



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

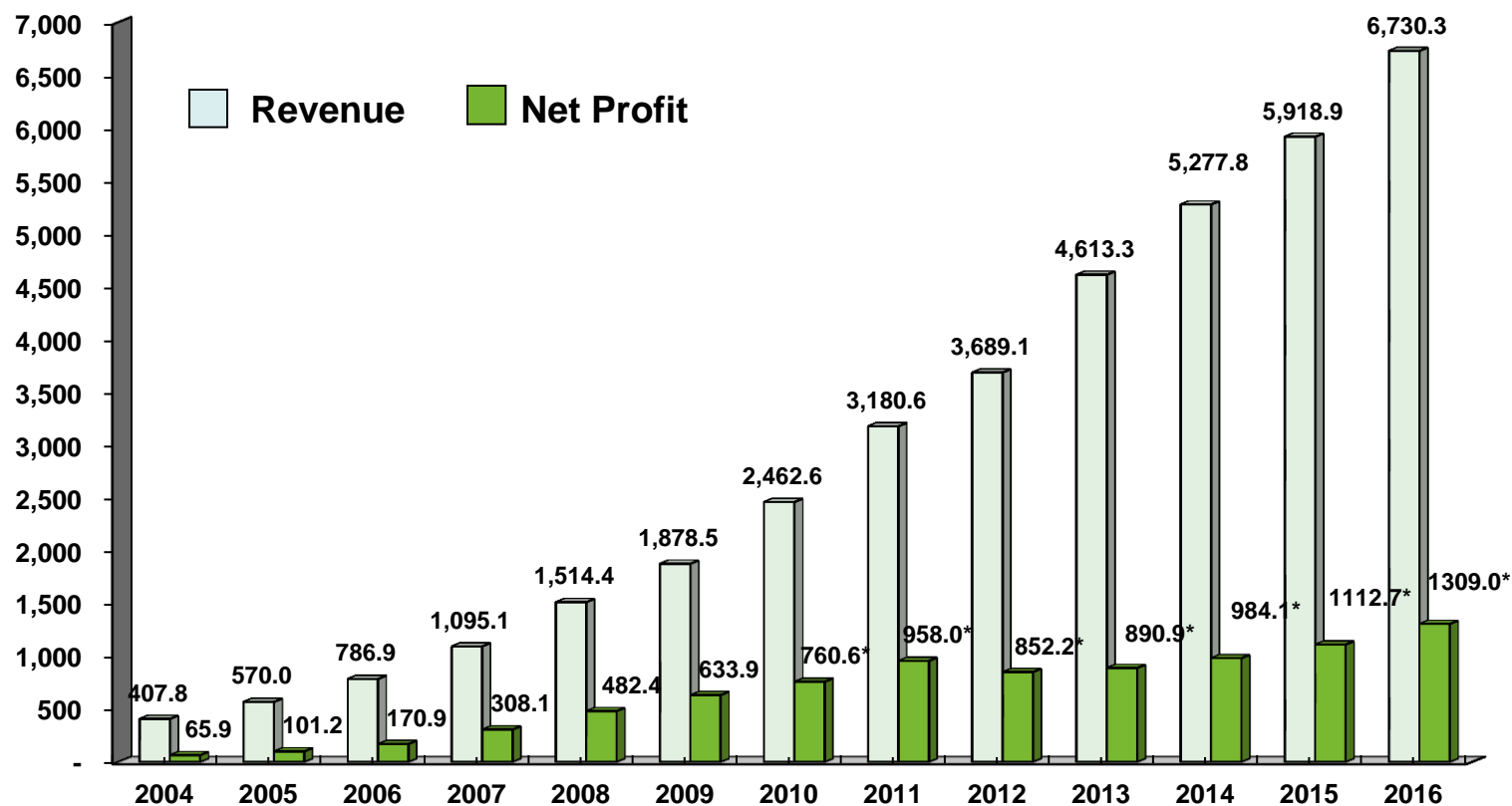
**Annual Results 2016
22 March 2017**

Content

| | |
|---|----|
| ● Financial Highlights | 2 |
| ● Operational Review | 11 |
| ● Group Structure | 14 |
| ● Appendix | |
| Reconciliation of the Net Profit | 15 |

Continuous Revenue and Earnings Growth

RMB million



For the year ended 31 December

12 Years CAGR

- Turnover : 26.3%↑
- Net Profit : 28.3%↑

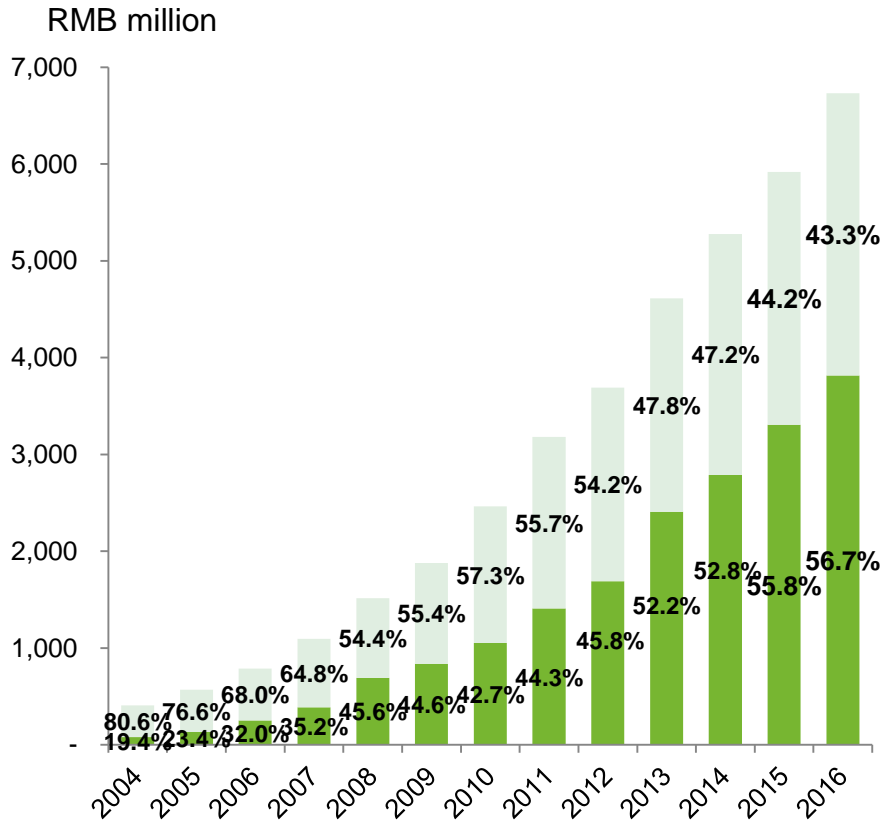
* net profit excluding extraordinary items

2016 vs 2015

- Turnover : 13.7%↑
- Net profit : 17.6%↑

Turnover and GP Analysis

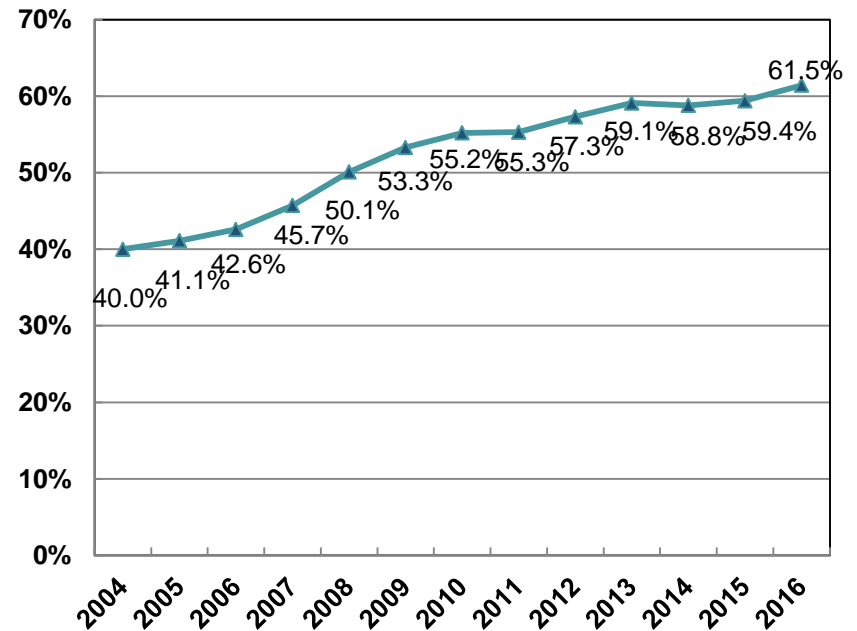
Turnover



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 2016 | For the 12 months ended 31 Dec 2015 | Change % |
|---|--|--|----------|
| Revenue | 6,730.3 | 5,918.9 | +13.7 |
| COGS | (2,593.7) | (2,403.3) | + 7.9 |
| Gross profit <i>Gross profit margin</i> | 4,136.6 61.5% | 3,515.6 59.4% | + 2.1 |
| Other revenue | 107.4 | 96.2 | +11.6 |
| Distribution costs <i>% on revenue</i> | (1,839.2) 27.3% | (1,545.0) 26.1% | +1.2 |
| Administrative expenses <i>% on revenue</i> | (731.5) 10.9% | (393.3) 6.6% | +4.3 |
| Research & development expenses <i>% on revenue</i> | (302.7) 4.5% | (292.7) 4.9% | (0.4) |
| Finance costs | (56.8) | (44.5) | +27.6 |
| Share of results in jointly controlled entities | 0.5 | (4.0) | - |
| Share of results in an associate | - | 0.6 | - |
| Profit on disposal of a subsidiary | - | 2.5 | - |
| Profit before taxation | 1,314.3 | 1,335.4 | (1.6) |
| Taxation | (176.7) | (186.6) | (5.3) |
| Non-controlling interest | (31.7) | (36.1) | (12.2) |
| Profit after taxation | 1,105.9 | 1,112.7 | (0.6) |
| Profit before Taxation and JVs <i>Net profit margin</i> | 1,313.8 19.5% | 1,336.3 22.6% | (3.1) |
| Effective tax rate | 13.4% | 14.0% | (0.6) |

Results Summary

| RMB million | For the 6 months ended 31 Dec 2016 | For the 6 months ended 31 Dec 2015 | Change % |
|---|--|--|----------|
| Revenue | 3,534.9 | 3,042.0 | +16.2 |
| COGS | (1,334.1) | (1,243.8) | +7.3 |
| Gross profit <i>Gross profit margin</i> | 2,200.8 62.3% | 1,798.2 59.1% | +3.2 |
| Other revenue | 62.5 | 45.6 | +37.1 |
| Distribution costs <i>% on revenue</i> | (996.9) 28.2% | (798.0) 26.2% | +2.0 |
| Administrative expenses <i>% on revenue</i> | (218.5) 6.2% | (213.4) 7.0% | (0.8) |
| Research & development expenses <i>% on revenue</i> | (158.9) 4.5% | (158.2) 5.2% | (0.7) |
| Finance costs | (30.5) | (35.9) | (15.0) |
| Share of results in jointly controlled entities | (1.0) | (5.9) | - |
| Share of results in an associate | - | 0.2 | - |
| Profit on disposal of subsidiary | 0.4 | - | - |
| Profit before taxation | 857.9 | 632.7 | +35.6 |
| Taxation | (86.8) | (86.9) | (0.1) |
| Non-controlling interest | (50.7) | (17.4) | +191.4 |
| Profit after taxation | 720.4 | 528.4 | +36.3 |
| Profit before Taxation and JVs <i>Net profit margin</i> | 858.5 24.3% | 638.4 21.0% | +3.3 |
| Effective tax rate | 10.1% | 13.6% | (3.5) |

Results Summary

| RMB million | For 12 months ended 31 Dec 2016 | For 12 months ended 31 Dec 2015 | Change % | For 6 months ended 31 Dec 2016 | For 6 months ended 31 Dec 2015 | Change % |
|--|------------------------------------|------------------------------------|-------------|-----------------------------------|-----------------------------------|-------------|
| Share of results in jointly controlled entities | | | | | | |
| - Nikkiso | 3.3 | (2.1) | - | 0.5 | (4.7) | - |
| - Terumo | (2.8) | (1.9) | +47.4 | (1.5) | (1.2) | +25.0 |
| | 0.5 | (4.0) | - | (1.0) | (5.9) | - |
| Share of results in an associate | | | | | | |
| - MDT JV | 0.0 | 0.6 | - | 0.0 | 0.2 | - |
| | 0.0 | 0.6 | - | 0.0 | 0.2 | - |

Turnover Breakdown by Products

| Products | For the 12 months ended 31 Dec | | | % to turnover | |
|--------------------------------|--------------------------------|----------------|-------------|---------------|--------------|
| | 2016 RMB m | 2015 RMB m | Change % | 2016 % | 2015 % |
| Consumables | | | | | |
| - <i>Infusion sets</i> | 1,572.9 | 1,437.1 | 9.4 | 23.4 | 24.3 |
| - <i>Needles</i> | 895.3 | 821.7 | 9.0 | 13.3 | 13.9 |
| - <i>Syringes</i> | 757.7 | 689.9 | 9.8 | 11.3 | 11.7 |
| - <i>Pre-filled syringes</i> | 598.8 | 445.3 | 34.5 | 8.9 | 7.5 |
| - <i>Blood bags</i> | 274.6 | 315.8 | (13.0) | 4.1 | 5.3 |
| - <i>Wound Management</i> | 171.6 | 103.0 | 66.7 | 2.6 | 1.7 |
| - <i>Blood sampling</i> | 89.6 | 74.4 | 20.5 | 1.3 | 1.3 |
| - <i>PVC granules</i> | 53.0 | 55.5 | (4.6) | 0.8 | 0.9 |
| - <i>Other consumables</i> | 419.8 | 393.8 | 6.6 | 6.1 | 6.7 |
| Subtotal for consumables | 4,833.3 | 4,336.5 | 11.5 | 71.8 | 73.3 |
| Orthopaedic products | 803.5 | 657.7 | 22.2 | 11.9 | 11.1 |
| Blood purification consumables | 883.0 | 735.2 | 20.1 | 13.2 | 12.4 |
| Blood purification equipment | 210.5 | 189.5 | 11.1 | 3.1 | 3.2 |
| Total | 6,730.3 | 5,918.9 | 13.7 | 100.0 | 100.0 |

Turnover Breakdown by Products

| Products | For the 6 months ended 31 Dec | | | % to turnover | |
|--------------------------------|-------------------------------|----------------|-------------|---------------|--------------|
| | 2016 RMB m | 2015 RMB m | Change % | 2H2016 % | 2H2015 % |
| Consumables | | | | | |
| - <i>Infusion sets</i> | 815.0 | 739.3 | 10.2 | 23.1 | 24.3 |
| - <i>Needles</i> | 468.4 | 409.0 | 14.5 | 13.3 | 13.5 |
| - <i>Syringes</i> | 389.1 | 355.6 | 9.4 | 11.0 | 11.7 |
| - <i>Pre-filled syringes</i> | 307.1 | 211.2 | 45.4 | 8.7 | 6.9 |
| - <i>Blood bags</i> | 142.0 | 155.4 | (8.6) | 4.0 | 5.1 |
| - <i>Wound Management</i> | 87.7 | 57.8 | 51.6 | 2.5 | 1.9 |
| - <i>Blood sampling</i> | 46.3 | 40.0 | 15.7 | 1.3 | 1.3 |
| - <i>PVC granules</i> | 25.9 | 28.5 | (8.9) | 0.7 | 0.9 |
| - <i>Other consumables</i> | 200.3 | 214.9 | (6.8) | 5.6 | 7.1 |
| Subtotal for consumables | 2,481.8 | 2,211.7 | 12.2 | 70.2 | 72.7 |
| Orthopaedic products | 463.0 | 301.7 | 53.4 | 13.1 | 9.9 |
| Blood purification consumables | 477.8 | 413.1 | 15.7 | 13.5 | 13.6 |
| Blood purification equipment | 112.3 | 115.6 | (2.9) | 3.2 | 3.8 |
| Total | 3,534.9 | 3,042.1 | 16.2 | 100.0 | 100.0 |

Balance Sheet

| | As at 31 Dec 2016 | As at 31 Dec 2015 | Change |
|--------------------------|-------------------|-------------------|--------|
| | RMB m | RMB m | (%) |
| Non-current assets | 7,074.0 | 5,993.0 | +18.0 |
| Current assets | 8,682.3 | 7,526.3 | +15.4 |
| Cash and bank balances | 4,071.9 | 3,712.2 | +9.7 |
| Capital and reserves | 11,866.6 | 10,658.2 | +11.3 |
| Bank and other borrowing | 1,088.2 | 1,019.1 | +6.8 |

Other financial figures

| | As at 31 Dec 2016 | As at 31 Dec 2015 |
|------------------|-------------------|-------------------|
| Current ratio | 3.4 | 3.8 |
| Acid ratio | 3.0 | 3.3 |
| Return on equity | 11.6% | 10.9% |
| Return on assets | 8.9% | 8.7% |

| | 31 Dec 2016 | 31 Dec 2015 |
|------------------------------|-------------|-------------|
| Inventory turnover (days) | 123 | 132 |
| Accounts receivable (days) | 144 | 139 |
| Final dividend (RMB/share) | 4.6 cents | 3.6 cents |
| Interim dividend (RMB/share) | 4.1 cents | 3.9 cents |
| Total dividend (RMB/share) | 8.7 cents | 7.5 cents |

Nationwide Sales Network



| | As at 31 Dec 2016 |
|--|-------------------|
| ■ No. of sales office | 29 |
| ● No. of customer service centre | 33 |
| ● No. of cities with sales representatives | 234 |
| No. of sales staff | 2,642 |

Expanding Customer Base

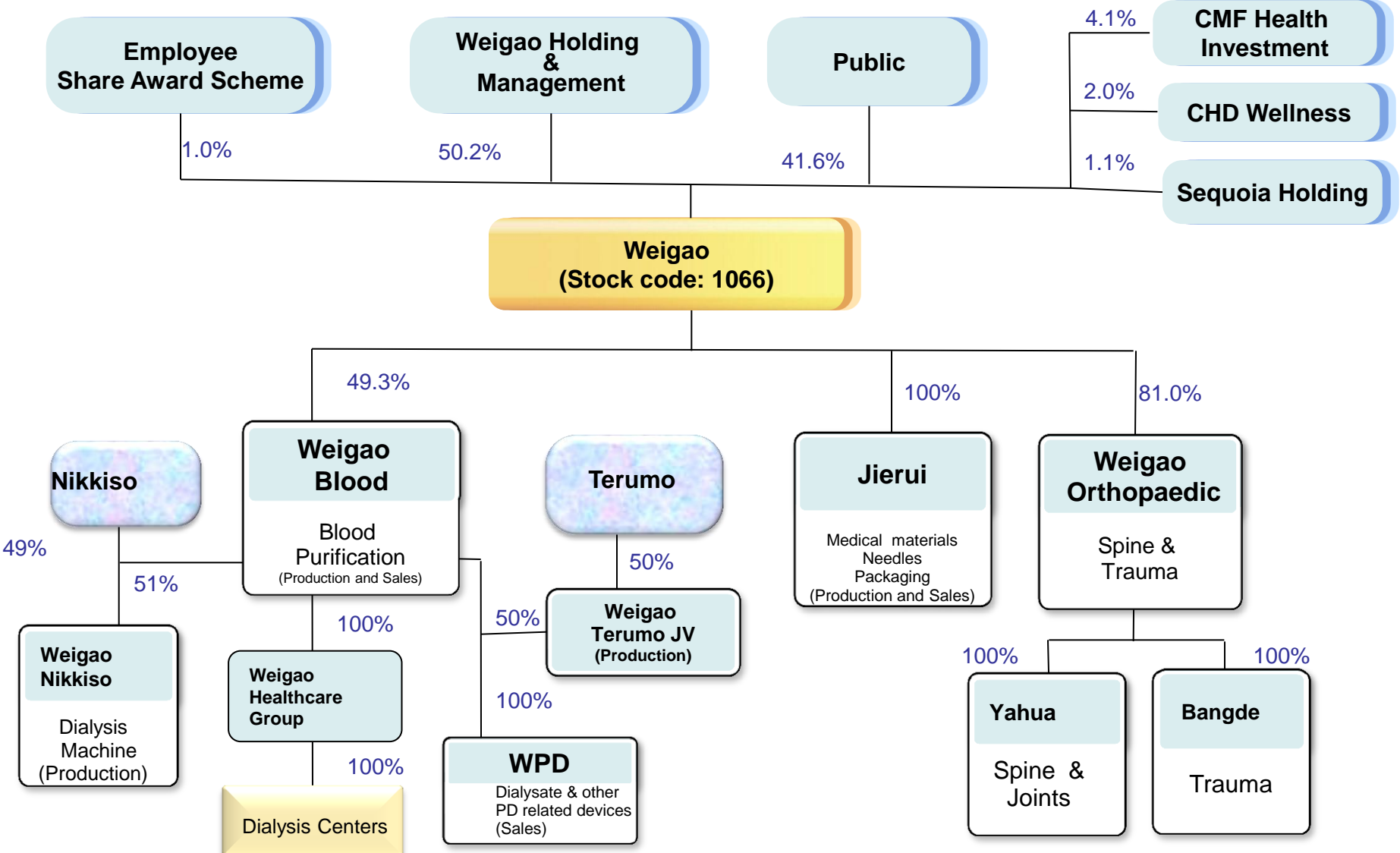
| | Total in China at 30 Sep 2016 | No. of customers | Coverage |
|-------------------------------|-------------------------------------|---------------------|--------------|
| Hospitals | | | |
| • Top tier | 2,190 | 1,023 | 46.7% |
| • Medium | 7,786 | 1,747 | 22.4% |
| • Small | 9,048 | 352 | 3.9% |
| • Other - Not rated | 9,447 | 24 | 0.3% |
| Subtotal | 28,471 | 3,146 | 11.0% |
| Blood centres | 525 | 414 | 78.9% |
| Other medical units | 927,950 | 678 | 0.07% |
| Distribution companies | | 1,170 | |
| Total | | 5,408 | |

Source: Ministry of Health and the Company

New Product Development

| Category | No. of products as at 31 Dec 2016 |
|---|--|
| With product registration certificates | 418 |
| Under application for product registration certificates | 63 |
| Patented products | 488 |
| Under patent application | 100 |

Weigao Group Structure



Appendix - Reconciliation of Net Profit

| | 12 months ended 31 Dec 2016 | 12 months ended 31 Dec 2015 | Change |
|---|--------------------------------|--------------------------------|---------------|
| | RMB'000 | RMB'000 | % |
| Profit for the Year | 1,137,592 | 1,148,858 | (1.0) |
| Non-controlling interest | (31,659) | (36,122) | (12.4) |
| Share based payment expenses | 203,031* | - | - |
| Net profit excluding extraordinary items | 1,308,964 | 1,112,736 | 17.6 |

* Note ; $294,889,000 \times 0.81 \times 0.85$ (tax)

Disclaimer

This document does not constitute, or form part of any offer for subscription or sale of, or solicitation of any offer to subscribe for or sale of any securities of Shandong Weigao Group Medical Polymer Company Limited (“Weigao Group”), nor shall it be construed as calculated to invite any such offer, nor shall it form the basis of, nor can it be relied on in connection with, or act as an inducement to enter into any contract or commitment whatsoever.

FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Weigao Group, and certain of the plans and objectives of the management of Weigao. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Weigao Group to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements were based on assumptions regarding Weigao’s present and future business strategies and the political and economic environment in which Weigao and its subsidiaries will operate in the future. Reliance should not be placed on these forward-looking statements, which reflect the view of Weigao Group’s management as of the date of this presentation only.

CONFIDENTIALITY

This document is given to you on a confidential basis and must not be passed to, or their contents disclosed to, any other person and no copy shall be taken hereof.