



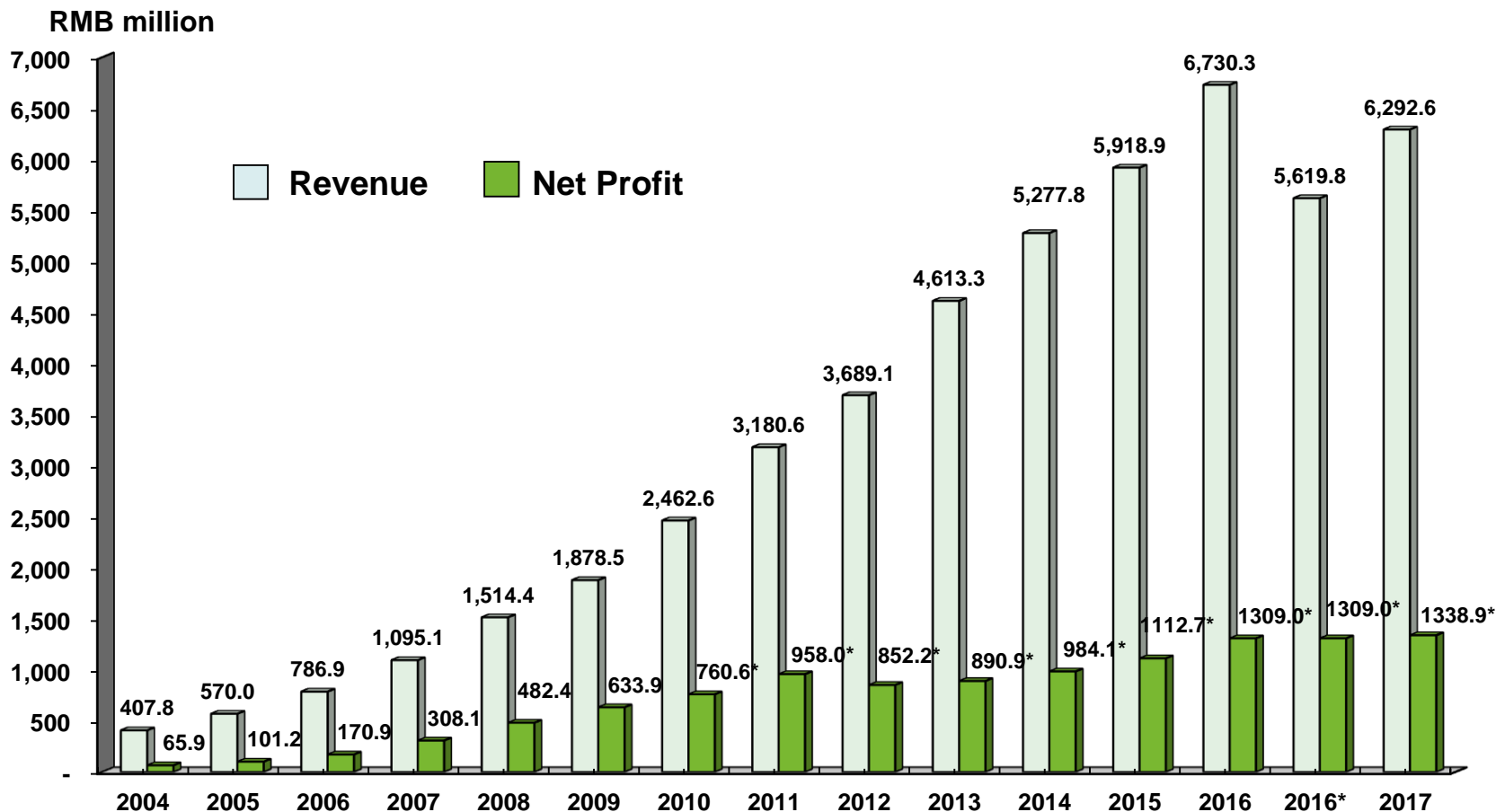
**Leading in Development,  
Manufacturing and Marketing of  
Single-use Medical Devices in the PRC**

**Annual Results 2017  
27 March 2018**

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# Continuous Revenue and Earnings Growth



## 12 Years CAGR

- Turnover : 25.6%↑
- Net Profit : 28.5%↑

## For the year ended 31 Dec

Notes:-

- net profit excluding extraordinary items
- 2016\* : restated data

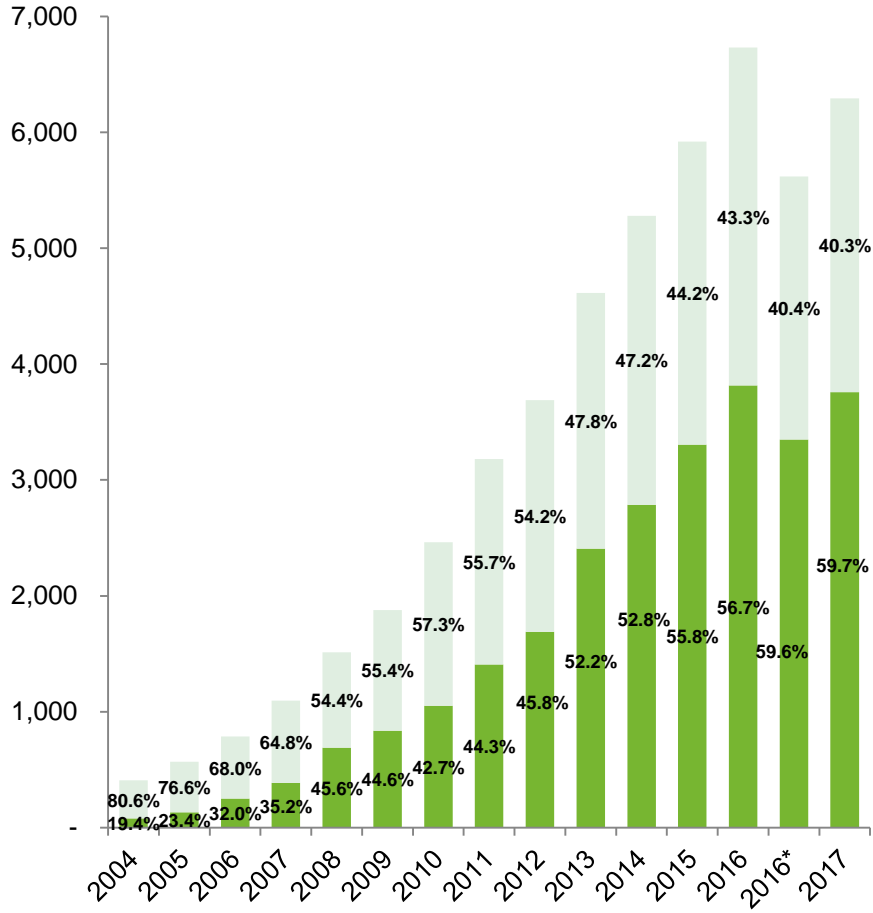
## 2017 vs 2016

- Turnover : 12.0%↑
- Net profit : 2.3%↑

# Turnover and GP Analysis

RMB million

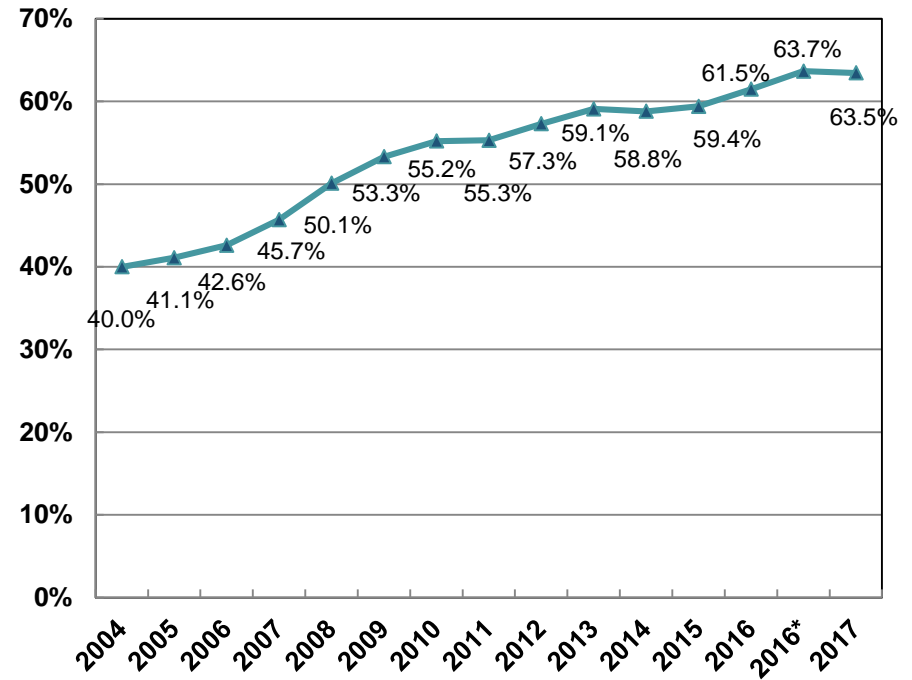
## Turnover



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 12 months ended 31 Dec 2017	For the 12 months ended 31 Dec 2016 (restated)	Change %
<b>Revenue</b>	<b>6,292.6</b>	<b>5,619.8</b>	+12.0
<b>COGS</b>	<b>(2,299.8)</b>	<b>(2,042.1)</b>	+12.6
<b>Gross profit</b>	<b>3,992.8</b>	<b>3,577.7</b>	(0.2)
<i>Gross profit margin</i>	63.5%	63.7%	
<b>Other revenue</b>	<b>172.8</b>	<b>105.7</b>	+63.5
<b>Distribution costs</b>	<b>(1,922.1)</b>	<b>(1,553.3)</b>	+2.9
<i>% on revenue</i>	30.5%	27.6%	
<b>Administrative expenses</b>	<b>(419.5)</b>	<b>(652.4)</b>	(4.9)
<i>% on revenue</i>	6.7%	11.6%	
<b>Research &amp; development expenses</b>	<b>(273.8)</b>	<b>(266.0)</b>	(0.3)
<i>% on revenue</i>	4.4%	4.7%	
<b>Finance costs</b>	<b>(23.9)</b>	<b>(25.1)</b>	(4.8)
<b>Profit on disposal of a subsidiary</b>	<b>1.3</b>	-	-
<b>Profit before taxation</b>	<b>1,527.6</b>	<b>1,186.6</b>	+28.7
<b>Taxation</b>	<b>(224.4)</b>	<b>(153.7)</b>	+46.0
<b>Profit for the Year from continuing operations</b>	<b>1,303.2</b>	<b>1,032.9</b>	+26.2
<b>Profit for the Year from discontinued operation</b>	<b>524.1</b>	<b>104.8</b>	+400.3
- From discontinued operation	133.0	-	
- Disposal of partial interests	391.1	-	
<b>Non-controlling interest</b>	<b>(97.4)</b>	<b>(31.7)</b>	+207.3
<b>Profit after taxation</b>	<b>1,729.9</b>	<b>1,106.0</b>	+56.4
<b>Profit before Taxation and JVs</b>	<b>1,659.4</b>	<b>1,291.4</b>	+3.4
<i>Net profit margin</i>	26.4%	23.0%	
<b>Effective tax rate</b>	<b>13.5%</b>	<b>11.9%</b>	+1.6

# Turnover Breakdown by Products

Products	For the 12 months ended 31 Dec			% to turnover	
	2017 RMB m	2016 RMB m	Change %	2017 %	2016 %
Consumables					
- <i>Infusion sets</i>	1,668.5	1,572.9	6.1	26.5	28.0
- <i>Needles</i>	1,017.7	895.3	13.7	16.2	15.9
- <i>Syringes</i>	859.9	757.7	13.5	13.7	13.5
- <i>Pre-filled syringes</i>	718.0	598.8	19.9	11.4	10.7
- <i>Blood bags</i>	307.2	274.6	11.9	4.9	4.9
- <i>Wound Management</i>	182.0	171.6	6.0	2.9	3.1
- <i>Blood sampling</i>	109.5	89.6	22.2	1.7	1.6
- <i>PVC granules</i>	66.4	53.0	25.3	1.1	0.9
- <i>Other consumables</i>	493.1	402.7	22.4	7.8	7.1
Subtotal for consumables	5,422.3	4,816.2	12.6	86.2	85.7
Orthopaedic products	870.4	803.5	8.3	13.8	14.3
<b>Total</b>	<b>6,292.7</b>	<b>5,619.7</b>	<b>12.0</b>	<b>100.0</b>	<b>100.0</b>

# Other financial figures

	As at 31 Dec 2017	As at 31 Dec 2016
Current ratio	3.9	3.2
Acid ratio	3.6	2.9
Return on equity	10.1%	11.6%
Return on assets	7.9%	8.9%
	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Inventory turnover (days)	118	123
Accounts receivable (days)	157	144
Final dividend (RMB/share)	4.6 cents	4.6 cents
Interim dividend (RMB/share)	4.3 cents	4.1 cents
Total dividend (RMB/share)	8.9 cents	8.7 cents

# Balance Sheet

	<b>As at 31 Dec 2017</b>	As at 31 Dec 2016	Change
	<b>RMB m</b>	RMB m	(%)
Non-current assets	<b>7,726.7</b>	7,074.0	+9.2
Current assets	<b>9,056.1</b>	8,682.3	+4.3
Cash and bank balances	<b>3,784.5</b>	4,071.9	(7.1)
Capital and reserves	<b>13,338.2</b>	11,866.6	+12.4
Bank and other borrowing	<b>902.2</b>	1,088.2	(17.1)



# Nationwide Sales Network



	As at 31 Dec 2017
■ No. of sales office	32
● No. of customer service centre	32
● No. of cities with sales representatives	235
No. of sales staff	2,287

# Expanding Customer Base

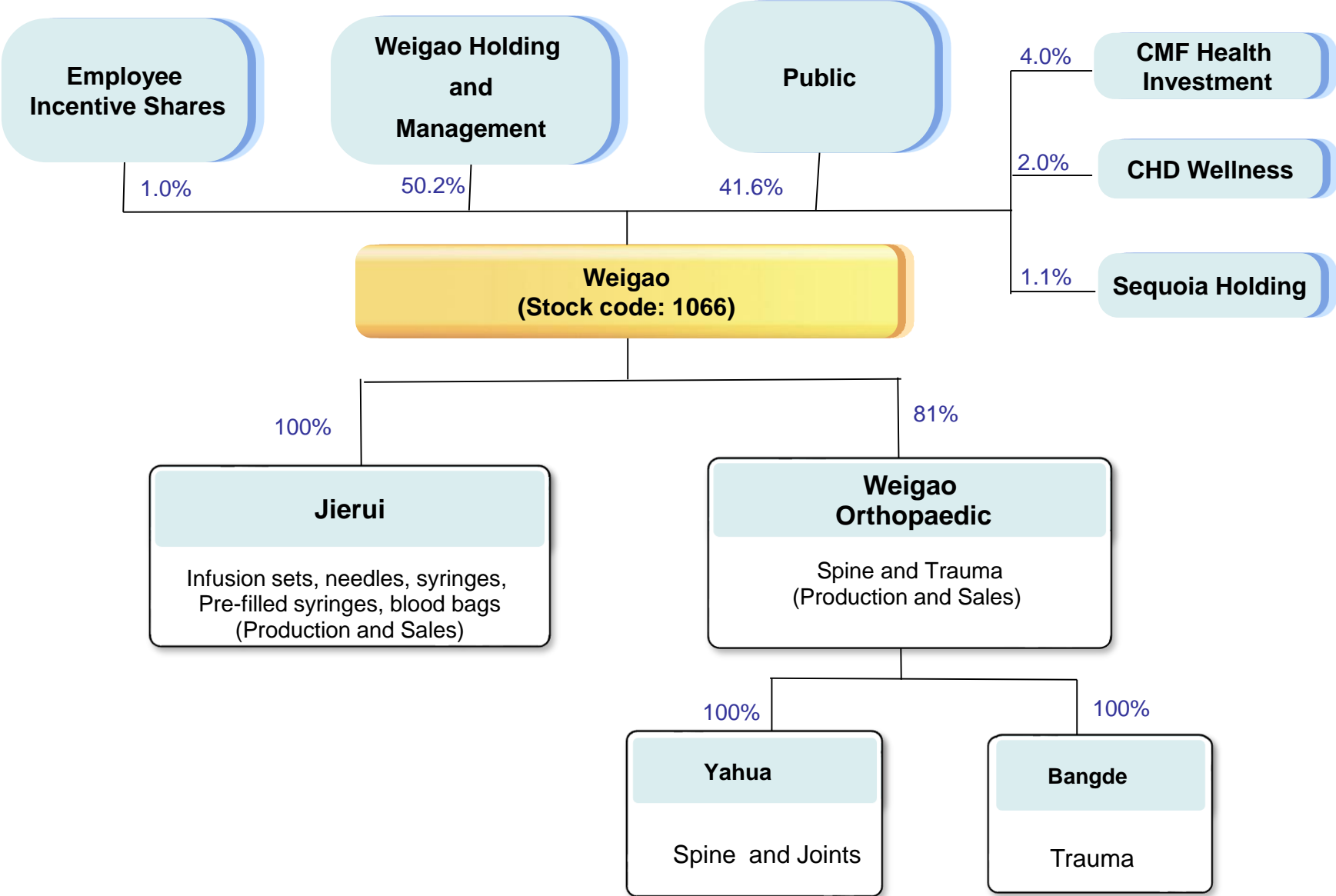
	Total in China at 30 Nov 2017	No. of customers	Coverage
<b>Hospitals</b>			
• Top tier	2,311	1,018	44.1%
• Medium	8,285	1,203	14.5%
• Small	9,632	189	2.0%
• Other - Not rated	10,066	20	0.2%
<b>Subtotal</b>	<b>30,294</b>	<b>2,430</b>	<b>8.0%</b>
<b>Blood centres</b>	<b>525</b>	<b>414</b>	<b>78.9%</b>
<b>Other medical units</b>	<b>937,810</b>	<b>587</b>	<b>0.06%</b>
<b>Distribution companies</b>		<b>1,686</b>	
<b>Total</b>		<b>5,117</b>	

Source: Ministry of Health and the Company

# New Product Development

<b>Category</b>	<b>No. of products as at 31 Dec 2017</b>
With product registration certificates	360
Under application for product registration certificates	30
Patented products	440
Under patent application	76

# Weigao Group Structure



# Appendix - Reconciliation of Net Profit

	12 months ended 31 Dec 2017	12 months ended 31 Dec 2016	Change
	RMB'000	RMB'000	%
<b>Profit for the Year</b>	<b>1,827,283</b>	<b>1,137,592</b>	<b>+60.6</b>
<b>Non-controlling interest</b>	<b>(97,359)</b>	<b>(31,659)</b>	<b>+207.5</b>
<b>Disposal of partial interests in Weigao Blood Purification</b>	<b>(391,068)</b>	<b>-</b>	<b>-</b>
<b>Share based payment expenses</b> <i>= RMB 294,888,890 x 0.81 x 0.85</i>	<b>-</b>	<b>203,031</b>	<b>-</b>
<b>Net profit excluding extraordinary items</b>	<b>1,338,856</b>	<b>1,308,964</b>	<b>+2.3</b>

# Appendix - Discontinued Operation

Products	For the 12 mths ended 31 Dec			% to turnover	
	2017 RMB m	2016 RMB m	Change %	2017 %	2016 %
Blood purification consumables	1,056.1	900.0	17.3	75.8	81.0
Blood purification equipment	336.9	210.5	60.0	24.2	19.0
<b>Total</b>	<b>1,393.0</b>	<b>1,110.5</b>	<b>25.4</b>	<b>100.0</b>	<b>100.0</b>
<b>Profit for the Year from</b>					
Discontinued operation	524.1	104.8	400.3	-	-
- from discontinued operation	133.0	104.8	27.0	-	-
- disposal of partial interests	391.1	-	-	-	-

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