



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

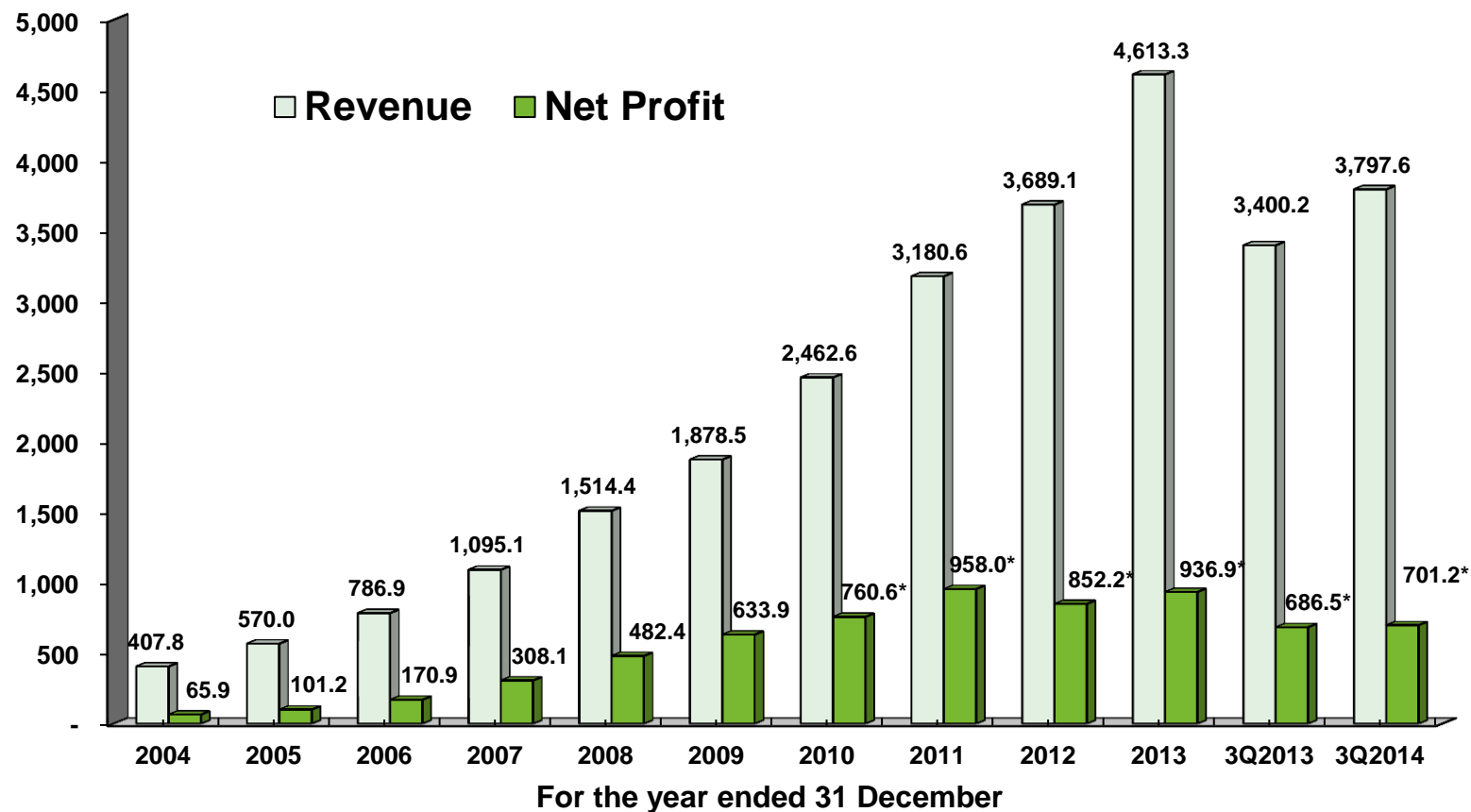
**Third Quarter Results 2014
19 Nov 2014**

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Continuous Revenue and Earnings Growth

RMB million



9 Years CAGR

- Turnover : 30.9%↑
- Net Profit : 34.3%↑

* net profit excluding extraordinary items

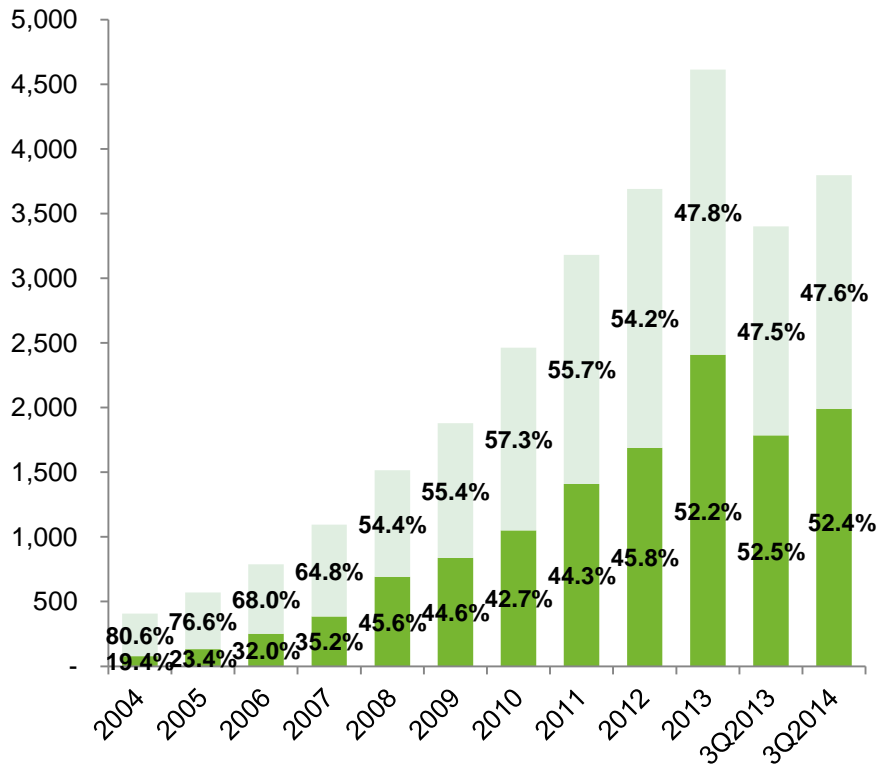
3Q2014 vs 3Q2013

- Turnover : 11.7%↑
- Net profit : 2.1%↑

Turnover and GP Analysis

Turnover

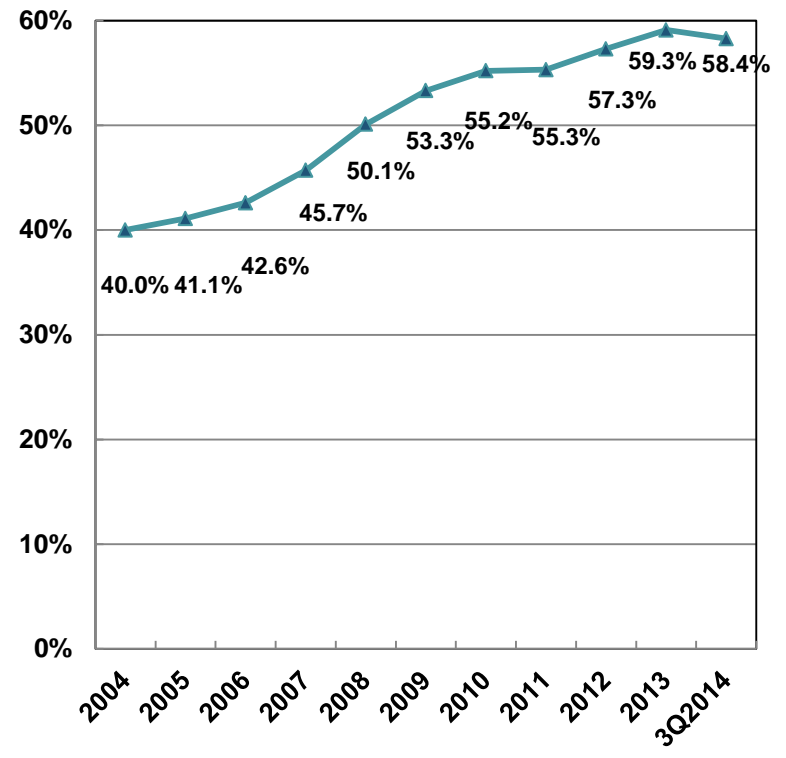
RMB million



For the year ended 31 December

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

Gross Profit Margins



For the year ended 31 December

Results Summary

RMB million	For the 9 months ended 30 Sep 2014	For the 9 months ended 30 Sep 2013	Change %
Revenue	3,797.6	3,400.2	+11.7
COGS	(1,581.0)	(1,384.4)	+14.2
Gross profit	2,216.6	2,015.8	(0.9)
<i>Gross profit margin</i>	58.4%	59.3%	
Other revenue	58.6	11.8	+396.6
Distribution costs	(1,018.5)	(850.8)	+1.8
<i>% on revenue</i>	26.8%	25.0%	
Administrative expenses	(252.2)	(210.7)	+0.4
<i>% on revenue</i>	6.6%	6.2%	
Research & development expenses	(161.9)	(148.5)	(0.1)
<i>% on revenue</i>	4.3%	4.4%	
Finance costs	(14.3)	(7.2)	+98.6
Share of results in jointly controlled entities	(3.8)	(1.0)	+280.0
Share of results in associates	(5.1)	90.4	-
Profit before taxation	819.4	899.8	(8.9)
Taxation	(120.0)	(117.9)	+1.8
Non-controlling interest	(3.3)	(4.9)	(32.7)
Profit after taxation	696.1	776.9	(10.4)
Profit before Taxation and JVs	828.3	810.4	(2.0)
<i>Net profit margin</i>	21.8%	23.8%	
Effective tax rate	14.5%	14.6%	(0.1)

Results Summary

RMB million	For the 3 months ended 30 Sep 2014	For the 3 months ended 30 Sep 2013	Change %
Revenue	1,253.0	1,238.2	+1.2
COGS	(533.0)	(504.0)	+5.8
Gross profit <i>Gross profit margin</i>	720.1 57.5%	734.2 59.3%	(1.8)
Other revenue	22.0	20.6	+6.8
Distribution costs <i>% on revenue</i>	(337.6) 26.9%	(288.5) 23.3%	+3.6
Administrative expenses <i>% on revenue</i>	(86.7) 6.9%	(73.1) 5.9%	+1.0
Research & development expenses <i>% on revenue</i>	(50.9) 4.1%	(50.7) 4.1%	-
Finance costs	(4.5)	(3.0)	+50.0
Share of results in jointly controlled entities	(0.1)	0.4	-
Share of results in associates	(0.9)	58.1	-
Profit before taxation	261.4	398.1	(34.3)
Taxation	(37.3)	(46.1)	(19.1)
Non-controlling interest	(0.9)	(4.5)	(80.0)
Profit after taxation	223.2	347.5	(35.8)
Profit before Taxation and JVs <i>Net profit margin</i>	262.4 20.9%	339.6 27.4%	(6.5)
Effective tax rate	14.2%	13.6%	+0.6

Results Summary

RMB million	For 9 months ended 30 Sep 2014	For 9 months ended 30 Sep 2013	Change %	For 3 months ended 30 Sep 2014	For 3 months ended 30 Sep 2013	Change %
Share of results in jointly controlled entities						
- Nikkiso	4.1	3.7	+10.8	1.3	1.9	(31.6)
- Terumo	(7.9)	(4.7)	+68.1%	(1.4)	(1.5)	(6.7)
	(3.8)	(1.0)	+280	(0.1)	0.4	-
Share of results in associates						
- MDT JV	(5.1)	-	-	(0.9)	-	-
- 21.7% in BIG	-	90.4	-	-	58.1	-
	(5.1)	90.4	-	(0.9)	58.1	-

Turnover Breakdown by Products

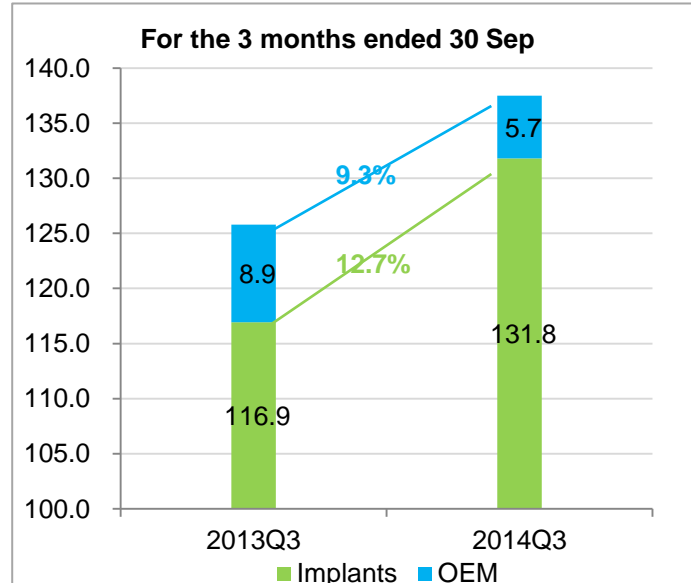
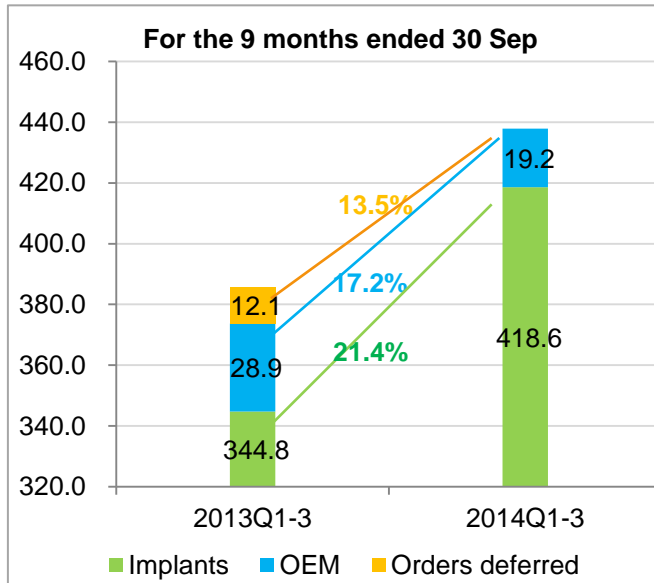
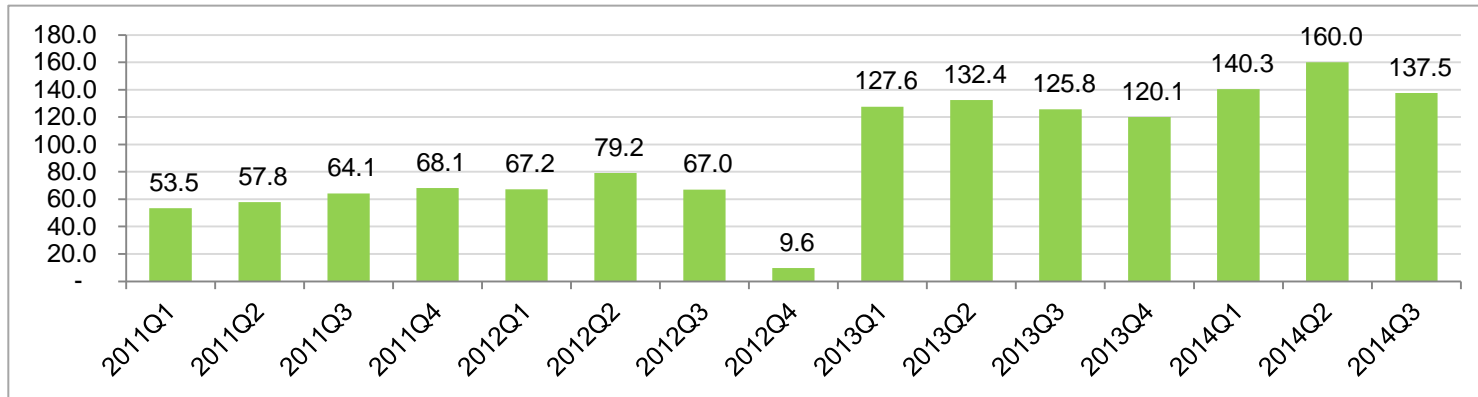
Products	For the 9 months ended 30 Sep			% to turnover	
	2014 RMB m	2013 RMB m	Change %	2014 %	2013 %
Consumables					
- Infusion sets	1042.7	936.7	11.3	27.5	27.5
- Needles	531.1	542.0	(2.0)	14.0	15.9
- Syringes	483.0	445.3	8.5	12.7	13.1
- Pre-filled syringes	190.9	158.7	20.3	5.0	4.7
- Blood bags	189.8	167.7	13.2	5.0	4.9
- Wound Management	68.9	57.3	20.2	1.8	1.7
- Blood sampling	61.1	61.7	(1.0)	1.6	1.8
- PVC granules	41.1	55.0	(25.3)	1.1	1.6
- Other consumables	239.1	199.6	19.8	6.3	6.0
Subtotal for consumables	2,847.7	2,624.0	8.5	75.0	77.2
Orthopaedic products	437.8	385.8	13.5	11.5	11.3
Blood purification consumables	424.9	318.7	33.3	11.2	9.4
Blood purification equipment	87.2	71.7	21.6	2.3	2.1
Total	3,797.6	3,400.2	11.7	100.0	100.0

Turnover Breakdown by Products

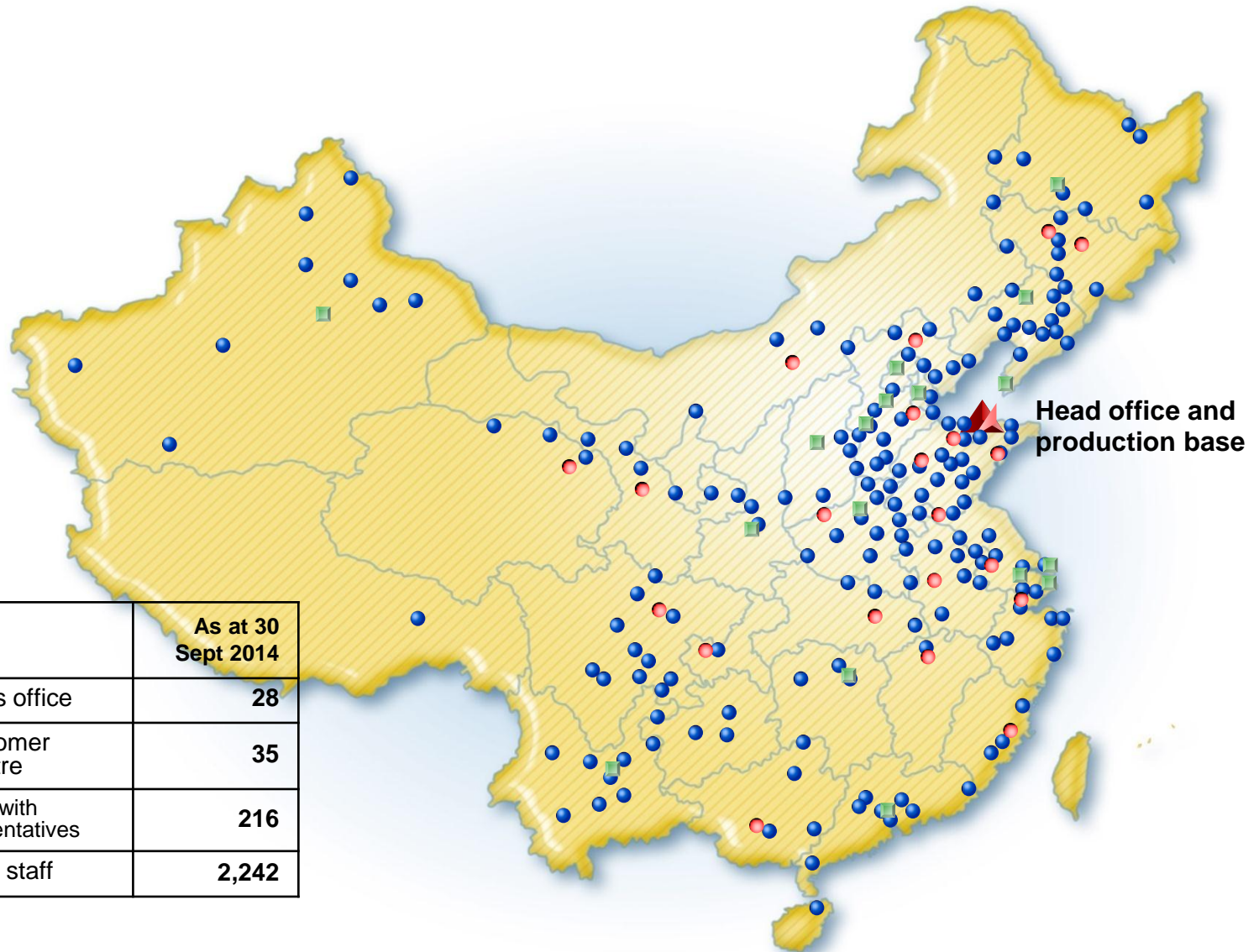
Products	For the 3 months ended 30 Sep			% to turnover	
	2014 RMB m	2013 RMB m	Change %	3Q2014 %	3Q2013 %
Consumables					
- Infusion sets	347.6	346.0	0.5	27.7	27.9
- Needles	153.2	190.9	(19.7)	12.2	15.4
- Syringes	163.9	167.1	(1.9)	13.1	13.5
- Pre-filled syringes	52.8	51.5	2.5	4.2	4.2
- Blood bags	65.0	60.6	7.3	5.2	4.9
- Wound Management	22.9	21.6	6.0	1.8	1.7
- Blood sampling	20.4	25.5	(20.0)	1.6	2.1
- PVC granules	17.4	19.6	(11.2)	1.4	1.6
- Other consumables	76.1	81.6	(6.7)	6.1	6.6
Subtotal for consumables	919.3	964.4	(4.7)	73.3	77.9
Orthopaedic products	137.5	125.8	9.3	11.0	10.2
Blood purification consumables	162.6	126.6	28.4	13.0	10.2
Blood purification equipment	33.6	21.4	57.0	2.7	1.7
Total	1,253.0	1,238.2	1.2	100.0	100.0

Orthopaedic Products

(RMB m)



Nationwide Sales Network



		As at 30 Sept 2014
■	No. of sales office	28
●	No. of customer service centre	35
●	No. of cities with sales representatives	216
No. of sales staff		2,242

Expanding Customer Base

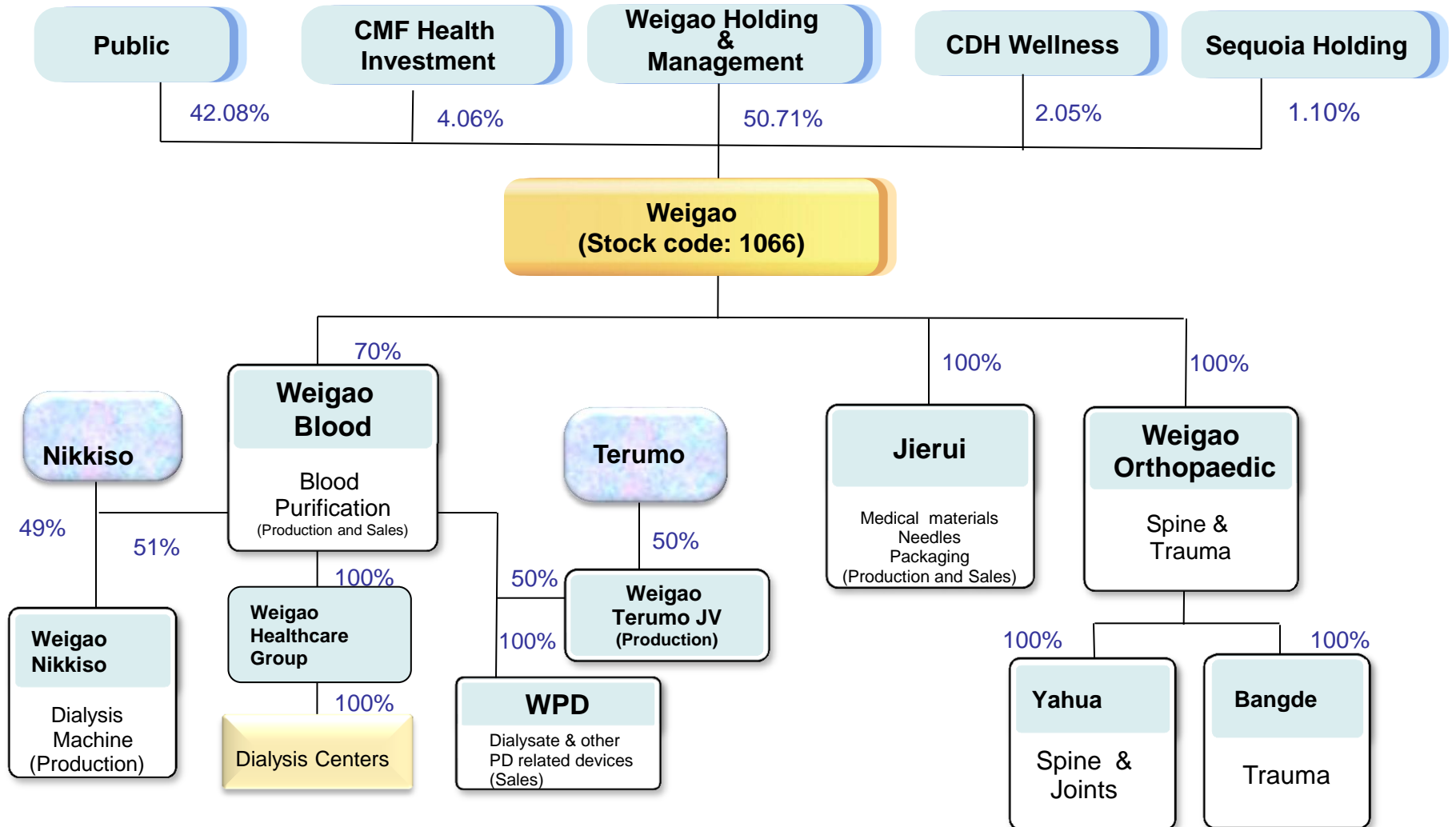
	Total in China In 2013	No. of customers	Coverage
Hospitals			
• Top tier	1,787	1,019	57.0%
• Medium	6,709	1,731	25.8%
• Small	6,473	331	5.1%
• Other - Not rated	9,740	24	0.2%
Subtotal	24,709	3,105	12.6%
Blood centres	525	414	78.9%
Other medical units	915,368	627	0.07%
Distribution companies		1,072	
Total		5,218	

Source: Ministry of Health and the Company

New Product Development

Category	No. of products as at 30 Sept 2014
With product registration certificates	340
Under application for product registration certificates	40
Patented products	339
Under patent application	87

Weigao Group Structure



Appendix - Reconciliation of Net Profit

	9 months ended 30 Sep 2014	9 months ended 30 Sep 2013	Change
	RMB'000	RMB'000	%
Profit for the Period	699,433	781,879	(10.5)
Non-controlling interest	(3,315)	(4,944)	(32.9)
Share of loss from an associate	5,110	-	-
Share of profit from an associate	-	(90,395)	-
Net profit excluding extraordinary items	701,228	686,540	+2.1

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