal products with that of last year is set as follows:

產品結構的調整為提升年內業績的另一項重要因素,年內本集團重點推進針製品、預充式注射器及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:

		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		
Product category	**產品類別**	**2011**	2010	Increase/ (Decrease) over previous year 較去年 增加/(減少)	**2011**	2010	Increase/ (Decrease) over previous year 較去年 增加/(減少)
		二零一一年	二零一零年		**二零一一年**	二零一零年	
		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	%
Infusion sets	輸液器	**937,652**	723,697	29.6	**249,829**	198,656	25.8
Needles	醫用針製品	**549,263**	398,354	37.9	**141,669**	103,165	37.3
Syringes	注射器	**469,694**	408,054	15.1	**122,914**	112,448	9.3
Blood bags	血袋製品	**188,876**	168,744	11.9	**57,982**	53,667	8.0
Pre-filled syringes	預充式注射器	**126,492**	97,676	29.5	**21,593**	20,795	3.8
Blood sampling products	採血產品	**61,127**	49,675	23.1	**17,684**	15,063	17.4
PVC granules	PVC粒料	**63,896**	60,179	6.2	**16,371**	20,413	(19.8)
Other products	其他產品	**246,990**	171,223	44.3	**74,313**	30,034	147.4
Subtotal for Disposable Medical Consumables	一次性醫用耗材小計	**2,643,990**	2,077,602	27.3	**702,355**	554,241	26.7
Orthopaedic products	骨科製品	**243,423**	175,233	38.9	**68,061**	51,895	31.2
Blood purification consumables	血液淨化耗材	**192,780**	142,893	34.9	**59,373**	51,982	14.2
Blood purification equipments	血液淨化設備	**100,384**	66,829	50.2	**24,669**	11,010	124.1
Total	總計	**3,180,577**	2,462,557	29.2	**854,458**	669,128	27.7

HUMAN RESOURCES

As at 31st December, 2011, the Group employed a total of 7,875 employees. The breakdown by departments when compared with the previous year is as follows:

Department

人力資源

於二零一一年十二月三十一日，本集團共聘用7,875名僱員，與去年比較的部門分析如下：

部門

		2011 二零一一年	2010 二零一零年
Production	生產	**5,541**	5,010
Sales and marketing	銷售及市場推廣	**1,050**	1,012
Research and development	研發	**789**	731
Finance and administration	財務及行政	**257**	250
Quality control	質量控制	**132**	129
Management	管理	**76**	71
Purchasing	採購	**30**	30
Total	總計	**7,875**	7,233

Save for the 7 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 RMB397,844,000 (2010: RMB320,377,000).

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397,844,000元（二零一零年：人民幣320,377,000元）。

Remuneration System

The Group's remuneration policy has been determined based on its performance, changes in the local spending power 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, 2011, the Group recorded a turnover of RMB3,180,577,000 (2010: RMB2,462,557,000), representing an increase of 29.2% over the previous financial year and net profit attributable to shareholders was RMB3,462,172,000 (2010: RMB799,072,000), representing an increase of 333.3% over the previous financial year. Net profit attributable to the owners of the Company excluding extraordinary items was RMB958,036,000 (2010: RMB760,628,000), representing an increase of approximately 26.0% over the previous year.

The continuous 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

截至二零一一年十二月三十一日止年度，年度營業額達至人民幣3,180,577,000元（二零一零年：人民幣2,462,557,000元），較上一財政年度增長了29.2%，錄得股東應佔純利人民幣3,462,172,000元（二零一零年：人民幣799,072,000元），較上一財政年度增長333.3%。不計特殊項目的本公司擁有人應佔純利約人民幣958,036,000元（二零一零年：人民幣760,628,000元），較上一年度上升約26.0%。

營業額和利潤的持續增長主要得業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		
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	Growth 增長 %
Turnover	營業額	**3,180,577**	2,462,557	29.2
Gross profit	毛利	**1,760,116**	1,359,699	29.4
Net profit attributable to shareholders excluding extraordinary item	未計特殊項目股東應佔純利	**958,036**	760,628	26.0
Net profit attributable to shareholders	股東應佔純利	**3,462,172**	799,072	333.3

Liquidity and Financial Resources

The Group has maintained a sound financial position during the Year. As at 31st December, 2011, the Group's cash and bank balance amounted to approximately RMB1,851,238,000. For the year ended 31st December, 2011, net cash flow from operating activities of the Group amounted to approximately RMB620,792,000. The Group has maintained a sound cash flow position.

流動資金及財務資源

本集團於本年維持良好的財務狀況，於二零一一年十二月三十一日，本集團現金及銀行結餘約為人民幣1,851,238,000元。截至二零一一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620,792,000元，現金流量狀況健康。

FINANCIAL REVIEW (continued)

Liquidity and Financial Resources (continued)

During the year under review, the Group repaid bank borrowings of approximately RMB26,145,000 in total. As at 2nd March, 2012, the Group had repaid in full the borrowings from IFC.

Total interest expenses of the Group for the year ended 31st December, 2011 were approximately RMB1,142,000 (2010: RMB9,658,000).

Gearing Ratio

As at 31st December, 2011, total net cash of the Group amounted to approximately RMB1,767,226,000 (2010: RMB517,844,000). The change in the total net cash was mainly due to increase in profit and additional issuance in equity financing in 2011.

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, 2011, 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, 2011, the Group had no significant exposure to foreign exchange fluctuation or hedging for such risk.

Due to the change in exchange rates, foreign exchange loss equivalent to RMB15,906,000 for the year ended 31st December, 2011 was recognized (2010: foreign exchange gain equivalent to RMB3,025,000) by the Company.

Contingent Liabilities

On 21st April, 2011, the Company received a notice of arbitration issued by the Hong Kong International Arbitration Centre, which is related to the dispute in the contract with ADJECT ApS for a maximum loss up to US$49,600,000. As at the date of this report, the arbitration is still in the progress. The Directors believe that the arbitration will have no significant impact on the financial position of the Group.

The Group did not have any material contingent liabilities as at 31st December, 2011.

財務回顧（續）

流動資金及財務資源（續）

於回顧年度，本集團共償還銀行貸款約人民幣26,145,000元，於二零一二年三月二日，本集團已全數償還IFC的借款。

截至二零一一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1,142,000元（二零一零年：人民幣9,658,000元）。

資本負債比率

於二零一一年十二月三十一日，本集團淨現金總額約為人民幣1,767,226,000元（二零一零年：517,844,000元），淨現金總額的變動主要由於二零一一年的盈利增加與增發股票融資所致。

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。截至二零一一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。截至二零一一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，本公司在截至二零一一年十二月三十一日止年度，實現匯兑損失折合人民幣15,906,000元（二零一零年：匯兑收益折合人民幣3,025,000元）。

或有負債

二零一一年四月二十一日，本公司收到由香港國際仲裁中心頒發的仲裁通知，就與ADJECT ApS合同糾紛涉及至多49,600,000美元的損失仲裁金額。截至本報告日，該仲裁仍未結案。董事認為，該仲裁不會對本集團的財務狀況產生重大影響。

本集團截至二零一一年十二月三十一日止，不存在重大的或有負債。

FINANCIAL REVIEW (continued)

Material Investments/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 investment of RMB1,068,573,000 on land acquisition and plant construction for the re-location of all of the medical consumables production plants in the future.

2. In view of the strong production demand for blood purification consumables, Weigao Blood had commenced the procurement and setting up of the second production line. Total investment costs will be approximately RMB100,000,000.

3. To expand the production capacity for pre-filled syringes, the Group had started to invest in the production line for pre-filled syringes. Total investment costs will be approximately RMB60,000,000.

4. Facing the increasing pressure in staff recruitment, the Group planned to invest in automatic production lines, and increase technological modification to ease labor shortage and reduce production costs. Total investment costs will be approximately RMB100,000,000.

Save for the above material investments 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, 2011, and there was no material acquisition and disposal in any other subsidiaries and associates during the Year.

Capital commitment

As at 31st December, 2011, 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 RMB435,076,000 (2010: RMB328,961,000), of which the capital commitment in relation to the re-location of plant amounted to approximately RMB408,523,000. The above amounts will be financed by the internal resources of the Group.

財務回顧(續)

重大投資／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，本集團投資人民幣1,068,573,000元，用於購買土地與廠房建設，為本集團醫療耗材工業園未來實現整體搬遷之用。

2. 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100,000,000元。

3. 為擴大預充式注射器生產能力，本公司開始投資預充式注射器新生產線。總投資約人民幣60,000,000元。

4. 鑒於招工困難的壓力，本集團計劃投資於自動化生產線，加強技術改造，以緩解招工困難的局面，降低生產成本。總投資約人民幣100,000,000元。

除上述重大投資與投資計劃外，於截至二零一一年十二月三十一日，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。年內，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

於二零一一年十二月三十一日，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435,076,000元（二零一零年：人民幣328,961,000元），其中與廠房搬遷相關的資本承諾約為人民幣408,523,000元。上述款項將以本集團之內部資源支付。

FINANCIAL REVIEW (continued)

Pledge of the Group's Assets

As at 31st December, 2011, the Group had pledged the land use rights and buildings with a net book value of approximately RMB79,431,000 (2010: RMB82,021,000) and pledged bank deposits of RMB107,472,000 (2010: RMB134,109,000) to secure the bills and banking facilities granted to the Group.

Reserves and Distributable Reserves

As at 31st December, 2011, total reserves of the Group amounted to RMB7,754,354,000 (2010: RMB3,411,154,000).

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, 2011, the distributable reserves of the Company were approximately RMB1,464,994,000 (2010: RMB600,537,000).

Review and Outlook

In 2011, firstly, the Group continued to face a significant increase in material, transportation and labour costs in the conventional products segment. The change in tax policy led to the increase in operating costs of the Company, resulting in a fairly low profit margin for majority of the conventional products. Therefore, profit growth of conventional products segment was significantly slowed down. Secondly, facing competition in recruitment, the Orthopedic Joint Venture made adjustment to the incentive scheme and established a technology supporting centre, which therefore slowed down the net profit growth compared with the revenue growth of the Orthopedic Joint Venture. It resulted in a lower attributable net profit growth of the Group in the short term compared with the previous years. Thirdly, due to the effect of the change in tax policy and the decrease in product price, the attributable profit of the Group from the stent segment was reduced. Fourthly, the growth of blood purification segment was constrained by production capacity and integration of distribution channels, the performance of business development was less satisfactory than expected. In summary, the net profit growth of the Group lagged behind its revenue growth during the Year. However, the Directors consider that the growth in volume and revenue of four segments of the Group was well above the average industry growth rates. This indicates that the market share of each segment of Group was expanding and the decrease in the profit growth rate in the short term would lay a solid foundation for the on-going leading position by the Company in the market in the future.

財務回顧（續）

本集團資產抵押

於二零一一年十二月三十一日，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79,431,000元（二零一零年：人民幣82,021,000元），及抵押存款人民幣107,472,000元（二零一零年：人民幣134,109,000元）以獲取本集團的票據及銀行貸款額度。

儲備及可供分派儲備

於二零一一年十二月三十一日，本集團儲備總額為人民幣7,754,354,000元（二零一零年：人民幣3,411,154,000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。於二零一一年十二月三十一日，本公司可供分派的儲備約為人民幣1,464,994,000元（二零一零年：人民幣600,537,000元）。

回顧與展望

二零一一年度，首先，本集團常規產品部類面臨材料成本、物流成本和人工成本持續大幅度增長，稅收政策的變化增加了公司的運營成本，導致更多規格的常規產品盈利空間持續受壓，常規產品部類的盈利增長顯著放緩；其次，由於人才競爭所導致的激勵機制的調整和技術支持中心的組建，骨科合資公司的盈利增長率落後於收入的增長率，導致短期內對本集團淨利潤的貢獻增長率低於往年；第三，心臟部類由於稅收政策和產品降價的影響，對本集團利潤貢獻降低。第四，血液淨化事業部類受制於生產能力局限與分銷商渠道整合影響，業務發展低於預期。上述因素的綜合影響，導致本集團年度淨利潤的增長率明顯落後於收入的增長率，但董事認為，本集團四個部類發貨量和收入的增長率仍明顯高於行業的平均增長率，這表明本集團在各個事業部類持續獲取更多的市場份額，短期內利潤增長率的降低為未來公司持續獲取市場的領導地位奠定了基礎。

FINANCIAL REVIEW (continued)

Review and Outlook (continued)

Looking forward to 2012, the Company believes that the factors like rising materials and labour costs will remain and it will continue to affect the profitability of conventional products. Tight labor market will have pressure on the expansion of the Group's production capacity. In view of this situation, the Group will place emphasis on the following:

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. 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 costs 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.

3. 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, thereby introducing technologies and further expanding product categories.

4. Strengthen the strategic management, in particular with blood purification business as a foundation, strategically expanding new product lines in the medical service sector to counteract the policy risk and pressure from competition.

With the launching of more upgraded products and new product series, gradual easing of production capacity constraint 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）

展望二零一二年，公司認為材料成本與工資成本上漲的因素依然存在，這將會對常規產品的盈利產生持續的影響，招工困難將對本集團的生產能力擴張造成壓力，針對此形勢，本集團將：

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；加速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. 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。

3. 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。

4. 強化戰略管理，尤其以血液淨化事業部為基礎，戰略性開拓醫療服務領域新的產品線，以應對政策風險和競爭壓力。

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。

FINANCIAL REVIEW (continued)

財務回顧（續）

Comparison of Use of Proceeds Raised from the Placing in 2011 with Actual Application

二零一一年配售事項所得款項用途與實際動用情況的比較

The following table sets forth the intended use of net proceeds as stated in the announcement of the Company dated 28th April, 2011 and the actual application as at 31st December, 2011.

下表載列本公司日期為二零一一年四月二十八日的公佈所述的所得款項淨額的擬定用途及二零一一年十二月三十一日的實際動用情況。

Items	項目	Intended use of proceeds 所得款項擬定用途 RMB 人民幣元	Actual application as at 31st December, 2011 於二零一一年十二月三十一日的實際動用情況 RMB 人民幣元
Construction of new production plant and purchase of production equipments for the production of dialysers	興建新生產廠房及購買生產設備，以生產血液淨化透析用品	157,000,000	157,000,000
Construction of new production plant and purchase of production equipments for the production of consumables for peritoneal dialysis	興建新生產廠房及購買生產設備，以生產腹膜透析液耗材	156,000,000	–
Construction of new production plant and purchase of equipments for the production of new materials replacing PVC	興建新生產廠房及購買設備，以生產用作替代PVC的新材料	157,000,000	51,493,000
Construction of new production plant and purchase of production equipments for the production of single use consumables using new materials	興建新生產廠房及購買生產設備，以使用新材料生產一次性使用耗材	80,000,000	71,272,000
Construction of new production plant and purchase of production equipments for the production of equipments and consumables for blood centers	興建新生產廠房及購買生產設備，以生產血液中心的設備及耗材	80,000,000	38,001,000
Construction of new production plant and purchase of production equipments for the production of automated production machinery and mouldings	興建新生產廠房及購買生產設備，以生產自動化生產機械及模具	80,000,000	13,000,000
Use for potential mergers and acquisitions opportunities	用於潛在併購機會	200,000,000	–
Use as working capital	用作運營資金	545,800,000	545,800,000
		1,455,800,000	876,566,000

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 2011 and has great confidence in the future prospect of the Company.

本監事會對本公司於二零一一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, 2012

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

二零一二年三月十五日

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 2011.

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二零一一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

董事會

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 11 Directors, including five are executive Directors, three non-executive Directors and three independent non-executive Directors. The Directors as at 31st December, 2011 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 (resigned on 7th March, 2012)

Independent non-executive Directors:

Mr. Lo Wai Hung
Mr. Shi Huan (resigned on 15th August, 2011)

Mr. Luan Jian Ping (resigned on 15th March, 2012)

Mr. Li Jia Miao
Mrs. Fu Ming Zhong (appointed on 10th October, 2011)

遵守董事進行證券交易的標準守則（續）

董事會（續）

目前，董事會由十一名董事組成，包括五名執行董事、三名非執行董事以及三名獨立非執行董事。於二零一一年十二月三十一日，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
（於二零一二年三月七日辭任）

獨立非執行董事：

盧偉雄先生
石峘先生
（於二零一一年八月十五日辭任）
欒建平先生
（於二零一二年三月十五日辭任）
李家淼先生
付明仲女士
（於二零一一年十月十日獲委任）

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 three independent non-executive Directors, The proposed appointment of Mrs. Wang Jin Xia as an independent non-executive director is subject to shareholders' approval on 21st May 2012. 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 three independent non-executive Directors are independent under these independence criteria and are capable to effectively exercise independent judgment. Amongst the three 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，董事會目前包括三名獨立非執行董事。建議委任王錦霞女士為獨立非執行董事須待股東於二零一二年五月二十一日批准後方可作實。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，全部三名獨立非執行董事均為獨立人士，能有效作出獨立判斷。在三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 2011: 6.

於二零一一年度舉行的董事會會議次數:6次。

The attendance of each Director at Board meetings during the year ended 31st December, 2011 was as follows:

截至二零一一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 2011 於二零一一年的出席率 (%)
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	83%
Mr. Jean-Luc Butel (resigned on 7th March, 2012)	Jean-Luc Butel先生 (於二零一二年三月七日辭任)	50%
Independent non-executive Directors	**獨立非執行董事:**	
Mr. Shi Huan (resigned on 15th August, 2011)	石峘先生 (於二零一一年八月十五日辭任)	100%
Mr. Luan Jian Ping (resigned on 15th March, 2012)	欒建平先生 (於二零一二年三月十五日辭任)	100%
Mr. Li Jia Miao	李家淼先生	100%
Mr. Lo Wai Hung	盧偉雄先生	100%
Mrs. Fu Ming Zhong (appointed on 10th October, 2011)	付明仲女士 (於二零一一年十月十日獲委任)	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 three independent non-executive Directors, namely Mr. Li Jia Miao, Mr. Lo Wai Hung and Mrs. Fu Ming Zhong and a non-executive director, Mrs. Zhou Shu Hua.

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。薪酬委員會由三名獨立非執行董事李家淼先生、盧偉雄先生及付明仲女士及一名非執行董事周淑華女士組成。

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。

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)

Nomination Committee

提名委員會

The Company proposed to establish a nomination committee on 15th March, 2012 subject to shareholders' approval on 21st May, 2012. in accordance with the requirement of the Code. The nomination committee comprises Mr. Lo Wai Hung, Mr. Li Jia Miao, Mrs. Fu Ming Zhong and Mrs. Zhou Shu Hua. The chairman of the nomination committee is Mr. Lo Wai Hung. The terms of reference of the nomination committee have been defined . The principal duties include:–

本公司已根據守則規定擬於二零一二年三月十五日成立提名委員會,須待股東於二零一二年五月二十一日批准後方可作實。提名委員會由盧偉雄先生、李家淼先生、付明仲女士及周淑華女士組成。盧偉雄先生為提名委員會主席。提名委員會之職權範圍已界定。主要職責包括:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

- 至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面),並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議。

- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

- 物色具備合適資格成為董事會成員的人士,並挑選提名有關人士出任董事或就此向董事會提供意見。

- to assess the independence of independent non-executive directors.

- 評核獨立非執行董事的獨立性。

- to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive.

- 就董事委任或重新委任以及董事(尤其是董事會主席及行政總裁)繼任計劃向董事會提出建議。

The Nomination Committee shall be provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary. All members of the Nomination Committee shall have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

提名委員會應獲提供充足資源以履行其職責,及在有需要時可尋求獨立專業意見。提名委員會的所有成員均可聯絡公司秘書及獲取其服務,個別成員亦可聯絡本公司的高級管理人員以獲取所需資料。

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。

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。

ACCOUNTABILITY AND AUDIT (continued)

問責及核數(續)

Audit committee

審核委員會

The audit committee of the Company comprises three independent non-executive Directors, namely Mr. Lo Wai Hung (chairman of the audit committee), Mr. Li Jia Miao and Mrs. Fu Ming Zhong 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三位獨立非執行董事盧偉雄先生(審核委員會主席)、李家淼先生及付明仲女士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 be primarily responsible for making recommendations to the Board regarding the appointment, reappointment and removal of external auditors; to formulate the remuneration and terms of engagement of external auditors and to propose the Board to submit the same at the general meeting for consideration. To approve the remuneration and terms of engagement of the external auditors when the general meeting is authorizing the Board to determine the remuneration of the auditors; and to address any questions regarding the resignation or retirement of that auditor.

- 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議;制訂外聘核數師的薪酬及聘用條款,並提請董事會提交股東大會審議。在股東大會授權董事會確定核數師的薪酬時,批准外聘核數師的薪酬及聘用條款;處理任何有關核數師辭職或退任的問題。

- To review and oversee the independence and objectivity of engaging external auditors and the effectiveness of the audit process in accordance with applicable standards. The Committee shall discuss with the auditors regarding the nature and scope of the audit and the relevant reporting obligations before commencing the audit.

- 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效。委員會應於核數工作開始前先與核數師討論核數性質及範疇及有關申報責任。

- To develop and implement policy in engaging external auditors to provide non-auditing services. For the purpose of this requirement, external auditors includes any entity that is under common control, ownership or management with that audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm domestically or internationally. The Committee shall report to the Board, in respect of any matters in which it considers that an action or improvement is needed and to make recommendations as to the steps to be taken.

- 就外聘核數師提供非核數服務制定政策,並予以執行。就此規定而言,外聘核數師包括與該核數公司處於同一控制權、所有權或管理權之下的任何機構,或一個合理知悉所有有關資料的協力廠商,在合理情況下會斷定該機構屬於該核數公司的本土或國際業務的一部分的任何機構。委員會應就其認為必須採取的行動或改善的事項向董事會報告,並建議可採取的步驟。

ACCOUNTABILITY AND AUDIT (continued)

問責及核數(續)

Audit committee (continued)

審核委員會(續)

– To monitor the completeness of the financial statements of the Company and the annual report and accounts and half-year report and quarterly report of the Company and to review the significant opinion of the respective financial reporting contained therein. In this regard, in reviewing the relevant statements and reports of the respective annual report and accounts, half-year report and quarterly report of the Company before submitting the same to the Board.

– 監察本公司的財務報表及本公司年度報告及賬目、半年度報告及季度報告的完整性,並審閱報表及報告所載有關財務申報的重大意見。在這方面,委員會在向董事會提交有關公司年度報告及賬目、半年度報告及季度報告前審閱有關報表及報告。

– To oversee the financial reporting system and internal control procedures of the Company

– 監管本公司財務申報制度及內部監控程序。

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:

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 2011 於二零一一年的出席率 (%)
Independent non-executive Directors	**獨立非執行董事**	
Mr. Lo Wai Hung	盧偉雄先生	100%
Mr. Shi Huan (resigned on 15th August, 2011)	石峘先生(於二零一一年八月十五日辭任)	100%
Mr. Luan Jian Ping (resigned on 15th March, 2012)	欒建平先生(於二零一二年三月十五辭任)	100%
Mr. Li Jia Miao	李家淼先生	100%
Mrs. Fu Ming Zhong (appointed on 10th October, 2011)	付明仲女士(於二零一一年十月十日獲委任)	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 on the websites of Company and the Stock Exchange of Hong Kong Limited.

審核委員會的職責範圍可於本公司及香港聯合交易所有限公司網站查閱。

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 2011.

於二零一一年度,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 2011, the audit fees paid to the external auditors by the Company was approximately RMB1,900,000.

於二零一一年,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細則的修改方案；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細則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） 行使組織章程細則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 three committees, namely the audit committee, the remuneration committee and nomination committee (to be set up subject to shareholder meeting to be held on 21st May, 2012). 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.

董事會下設三個委員會：即審核委員會、薪酬委員會及提名委員會（將須待於二零一二年五月二十一日舉行的股東大會批准後方告成立），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, the remuneration committee and nomination 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、薪酬委員會及提名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 websites of the Stock Exchange of Hong Kong Limited and the Company 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及本公司網站上。

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 48, 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，48歲，本公司副董事長兼總經理兼威高控股有限公司(「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 49, 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，49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 52, 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，52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 57, 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，57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 53, 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，53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 60, 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，60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，曾任威高控股主管（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 55, 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，55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 62, 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，62歲，自二零零七年二月起擔任美敦力大中華區總裁。在擔任上述職位前，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)

董事會(續)

Independent Non-executive Directors

獨立非執行董事

Mr. Li Jia Miao, age 72, 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.

李家淼先生，72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。

Mr. Lo Wai Hung, age 52, 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 Talent Property Group Limited and Ngai Lik Industrial Holdings Limited, both companies are listed on the Stock Exchange of Hong Kong Limited, and an independent director of China Merchants Property Development Co. Ltd., a company listed on Shenzhen Stock Exchange.

盧偉雄先生，52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。盧先生亦為新天地產集團有限公司及Ngai Lik Industrial Holdings Limited(兩間公司均於香港聯合交易所有限公司上市)之獨立非執行董事及招商局地產控股股份有限公司(一間於深圳證券交易所上市之公司)之獨立董事。

BOARD OF DIRECTORS (continued)

董事會(續)

Independent Non-executive Directors (continued)

獨立非執行董事(續)

Mrs. Fu Ming Zhong, aged 61, senior economist and associate chief pharmacist and has over 40 years of working experience, particular in the area of management experience in the pharmaceutical and healthcare products industry. Mrs. Fu obtained a master's degree in engineering from the Harbin Institute of Technology in March 1995. Mrs. Fu was previously a workshop director, the head of the quality control office, the office head and the vice factory manager of The Third Harbin Pharmaceutical Factory from June 1972 to March 1999. Mrs. Fu was a director of Harbin City Pharmaceutical Group and the general manager of Harbin Pharmaceutical Company Limited from March 1992 to December 1997. She was also a deputy general manager of China Medicines Group (currently known as China National Pharmaceutical Group) from December 1997 to January 1999 and she was a director of China Medicines Group Corporation from January 1999 to July 2009 respectively. Mrs. Fu was the executive deputy general manager of China National Pharmaceutical industry Corporation from January 1999 to January 2001. Ms. Fu was the chairman of National Medicines Company Limited, (a company listed on the Shanghai Stock Exchange) from February 2001 to April 2008. Mrs. Fu has been a director of Shenzhen Accord Pharmaceutical Company Ltd. (a company listed on the Shenzhen Stock Exchange) since April 2008 and was the chairman from April 2008 to December 2008. Ms. Fu has also been a director of Sinopharm Industrial Investment Co., Ltd. from July 2008 to December 2010. Mrs. Fu was the general manager, duty chairman and director of Sinopharm Group Co. Ltd., (a company listed on the Hong Kong Stock Exchange) during the period from February 2006 to December 2009, and December 2009 to January 2011 respectively.

付明仲女士，61歲，高級經濟師及副主任藥師並擁有逾40年工作經驗，尤其是於藥品及保健品行業方面之管理經驗。付女士於一九九五年三月獲得哈爾濱工業大學工學碩士學位。付女士自一九七二年六月至一九九九年三月歷任哈爾濱製藥三廠之車間主任、質管辦主任、辦公室主任及副廠長。付女士曾自一九九二年三月至一九九七年十二月擔任哈藥集團之董事及哈爾濱市醫藥公司之總經理。彼亦分別於一九九七年十二月至一九九九年一月擔任中國醫藥(集團)公司(現時名稱為國藥集團)之副總經理及一九九九年一月至二零零九年七月擔任中國醫藥集團之董事。付女士於一九九九年一月至二零零一年一月擔任中國醫藥工業公司常務副總經理，並於二零零一年二月至二零零八年四月擔任國藥集團藥業股份有限公司(一間於上海證券交易所上市之公司)之董事長。付女士自二零零八年四月起亦一直擔任深圳一致藥業有限公司(一間於深圳證券交易所上市之公司)之董事，並於二零零八年四月至二零零八年十二月擔任其董事長。付女士亦自二零零八年七月至二零一零年十二月擔任國藥產業投資有限公司之董事。付女士於二零零六年二月至二零零九年十二月及二零零九年十二月至二零一一年一月期間分別擔任國藥控股有限公司(一間於香港聯合交易所上市之公司)總經理、副董事長及董事。

Mrs. Fu is currently the chairman of China Association of Pharmaceutical Commerce and a member of the Thirteenth Shanghai Municipal People's Congress and she joined the Company in October 2011.

付女士現時亦為中國醫藥商業協會會長及第十三屆上海市人民代表大會之成員及於二零一一年十月加入本公司。

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利益。監事會在股東大會上向股東匯報。本公司組織章程細則規定監事會有權調查本集團的財務狀況；監督本公司董事、總經理及其他高級管理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細則；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：

Mrs. Bi Dong Mei, age 48, is a supervisor of the Company and the finance manager of the subsidiaries of the Company. Mrs. 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，48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 39, 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，39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 38, 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，38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及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. Ju Hong Feng, age 37, 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，37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. Chen Xiao Tong, age 45, 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，45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 48, 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，48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. Zhou De Jun, age 53, 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，53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 51, 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，51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。

Ms. Wong Miu Ling, Phillis, age 43, 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.

黃妙玲女士，43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, 2011.

董事欣然提呈本集團截至二零一一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 products; and 3) blood purification consumables. The Group's products are sold under its own brand names, including "Jierui" 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 5,069 healthcare organizations, including 2,951 hospitals and 414 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;及3)血液淨化耗材。本集團以自有品牌包括「潔瑞」及「威高骨科」出售產品。產品銷售中國各地和出口至海外。本公司擁有全國性的銷售網絡,以及遍佈超過5,069家醫療機構,其中包括2,951家醫院及414家血站的客戶基礎。

RESULTS, ANNUAL GENERAL MEETING, CLOSURE OF REGISTER OF MEMBERS AND DIVIDENDS

業績、股東週年大會、暫停辦理股份過戶登記手續及股息

The results of the Group for the year ended 31st December, 2011 are set out in the consolidated statement of comprehensive income on page 68 of this annual report.

本集團截至二零一一年十二月三十一日止年度的業績載於本年報第68頁的綜合全面收入報表。

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

股東週年大會及暫停辦理股份過戶登記手續

The register of members of the Company will be closed from Saturday, 21st April, 2012 to Monday, 21st May, 2012 (both days inclusive), for the purpose of determining shareholders' entitlement to attend the forthcoming annual general meeting (the "Annual General Meeting"), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the Annual General Meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 20th April, 2012.

為確定股東出席應屆股東週年大會(「股東週年大會」)之權力,本公司將於二零一二年四月二十一日(星期六)至二零一二年五月二十一日(星期一)(包括首尾兩天)暫停股東名冊過戶登記,於該期間將不會辦理本公司股份過戶登記手續。為符合資格出席股東週年大會,股東應確保所有過戶文件連同有關股票不遲於二零一二年四月二十日(星期五)下午四時三十分送交本公司的股份過戶登記分處卓佳標準有限公司,地址為香港皇后大道東28號金鐘匯中心26樓,以辦理登記手續。

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS (continued)

In order to qualify for attending the annual general meeting:–

Latest time to lodge in the transfer instrument accompanied by the share certificates	4:30 p.m., Friday, 20th April, 2012
Closure of register of members of the Company for attendance of the annual general meeting	Saturday, 21st April, 2012 to Monday, 21st May, 2012
Latest time to lodge in the reply slip	4:30 p.m., Monday, 30th April, 2012
Date of annual general meeting	Monday, 21st May, 2012

股東週年大會及暫停辦理股份過戶登記手續(續)

為符合資格出席股東週年大會:

交回過戶文件連同有關股票之最後期限	二零一二年四月二十日(星期五)下午四時三十分
本公司截止過戶登記以釐定出席股東週年大會之資格	二零一二年四月二十一日(星期六)至二零一二年五月二十一日(星期一)
交回回條之最後期限	二零一二年四月三十日(星期一)下午四時三十分
股東週年大會日期	二零一二年五月二十一日(星期一)

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board recommended a final dividend of RMB0.03 per share (inclusive of tax). The total amount of final dividends to be distributed shall be approximately RMB134,291,000, 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 1st 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 the final dividend will be submitted to the forthcoming Annual General Meeting to be held on Monday, 21st May, 2012. Final dividend for non-listed shares will be distributed and paid in Renminbi whereas dividend for H shares will be declared in Renminbi and paid in Hong Kong dollars.

The register of members of the Company will be closed from Saturday, 26th May, 2012 to Thursday, 31st May, 2012 (both days inclusive) for the purpose of determining shareholders' entitlement to final dividend for the year ended 31st December, 2011, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement of final dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 25th May, 2012.

建議末期股息及暫停辦理股份過戶登記手續

董事會建議派付末期股息每股人民幣0.03元(含税)。將分派的末期股息總額約人民幣134,291,000元。其中,根據於二零零八年一月一日正式實施的《中國企業所得税法》及《中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二零一二年五月二十一日(星期一)舉行的股東週年大會上提呈。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。

為確定股東收取截至二零一一年十二月三十一日止年度之末期股息之權利,本公司將於二零一二年五月二十六日(星期六)至二零一二年五月三十一日(星期四)(包括首尾兩天)暫停股東名冊過戶登記,於該期間將不會辦理本公司股份過戶登記手續。為符合資格收取末期股息,股東應確保所有過戶文件連同有關股票不遲於二零一二年五月二十五日下午四時三十分送交本公司的股份過戶登記分處卓佳標準有限公司,地址為香港皇后大道東28號金鐘匯中心26樓,以辦理登記手續。

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS (continued)

In order to qualify to entitle the final dividend for the year ended Saturday, 31st December, 2011:–

Latest time to lodge in the transfer instrument accompanied by the share certificates	4:30 PM., Friday, 25th May, 2012
Closure of register of members of the Company for the entitlement of final dividend for the year ended 31st December, 2011	Saturday, 26th May, 2012 to Thursday, 31st May, 2012
Record date for entitlement of final dividend	Thursday, 31st May, 2012
Despatch date of final dividend	Friday, 15th June, 2012

建議末期股息及暫停辦理股份過戶登記手續(續)

為符合資格獲派截至二零一一年十二月三十一日(星期六)止年度之末期股息:

交回過戶文件連同有關股票之最後期限	二零一二年五月二十五日(星期五)下午四時三十分
本公司截止過戶登記以釐定截至二零一一年十二月三十一日止年度之末期股息配額	二零一二年五月二十六日(星期六)至二零一二年五月三十一日(星期四)
釐定末期股息配額之記錄日期	二零一二年五月三十一日(星期四)
末期股息寄發日期	二零一二年六月十五日(星期五)

PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment during the year of 2011 at an aggregate cost of approximately RMB1,143.6 million 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二零一一年年內購置物業、廠房及設備的總成本約人民幣1,143,600,000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, 2011, there was a total issued share capital of 4,476,372,324 shares of the Company (the "Shares") which include:

股本

於二零一一年十二月三十一日,本公司全部已發行股本為4,476,372,324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	2,592,640,000	57.9%
H Shares	H股	1,883,732,324	42.1%

The changes in share capital of the Company is set out in note 32 to the Financial Statements.

本公司的股本變動載於財務報表附註32。

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31st December, 2011, an amount of approximately RMB1,464,994,000 (2010: RMB600,537,000) 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

於二零一一年十二月三十一日，本公司儲備賬進賬約人民幣1,464,994,000元（二零一零年：人民幣600,537,000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

The directors of the Company during the Year were:

Executive directors

Mr. Zhang Hua Wei
Mr. Miao Yan Guo
Mr. Wang Yi
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 (resigned on 7th March, 2012)

Independent non-executive directors

Mr. Lo Wai Hung
Mr. Luan Jian Ping (resigned on 15th March, 2012)

Mr. Shi Huan (resigned on 15th August, 2011)

Mr. Li Jia Miao
Mrs. Fu Ming Zhong (appointed on 10th October, 2011)

董事及董事服務合約

年內，本公司的董事為：

執行董事

張華威先生
苗延國先生
王毅先生
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
（於二零一二年三月七日辭任）

獨立非執行董事

盧偉雄先生
欒建平先生
（於二零一二年三月十五日辭任）
石峘先生
（於二零一一年八月十五日辭任）
李家淼先生
付明仲女士
（於二零一一年十月十日獲委任）

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (continued)

董事及董事服務合約(續)

Each of the 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.

每名董事已與本公司訂立服務合約。服務合約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細則,所有董事的服務協議均可於屆滿時再續三年。

The service agreements for 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, 2011 and accepted a nominal annual fee of RMB1.00.

董事的服務協議均無訂明其提供服務可獲取的任何酬金或花紅款額。執行董事獲支付固定年薪以擔任本公司職務,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二零一一年十二月三十一日止年度放棄彼等的董事酬金,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 four independent non-executive directors, Mr. Shi Huan (resigned on 15th August, 2011), Mr. Luan Jian Ping (resigned on 15th March, 2012), Mr. Li Jia Miao and Mrs. Fu Ming Zhong who receive an annual fee of RMB72,000. Mr. Lo Wai Hung received an annual fee of HK$120,000. Mr. Shi Huan resigned on 15th August, 2011 and receive an annual fee on a pro-rata basis during the Year.

根據本公司與四位獨立非執行董事石峘先生(於二零一一年八月十五日辭任)、欒建平先生(於二零一二年三月十五日辭任)、李家淼先生及付明仲女士各自訂立的服務協議,每位獨立非執行董事可獲取年度袍金人民幣72,000元,盧偉雄先生獲取年度袍金120,000港元。石峘先生於二零一一年八月十五日辭任並於年內按比例收取年度袍金。

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, 2011, 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:

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

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	32,400,000	0.72%
Mr. Miao Yan Guo 苗延國先生	Personal 個人	Beneficial owner 實益擁有人	23,400,000	0.52%
Mr. Wang Yi 王毅先生	Personal 個人	Beneficial owner 實益擁有人	23,400,000	0.52%
Mrs. Zhou Shu Hua 周淑華女士	Personal 個人	Beneficial owner 實益擁有人	15,300,000	0.34%
Mr. Wang Zhi Fan 王志范先生	Personal 個人	Beneficial owner 實益擁有人	8,100,000	0.18%
Mr. Wu Chuan Ming 吳傳明先生	Personal 個人	Beneficial owner 實益擁有人	7,200,000	0.16%

In addition, Mr. Chen Lin, son of Mr. Chen Xue Li is holder of the Company's 200,000 non-listed Shares, representing 0.005% of the issue share capital of the Company.

董事於股份的權益及好倉

於二零一一年十二月三十一日，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) 於本公司每股面值人民幣0.10元非上市股份中的好倉

另外，陳學利先生之子陳林先生乃本公司200,000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, 2011, 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

於二零一一年十二月三十一日，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，下列股東已知會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	2,129,755,676	82.2%	–	47.6%
Medtronic Holding Switzerland GmbH	Beneficial owner 實益擁有人	322,884,324	12.5%	294,096,324	13.8%

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 G.m.b.H.	294,096,324(L)	15.6%
Medtronic, Inc.	294,096,324(L)	15.6%
JPMorgan Chase & Co.	289,499,164(L)	15.4%
	3,884,334(S)	0.2%
	279,942,830(P)	14.9%
Atlantis Capital Holdings Limited	169,828,000(L)	9.0%
Liu Yang	169,828,000(L)	9.0%
Norges Bank	123,216,000(L)	6.5%
Baillie Gifford & Co	118,388,000(L)	6.3%
Callander Alex	118,388,000(L)	6.3%
Morrison Elaine	118,388,000(L)	6.3%
Plowden Charles	118,388,000(L)	6.3%
Tait Anthony	118,388,000(L)	6.3%
Telfer Andrew	118,388,000(L)	6.3%
Warden Alison	118,388,000(L)	6.3%
Capital Research and Management Company	114,662,000(L)	6.1%
The Capital Group Companies, Inc.	104,515,000(L)	5.6%
T. Rowe Price Associates, Inc. and its affiliates	95,245,472(L)	5.0%

Note: (L) - Long Position, (S)- Short Position, (P) - Lending Pool

附註： (L)－好倉、(S)－淡倉、(P)－借出股份

*Source: Website of Hong Kong Stock Exchange

*資料來源：香港聯交所網站

MAJOR CUSTOMERS AND SUPPLIERS

In 2011, sales to the Group's five largest customers accounted for 10.47% of the total sales for the year and sales to the largest customer included therein accounted for 7.36% of the total sales of the year. Purchases from the Group's five largest suppliers accounted for 28.81% of the total purchases for the year and purchases to the largest supplier included therein accounted for 8.1% 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

於二零一一年，向本集團五大客戶的銷售佔年內總銷售10.47%，而向其中最大客戶的銷售則佔年內總銷售7.36%。向本集團五大供應商所作採購佔年內總採購額28.81%，而向其中最大供應商所作採購則佔年內總採購額8.1%。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益權益。

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如上所述維持百分之五(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 Hygenic Materials and Products Company Limited ("HeZe Weigao"), a subsidiary of Weigao Holding 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, 2011 to 31st December, 2011. No transactions were recorded during the year under review.

2. On 11th December, 2009, Weigao Medical Materials Company Limited ("Weigao Medical Materials") entered into a supply agreement with Jierui Subsidiary regarding the supply of packaging materials and printing ink by Weigao Medical Materials to Jierui Subsidiary with a cap of less than RMB3.0 million for the year ended 31st December, 2011. For the year under review, the actual amount of transaction for the year was approximately RMB1.8 million.

持續關連交易

1. 於二零一零年一月一日,威高控股的附屬公司菏澤威高衛生材料製品有限公司(「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,年期由二零一一年一月一日至二零一一年十二月三十一日。於回顧年度,概無錄得任何交易。

2. 於二零零九年十二月十一日,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截至二零一一年十二月三十一日止年度向潔瑞附屬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1,800,000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 for the year ended 31st December, 2011. For the year under review, the actual amount of transaction was approximately RMB15.5 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,本公司於截至二零一一年十二月三十一日止年度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。於回顧年度,實際交易額約為人民幣15,500,000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 for the year ended 31st December, 2011 with a cap of less than RMB28.0 million. The actual amount of transaction for the year was approximately RMB27.1 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,內容有關威高骨科於截至二零一一年十二月三十一日止年度為Medtronic SD製造並向其銷售骨科產品,上限少於人民幣28,000,000元。年度實際交易額約為人民幣27,100,000元。

5. On 18th December, 2007, the Company and Medtronic International Limited ("Medtronic") 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. On 15th March, 2011, Weigao Orthopaedic entered into an agreement to revise the annual cap to RMB250.0 million for the year ended 31st December, 2011. During the year under review, the actual amount of products sold by the Company to the Distribution JV was approximately RMB231.1 million.

5. 於二零零七年十二月十八日,本公司與美敦力國際有限公司(「美敦力」)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。於二零一一年三月十五日,威高骨科訂立協議以將截至二零一一年十二月三十一日止年度的年度上限修訂為人民幣250,000,000元。於回顧年度,本公司向分銷合營公司銷售產品的實際金額約為人民幣231,100,000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 RMB7.2 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7,200,000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 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 an annual cap of less than RMB20.0 million for the year ended 31st December, 2011. For the year under review, the actual transaction amount was approximately RMB7.1 million.

8. 於二零一零年十一月十五日,威高控股的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,內容有關於截至二零一一年十二月三十一日止年度向本公司提供裝修工程及裝潢服務,年度上限少於人民幣20,000,000元。於回顧年度,實際交易額約為人民幣7,100,000元。

9. On 15th November, 2010, Weihai Weigao Blood Purification Products Company Limited, ("Weigao Blood"), a 70% owned subsidiary of the Company entered into the hemodialysis dialysis fluid supply agreement with Shandong Weigao Pharmaceutical Company Limited ("Weigao Pharmaceutical"), a non-wholly owned subsidiary of Weigao Holding for the purchase of hemodialysis dialysis fluid, substitution liquid, potassium power and calcium power with an annual cap of less than RMB15.0 million for the year ended 31st December, 2011. For the year under review, the actual amount of transaction was approximately RMB8.2 million.

9. 於二零一零年十一月十五日,本公司擁有70%權益的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」)訂立血液透析液供應協議,以於截至二零一一年十二月三十一日止年度購買血液透析液、置換液、鉀粉及鈣粉,年度上限少於人民幣15,000,000元。於回顧年度,實際交易額約為人民幣8,200,000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 sanitary supplies agreement with the Company with an annual cap of less than RMB15.0 million for the year ended 31st December, 2011. For the year under review, the actual amount of transaction was RMB7.3 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」)與本公司訂立衛生用品供應協議,截至二零一一年十二月三十一日止年度的年度上限少於人民幣15,000,000元。於回顧年度,實際交易額為人民幣7,300,000元。

11. On 15th November, 2010, Shenyang Weigao Jinbao Trading Company Limited, ("Shenyang Jinbao"), a 100% 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 an annual cap of less than RMB2.0 million for the year from 1st January, 2011 to 31st December, 2011. For the year under review, the Group disposed its equity interest in Shenyang Jinbao in March 2011 and there was no further continuing connected transaction during the Year..

11. 於二零一零年十一月十五日,本公司擁有100%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),年度上限少於人民幣2,000,000元,年期由二零一一年一月一日至二零一一年十二月三十一日。於回顧年度,本集團於二零一一年三月出售其於瀋陽金寶的股權,且於本年度並無進一步持續關連交易。

12. On 1st April, 2011, Shandong Weigao Automated Equipment Company Limited ("Weigao Automated"), the wholly owned subsidiary of the Company and Weihai Weigao Qiquan Medical Company Limited ("Weigao Qiquan"), a 60% owned subsidiary of Weigao Holding entered into the supply agreement, pursuant to which Weigao Qiquan will supply Weigao Automated with tailor-made production machines, equipment, related parts and accessories with a cap of less than RMB12.0 million for the period from 1st April, 2011 to 31st December, 2011. For the year under review, the actual transaction amount was approximately RMB60,000.

12. 於二零一一年四月一日,本公司的全資附屬公司山東威高自動化設備有限公司(「威高自動化」)與威高控股擁有60%權益的附屬公司威海威高齊全醫療設備有限公司(「威高齊全」)訂立供應協議,據此,威高齊全將向威高自動化供應定製生產機器、設備、相關部件及配件,上限少於人民幣12,000,000元,年期由二零一一年四月一日至二零一一年十二月三十一日。於回顧年度,實際交易額約為人民幣60,000元。

CONTINUING CONNECTED TRANSACTIONS (continued)

13. On 27th May, 2011, the Company entered into disposal pressure monitoring Device Company Limited ("Weihai Weigao Medical") kit supply agreement with Weihai Weigao Medical regarding the supply of disposal pressure monitoring kit by Weihai Weigao Medical to the Company. The proposed caps for the period from 27th May, 2011 to 31st December, 2011 was RMB2.0 million. The actual transaction amount was approximately RMB0.73 million.

14. On 19th August, 2011, the Company entered into an agreement with Shandong Weigao Medical Packaging Products Company Limited ("Weigao Medical Packaging")(山東威高醫療包裝製品有限公司) regarding the supply of multi-layer packaging materials for syringes products by Weigao Medical packaging to the Company. The annual cap for the period from 19th August, 2011 to 31st December, 2011 was RMB6.0 million. The actual transaction amount was approximately RMB2.0 million.

15. On 19th August, 2011, Jierui Subsidiary entered into an agreement with Weigao Medical Packaging regarding the supply of multi-layer packaging materials for needles and IV catheters by Weigao Medical packaging to Jierui Subsidiary. The annual cap for the period from 19th August, 2011 to 31st December, 2011 was RMB5.0 million. The actual transaction amount was approximately RMB0.57 million.

16. On 19th August, 2011, the Company entered into a contract with Weigao Qichuan regarding provision of fitting-out services, including installation of purified ventilation and fire detection systems at production plants by Weiago Qichuan to the Company. The actual transaction amount was RMB7.3 million.

17. 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 369 Wenhua Road West, Weihai, Shandong, the PRC. The annual rental paid by the Company was RMB2.1 million in 2011.

持續關連交易(續)

13. 於二零一一年五月二十七日，本公司與威海威高醫療器械有限公司(「威海威高醫療」)訂立一份關於威海威高醫療向本公司供應一次性壓力監控組裝訂立一次性壓力監控組裝供應協議。自二零一一年五月二十七日起至二零一一年十二月三十一日止期間之建議上限為人民幣2,000,000元。實際交易額約為人民幣730,000元。

14. 於二零一一年八月十九日，本公司與山東威高醫療包裝製品有限公司(「威高醫療包裝」)訂立一份協議，內容有關由威高醫療包裝向本公司供應注射器產品之複合包裝材料。自二零一一年八月十九日起至二零一一年十二月三十一日止期間之年度上限為人民幣6,000,000元。實際交易額約為人民幣2,000,000元。

15. 於二零一一年八月十九日，潔瑞附屬公司與威高醫療包裝訂立一份協議，內容有關由威高醫療包裝向潔瑞附屬公司供應針製品及留置針之複合包裝材料。自二零一一年八月十九日起至二零一一年十二月三十一日止期間之年度上限為人民幣5,000,000元。實際交易額約為人民幣570,000元。

16. 於二零一一年八月十九日，本公司與威高齊全訂立一份合約，內容有關由威高齊全向本公司提供裝修服務，包括於生產廠房安裝淨化通風及火警探測系統。實際交易額為人民幣7,300,000元。

17. 於二零零八年三月二十日，威高控股(本公司控股股東，作為業主)與本公司(作為租戶)就租賃位於中國山東省威海文化西路369號的物業訂立租賃協議。本公司於二零一一年支付的年租為人民幣2,100,000元。

CONTINUING CONNECTED TRANSACTIONS (continued)

持續關連交易(續)

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。

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 four members comprising Mr. Lo Wai Hung, Mrs. Fu Ming Zhong 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、付明仲女士及李家淼先生及非執行董事周淑華女士四名成員組成。

AUDIT COMMITTEE (continued)

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, 2010 and the first three quarterly reports of the year 2011. On 15th March, 2012, the audit committee had reviewed and approved the financial statements for the year ended 31st December, 2011.

The unaudited quarterly and interim results and audited annual results for the year ended 31st December, 2011 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.

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, 2012

審核委員會（續）

於本年度，審核委員會已舉行四次會議，並審閱和批准截至二零一零年十二月三十一日止年度之年報及二零一一年首三個季度報告。於二零一二年三月十五日，審核委員會已審閱並批准截至二零一一年十二月三十一日止年度的財務報表。

截至二零一一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由審核委員會審閱。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。

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
二零一二年三月十五日

Deloitte.
德勤

德勤 • 關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE MEMBERS 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
(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 68 to 164, which comprise the consolidated statement of financial position as at 31st December, 2011, 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 information.

本行已完成審核第68至164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二零一一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資料的概要。

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 about 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, 2011 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, 2012

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　貴集團於二零一一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
二零一二年三月十五日

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

For the year ended 31st December, 2011 截至二零一一年十二月三十一日止年度

		NOTES 附註	2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Revenue	收入		**3,180,577**	2,462,557
Cost of sales	銷售成本		**(1,420,461)**	(1,102,858)
Gross profit	毛利		**1,760,116**	1,359,699
Other income, gains and losses	其他收入、收益及虧損	10	**42,217**	104,158
Distribution costs	分銷成本		**(633,441)**	(501,324)
Administrative expenses	行政開支		**(285,781)**	(262,188)
Finance costs	融資成本	8	**(1,142)**	(9,658)
Share of profit of jointly controlled entities	應佔共同控制實體盈利		**99,842**	153,057
Share of profit of associates	應佔聯營公司盈利		**51,419**	44,140
Gain on disposal of a jointly controlled entity	出售一家共同控制實體之收益	11, 34	**2,568,534**	–
Loss on disposal of subsidiaries	出售附屬公司之虧損	33	**(9,258)**	–
Profit before taxation	除税前溢利		**3,592,506**	887,884
Income tax expense	所得税開支	9	**(124,472)**	(85,532)
Profit for the year	年內溢利	12	**3,468,034**	802,352
Other comprehensive income	其他全面收入			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兑差額		**(573)**	665
Share of other comprehensive income of associates	應佔聯營公司之其他全面收入		**(13,722)**	–
Total comprehensive income for the year	年內全面收入總額		**3,453,739**	803,017
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		**3,462,172**	799,072
Non-controlling interests	非控股權益		**5,862**	3,280
			3,468,034	802,352
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		**3,447,877**	799,737
Non-controlling interests	非控股權益		**5,862**	3,280
			3,453,739	803,017
Earnings per share – basic	每股盈利－基本	15	**人民幣RMB0.78元**	(Restated) (經重列) 人民幣RMB0.19元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31st December, 2011 於二零一一年十二月三十一日

		NOTES 附註	2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 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	**2,470,492**	1,411,384
Investment properties	投資物業	17	**3,460**	14,905
Prepaid lease payments	預付租賃款項	18	**378,499**	226,953
Intangible assets	無形資產	19	**17,735**	20,849
Interest in jointly controlled entities	於共同控制實體的權益	20	**28,858**	431,436
Interest in associates	於聯營公司的權益	21	**2,374,267**	130,127
Goodwill	商譽	22	**202,900**	202,900
Deferred tax assets	遞延稅項資產	30	**15,757**	12,505
Other receivables – receivable after one year	其他應收款－應於一年後收取		**9,046**	–
			5,501,014	2,451,059
Current assets	流動資產			
Inventories	存貨	23	**463,001**	380,222
Trade and other receivables	應收貿易及其他應收款	24	**1,449,242**	1,055,751
Pledged bank deposits	已抵押銀行存款	25	**107,472**	134,109
Bank balances and cash	銀行結餘及現金	26	**1,851,238**	628,223
			3,870,953	2,198,305
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他應付款	27	**1,025,415**	838,534
Bank borrowings – repayable within one year	銀行借款－須於一年內償還	28	**21,003**	26,418
Tax payable	應付稅項		**35,504**	41,872
			1,081,922	906,824
Net current assets	流動資產淨額		**2,789,031**	1,291,481
			8,290,045	3,742,540
Capital and reserves	資本及儲備			
Share capital	股本	32	**447,637**	215,256
Reserves	儲備		**7,754,354**	3,411,154
Equity attributable to owners of the Company	本公司擁有人應佔權益		**8,201,991**	3,626,410
Non-controlling interests	非控股權益		**9,538**	7,463
Total equity	股權總額		**8,211,529**	3,633,873

		NOTES 附註	2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 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	**63,009**	88,303
Other payables	其他應付款項	29	**10,445**	20,364
Deferred income	遞延收入	31	**5,062**	–
			78,516	108,667
			8,290,045	3,742,540

The consolidated financial statements on pages 68 to 164 were approved and authorised for issue by the Board of Directors on 15th March, 2012 and are signed on its behalf by:

第68至164頁的綜合財務報表已獲董事會於二零一二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

		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 法定盈餘儲備 人民幣千元	Translation reserve RMB'000 (Note) 匯兌儲備 人民幣千元 (附註)	Other reserve RMB'000 其他儲備 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, 2010	於二零一零年一月一日	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
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	–	–	–	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 non-controlling shareholder	非控股股東注資	–	–	–	–	–	–	–	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
Profit for the year	本年度溢利	–	–	–	–	–	3,462,172	3,462,172	5,862	3,468,034
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	–	–	–	(573)	–	–	(573)	–	(573)
Share of exchange differences arising on translation of an associate	應佔換算一間聯營公司產生的匯兌差額	–	–	–	(16,383)	–	–	(16,383)	–	(16,383)
Share of other comprehensive income of associates	應佔聯營公司其他全面收入	–	–	–	–	2,661	–	2,661	–	2,661
Total comprehensive income for the year	年內全面收入總額	–	–	–	(16,956)	2,661	3,462,172	3,447,877	5,862	3,453,739
Issue of shares	發行股份	8,562	1,416,821	–	–	–	–	1,425,383	–	1,425,383
Transfer to statutory reserve	轉撥至法定儲備	–	–	77,089	–	–	(77,089)	–	–	–
Dividend paid	已付股息	–	–	–	–	–	(297,679)	(297,679)	–	(297,679)
Bonus issue of shares	紅股發行	223,819	(223,819)	–	–	–	–	–	–	–
Disposal of subsidiaries	出售附屬公司	–	–	–	–	–	–	–	(3,787)	(3,787)
At 31st December, 2011	於二零一一年十二月三十一日	447,637	2,478,544	240,962	(16,928)	2,661	5,049,115	8,201,991	9,538	8,211,529

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, 2011 截至二零一一年十二月三十一日止年度

		NOTES 附註	2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
OPERATING ACTIVITIES	**經營業務**			
Profit before taxation	除税前溢利		**3,592,506**	887,884
Adjustments for:	經作出下列調整：			
Interest income	利息收入		**(6,447)**	(5,572)
Interest expense	利息開支		**1,142**	9,658
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		**94,300**	90,363
Depreciation of investment properties	投資物業折舊		**300**	592
Prepaid lease payments charged to profit or loss	從損益中扣除的預付租賃款項		**6,062**	5,242
Allowances for bad and doubtful debts	呆壞賬撥備		**16,142**	19,661
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		**(99,842)**	(153,057)
Share of profit of associates	應佔聯營公司溢利		**(51,419)**	(44,140)
Unrealised profit on sales to associates	就銷售予聯營公司的未變現溢利		**12,594**	1,700
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)
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損（收益）		**190**	129
Gain on disposal of a jointly controlled entity	出售一間共同控制實體的收益		**(2,568,534)**	–
Loss on disposal of a subsidiary	出售一間附屬公司的虧損	33	**9,258**	–
Government grant received	已收取的政府補助		**5,062**	–
Loss on fair value changes of convertible notes	可換股票據公平值變動虧損	21	**6,834**	–
			1,021,262	782,469
Movements in working capital	營運資金變動			
Increase in inventories	存貨增加		**(110,304)**	(61,220)
Increase in trade and other receivables	應收貿易賬款及其他應收款項增加		**(390,116)**	(222,894)
Increase in trade and other payables	應付貿易賬款及其他應付款項增加		**234,039**	127,797
Net cash generated from operations	經營所得現金淨額		**754,881**	626,152
PRC income tax paid	已付中國所得税		**(134,089)**	(102,641)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**經營業務所得現金淨額**		**620,792**	523,511

		NOTES 附註	2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
INVESTING ACTIVITIES	**投資業務**			
Purchases of property, plant and equipment	購買物業、廠房及設備		**(1,135,627)**	(339,441)
Prepaid lease payments made	預付租賃款項		**(189,468)**	(10,628)
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		**57,163**	13,000
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		**566**	2,296
Interest received	已收利息		**6,447**	5,572
Withdrawal of pledged bank deposits	提取已抵押銀行存款		**203,864**	258,573
Placement of pledged bank deposits	存入已抵押銀行存款		**(177,227)**	(292,424)
Disposal of a subsidiary	出售一間附屬公司	33	**(3,069)**	–
Proceeds from disposal a jointly controlled entity	出售一間共同控制實體所得款項	34	**787,920**	–
NET CASH USED IN INVESTING ACTIVITIES	**投資業務所用現金淨額**		**(449,431)**	(401,042)
FINANCING ACTIVITIES	**融資業務**			
New borrowings raised	籌得新借款		**–**	4,342
Repayments of borrowings	償還借款		**(26,145)**	(40,839)
Settlement of other payables	償付其他應付款項		**(22,000)**	(60,905)
Interest paid	已付利息		**(3,357)**	(8,666)
Dividend paid	已付股息		**(297,679)**	(113,010)
Capital injection from non-controlling shareholder	非控股股東注資		**–**	1,000
Net proceeds from issue of shares	發行股份所得款項淨額		**1,425,383**	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	**融資業務產生之現金淨額**		**1,076,202**	(218,078)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**現金及現金等價物增加(減少)淨額**		**1,247,563**	(95,609)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**於年初的現金及現金等價物**		**628,223**	723,167
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	**外匯匯率變動的影響，淨額**		**(24,548)**	665
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		**1,851,238**	628,223

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)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK (IFRIC)-Int 14(Amendments)	Prepayments of a Minimum Funding Requirement
HK (IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

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)	作為二零一零年頒佈之香港財務報告準則之改進
香港會計準則第24號(二零零九年經修訂)	關連人士交易
香港會計準則第32號(修訂)	供股分類
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
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

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 HKFRSs that have been issued but are not yet effective.

HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets[1] Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial instruments[3]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transaction Disclosures[3]
HKAS 10	Consolidated Financial Statements[2]
HKAS 11	Joint Arrangements[2]
HKAS 12	Disclosure of Interests in Other Entities[2]
HKAS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[5]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[4]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[6]
HK (IFRIC) – INT 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1st July, 2011.
2 Effective for annual periods beginning on or after 1st January, 2013.
3 Effective for annual periods beginning on or after 1st January, 2015.
4 Effective for annual periods beginning on or after 1st January, 2012.
5 Effective for annual periods beginning on or after 1st July, 2012.
6 Effective for annual periods beginning on or after 1st January, 2014.

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香港財務報告準則。

香港財務報告準則第7號(修訂)	披露－轉讓金融資產[1] 披露－抵銷金融資產及金融負債[2]
香港財務報告準則第9號	金融工具[3]
香港財務報告準則第9號及香港財務報告準則第7號(修訂)	香港財務報告準則第9號的強制性生效日期及交易披露[3]
香港會計準則第10號	綜合財務報表[2]
香港會計準則第11號	共同安排[2]
香港會計準則第12號	披露於其他實體的權益[2]
香港會計準則第13號	公平值計量[2]
香港會計準則第1號(修訂)	呈列其他全面收入項目[5]
香港會計準則第12號(修訂)	遞延稅項:收回相關資產[4]
香港會計準則第19號(二零一一年經修訂)	僱員福利[2]
香港會計準則第27號(二零一一年經修訂)	獨立財務報表[2]
香港會計準則第28號(二零一一年經修訂)	於聯營公司及合營公司的投資[2]
香港會計準則第32號(修訂)	抵銷金融資產及金融負債[6]
香港(國際財務報告詮釋委員會)－詮釋第20號	露天採礦場生產階段的剝採成本[2]

1 於二零一一年七月一日或以後開始之年度期間生效。
2 於二零一三年一月一日或以後開始的年度期間生效。
3 於二零一五年一月一日或以後開始的年度期間生效。
4 於二零一二年一月一日或以後開始的年度期間生效。
5 於二零一二年七月一日或以後開始的年度期間生效。
6 於二零一四年一月一日或以後開始的年度期間生效。

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

HKFRS 9 Financial Instruments

Key requirements of HKFRS 9 are described as follows.

HKFRS 9 "*Financial instruments*" 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.

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. Currently, 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, 2015, with earlier application permitted.

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)

香港財務報告準則第9號金融工具

香港財務報告準則第9號之主要規定載述如下。

香港財務報告準則第9號「*金融工具*」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經修訂)增加金融負債及取消確認的規定。

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。目前,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號於二零一五年一月一日或以後開始之年度期間生效,並准許提早應用。

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

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 31st December, 2015 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 based on an analysis of the Group's financial assets and liabilities as at 31st December, 2011.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (Revised 2011) and HKAS 28 (Revised 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and SIC-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

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)

董事預期,本集團將於截至二零一五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,而根據對本集團於二零一一年十二月三十一日之金融資產及負債之分析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。

有關綜合、共同安排、聯營公司及披露的新訂及經修訂準則

於二零一一年六月,一系列有關綜合、共同安排、聯營公司及披露的五項準則獲頒佈,當中包括香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號(二零一一年經修訂)及香港會計準則第28號(二零一一年經修訂)。

該等五項準則的主要規定概述如下。

香港財務報告準則第10號取代香港會計準則第27號*綜合及獨立財務報表*有關處理綜合財務報表的部份內容,以及常務詮釋委員會-詮釋第12號*綜合-特殊目的實體*。香港財務報告準則第10號載有控制權的新定義,包括三個部份:(a)對被投資方可行使的權力,(b)對參與被投資方所帶來的各種投資回報的風險或權利,及(c)對被投資方行使權力以影響投資者回報金額的能力。香港財務報告準則第10號已增設全面性指引,以處理各種複雜的情況。

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

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and SIC-Int 13 *Jointly Controlled Entities Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards. These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The directors are in the process of performing an analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and financial position of the Group.

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)

香港財務報告準則第11號取代香港會計準則第31號*於合營企業的權益*及常務詮釋委員會－詮釋第13號*共同控制實體－投機者的非貨幣注資*。香港財務報告準則第11號處理應如何分類由兩方或多方共同控制的共同安排。根據香港財務報告準則第11號，基於各方於安排中的權利及責任，共同安排分為合營業務或合營企業。反之，根據香港會計準則第31號則有三類不同的共同安排：共同控制實體、共同控制資產及共同控制業務。

此外，根據香港財務報告準則第11號的合營企業需採用會計權益法入賬，而根據香港會計準則第31號的共同控制實體可以會計權益法或會計比例法入賬。

香港財務報告準則第12號為一項披露準則，適用於在附屬公司、共同安排、聯營公司擁有權益的實體。一般而言，香港財務報告準則第12號所載的披露規定較現行準則所規定者更為全面。該等五項準則於二零一三年一月一日或之後開始的年度期間生效，並允許提早應用，惟該等五項準則須同時提早應用。

董事預期本集團將於二零一三年一月一日開始的年度期間的綜合財務報表採納該等五項準則。董事正在對應用該等準則的影響進行分析，惟尚未能量化有關影響的程度。

本公司董事預期，應用其他新訂及經修訂香港財務報告準則將不會對本集團的業績及財務狀況造成重大影響。

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 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.

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognise as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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。

本集團於現有附屬公司之所有權權益變動

倘本集團失去附屬公司控制權,其(i)於失去控制權當日按其賬面值取消確認該附屬公司之資產(包括任何商譽)及負債;(ii)於失去控制權當日取消確認前附屬公司之任何非控股權益之賬面值(包括其應佔之其他全面收入之任何部份);及(iii)確認所收代價之公平值及任何保留權益之公平值總和,連同本集團應佔於損益中確認為收益或虧損之任何由此產生的差額。倘附屬公司的資產乃按重估金額或公平值計量,而相關累計收益或虧損已於其他全面收入確認並累計入權益,則先前於其他全面收入確認並累計入權益之款額按猶如本集團已直接出售相關資產入賬(即按適用香港財務報告準則之規定重新分類至損益或直接轉撥至保留盈利)。於失去控制權當日在前附屬公司保留之任何投資之公平值根據香港會計準則第39號金融工具:確認及計量,在其後入賬時被列作初步確認之公平值,或(如適用)初步確認於聯營公司或共同控制實體之投資之成本。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively.

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment at the acquisition date* (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-Current Assets Held for Sale and Discontinued Operation* are measured in accordance with that Standard.

3. 主要會計政策(續)

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。

於收購日期，所收購之可識別資產及承擔之負債乃按公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及有關僱員福利安排之資產或負債分別按香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量。

- 與被收購方之以股份為基礎付款安排有關或本集團訂立以取代被收購方之以股份為基礎付款安排之以股份為基礎付款安排，乃按香港財務報告準則第2號*於收購日期以股份為基礎付款*(見下文會計政策)計量；及

- 根據香港財務報告準則第5號*持作出售之非流動資產及已終止經營業務*分類為持作出售之資產(或出售組別)按該準則計量。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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.

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.

3. 主要會計政策(續)

業務合併(續)

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。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

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 combination. 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.

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.

3. 主要會計政策(續)

商譽(續)

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。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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.

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.

3. 主要會計政策(續)

收入確認(續)

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。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and development expenditure (continued)

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.

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.

3. 主要會計政策(續)

研究及開發開支(續)

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。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants (continued)

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.

Taxation

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

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.

3. 主要會計政策(續)

政府補助(續)

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。

稅項

所得稅開支指現時應付的稅項及遞延稅項總和。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策(續)

Taxation (continued)

稅項(續)

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。

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.

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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)

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).

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 values using the straight-line method.

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.

Transfer from investment properties to owner-occupied property (i.e., property, plant and equipment) is made when and only when there is a change in use evidenced by commencement of owner-occupation.

3. 主要會計政策(續)

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。

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。

於及僅於佔用情況有變(即業主開始佔用)時，方會自投資物業轉撥至自用物業(即物業、廠房及設備)。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 entities

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 entities.

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, investments in the jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognize 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.

3. 主要會計政策(續)

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。

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初步於綜合財務狀況表內按成本值確認，且其後作出調整以確認本集團應佔共同控制實體損益及其他全面收入減任何已識別減值虧損。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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled entities (continued)

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 jointly controlled entities. 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.

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 jointly controlled entity 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.

3. 主要會計政策(續)

共同控制實體(續)

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共同控制實體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的可收回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。

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，計入作釐定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)。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled entities (continued)

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.

Investments in Associates

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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. 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.

3. 主要會計政策(續)

共同控制實體(續)

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。

於聯營公司的投資

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。

聯營公司之業績、資產及負債利用權益會計法載入該等綜合財務報表內。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,並於其後作出調整以確認本集團應佔聯營公司的損益及其他全面收入。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一部分的長期權益),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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in Associates (continued)

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.

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.

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.

3. 主要會計政策(續)

於聯營公司的投資(續)

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的可收回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,經重估後,即時於損益中確認。

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,乃計入作釐定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)。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in Associates (continued)

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 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.

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

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.

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.

3. 主要會計政策(續)

於聯營公司的投資(續)

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。

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)

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。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策(續)

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。

The Group as lessee

本集團作為承租人

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

經營租約付款以直線法按租約年期確認為開支。經營租約產生的或然租金於產生期間確認為開支。

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.

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。

Leasehold land and building

租賃土地及樓宇

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.

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

***Leasehold land and building** (continued)*

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, or investment property, as appropriate.

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.

3. 主要會計政策(續)

租賃(續)

***租賃土地及樓宇**(續)*

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、廠房及設備或投資物業(倘適用)。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策(續)

Foreign currencies

外幣

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.

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。以外幣歷史成本計算的非貨幣項目不會重新換算。

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.

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。

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).

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)

Financial instruments

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.

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.

Financial assets

The Group's financial assets are financial assets at fair value through profit or loss ("FVTPL") and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

3. 主要會計政策(續)

金融工具

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。

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(按公平值計入損益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)。收購按公平值計入損益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。

金融資產

本集團的金融資產為按公平值計入損益的金融資產(「按公平值計入損益的金融資產」)及貸款及應收款項。

按公平值計入損益的金融資產

金融資產(持作買賣的金融資產除外)可於初步確認時指定為按公平值計入損益,倘:

- 該指定對銷或顯著降低使用其他方式將出現的衡量或確認不一致;或

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

Financial assets at fair value through profit or loss (continued)

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial asset at FVTPL includes the Group's investment in convertible notes which have been designated as at FVTPL on initial recognition.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the other income, gains and losses line item in the consolidated statement of income statement.

Loans and receivables

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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益的金融資產(續)

- 受管理的金融資產構成一組金融資產或金融負債的部分或構成金融資產或金融負債,其表現根據本集團已制定的風險管理或投資策略按公平值基準評估,而有關分組的資料按該基準於內部提供;或
- 其組成包含一個或多個嵌入式衍生工具的合約部分,而香港會計準則第39號允許全部合併合約(資產或負債)指定為按公平值計入損益。

按公平值計入損益的金融資產包括本集團於可換股票據的投資,可換股票據於初步確認時指定為按公平值計入損益。

按公平值計入損益的金融資產乃按公平值計量,而重新計量產生的公平值變動於產生期間直接於損益確認。於損益確認的收益或虧損淨額包括金融資產取得的任何股息或利息,並計入綜合收入報表內的其他收入、收益及虧損類項目。

貸款及應收款項

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, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Impairment of financial assets

Financial assets other than financial assets at FVTPL 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(倘合適)準確折現至賬面淨值的利率。

就債務工具而言,利息收入按實際利率基準確認。

金融資產的減值

於報告期末評定除按公平值計入損益的金融資產以外的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)

3. 主要會計政策(續)

Financial instruments (continued)

金融工具(續)

Financial assets *(continued)*

金融資產(續)

Impairment of financial assets (continued)

金融資產的減值(續)

For certain categories of financial asset, such as trade and other receivables, bill 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.

就若干金融資產(例如應收貿易款項及其他應收款項及應收票據)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)。

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.

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。

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.

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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

Impairment of financial assets (continued)

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.

Financial liabilities and equity instruments

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.

Effective interest method

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.

Interest expense is recognised on an effective interest basis.

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)

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。

金融負債及股本工具

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。

實際利率法

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。

利息支出按實際利率基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments *(continued)*

Financial liabilities

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

Equity instruments

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

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具 *(續)*

金融負債

金融負債包括銀行借款、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。

股本工具

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。

終止確認

僅當收取資產現金流量之合約權利屆滿時,或其將金融資產所有權之絕大部份風險及回報轉移予另一實體時,本集團方會取消確認金融資產。倘本集團並未轉移亦未保留所有權之絕大部份風險及回報,並繼續控制已轉移資產,則本集團繼續確認該資產,惟以其持續參與及確認為相關負債為限。倘本集團保留其已轉移金融資產擁有權的絕大部份風險及回報,則本集團持續確認該金融資產,亦將已收所得款項確認為一項有抵押的借貸。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition (continued)

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 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:

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, 2011, the carrying amount of goodwill is RMB202,900,000 (2010: RMB202,900,000). Details of the recoverable amount calculation are disclosed in note 22.

3. 主要會計政策(續)

終止確認(續)

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:

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。於二零一一年十二月三十一日,商譽的賬面值為人民幣202,900,000元(二零一零年: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

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 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）	**3,282,037**	1,722,394
Financial liabilities	金融負債		
Amortised cost	攤銷成本	**1,064,507**	909,596

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

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.

Market risk

Currency risk

PRC subsidiaries of the Company with functional currency of RMB have certain foreign currency sales, purchases, bank balances and cash and bank borrowings denominated in US Dollar (USD), Hong Kong Dollar (HKD), and Singapore Dollar (SGD), which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

6. 金融工具(續)

財務風險管理目標及政策

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。

市場風險

貨幣風險

本公司之功能貨幣為人民幣之中國附屬公司擁有以美元(美元)、港元(港元)及新加坡元(新加坡元)計值之若干外幣銷售、採購、銀行結餘以及現金及銀行借貸,因而使本集團承受外匯風險。

於報告期末,本集團以外幣列值之貨幣資產及貨幣負債之賬面值如下。

		Liabilities 負債		Assets 資產	
		2011	2010	**2011**	2010
		RMB'000	RMB'000	**RMB'000**	RMB'000
		二零一一年	二零一零年	**二零一一年**	二零一零年
		人民幣千元	人民幣千元	**人民幣千元**	人民幣千元
Currency of HKD	港元	**–**	–	**289,711**	59,776
Currency of SGD	新加坡元	**–**	–	**788,030**	–
Currency of USD	美元	**84,012**	110,378	**981**	34,112

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk *(continued)*

Currency risk (continued)

The Group is mainly exposed to the currency risk of HKD, SGD and USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the RMB against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit for the year where the RMB strengthens 5% against the relevant currency. For a 5% weakening of the RMB against the relevant currency, there would be an opposite impact on the profit for the year.

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)

本集團主要承受港元、新加坡元及美元之貨幣風險。

下表詳列本集團對人民幣兑相關外幣之匯率上升及下跌5%之敏感度。5%為向主要管理人員在內部報告外匯風險所使用之敏感度,並為管理層對外匯合理可能變動之評估。敏感度分析僅包括未結付之以外匯列值之貨幣項目,並於期末按5%之外匯變動調整彼等之換算。以下正數表示當人民幣兑相關外幣升值5%時之本年度溢利之升幅。倘人民幣兑相關外幣貶值5%,則會對本年度溢利有等額相反影響。

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Increase (decrease) in pre-tax profit for the year	本年度税前溢利增加(減少)		
– If RMB weakness against foreign currency	一倘人民幣兑外幣貶值	**49,736**	(824)
– If RMB strengthens against foreign currency	一倘人民幣兑外幣升值	**(49,736)**	824

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

***Market risk** (continued)*

Interest rate risk

The Group was exposed to interest rate in relation to the bank balances as well as variable-rate bank borrowings (see note 28 for details of bank borrowings). The Group 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.

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 27 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 27 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31st December, 2011 would increase/decrease by RMB8,114,000 (2010: RMB1,608,000). This is mainly attributable to the Group's exposure to interest rates on its bank balances.

6. 金融工具(續)

財務風險管理目標及政策(續)

***市場風險**(續)*

利率風險

本集團面臨有關銀行結餘及浮動利率銀行借款的利率風險(有關銀行借款的詳情請參閱附註28)。本集團的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。

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27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27個基本點子,而所有其他變動維持不變,則本集團於截至二零一一年十二月三十一日止年度的除税後溢利將增加/減少人民幣8,114,000元(二零一零年:人民幣1,608,000元)。此乃主要由於本集團須承受其銀行結餘的利率風險所致。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

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, 2011 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.

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.

6. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險

倘對手方於二零一一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。

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。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

***Liquidity risk** (continued)*

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 at the end of the reporting period.

Liquidity and interest risk tables

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)*

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得出。

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 31.12.2011 RMB'000 於二零一一年十二月三十一日的賬面值 人民幣千元
2011	**二零一一年**							
Non-derivative financial liabilities	**非衍生金融負債**							
Trade payables	應付貿易款項	-	407,935	-	-	-	407,935	407,935
Bills payable	應付票據	-	348,070	-	-	-	348,070	348,070
Other payables	其他應付款項	-	203,045	-	-	-	203,045	203,045
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	11,000	11,000	-	-	22,000	21,445
Bank borrowings	銀行借款	3.38	23,132	22,778	43,426	-	89,336	84,012
			993,182	33,778	43,426	-	1,070,386	1,064,507

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 (continued)

流動資金及利率風險表(續)

		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	–	162,877	–	–	–	162,877	162,877
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	22,000	11,000	11,000	–	44,000	40,783
Bank borrowings	銀行借款	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

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.

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。

6. FINANCIAL INSTRUMENTS (continued)

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.

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. 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 (Managing Director) 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.

6. 金融工具(續)

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,基於使用價格或利率釐定。

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. 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(董事總經理)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。

7. SEGMENT INFORMATION (continued)

7. 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:

2011

二零一一年

		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	2,643,990	243,423	293,164	–	3,180,577
Inter-segment sales	內部分部銷售	10,025	–	–	(10,025)	–
Total	合計	2,654,015	243,423	293,164	(10,025)	3,180,577
Segment profit	分部溢利	706,278	84,585	42,536	–	833,399
Unallocated expenses	未分配開支					(300)
Unallocated other income, gain and losses	未分配其他收入、收益及虧損					48,870
Share of profit of jointly controlled entities	應佔共同控制實體溢利					99,842
Share of profit of associates	應佔聯營公司溢利					51,419
Gain on disposal of a jointly controlled entity	出售一間共同控制體的收益					2,568,534
Loss on disposal of subsidiaries	出售附屬公司的虧損					(9,258)
Profit before tax	除税前溢利					3,592,506

Inter-segments sales are charged at prevailing market rates.

內部分部銷售均按現行市價計算。

7. SEGMENT INFORMATION (continued)

7. 分部資料(續)

Segment revenues and results (continued)

分部收益及業績(續)

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。

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, share of profit of associates and gain/loss on disposal of subsidiaries/a jointly controlled entity. 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、應佔聯營公司溢利及出售附屬公司／一間共同控制實體收益／虧損。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。

7. SEGMENT INFORMATION (continued)

7. 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:

2011

二零一一年

		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	3,831,787	477,226	681,902	4,990,915
Interest in associates	於聯營公司權益				2,374,267
Interest in jointly controlled entities	於共同控制實體權益				28,858
Investment properties	投資物業				3,460
Deferred tax assets	遞延稅項資產				15,757
Pledged bank deposits	抵押銀行存款				107,472
Bank balances and cash	銀行結餘及現金				1,851,238
Consolidated assets	綜合資產				9,371,967
Liabilities	負債				
Segment liabilities	分部負債	977,822	54,118	23,041	1,054,981
Bank borrowings	銀行借貸				84,012
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)				21,445
Consolidated liabilities	綜合負債				1,160,438

7. SEGMENT INFORMATION (continued)

7. 分部資料(續)

Segment assets and liabilities (continued)

分部資產及負債(續)

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

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 associates. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual operating segment; 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。

7. SEGMENT INFORMATION (continued)

7. 分部資料(續)

Other segment information

其他分部資料

2011

二零一一年

		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	856,268	34,775	252,563	1,143,606
Allowance for bad and doubtful debts	呆壞賬撥備	13,856	2,286	–	16,142
Release of prepaid lease payment	預付租金付款付回	5,594	193	275	6,062
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	66,671	14,241	13,388	94,300
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)虧損	(146)	(64)	20	(190)
Research and development expenditure	研發開支	112,379	20,854	8,798	142,031
Government grant	政府補助	(10,049)	(2,240)	(130)	(12,419)
Rebate of value added tax ("VAT")	增值稅(「增值稅」)退款	(39,288)	–	–	(39,288)

7. SEGMENT INFORMATION (continued)

7. 分部資料(續)

Other segment information (continued)

其他分部資料(續)

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)

7. SEGMENT INFORMATION (continued) 7. 分部資料(續)

Revenue from major products 主要產品收益

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Sale of single use medical products	銷售一次性使用醫療產品		
– Infusion sets	一輸液器	**937,652**	723,697
– Syringes	一注射器	**469,694**	408,054
– Pre-filled syringes	一預充式注射器	**126,492**	97,676
– Needles	一針製品	**549,263**	398,354
– Blood bags and sampling products	一血袋製品及採血產品	**250,003**	218,419
– PVC granules	一PVC粒料	**63,896**	60,179
– Other products	一其他產品	**246,990**	171,223
Sale of orthopaedic products	銷售骨科產品	**243,423**	175,233
Sale of blood purification products	銷售血液淨化產品	**293,164**	209,722
		3,180,577	2,462,557

Information about major customers 主要客戶的資料

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

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%。

Geographical segment 地區分部

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.

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的分析。

8. FINANCE COSTS 8. 融資成本

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Imputed interest expenses on other payable	其他應付款項之推算利息開支	**1,081**	2,056
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	**3,357**	8,666
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	**–**	–
Less: Amount capitalised in construction in progress	減：在建工程撥充資本	**(3,296)**	(1,064)
		1,142	9,658

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 3.39% (2010: 3.88%) 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3.39%（二零一零年：3.88%）計算。

9. INCOME TAX EXPENSE 9. 所得稅開支

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
PRC Enterprise Income Tax	中國企業所得稅	**127,724**	88,150
Deferred taxation (note 30)	遞延稅項（附註30）	**(3,252)**	(2,618)
		124,472	85,532

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。

9. INCOME TAX EXPENSE (continued)

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, 2011 and 2010. Therefore, they were subject to income tax at a tax rate of 15% for both years.

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, 2011 and 2010 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, 2011, Weigao Ortho was subject to income tax at a tax rate of 15% (2010: 7.5%).

Taxation for other PRC subsidiaries are calculated at a tax rate of 25% (2010: 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.

9. 所得稅開支(續)

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」)獲確認為截至二零一一年及二零一零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。

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。截至二零一一年及二零一零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。截至二零一一年十二月三十一日止年度,威高骨科須按15%(二零一零年:7.5%)稅率繳付所得稅。

其他中國附屬公司的稅項乃按25%(二零一零年: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。

9. INCOME TAX EXPENSE (continued)

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.

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

9. 所得稅開支(續)

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。

於本年度的稅項與綜合全面收入報表中的溢利對賬如下:

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Profit before taxation	除稅前溢利	**3,592,506**	887,884
Taxation at the domestic income tax rate of 15% (2010: 15%)	按15%國內所得稅率計算的稅項(二零一零年:15%)	**538,876**	133,183
Tax effect of share of profit of jointly controlled entities	應佔共同控制實體之溢利的稅務影響	**(14,976)**	(22,959)
Tax effect of share of profit of associates	應佔聯營公司之溢利的稅務影響	**(7,714)**	(6,621)
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	**(396,168)**	(5,312)
Additional tax benefit in research and development cost (note)	研發成本之額外稅務優惠(附註)	**(8,592)**	(6,640)
Utilisation of estimated tax losses previously not recognised	動用過往未確認的估計稅項虧損	**–**	(1,480)
Tax effect of deductible temporary difference not recognised	未確認可扣稅暫時差額的稅務影響	**1,590**	–
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	**10,727**	6,602
Effect of differential tax rate on the Group	不同稅率對本集團的影響	**948**	(11,842)
Others	其他	**(219)**	601
Taxation	稅項	**124,472**	85,532

Note: Additional tax allowance was granted by the PRC tax authority in respect of the research and development cost of RMB57,280,000.00 (2010: RMB44,267,000) 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人民幣57,280,000.00元(二零一零年:人民幣44,267,000元)授出額外免稅額。

10. OTHER INCOME, GAINS AND LOSSES 10. 其他收入、收益及虧損

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Rebate of VAT (note a)	增值税退款(附註a)	**39,288**	35,000
Government grant (note b)	政府補貼(附註b)	**12,419**	21,197
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
Bank interest income	銀行利息收入	**6,447**	5,572
Rental income (Note 35)	租金收入(附註35)	**1,946**	2,485
Net exchange (loss) gain	匯兑(虧損)收益淨額	**(15,906)**	3,025
Loss from changes in fair value of financial assets designated as at FVTPL	指定為按公平值計入損益的金融資產公平值變動虧損	**(6,834)**	–
Others	其他	**4,857**	1,460
		42,217	104,158

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 RMB12,419,000 (2010: RMB21,197,000) was awarded to the Group for specific research and development projects completed during the year ended on 31 December 2011 and are recognised as income when the specific research and development expenses were incurred.

1) Pursuant to the Notice on the Budget for Key Technology Development Plan of Weihai High-tech District for the Year 2011 Weigaokezi [2011] No.9 issued by the Bureau of Science and Technology of Weihai, the Group received specific government grant RMB4,000,000 for purpose of incurring research and development of Bio-coat velum oxygen system. It was recognised as income when the specific research and development expenses were incurred.

2) During the year ended on 31 December 2011, a government grant of RMB200,000 was awarded to the Group by Bureau of Finance of Weihai High-tech District for specific research and development projects and are recognised as income when the specific research and development expenses were incurred.

3) Other government grant recognised as other income see note 31.

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,本集團就於截至二零一一年十二月三十一日止年度已完成的特定研發項目獲獎勵政府補貼人民幣12,419,000元(二零一零年:人民幣21,197,000元),並於特定研發開支產生時確認為收入。

1) 根據威海市科學技術局發出的威海高新區二零一一年關鍵技術發展計劃預算書的通知威高科字[2011]9號,本集團就生物塗層膜式氧合器的研發收取特定政府補貼人民幣4,000,000元。其於特定研發開支產生時確認為收入。

2) 於截至二零一一年十二月三十一日止年度,威海高新區財政局就特定研發項目獎勵本集團政府補貼人民幣200,000元,並於特定研發開支產生時確認為收入。

3) 其他政府補貼確認為其他收入,請參閱附註31。

11. DISPOSAL OF A JOINTLY CONTROLLED ENTITY

Pursuant to the Notice on Strengthening the Management of Enterprise Income Tax Collection of Proceeds from Equity Transfers by Non-Resident Enterprises Guoshuihan [2009] No. 698 ("Circular 698"), foreign investors, upon fulfilling certain conditions, are required to report certain information and documents relating to an offshore indirect disposal of PRC equity investments to the relevant PRC tax authorities. Based on the reporting and further enquiries, the PRC tax authorities would consider and determine whether it is necessary to re-characterise the transaction as a direct disposition of the PRC company, on which 10% PRC Withholding Tax could be levied.

In compliance with the reporting requirement under Circular 698, the Group has submitted some relevant information and documents to the PRC tax authorities and they are in the progress of submitting all the documents required by Circular 698 and liaising with the PRC tax authorities with respect to the background and taxation treatment of the equity transfer transaction as of the date of the approval of these consolidated financial statements. The directors are of the opinion that the disposal of 50% equity interest in Shandong JW Medical Products Co., Ltd(" JWMS") (see note 34) on 3rd October, 2011 is not a direct disposition of the PRC company and accordingly no provision on 10% PRC Withholding Tax is necessary as at the end of the reporting period.

11. 出售一間共同控制實體

根據關於加強對非居民企業股權轉讓所得款項徵收企業所得稅管理的通知國稅函[2009]698號(「698號通知」),外國投資者於滿足特定條件下,須向相關中國稅務機關報告有關於海外間接出售中國實體投資的若干資料及文件。根據報告及進一步查詢,中國稅務機關將考慮並釐定是否需要將交易定性為直接出售中國公司,其須徵收10%中國預扣稅。

根據698號通知的報告要求,本集團已向中國稅務機關提交若干相關資料及文件,且正提交698號通知規定的所有文件,並就於該等綜合財務報表批准日期進行的權益轉讓交易的背景及稅務處理聯絡中國稅務機關。董事認為於二零一一年十月三日出售於山東吉威醫療製品有限公司(「吉威醫療」)的50%股權(見附註34)並非直接出售中國公司,因此於報告期末無需就10%中國預扣稅作出撥備。

12. PROFIT FOR THE YEAR 12. 年內溢利

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 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	**16,142**	19,661
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**	1,900
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**94,300**	90,363
Depreciation of investment properties	投資物業折舊	**300**	592
Prepaid lease payments charged to profit or loss	在損益表扣除的預付租賃款項	**6,062**	5,242
Rental payments in respect of premises under operating leases	經營租賃的物業租金	**2,247**	6,617
Research and development expenditure (including staff costs of RMB 47,346,000 (2010: RMB33,818,000)	研究與開發支出(包括員工成本人民幣47,346,000元(二零一零年:人民幣33,818,000元))	**142,031**	100,042
Cost of inventories recognised as an expense	確認為開支的存貨成本	**1,043,832**	765,193
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 39)	–退休福利計劃供款(附註39)	**78,015**	58,522
– Salaries and other allowances	–薪金及其他津貼	**319,829**	261,855
Total staff costs	員工成本總額	**397,844**	320,377
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損(收益)	**190**	129

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：

		2011 二零一一年				2010 二零一零年			
		Fee RMB'000 袍金 人民幣千元	Salaries and other allowances RMB'000 薪酬及其他津貼 人民幣千元	Retirement benefits schemes contributions RMB'000 退休福利計劃供款 人民幣千元	Total RMB'000 總計 人民幣千元	Fee RMB'000 袍金 人民幣千元	Salaries and other allowances RMB'000 薪酬及其他津貼 人民幣千元	Retirement benefits schemes contributions RMB'000 退休福利計劃供款 人民幣千元	Total RMB'000 總計 人民幣千元
Executive directors	**執行董事**								
Mr. Zhang Hua Wei	張華威先生	-	426	3	429	-	397	3	400
Mr. Miao Yan Guo	苗延國先生	-	211	3	214	-	134	3	137
Mr. Wang Yi	王毅先生	-	349	3	352	-	314	2	316
Mr. Wang Zhi Fan	王志范先生	-	256	3	259	-	211	2	213
Mr. Wu Chuan Ming	吳傳明先生	-	186	3	189	-	154	3	157
		-	1,428	15	1,443	-	1,210	13	1,223
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**								
Mrs. Fu Ming Zhong (Note 2)	付明仲女士（附註2）	18	-	-	18	-	-	-	-
Mr. Luan Jian Ping	欒建平先生	72	-	-	72	72	-	-	72
Mr. Shi Huan (Note 1)	石峘先生（附註1）	-	-	-	-	72	-	-	72
Mr. Li Jia Miao	李家淼先生	72	-	-	72	72	-	-	72
Mr. Lo Wai Hung	盧偉雄先生	97	-	-	97	103	-	-	103
		259	-	-	259	319	-	-	319
Supervisors	**監事**								
Ms. Bi Hong Mei	畢冬梅女士	-	227	2	229	-	178	2	180
Ms. Chen Xiao Yun	陳曉雲女士	-	175	2	177	-	121	2	123
Mr. Miao Hai Sheng	苗海生先生	-	169	2	171	-	105	2	107
		-	571	6	577	-	404	6	410
		259	1,999	21	2,279	319	1,614	19	1,952

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. Shi Huan resigned as independent non-executive director on 15th August, 2011.

2. Mrs. Fu Ming Zhong was appointed as independent non-executive director on 10th October, 2011.

附註:

1. 石峘先生於二零一一年八月十五日辭任獨立非執行董事一職。

2. 付明仲女士於二零一一年十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 (2010: two) were directors of the Company whose emoluments are included in the disclosure above. The emoluments of the remaining three (2010: three) individual were as follows:

本集團五位最高薪酬人士中,兩名(二零一零年: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(二零一零年:三名)的薪酬如下:

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Salaries and other benefits	薪金及其他福利	**1,447**	1,291

Their emoluments were within the following band:

彼等的薪酬範圍如下:

		2011 No. of employees 二零一一年 僱員人數	2010 No. of employees 二零一零年 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, 2011, 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.

截至二零一一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

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Dividends recognised as distribution during the year:	年內確認為分派的股息：		
2011 Interim – RMB 0.029 (2010: interim dividend – nil) per share	二零一一年中期股息－每股人民幣0.029元（二零一零年：中期股息－無）	**129,815**	–
2010 Final – RMB0.075 (2010: 2009 final dividend – RMB0.105) per share	二零一零年末期股息－每股人民幣0.075元（二零一零年：二零零九年末期股息－每股人民幣0.105元）	**167,864**	113,010
		297,679	113,010

The final dividend of RMB 0.03 per share in respect of the year ended 31st December, 2011 (2010: RMB0.075) amounting to RMB134,291,000 (2010: RMB167,864,000) has been proposed by the directors. The proposal is subject to approval by the shareholders in the forthcoming annual general meeting.

董事建議派付截至二零一一年十二月三十一日止年度的末期股息每股人民幣0.03元（二零一零年：人民幣0.075元），合計人民幣134,291,000元（二零一零年：人民幣167,864,000元）。該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 RMB3,462,172,000 (2010: RMB799,072,000) and on weighted average of 4,417,726,000 shares (2010: weighted average of 4,305,124,000 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3,462,172,000元（二零一零年：人民幣799,072,000元）及年內已發行加權平均數4,417,726,000股（二零一零年：加權平均數4,305,124,000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 during the year ended 31st December, 2011.

截至二零一一年十二月三十一日止年度，就每股基本盈利而言，普通股加權平均數已按一股送一股的紅股發行而作出調整。

No diluted earnings per share is presented because no potential ordinary shares were outstanding either in the current or prior year.

由於於本年度或上一年度均無潛在已發行普通股股份，故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, 2010	於二零一零年一月一日	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
Additions	添置	1,083,359	1,783	35,007	10,145	–	13,312	1,143,606
Transfer	轉讓	(124,243)	10,106	110,231	617	–	3,289	–
Transfer from investment properties	自投資物業轉撥	–	14,191	–	–	–	–	14,191
Disposals	出售	–	–	(1,267)	(533)	–	(2,777)	(4,577)
Disposal of a subsidiary	出售一間附屬公司	–	–	–	(912)	–	(405)	(1,317)
At 31st December, 2011	於二零一一年十二月三十一日	1,485,741	542,961	726,843	46,792	11,404	96,807	2,910,548
DEPRECIATION	**折舊**							
At 1st January, 2010	於二零一零年一月一日	–	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
Provided for the year	年內撥備	–	16,316	57,064	6,909	234	13,777	94,300
Eliminated on disposals	於出售時抵銷	–	–	(815)	(428)	–	(2,577)	(3,820)
Disposal of a subsidiary	出售一間附屬公司	–	–	–	(425)	–	(306)	(731)
Tranfer from investment properties	自投資物業轉撥	–	3,046	–	–	–	–	3,046
At 31st December, 2011	於二零一一年十二月三十一日	2,314	99,630	236,230	24,908	11,404	65,570	440,056
CARRYING VALUES	**賬面值**							
At 31st December, 2011	於二零一一年十二月三十一日	1,483,427	443,331	490,613	21,884	–	31,237	2,470,492
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

Note: Impairment loss was recognised for certain construction in progress because one of the assembling lines was abandoned during year 2010.

附註： 由於二零一零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)

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 values and at the following rates per annum:

Buildings	3.3% – 10%
Plant and machinery	10% – 20%
Motor vehicles	20%
Moulds	50%
Furniture, fixtures and office equipment	20%

The buildings of the Group are situated in the PRC and erected on leasehold land under medium-term lease.

The construction in progress represented buildings, plant and machinery and furniture, fixtures and office equipment under construction which are situated in the PRC.

At 31st December, 2011, the Group has pledged buildings having a carrying value of approximately RMB45,919,000 (2010: RMB47,722,000) to banks to secure bank loans granted to the Group.

16. 物業、廠房及設備(續)

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:

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%

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。

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。

於二零一一年十二月三十一日,本集團已將賬面值約人民幣45,919,000元(二零一零年:人民幣47,722,000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, 2010, 31st December, 2010	於二零一零年一月一日、二零一零年十二月三十一日	18,715
Transfer	轉讓	(14,191)
31st December, 2011	二零一一年十二月三十一日	4,524
DEPRECIATION	**折舊**	
At 1st January, 2010	於二零一零年一月一日	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
Provided for the year	年內撥備	300
Transfer	轉讓	(3,046)
At 31st December, 2011	於二零一一年十二月三十一日	1,064
CARRYING VALUES	**賬面值**	
At 31st December, 2011	於二零一一年十二月三十一日	3,460
At 31st December, 2010	於二零一零年十二月三十一日	14,905

The fair value of the Group's investment properties of approximately RMB4,351,000 as at 31st December, 2011 (2010: 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.

本集團投資物業於二零一一年十二月三十一日的公平值約為人民幣4,351,000元(二零一零年: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。

17. INVESTMENT PROPERTIES (continued)

The carrying value of investment properties shown above comprise of:

17. 投資物業(續)

以上所述投資物業的賬面值包括:

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Land in PRC	於中國的土地		
Medium term lease	中期租約	**3,460**	14,905

18. PREPAID LEASE PAYMENTS

18. 預付租賃款項

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 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	**386,923**	232,195
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)	**8,424**	5,242
Non-current portion	非即期部分	**378,499**	226,953
		386,923	232,195

The leasehold land in PRC are held under medium-term lease of 44-50 years.

在中國的租賃土地乃根據44至50年的中期租約持有。

At 31st December, 2011, the Group has pledged prepaid lease payments having a carrying value of approximately RMB33,512,000 (2010: RMB34,299,000) to banks to secure bank loans granted to the Group.

於二零一一年十二月三十一日,本集團將賬面值約人民幣33,512,000元(二零一零年:人民幣34,299,000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, 2010, 31st December, 2010 and 31st December, 2011	於二零一零年一月一日、二零一零年十二月三十一日及二零一一年十二月三十一日	31,144
AMORTISATION	**攤銷**	
At 1st January, 2010	於二零一零年一月一日	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
Charge for the year	年內開支	3,114
At 31st December, 2011	於二零一一年十二月三十一日	13,409
CARRYING VALUES	**賬面值**	
At 31st December, 2011	於二零一一年十二月三十一日	17,735
At 31st December, 2010	於二零一零年十二月三十一日	20,849

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. INTEREST IN JOINTLY CONTROLLED ENTITIES

20. 於共同控制實體的權益

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Cost of unlisted investment, at cost	非上市投資成本(按成本計算)	**37,990**	50,990
Share of post-acquisition profit and other comprehensive income	應佔收購後溢利及其他全面收入	**(9,132)**	380,446
		28,858	431,436

Details of the Group's jointly controlled entities as at 31st December, 2011 and 2010 are as follows:

於二零一一年及二零一零年十二月三十一日,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 2011 二零一一年	2010 二零一零年	Principal activities 主要業務
Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd. ("Weigao Nikkiso") (Note 1)	Incorporated	PRC	**51%**	51%	Manufacture, sale and after-sale service of Nikkiso technology-based medical products
威高日機裝(威海)透析機器有限公司(「威高日機裝」)(附註1)	註冊成立	中國			製造、銷售及售後服務以日機裝技術製造的醫療製品
JWMS (Note 2)	Incorporated	PRC	**–**	50%	Production and sales of drug eluting stents
吉威醫療(附註2)	註冊成立	中國			生產及銷售醫療製品

20. INTEREST IN JOINTLY CONTROLLED ENTITIES (continued)

20. 於共同控制實體的權益(續)

Note 1: Pursuant to the terms in the Weigao Nikkiso Agreement, the registered capital of USD5,610,000 (equivalent to RMB37,990,000) was contributed by Weihai Weigao Blood Purification Products Co., Ltd ("Weigao Blood") and USD5,390,000 (equivalent to RMB36,500,000) was contributed by Nikkiso Co., Ltd(日本日機裝株式會社) ("Nikkiso"). Under the Memorandum and Article Weigao Nikkiso, Weigao Blood is entitled to 50% voting right and is entitled to share 51% of the result of Weigao Nikkiso since its incorporation. As Weigao Blood is entitled to 50% voting right, thus investment in Weigao Nikkiso is classified as investment in jointly controlled entity.

附註1: 根據威高日機裝協議的條款,5,610,000美元(相等於人民幣37,990,000元)的註冊資本由威海威高血液淨化製品有限公司(「威高血液」)出資,5,390,000美元(相等於人民幣36,500,000元)的註冊資本由日本日機裝株式會社(「日機裝」)出資。根據威高日機裝的組織章程大綱及公司細則,威高血液擁有威高日機裝 50%的投票權,並有權分佔威高日機裝自註冊成立起業績的51%。由於威高血液擁有50%的投票權,故於威高日機裝的投資分類為於共同控制實體的投資。

Note 2: On 3rd October, 2011, the Group disposed of its 50% equity interest in JWMS to Biosensoss International Group Ltd ("Biosensoss"). Details are set out in notes 21 and 34.

附註2: 於二零一一年十月三日,本集團向新加坡柏盛公司(「柏盛」)出售其於吉威醫療的50%股權。詳情載於附註21及34。

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:

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Current assets	流動資產	**41,240**	364,409
Non-current assets	非流動資產	**17,949**	89,300
Current liabilities	流動負債	**2,604**	22,273
Non-current liabilities	非流動負債	**–**	–
Income recognised in profit or loss	於損益表確認的收入	**490,295**	307,196
Expenses recognised in profit or loss	於損益表確認的支出	**290,370**	154,139

21. INTERESTS IN ASSOCIATES

21. 於聯營公司的權益

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Cost of listed investment in an associate (Note 1)	於聯營公司之非上市投資成本（附註1）	**2,276,200**	–
Gain arising on increase in share of net assets of an associate (Note 2)	因分佔聯營公司的資產淨值增加而產生的收益（附註2）	**–**	35,419
Realised gain arising from establishing of an associate	成立聯營公司產生的變現收益	**72,314**	36,895
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）	**49,454**	68,920
Unrealised profit on sales to an associate	銷售予聯營公司之未變現溢利	**(23,701)**	(11,107)
		2,374,267	130,127
Fair value of listed investment	上市投資之公平值	**2,572,696**	–

Included in the cost of investment as at 31st December, 2011 is intangible assets amounted to approximately of RMB 586,498,000, goodwill of approximately RMB 200,186,000 arising on acquisition of Biosensors. Intangible assets are amortised over 10 years.

於二零一一年十二月三十一日的投資成本包括無形資產約人民幣586,498,000元、自收購柏盛產生的商譽約人民幣200,186,000元。無形資產按10年攤銷。

Notes:

1) On 3rd October, 2011, the company disposed its 50% equity interests in JWMS to Biosensors, details are set out in note 34. The consideration was satisfied by issue of 260,000,000 shares by Biosensors at fair value of approximately RMB 1,478,828,000 and issue of convertible notes by Biosensors convertible to 110,000,000 shares of Biosensors with fair value of RMB804,206,000, and cash amounted to RMB 787,920,000.

   Upon conversion of convertible notes to shares of Biosensors on 31st December, 2011, the Group hold 21.6% equity interest in Biosensors and recognised fair value loss on convertible notes from 3rd October, 2011 to 31st December, 2011 of approximately RMB6,834,000.

附註：

1) 於二零一一年十月三日，本公司向柏盛出售其於吉威醫療的50%股權，詳情載於附註34。代價已由柏盛以按公平值約人民幣1,478,828,000元發行260,000,000股股份及按公平值人民幣804,206,000元發行可轉換為110,000,000股柏盛股份的可換股票據及現金人民幣787,920,000元支付。

   於二零一一年十二月三十一日將可換股票據轉換為柏盛股份時，本集團持有柏盛21.6%股權，於二零一一年十月三日至二零一一年十二月三十一日期間確認可換股票據公平值虧損約人民幣6,834,000元。

21. INTERESTS IN ASSOCIATES (continued)

21. 於聯營公司的權益(續)

Notes: (continued)

附註:(續)

2) 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").

2) 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」),分銷合營企業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。

The Distribution JV takes the form of a Sino-foreign co-operative joint venture limited liability company.

分銷合營企業以中外合作合營有限責任公司的形式進行。

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.

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%。

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:

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:

0 – 1 year since incorporation	10%
1 – 2 year since incorporation	25%
More than 2 years since incorporation	49%

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%

Details of the Group's associate as at 31st December, 2011 and 2010 are as follows:

於二零一一年及二零一零年十二月三十一日,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 **2011 二零一一年**	2010 二零一零年	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
Biosensors International Group Ltd. 柏盛國際集團有限公司	Incorporated 註冊成立	Bermuda (Listed on Singapore Exchange Ltd) 百慕達(於新加坡交易所有限公司上市)	**21.6%**	–	Sale and distribution of heart medical device products 銷售及分銷心臟醫療設備產品

21. INTERESTS IN ASSOCIATES (continued) 21. 於一間聯營公司的權益(續)

The summarised financial information in respect of the Group's associates is set out below:

本集團聯營公司的財務資料概述如下:

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Total assets	總資產	**11,348,027**	378,959
Total liabilities	總負債	**(1,516,735)**	(95,114)
Net assets	資產淨值	**9,831,292**	283,845
Group's share of net assets of associates	本集團應佔聯營公司的資產淨值	**2,197,782**	130,127
Revenue	收入	**1,191,350**	547,072
Profit for the year	本年度溢利	**171,898**	90,082
Share of profit of associates	應佔聯營公司溢利	**63,537**	44,140
Amortisation of Intangible Assets	無形資產攤銷	**(12,118)**	–
Share of profit attributable to Group	本集團應佔溢利	**51,419**	44,140
Share of other comprehensive income	應佔其他全面收入	**(13,722)**	–
Group's share of profit and other comprehensive income of associates 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	**37,697**	44,140

22. GOODWILL

22. 商譽

		RMB'000 人民幣千元
CARRYING AMOUNTS At 1st January, 2010, 31st December, 2010 and 31st December, 2011	**賬面值** 於二零一零年一月一日、二零一零年十二月三十一日及二零一一年十二月三十一日	202,900

Impairment testing on goodwill

商譽減值測試

As explained in note 7, 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, 2011 and 2010 and as follows:

誠如附註7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。於二零一一年及二零一零年十二月三十一日，商譽之賬面值如下：

		Goodwill **2011** **RMB'000** **商譽** **二零一一年** **人民幣千元**	 2010 RMB'000 二零一零年 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% (2010: 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%. (2010: 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% (2010: 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% (2010: 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%(二零一零年: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%(二零一零年: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%(二零一零年: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%(二零一零年: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

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Raw materials	原料	**238,833**	169,555
Finished goods	製成品	**224,168**	210,667
		463,001	380,222

24. TRADE AND OTHER RECEIVABLES

24. 應收貿易賬款及其他應收款項

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Trade receivables	應收貿易賬款	**1,215,744**	945,615
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備	**(90,636)**	(77,375)
		1,125,108	868,240
Bills receivable	應收票據	**176,671**	91,822
Other receivables	其他應收款項	**40,995**	28,241
Deposits and prepayments	按金及預付款項	**106,468**	67,448
		1,449,242	1,055,751

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 RMB1,653,000 and RMB12,572,000 (2010: RMB3,458,000 and RMB1,205,000) 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1,653,000元及人民幣12,572,000元（二零一零年：人民幣3,458,000元及人民幣1,205,000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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
0 to 90 days	0至90天	**723,551**	542,565
91 to 180 days	91至180天	**241,085**	212,710
181 to 365 days	181至365天	**126,159**	72,920
Over 365 days	365天以上	**34,313**	40,045
Trade receivables	貿易應收賬款	**1,125,108**	868,240

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 receivables balance are debtors with aggregate carrying amount of RMB160,472,000 (2010: RMB112,965,000) 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 126 days and 377 days in the year of 2011 and 2010 respectively.

本集團的應收貿易賬款結餘已包括賬面總值為人民幣160,472,000元（二零一零年：人民幣112,965,000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二零一一年及二零一零年的平均賬齡分別為126天及377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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
181 to 365 days	181至365天	**126,159**	72,920
Over 365 days	365天以上	**34,313**	40,045
		160,472	112,965

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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Balance at beginning of year	年初結餘	**77,375**	56,467
Impairment losses recognised on receivables	就應收款項確認的減值虧損	**21,854**	20,908
Impairment losses reversed	減值虧損撥回	**(5,822)**	–
Amounts written off as uncollectible	註銷為不能收回的款項	**(2,771)**	–
Balance at end of year	年末結餘	**90,636**	77,375

Bills receivables of approximately RMB93,038,000 (2010: RMB78,578,000) was endorsed with recourse to third parties at 31st December, 2011 and corresponding trade payables of RMB93,038,000 (2010: RMB78,578,000) were included in the consolidated statement of financial position accordingly.

於二零一一年十二月三十一日，具第三方追索權的已背書應收票據約為人民幣93,038,000元（二零一零年：人民幣78,578,000元），而人民幣93,038,000元（二零一零年：人民幣78,578,000元）的相應貿易應付款項已計入綜合財務狀況表。

At 31st December, 2011, the Group has pledged bills receivables having a carrying value of approximately RMB Nil (2010: RMB 4,342,000) to banks to secure bank borrowings granted to the Group.

於二零一一年十二月三十一日，本集團已抵押賬面值約為人民幣零元（二零一零年：人民幣4,342,000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)

Other receivables are unsecured, non-interest bearing and have no fixed term of repayment except for other receivables from immediate holding company. 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:

24. 應收貿易賬款及其他應收款項（續）

其他應收款項為無抵押、免息及無固定還款期，惟其他應收直接控股公司款項除外。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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
0 to 90 days	0至90天	**25,326**	16,621
91 to 180 days	91至180天	**12,655**	3,343
181 to 365 days	181至365天	**1,361**	3,196
Over 365 days	365天以上	**1,653**	5,081
		40,995	28,241

At 31st December, 2010, an amount due from immediate holding company of RMB131,000 is included in other receivables (2011: RMB nil). The amount is unsecured, interest-free and repayable on demand.

於二零一零年十二月三十一日，其他應收款項包括應收直接控股公司款項人民幣131,000元（二零一一年：人民幣零元）。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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Balance at beginning of year	年初結餘	**1,523**	2,770
Impairment losses recognised on receivables	就應收款項確認的減值虧損	**114**	53
Impairment losses reversed	減值虧損撥回	**(4)**	(1,300)
Amounts written off as uncollectible	註銷為不能收回的款項	**(16)**	–
Balance at end of year	年末結餘	**1,617**	1,523

24. TRADE AND OTHER RECEIVABLES (continued)

Included in deposits and prepayments is an amount due from a jointly controlled entity of RMB527,000 (2010: RMB147,000). 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527,000元（二零一零年：人民幣147,000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。

既未逾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 banking facilities and were therefore classified as current assets. The deposits carried fixed interest rate ranging from 3.1% – 3.3% (2010: 1.98% – 2.28%) 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3.1厘至3.3厘之間（二零一零年：1.98厘至2.28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 0.50% (2010: 0.36%) 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0.50厘（二零一零年：0.36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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
0 to 90 days	0至90天	**361,690**	200,613
91 to 180 days	91至180天	**30,465**	32,753
181 to 365 days	181至365天	**8,764**	21,028
Over 365 days	365天以上	**7,016**	8,691
Trade payables	應付貿易賬款	**407,935**	263,085
Bills payable	應付票據	**348,070**	339,310
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）	**11,000**	20,419
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
Other payables and accrued expenses	其他應付款項及應計開支	**258,410**	203,412
		1,025,415	838,534

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 RMB1,555,000 (2010: RMB840,000). 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1,555,000元（二零一零年：人民幣840,000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

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Secured bank loans	有抵押銀行貸款	**84,012**	114,721
The loans are repayable as follows:	有關貸款須於下列期限償還：		
Within one year	於一年內	**21,003**	26,418
More than one year, but not exceeding two years	於一年以上但不超過兩年	**21,003**	22,076
More than two years, but not exceeding more than five years	於兩年以上但不超過五年以上	**42,006**	66,227
		84,012	114,721
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	**21,003**	26,418
Amount due after one year	於一年後到期的款項	**63,009**	88,303
Fixed-rate borrowings:	固定利率借款：		
Within one year	於一年內	**21,003**	22,076
More than one year but not exceeding two years	於一年以上但不超過兩年	**21,003**	22,076
More than two years, but not exceeding five years	於兩年以上但不超過五年	**42,006**	66,227
		84,012	110,379
Variable-rate borrowing due within one year	於一年內到期之浮動利率借款	**–**	4,342

As at 31st December, 2011, the bank loans of the Group amounting to RMB84,012,000 (2010: RMB110,379,000) were secured by the pledge of buildings and land use rights. The bank loans carry interest ranging from 3.15% to 3.62% (2010: 2.40% to 2.73%) per annum.

於二零一一年十二月三十一日，本集團為數人民幣84,012,000元（二零一零年：110,379,000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3.15厘至3.62厘（二零一零年：2.40厘至2.73厘）的年利率計息。

28. BANK BORROWINGS (continued)

As at 31st December, 2011, the bank loans of the Group amounting to RMB nil (2010: RMB4,342,000) were secured by the pledge of bills receivables. The bank loans carry interest nil (2010: from 3.12% to 6.88%) per annum.

At 31st December, 2011, RMB84,012,000 (2010: RMB110,379,000) are denominated in USD, which are not denominated in functional currency of the respective group entities.

28. 銀行借款(續)

於二零一一年十二月三十一日,本集團為數人民幣零元(二零一零年:人民幣4,342,000元)的銀行貸款,已由抵押應收票據作擔保。銀行貸款無年利率(二零一零年:介乎3.12厘至6.88厘)。

於二零一一年十二月三十一日,人民幣84,012,000元(二零一零年:人民幣110,379,000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, 2011, the remaining consideration relating to the acquisition of additional interest in a subsidiary, Weigao Orthos payable by the Group amounted to RMB21,445,000 (2010: RMB40,783,000). The amount was unsecured, interest-free and RMB11,000,000 (2010: RMB20,419,000) of which was payable on demand and had been included in other payables as current liabilities (note 27). The remaining RMB10,445,000 (2010: RMB20,364,000) was repayable by instalments until year 2013 and is therefore included in non-current liability. The present value of the instalment due in the next 12 months amounted to RMB11,000,000 (2010: RMB20,419,000) and it has been included in other payables of the current liabilities (note 27). The imputed interest rate was 5.31% (2010: 5.31%) per annum.

As at 31st December, 2010, an amount due to immediate holding company of RMB11,204,000 was included in other payables as current liabilities. The amount was unsecured, interest-free and repayable on demand. The amount was settled during the year.

29. 其他應付款項

於二零一一年十二月三十一日,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21,445,000元(二零一零年:人民幣40,783,000元)。該款項為無抵押及免息,其中人民幣11,000,000元(二零一零年:人民幣20,419,000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10,445,000元(二零一零年:人民幣20,364,000元)須於二零一三年前分期償還,並因此計入非流動負債。未來十二個月到期的分期還款的現值為人民幣11,000,000元(二零一零年:人民幣20,419,000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(二零一零年:5.31厘)。

於二零一零年十二月三十一日,應付直接控股公司款項人民幣11,204,000元計入流動負債項下的其他應付款項。該款項為無抵押、免息及於要求時償還。該款項於本年度償付。

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, 2010	於二零一零年一月一日	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
Credited to profit or loss	計入損益表	429	1,094	1,729	3,252
At 31st December, 2011	於二零一一年十二月三十一日	1,897	9,545	4,315	15,757

At the end of the reporting period, deductible temporary difference on bad debt RMB20,251,000 (2010: 14,186,000) is not recognized because of the unpredictability of future profit streams.

由於未能預測未來的溢利來源，於報告期末，故壞賬的可扣減暫時差額人民幣20,251,000元（二零一零年：人民幣14,186,000元）並未確認。

At the end of the reporting period, the Group has estimated unused tax losses of approximately RMB1,357,000 (2010: RMB99,000) 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 RMB1,000 that will expire in 2015, losses of RMB1,267,000 that will expire in 2016.

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1,357,000元（二零一零年：人民幣99,000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、將於二零一五年到期的虧損人民幣1,000元及將於二零一六年到期的虧損人民幣1,267,000元。

31. DEFERRED INCOME

31. 遞延收入

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Arising from government grant	來自政府補助	**5,062**	–

Pursuant to the Notice on Initialization of 863 Program Research and Development on Key Materials for Typical Human Tissue and Organ Replacement and Modification in New Material Technology Field Guokefagao [2011] No. 231, the Group received specific government grant RMB5,601,000 for the purpose of incurring research and development expenditure. RMB1,339,000 was recognised as income in the current year to match with research and development expense increased in the specific projects in current year ended 31 December 2011.

根據有關啟動863計劃新材料技術領域典型人體組織器官替代與修復用關鍵材料研發的通知國科發高[2011]231號，本集團就產生的研發開支收取特定政府補助人民幣5,601,000元。人民幣1,339,000元於本年度確認為收入，以配合截至二零一一年十二月三十一日止本年度特定項目的研發開支增加。

Pursuant to the Notice on the Budget for First Topics of National High-tech Research Development Plan for the Year 2011 Guokefacai [2011] No. 129 issued by the Ministry of Science and Technology of PRC, the Company received specific government grant RMB6,650,000 for purpose of incurring research and development expenditure. RMB5,850,000 was recognised as income in the current year to match with research and development expense incurred in the specific projects in current year ended 31 December 2011.

根據中國科學技術部發出的有關二零一一年國家高技術研究發展計劃第一課題預算書的通知國科發財[2011]129號，本公司就產生的研發開支收取特定政府補助人民幣6,650,000元。人民幣5,850,000元於本年度確認為收入，以配合截至二零一一年十二月三十一日止本年度特定項目產生的研發開支。

32. SHARE CAPITAL

32. 股本

		Nominal value of each share RMB 每股股份面值 人民幣	Number of Non-listed shares (Note c) 非上市股份數目 (附註c)	Number of H shares (Note c) H股數目 (附註c)	Total number of shares 股份總數	Value RMB'000 價值 人民幣千元
At 1st January, 2010 and 31st December, 2010	於二零一零年一月一日及二零一零年十二月三十一日	0.1	1,296,320,000	856,242,162	2,152,562,162	215,256
Issue H shares (Note a)	發行H股(附註a)	0.1	–	85,624,000	85,624,000	8,562
Bonus issue of shares (Note b)	發行紅股(附註b)	0.1	1,296,320,000	941,866,162	2,238,186,162	223,819
At 31st December, 2011	於二零一一年十二月三十一日		2,592,640,000	1,883,732,324	4,476,372,324	447,637

Notes:

(a) On 5th May, 2011, 85,624,000 H Shares of RMB0.1 each were issued at RMB 16.65 per share.

(b) On 30th June, 2011, 1,296,320,000 Non-listed Shares of RMB0.1 each and 941,866,162 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 and H shares issued rank pari passu with the existing H Shares and Non-listed Shares in issue in all material respect.

(c) 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) 於二零一一年五月五日，已按每股人民幣16.65元之價格發行85,624,000股每股面值人民幣0.1元之H股。

(b) 於二零一一年六月三十日，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1,296,320,000股每股面值人民幣0.1元的非上市股份及941,866,162股每股面值人民幣0.1元的H股。

所發行紅股及H股與現有已發行H股及非上市股份於各重大方面均享有同等地位。

(c) 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。

33. DISPOSAL OF SUBSIDIARIES

(a) On 31st March, 2011, the Group disposed of 90% of the equity interest in Shenyang Weigao Jinbao Trading Co., Ltd. ("Shenyang Jinbao") to an independent person. The net assets of Shenyang Jinbao at the date of disposal were as follows:

33. 出售附屬公司

(a) 於二零一一年三月三十一日，本集團向一名獨立人士出售於瀋陽威高金寶商貿有限公司(「瀋陽金寶」)的90%股權。瀋陽金寶於出售日期的資產淨值如下：

		31st March, 2011 RMB'000 **二零一一年三月三十一日** 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	414
Inventories	存貨	13,913
Trade and other receivables	應收貿易賬款及其他應收款項	33,239
Bank balances and cash	銀行結餘及現金	3,326
Trade and other payables	應付貿易賬款及其他應付款項	(22,568)
Short-term Loan	短期貸款	(500)
Non-controlling interest	非控股權益	(2,782)
		25,042
Loss on disposal	出售虧損	(8,780)
Total consideration	總代價	16,262
Satisfied by:	支付方式：	
Other receivables	其他應收款項	16,262
Net cash inflow arising on disposal:	出售產生的現金流入淨額：	
Bank balances and cash disposed of	已出售銀行結餘及現金	3,326
		(3,326)

The consideration relating to disposal Shenyang Jinbao will be received by instalments until year 2014. The total present value is RMB16,262,000, and RMB13,941,000 unsettled as at 31 December 2011. The present value of the instalment due in the next 12 months amounted to RMB8,985,000 and it has been included in other receivable of the current assets, the remaining RMB4,956,000 has been included in non-current assets.

有關出售瀋陽金寶的代價將於二零一四年前分期收取。於二零一一年十二月三十一日，現值總額為人民幣16,262,000元及未償付的人民幣13,941,000元。未來十二個月到期的分期還款的現值為人民幣8,985,000元，而其已計入流動資產項下的其他收款項，餘額人民幣4,956,000元已計入非流動資產。

33. DISPOSAL OF SUBSIDIARIES (continued)

(b) On 31st March, 2011, the Group disposed of 90% of the equity interest in Liaoning Weigao Zhengfeng Medical Technology Co., Ltd. ("Liaoning Zhengfeng") to an independent person. The net assets of Liaoning Zhengfeng at the date of disposal were as follows:

33. 出售附屬公司(續)

(b) 於二零一一年三月三十一日，本集團向一名獨立人士出售於遼寧威高正豐醫療科技有限公司(「遼寧正豐」)的90%股權。遼寧正豐於出售日期的資產淨值如下：

		31st March, 2011 RMB'000 二零一一年三月三十一日 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	172
Inventories	存貨	13,608
Trade and other receivables	應收貿易賬款及其他應收款項	4,584
Bank balances and cash	銀行結餘及現金	3,021
Trade and other payables	應付貿易賬款及其他應付款項	(6,839)
Short-term Loan	短期貸款	(4,500)
Non-controlling interest	非控股權益	(1,005)
		9,041
Loss on disposal	出售虧損	(478)
Total consideration	總代價	8,563
Satisfied by:	支付方式：	
Other receivables	其他應收款項	8,563
Net cash inflow arising on disposal:	出售產生的現金流入淨額：	
Bank balances and cash disposed of	已出售銀行結餘及現金	3,021
		(3,021)

The consideration relating to disposal Liaoning Zhengfeng will be received by instalments until year 2014. The total present value is RMB8,563,000, and RMB7,606,000 unsettled as at 31 December 2011. The present value of the instalment due in the next 12 months amounted to RMB3,516,000 and it has been included in other receivable of the current assets, the remaining RMB4,090,000 has been included in non-current assets.

有關出售遼寧正豐的代價將於二零一四年前分期收取。於二零一一年十二月三十一日，現值總額為人民幣8,563,000元及未償付的人民幣7,606,000元。未來十二個月到期的分期還款的現值為人民幣3,516,000元，而其已計入流動資產項下的其他收款項，餘額人民幣4,090,000元已計入非流動資產。

34. MAJOR NON-CASH TRANSACTIONS

On 3rd October, 2011, the Group disposed its 50% equity interest in JWMS to Biosensors. The consideration was satisfied by (a) RMB787,920,000 by way of cash; (b) RMB 1,478,828,000 by way of issue 260,000,000 Biosensors; (c) RMB 804,206,000 by way of issue of convertible notes which were converted into 110,000,000 Biosensors shares at 31st December, 2011.

On 31st March, 2011, the Group disposed of 90% of the equity interest in Shenyang Jinbao and 90% of the equity interest in Liaoning Zhengfeng. The relative considerations for the disposal of the two companies are RMB16,262,000 and RMB8,563,000 respectively, satisfied by other receivables amounted at RMB24,825,000, and RMB21,547,000 unsettled as at 31st December, 2011.

34. 主要非現金交易

於二零一一年十月三日，本集團向柏盛出售其於吉威醫療的50%股權。代價透過(a)人民幣787,920,000元以現金方式；(b)人民幣1,478,828,000元以發行260,000,000股柏盛股份方式；(c)人民幣804,206,000元以發行可換股票據（於二零一一年十二月三十一日轉換為110,000,000股柏盛股份）予以支付。

於二零一一年三月三十一日，本集團出售其於瀋陽金寶的90%股權及於遼寧正豐的90%股權。出售該等兩間公司的相關代價分別為人民幣16,262,000元及人民幣8,563,000元，由於二零一一年十二月三十一日未償還的金額達人民幣24,825,000元及人民幣21,547,000元的其他應收款項支付。

35. LEASE COMMITMENTS

The Group as lessee

Minimum lease payments paid under operating leases during the period:

35. 租約承擔

本集團作為承租人

於本期間根據經營租約支付的最低租金：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Properties	物業	**7,511**	1,412

35. LEASE COMMITMENTS (continued)

The Group as lessee (continued)

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:

35. 租約承擔（續）

本集團作為承租人（續）

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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Within one year	於一年內	**5,254**	845
In the second to fifth year inclusive	於第二至第五年（包括首尾兩年）	**2,990**	328
		8,244	1,173

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 RMB1,946,000 (2010: RMB2,485,000). 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1,946,000元（二零一零年：人民幣2,485,000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。

35. LEASE COMMITMENTS (continued)

35. 租約承擔（續）

The Group as lessor (continued)

本集團作為出租人（續）

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Within one year	於一年內	545	1,639
In the second to fifth year inclusive	於第二至第五年（包括首尾兩年）	409	–

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。

36. CAPITAL COMMITMENTS

36. 資本承擔

At 31st December, 2011, the Group had commitments which were contracted for but not provided in the consolidated financial statements:

於二零一一年十二月三十一日，本集團於綜合財務報表中擁有已訂約但未撥備的承擔：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Acquisition of property, plant and equipment	收購物業、廠房及設備	435,076	328,961

37. CONTINGENT LIABILITIES

37. 或有負債

On 21st April, 2011, the Company received a notice of arbitration issued by the Hong Kong International Arbitration Centre, which is related to the dispute in the contract with ADJECT ApS for a maximum loss up to US$49,600,000. As at the date of 31st December, 2011, the arbitration is still in the progress. The Directors believe that the arbitration will have no significant impact on the financial position of the Group. The Group did not have any material contingent liabilities as at 31st December, 2011.

於二零一一年四月二十一日，本公司收到由香港國際仲裁中心發出的仲裁通知，就與ADJECT ApS合同糾紛涉及至多49,600,000美元的損失。於二零一一年十二月三十一日，該仲裁仍未結案。董事認為，該仲裁將不會對本集團的財務狀況產生重大影響。本集團於二零一一年十二月三十一日不存在任何重大或有負債。

38. RELATED PARTY TRANSACTIONS

38. 關連人士交易

(a) The Group had the following related party transactions during the two years ended 31st December, 2011:

(a) 於截至二零一一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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Sales to a fellow subsidiary	銷售予同系附屬公司	**7,175**	7,554
Sales to an associate	銷售予聯營公司	**231,065**	156,794
Sales to a subsidiary of a shareholder of the Company	銷售予本公司股東的附屬公司	**27,111**	16,271
Purchases from fellow subsidiaries	向同系附屬公司採購	**36,141**	25,763
Rental payments to ultimate holding company	向最終控股公司支付租金	**2,100**	2,100
Construction service from fellow subsidiaries	自同系附屬公司獲取建設服務	**14,351**	–

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。

(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：

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Short-term employee benefits	短期僱員福利	**4,374**	3,894
Post-employment benefits	離職後福利	**31**	47
		4,405	3,941

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。

39. RETIREMENT BENEFITS SCHEMES

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.

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.

The contributions paid and payable to the schemes by the Group are disclosed in note 12.

39. 退休福利計劃

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」)。強積金計劃的資產與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。

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。

本集團就該等計劃已付及應付的供款於附註12作出披露。

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

40. 本公司主要附屬公司詳情

Particulars of the Company's subsidiaries as at 31st December, 2011 and 2010 are as follows:

於二零一一年及二零一零年十二月三十一日，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 Group 本集團持有權益的所有權比例 Directly 直接	 Indirectly 間接	Principal activities 主要業務
1	Weihai Jierui Medical Products Company Limited#	Incorporated	PRC	RMB32,000,000	100%	–	Manufacturing of medical PVC granules, plastic packing bags and carton boxes
	威海潔瑞醫用製品有限公司#	註冊成立	中國	人民幣32,000,000元	100%	–	製造醫用PVC粒料、塑料包裝袋及紙箱
2	Weihai Weigao Blood Purification Products Co., Ltd#	Incorporated	PRC	RMB20,000,000	70%	–	Manufacturing of medical blood purification treatments and related consumables
	威海威高血液淨化製品有限公司#	註冊成立	中國	人民幣20,000,000元	70%	–	製造血液淨化療法及相關耗材
3	Weihai Weigo Group Mould Co., Ltd.#	Incorporated	PRC	RMB8,000,000	90%	10%	Manufacturing of moulds
	威海威高集團模具有限公司#	註冊成立	中國	人民幣8,000,000元	90%	10%	製造模具
4	Shandong Weigao Orthopaedic Device Co., Ltd	Incorporated	PRC	RMB90,000,000	75%	25%	Manufacturing of orthopaedic medical device products
	山東威高骨科材料有限公司	註冊成立	中國	人民幣90,000,000元	75%	25%	製造骨科醫療設備產品
5	Sichuan Jierui Weigao Medical Device Co., Ltd.#	Incorporated	PRC	RMB2,000,000	100%	–	Trading of medical products
	四川潔瑞威高醫療器械有限公司#	註冊成立	中國	人民幣2,000,000元	100%	–	買賣醫療產品

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司主要附屬公司詳情（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 Group 本集團持有權益的所有權比例 Directly 直接	 Indirectly 間接	Principal activities 主要業務
6	Shandong Weigao New Life Medical Device Company Limited#	Incorporated	PRC	RMB5,000,000	100%	–	Manufacturing of medical products
	山東威高新生醫療器械有限公司#	註冊成立	中國	人民幣5,000,000元	100%	–	製造醫療產品
7	Shandong Weigao Automatic Equipment Company Limited#	Incorporated	PRC	RMB5,000,000	–	100%	Manufacturing of industrial automatic equipments and parts
	山東威高自動化設備有限公司#	註冊成立	中國	人民幣5,000,000元	–	100%	製造工業自動化設備及配件
8	Shandong Weigao Group Logistic Company Limited#	Incorporated	PRC	RMB20,000,000	100%	–	Provision of logistics and storage services
	山東威高集團物流有限公司#	註冊成立	中國	人民幣20,000,000元	100%	–	提供物流及儲存服務
9	Shandong Weigao Medical Holding Company Limited#	Incorporated	PRC	RMB20,000,000	–	70%	Manufacturing of medical products
	山東威高醫療控股有限公司#	註冊成立	中國	人民幣20,000,000元	–	70%	製造醫療產品

Note: The above table lists the principal subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

Registered under the laws of the PRC as domestic enterprise

附註：上表列有董事認為對本集團業績或資產造成重大影響的本集團主要附屬公司。董事會認為列出其他附屬公司的詳情將令篇幅過於冗長。

概無附屬公司於年末發行任何債務證券。

根據中國法律註冊為本土企業

41. COMPANY'S STATEMENT OF FINANCIAL POSITION 41. 本公司之財務狀況表

		2011 RMB'000 二零一一年 人民幣千元	2010 RMB'000 二零一零年 人民幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	**1,503,063**	821,679
Investment properties	投資物業	**162,364**	178,898
Prepaid lease payments	預付租賃款項	**230,633**	198,031
Long term receivables	長期應收款項	**9,046**	–
Intangible assets	無形資產	**2,198**	2,649
Investment in subsidiaries	於附屬公司的投資	**479,299**	499,948
Investment in jointly controlled entities	於共同控制實體的投資	**–**	13,000
Interest in an associate	於一間聯營公司的權益	**72,314**	72,314
Deferred tax asset	遞延稅項資產	**10,362**	7,974
		2,469,279	1,794,493
Current assets	流動資產		
Inventories	存貨	**236,779**	186,657
Prepaid lease payments	預付租賃款項	**5,319**	–
Trade and other receivables	應收貿易及其他應收款	**1,134,746**	813,940
Amount due from related parties	應收關連人士款項	**800,014**	333,163
Pledged bank deposits	已抵押銀行存款	**–**	100,546
Bank balances and cash	銀行結餘及現金	**863,313**	356,082
		3,040,171	1,790,388
Current liabilities	流動負債		
Trade and other payables	應付貿易及其他應付款	**826,403**	652,791
Amount due to related parties	應付關連人士款項	**19,390**	519,621
Bank borrowings – repayable within one year	銀行借款－須於一年內償還	**32,003**	26,418
Tax payable	應付稅項	**18,395**	29,895
		896,191	1,228,725
Net current assets	流動資產淨額	**2,143,980**	561,663
		4,613,259	2,356,156
Capital and reserves	資本及儲備		
Share capital	股本	**447,637**	215,256
Reserves	儲備	**4,091,368**	2,032,233
Total equity	股權總額	**4,539,005**	2,247,489
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	**63,009**	88,303
Deferred income	遞延收入	**800**	–
Other payable	其他應付款項	**10,445**	20,364
		74,254	108,667
		4,613,259	2,356,156

42. FINANCIAL SUMMARY 42. 財務摘要

		For the year ended 31st December, 截至十二月三十一日止年度				
		2011	2010	2009	2008	2007
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		二零一一年	二零一零年	二零零九年	二零零八年	二零零七年
		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	**3,180,577**	2,462,557	1,878,495	1,514,367	1,095,109
Profit before taxation	除税前溢利	**3,592,506**	887,884	704,960	524,082	332,074
Taxation	税項	**(124,472)**	(85,532)	(71,782)	(38,977)	(2,732)
Profit for the year	年內溢利	**3,468,034**	802,352	633,178	485,105	329,342
Profit attributable to:	下列各項應佔溢利：					
Owners of the Company	本公司擁有人	**3,462,172**	799,072	633,864	482,394	308,149
Non-controlling interests	非控股權益	**5,862**	3,280	(686)	2,711	21,193
		3,468,034	802,352	633,178	485,105	329,342

		As at 31st December, 於十二月三十一日				
		2011	2010	2009	2008	2007
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		二零一一年	二零一零年	二零零九年	二零零八年	二零零七年
		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	**9,371,967**	4,649,364	3,951,795	3,340,666	2,140,506
Total liabilities	總負債	**(1,160,438)**	(1,015,491)	(1,008,929)	(855,743)	(755,511)
Non-controlling interests	非控股權益	**(9,538)**	(7,463)	(3,183)	(8,191)	(57,233)
		8,201,991	3,626,410	2,939,683	2,476,732	1,327,762

WEGO威高