

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)

* For identification purposes only
僅供識別



Annual Report 2013 年報

WEGO 威高

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DIRECTORS AND SUPERVISORS

Executive Directors

Mr. Zhang Hua Wei
Mr. Wang Yi
Mr. Gong Jian Bo
Mr. Xia Lie Bo

Non-executive Directors

Mr. Chen Xue Li
Mrs. Zhou Shu Hua

Independent non-executive Directors

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

SUPERVISORS

Mrs. Bi Dong Mei
Mrs. Chen Xiao Yun
Mr. Long Jing

CORPORATE INFORMATION

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

312 Shi Chang Road
Weihai
Shandong Province
PRC

Principal place of business in Hong Kong

801, Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

Company secretary

Mrs. Wong Miu Ling, Phillis, ACIS

董事及監事

執行董事

張華威先生
王毅先生
弓劍波先生
夏列波先生

非執行董事

陳學利先生
周淑華女士

獨立非執行董事

盧偉雄先生
李家淼先生
付明仲女士
王錦霞女士

監事

畢冬梅女士
陳曉雲女士
龍經先生

公司資料

中華人民共和國（「中國」）註冊辦事處及主要營業地點

中國
山東省
威海市
世昌大道312號

香港主要營業地點

香港
灣仔
告士打道178號
華懋世紀廣場801室

公司秘書

黃妙玲女士ACIS

Compliance officer

Mr. Zhang Hua Wei

Audit Committee

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

Remuneration Committee

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

Corporate Governance Committee

Mr. Zhang Hua Wei
Mr. Lo Wai Hung
Mr. Li Jia Miao
Mrs. Fu Ming Zhong
Mrs. Wang Jin Xia

Authorised representatives

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

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong share registrars and transfer office

Tricor Standard Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal bankers

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

Website of the Company

www.weigaogroup.com

Stock Code

1066

監察主任

張華威先生

審核委員會

盧偉雄先生
李家淼先生
付明仲女士
王錦霞女士
周淑華女士

薪酬委員會

盧偉雄先生
李家淼先生
付明仲女士
王錦霞女士
周淑華女士

企業管治委員會

張華威先生
盧偉雄先生
李家淼先生
付明仲女士
王錦霞女士

授權代表

張華威先生
黃妙玲女士

核數師

德勤•關黃陳方會計師行
執業會計師

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183號
合和中心22樓

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

本公司網址

www.weigaogroup.com

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 and equipment. 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 are situated in Weihai, Shandong Province.

The Group is incorporated in the People's Republic of China. The Group has an extensive sales network comprising 25 sales offices, 38 customer liaison centers and 170 municipal representative offices. As at the date of this report, the Group has an total customer base of 5,159 (including 3,090 hospitals, 414 blood stations, 611 other medical units and 1,044 distributors).

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 segregators consumable, blood sampling products, pre-filled 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 and equipment, 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) 血液淨化耗材及設備。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。

本集團在中華人民共和國註冊成立，擁有一個由25個銷售辦事處及38個客戶聯絡中心和170家城市代表處組成的龐大銷售網絡。於本報告日期，本集團擁有總計5,159家（包括3,090家醫院、414家血站、611家其他醫療單位及1,044家經銷商）的客戶基礎。

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. 血液淨化系列耗材及設備，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 31 December 2013 (the "Year"). The Group's results in 2013 have continued to grow steadily, with prominent effect from the optimization adjustment to product mix, which laid a foundation for our future development.

FINANCIAL SUMMARY

For the year ended 31 December 2013, the Group recorded a turnover of RMB4,613,310,000, representing an increase of 25.1% over the previous financial year. Net profit attributable to the owners of the Company was approximately RMB387,984,000 (2012: net profit attributable to the owners of the Company of approximately RMB996,486,000), representing a decrease of approximately 61.1% as compared with the previous year. Net profit attributable to the owners of the Company excluding extraordinary items (which include the effect on disposal of operation of Biosensors International Group, Ltd. ("BIG") and exchange differences) was approximately RMB936,941,000 (2012: net profit attributable to the owners of the Company of approximately RMB852,172,000 excluding the effect of operation of BIG and exchange differences), representing an increase of approximately 9.9% over the previous year.

Financial Summary

| | | | | |
|--|------------------|------------------|-----------|--------|
| Turnover | 營業額 | 4,613,310 | 3,689,115 | 25.1 |
| Gross profit | 毛利 | 2,726,866 | 2,112,420 | 29.1 |
| Net profit attributable to the owners of the Company | 本公司擁有人應佔純利 | 387,984 | 996,486 | (61.1) |
| Net profit attributable to the owners of the Company excluding extraordinary items | 不計特殊項目本公司擁有人應佔純利 | 936,941 | 852,172 | 9.9 |

The extraordinary items included profit attributable from investment in BIG and loss on disposal amounting to RMB497,421,000 (2012: RMB130,775,000), loss on exchange differences amounting to RMB46,050,000 (2012: gain of RMB29,719,000) and the effect on dissolution of the distribution joint venture with Medtronic Inc. ("Medtronic") amounting to RMB5,486,000 (2012: RMB16,180,000).

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二零一三年十二月三十一日止年度(「本年度」)的經審核綜合業績。本集團二零一三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。

財務摘要

截至二零一三年十二月三十一日止年度，年度營業額達至人民幣4,613,310,000元，較上一財政年度增長了25.1%。本公司擁有人應佔純利約人民幣387,984,000元(二零一二年：本公司擁有人應佔純利約人民幣996,486,000元)，較上一年度下降約61.1%。不計當中包括出售柏盛國際集團有限公司(「柏盛」)業務影響及滙兌差額等特殊項目的本公司擁有人應佔純利約人民幣936,941,000元，(二零一二年：不計柏盛業務影響及滙兌差額的本公司擁有人應佔純利約人民幣852,172,000元)，較上一年度上升約9.9%。

財務摘要

| | 2013 二零一三年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | Growth 增長 % |
|--|-----------------------------------|-----------------------------------|-------------------|
| Turnover | 4,613,310 | 3,689,115 | 25.1 |
| Gross profit | 2,726,866 | 2,112,420 | 29.1 |
| Net profit attributable to the owners of the Company | 387,984 | 996,486 | (61.1) |
| Net profit attributable to the owners of the Company excluding extraordinary items | 936,941 | 852,172 | 9.9 |

特殊項目包括應佔柏盛盈利與出售之損失人民幣497,421,000元(二零一二年：人民幣130,775,000元)，匯率差額之虧損人民幣46,050,000元(二零一二年收益為人民幣29,719,000元)及與Medtronic Inc. (「美敦力」)的分銷合營公司清算影響等項目人民幣5,486,000元(二零一二年：人民幣16,180,000元)。

During the Year, the business growth of the Group was in line with our expectation. The new sales organisation for single use consumables has been established following the restructuring. The Group's gross profit margin increased to 59.1% from 57.3% in the previous year was mainly due to the resumption of the independent sales operation by Weigao's orthopaedic business. The disposal of all of its equity interest in BIG by the Group had an one-off impact on its net profit.

During the Year, the performance of the Group in four business segments was as follows:

- (1) the turnover for medical consumables of the Group reached RMB3,546,077,000 for the year ended 31 December 2013, representing an increase of 15.7% when compared with the previous year;
- (2) the turnover of orthopaedic business for the Year was approximately RMB505,947,000, representing an increase of 126.9% when compared with the previous year and representing a growth of 34% compared with the sales of Weigao branded orthopaedic products by the Distribution Joint Venture in 2012;
- (3) the turnover of haemodialysis consumables and equipment for the Year was approximately RMB561,286,000, representing an increase of 39.5% when compared with the previous year. Profit from Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd. ("Weigao Nikkiso"), which is 51% held by the Group, attributable to the Group amounted to approximately RMB6,822,000 (2012: attributable loss of RMB4,401,000); and
- (4) The Group disposed all of its equity interest in BIG for a consideration of US\$312,283,973 on 21 November 2013, from which an accounting loss of approximately RMB497,421,000 was recorded. The loss represented the net effect of profit attributable from BIG before the disposal amounting to approximately RMB67,811,000 and loss on disposal of BIG amounting to approximately RMB565,232,000. The equity investment in BIG was from the sale of the Group's 50% interest in Shandong JW Medical Products Co., Ltd. to BIG in exchange for equity interest in BIG in 2011. At the time, an accounting gain of approximately RMB2,568,534,000 was recorded for the financial year ended 31 December 2011.

年內，本集團業務增長實現了預期。醫用耗材業務通過對銷售組織進行的重組，確立了新的組織架構。並且主要由於威高骨科業務的自主銷售，毛利水平由去年57.3%提升至59.1%。由於本集團一次性出售柏盛的全部權益，此交易影響了應佔純利。

年內，本集團四個業務部類之表現：

- (1) 本集團常規耗材醫療製品截至二零一三年十二月三十一日止年度營業額約人民幣3,546,077,000元，較去年增長15.7%；
- (2) 骨科年度營業收入約人民幣505,947,000元，較去年上升126.9%；較合資分銷公司2012年的威高品牌骨科產品銷售增長34%。
- (3) 血液透析耗材與設備年度營業收入約人民幣561,286,000元，較去年增長39.5%，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」）的應佔盈利約為人民幣6,822,000元（二零一二年：應佔虧損約為人民幣4,401,000元）；及
- (4) 本集團在二零一三年十一月二十一日以312,283,973美元出售了持有的新加坡柏盛的全部股權，錄得會計損失約為人民幣497,421,000元。該損失包括應佔柏盛2013年出售之前盈利約人民幣67,811,000元和出售柏盛權益虧損約人民幣565,232,000元合計之結果。此項股權投資來自於本集團於2011年將所持有山東吉威醫療製品有限公司50%權益出售給柏盛並換取柏盛股權之交易，當時錄得會計收益約為人民幣2,568,534,000元。

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 30 April 2014 to Friday, 30 May 2014 (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 H share registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 29 April 2014.

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., Tuesday, 29 April 2014 |
| Closure of register of members of the Company for attendance of the annual general meeting | Wednesday, 30 April 2014 to Friday, 30 May 2014 |
| Latest time to lodge in the reply slip | 4:30 p.m., Friday, 9 May 2014 |
| Date of annual general meeting | Friday, 30 May 2014 |

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」）之權利，本公司將於二零一四年四月三十日（星期三）至二零一四年五月三十日（星期五）（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二零一四年四月二十九日（星期二）下午四時三十分送交本公司的H股股份過戶登記處卓佳標準有限公司，地址為香港皇后大道東183號合和中心22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 | 二零一四年四月二十九日（星期二）下午四時三十分 |
| 本公司暫停過戶登記以釐定出席股東週年大會之資格 | 二零一四年四月三十日（星期三）至二零一四年五月三十日（星期五） |
| 交回回條之最後期限 | 二零一四年五月九日（星期五）下午四時三十分 |
| 股東週年大會日期 | 二零一四年五月三十日（星期五） |

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend a final dividend of RMB0.031 per share (inclusive of tax). The total amount of final dividends to be distributed shall be approximately RMB138,768,000, of which dividends paid to non-resident corporate shareholders will be subject to the corporate tax applicable on the PRC sourced income pursuant to the PRC Corporate Income Tax Law and the Regulations on the Implementation of the PRC Corporate Income Tax Law that became effective on 1 January 2008 and the applicable tax rate is 10%. The listed issuer will be responsible for withholding the relevant amount of tax from the dividend payment and the dividends to be received by the non-resident corporate shareholders will be net of withholding tax. The proposal to declare and pay the final dividend will be submitted to the forthcoming Annual General Meeting to be held on Friday, 30 May 2014. 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, 7 June 2014 to Wednesday, 11 June 2014 (both days inclusive) for the purpose of determining shareholders' entitlement to final dividend for the year ended 31 December 2013, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 6 June 2014.

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0.031元(含稅)。將分派的末期股息總額約人民幣138,768,000元。其中,根據於二零零八年一月一日正式實施的《中國企業所得稅法》及《中國企業所得稅法實施條例》,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稅,適用稅率為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稅。宣派和支付末期股息的建議將在即將於二零一四年五月三十日(星期五)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二零一三年十二月三十一日止年度之末期股息之權利,本公司將於二零一四年六月七日(星期六)至二零一四年六月十一日(星期三)(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二零一四年六月六日(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183號合和中心22樓,以辦理登記手續。

In order to qualify to entitle the final dividend for the year ended 31 December 2013:-

Latest time to lodge in the transfer instrument accompanied by the share certificates 4:30 p.m., Friday, 6 June 2014

Closure of register of members of the Company for the entitlement of final dividend for the year ended 31 December 2013 Saturday, 7 June 2014 to Wednesday, 11 June 2014

Record date for entitlement of final dividend Wednesday, 11 June 2014

Despatch date of final dividend Friday, 11 July 2014

為符合資格獲派截至二零一三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 二零一四年六月六日 (星期五)下午四時三十分

本公司暫停過戶登記以釐定截至二零一三年十二月三十一日止年度之末期股息配額 二零一四年六月七日 (星期六)至二零一四年六月十一日 (星期三)

釐定末期股息配額之記錄日期 二零一四年六月十一日 (星期三)

末期股息寄發日期 二零一四年七月十一日 (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!

On behalf of the Board

Chen Xue Li
Chairman
26 March 2014

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！

代表董事會

陳學利
董事長
二零一四年三月二十六日

INTERNATIONAL COLLABORATION

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

On 21 November 2013, the Company and CB Medical Holdings Limited reached an agreement to dispose of all of its 21.7% equity interest in Biosensors International Group, Ltd (“BIG”), a listed company in Singapore at a consideration of US\$312,283,973. The consideration represented a premium of 11.7% over the closing price on 21 November 2013. After the disposal, Weigao ceased to hold any interest in BIG. This transaction recorded an one-off accounting book loss of about RMB497,421,000.

During the Year, Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd, (“Weigao Nikkiso”) a joint venture company established with Nikkiso Co., Ltd., commenced the production of dialysis machine, and is distributed in the PRC market by Weigao Blood Purification Co. Ltd. (“Weigao BP”), a 70% owned subsidiary of the Company. The collaboration leverages on the complementary strengths of the two partners. It has further strengthened the Group’s competitive advantage position and also lays a solid foundation for the business expansion of the Group in the blood purification market in China. Profit from Weigao Nikkiso attributable to the Group for the twelve months ended 31 December 2013 amounted to approximately RMB6,822,000 (2012: attributable loss of approximately RMB4,401,000).

In 2012, the Group established a joint venture company named Weigao Terumo (Weihai) Medical Products Co., Ltd (“Weigao Terumo”) engaging in peritoneal dialysis business with Terumo Corporation and Terumo (China) Holding Co. Ltd. Weigao Terumo plans to engage in the production and sales of peritoneal dialysis related devices in the PRC. Weigao BP holds 50% equity interests in Weigao Terumo. The preliminary work for production and sale in 2013 was underway smoothly. Loss from Weigao Terumo attributable to the Group for the twelve months ended 31 December 2013 amounted to approximately RMB4,002,000 (2012: Nil).

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。

二零一三年十一月二十一日本公司與CB Medical Holdings Limited達成協議，以312,283,973美元出售公司持有的全部21.7%的新加坡上市公司柏盛國際集團有限公司（「柏盛」）的股票。該價格代表11.7%的溢價（基於二零一三年十一月二十一日之收市價）。出售後，威高不再持有柏盛任何權益。此次交易產生一次性會計賬面損失約人民幣497,421,000元。

年內，與日機裝株式會社成立的合資公司威高日機裝（威海）透析機器有限公司（「威高日機裝」）已開始透析機之生產，並由本公司擁有70%權益的附屬公司威海威高血液淨化製品有限公司（「威高血液淨化」）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透析市場的優勢地位，為本集團全面進軍中國血液淨化市場奠定了堅實的基礎。截至二零一三年十二月三十一日止十二個月本集團應佔威高日機裝合營公司盈利約為人民幣6,822,000元（二零一二年：應佔虧損約為人民幣4,401,000元）。

本集團與泰爾茂公司及泰爾茂（中國）控股有限公司在2012年成立一間腹膜透析業務合資公司威高泰爾茂（威海）醫療製品有限公司（「威高泰爾茂」），計劃在中國生產及銷售腹膜透析相關器械產品，本公司之附屬公司威高血液淨化持有威高泰爾茂50%的權益。2013年生產與銷售前期工作在順利進行中，截至二零一三年十二月三十一日止十二個月本集團應佔威高泰爾茂虧損約為人民幣4,002,000元（二零一二年：無）。

OPTIMIZATION ADJUSTMENTS TO PRODUCT MIX

產品結構優化調整

The Group strived to adjust its product mix. During the Year, Shandong Weigao Orthopaedic Device Company Limited (“Weigao Orthopaedic”) resumed the sales operation following the dissolution of the Distribution Joint Venture. The proportion of sales from products with high gross profit had further increased and the gross profit margin for the year improved to 59.1% from 57.3% last year.

本公司致力於產品結構調整。年內，山東威高骨科材料有限公司（「威高骨科」）在與美敦力的分銷合資公司清算後，由威高骨科公司獨立進行市場銷售，實現了高毛利產品銷售比重的進一步提升，本年毛利率從去年的57.3%提升到59.1%。

1. Consumables: the Group recorded a turnover of approximately RMB3,546,077,000, representing an increase of 15.7% when compared with the previous year.

1. 常規耗材：本集團常規產品錄得營業額約人民幣3,546,077,000元，較去年增長15.7%。

For the year ended 31 December 2013, turnover for needle products was approximately RMB722,304,000, representing an increase of 18.0% when compared with the previous year. During the Year, the Group continued the strategy adopted in 2012 in having dedicated professional team in selling needle products and to enhance the competitive position of the Group in the direct sale channels to secure a larger market share. The Directors believe that needle products will become one of the important areas for the future development of the Company.

截至二零一三年十二月三十一日止年度，本集團的針類製品錄得營業額約人民幣722,304,000元，較去年增長18.0%。年內，本集團延續了2012年制定的針製品專業營銷團隊銷售策略，以擴大本集團在直銷渠道的競爭優勢，獲取更多的市場份額。董事相信，針類製品將成為威高日後發展的重要領域之一。

During the Year, the market development of the Group’s specialized infusion sets with dosage control device and the infusion sets made of proprietary non-PVC based material maintained a growth momentum. Turnover of infusion sets of the Group amounted to RMB1,254,165,000, representing an increase of 11.1% over last year. The Directors believe that specialized infusion sets with dosage control device and non-PVC based infusion sets have enormous development potential in the PRC. The Group will continue to consolidate its core competitiveness in this sector.

年內，本集團特種流量監控輸液器與發明的非PVC材料所製造之輸液器的市場拓展保持了增長態勢，帶動本集團輸液器產品錄得銷售額為人民幣1,254,165,000元，較去年增長11.1%。董事相信，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。

During the Year, the glass tube production line for pre-filled syringes was operating smoothly. The Group has established a favourable position in the market. Turnover of pre-filled syringes for the Year amounted to approximately RMB209,575,000, representing an increase of 32.2% when compared with last year. The Company invested approximately RMB60,000,000 to purchase a new production line for pre-filled syringes with an additional capacity of 36,000,000 pieces and production had commenced in the third quarter of 2013.

年內，預充式注射器之玻璃管生產線運作良好，本集團已於市場上處於優勢地位，年內，預充式注射器產品錄得營業額約為人民幣209,575,000元，較去年增長32.2%。本公司投資約人民幣60,000,000元採購預充式注射器新生產線，已於二零一三年第三季度正式的投產，可新增產能36,000,000支。

OPTIMIZATION ADJUSTMENTS TO PRODUCT MIX (continued)

2. The blood purification business of Weigao BP achieved rapid growth. During the Year, Weigao BP recorded a turnover of approximately RMB561,286,000, representing an increase of 39.5% when compared with last year. The second dialyser production line purchased by the Group with an investment amount of approximately RMB100 million was put into operation and expanded its production capacity. The third and the fourth production lines are expected to put into operation in the second half of 2014 to further expand its production capacity to meet market demand. The Directors expect that the blood purification business will be an important direction and segment for future development of the Group.

After obtaining the government approval in 2012, Weigao BP has actively expanded its operation of haemodialysis centres, and continuously improved the management system and training of medical personnel for haemodialysis centres.

3. After the dissolution of the Distribution Joint Venture, Weigao Orthopaedic resumed its sales operation in 2013, developed the independent sales and distribution channels with success. Operating revenue for the year from orthopaedic operation was approximately RMB505,947,000, representing an increase of 126.9% over last year and 34% increase as compared with sales of Weigao branded orthopaedic products by the Distribution Joint Venture in 2012.

During the Year, as a result of product mix adjustment, the percentage of turnover from high value-added products (products with gross profit margins of over 60%) to total turnover increased to 52.2% (2012: 45.8%).

RESEARCH AND DEVELOPMENT

For the twelve months ended 31 December 2013, product registration certificates for 54 new products were obtained. The research and development for 36 products were completed for which applications for product registration certificates are underway. The Group obtained 92 new patents and 53 new patents are under application.

產品結構優化調整 (續)

2. 本公司之附屬公司威高血液淨化之業務獲得快速發展，年內，威高血液淨化營業收入約人民幣561,286,000元，較去年增長39.5%；本集團投資約人民幣1億元採購的合成膜透析器第二條生產線已投入生產，擴大了生產能力，第三條及第四條生產線預計於2014年下半年投入生產，以進一步擴大產能，滿足市場需求。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。

威高血液淨化在2012獲得政府批准後，積極拓展血透中心的業務，不斷完善血透中心管理機制和醫護人員的培養機制。

3. 在2012年解散分銷公司後，威高骨科在2013年重新組建銷售隊伍，搭建分銷渠道，獨立銷售，並取得了成功。骨科業務年內營業收入約人民幣505,947,000元，較去年增長126.9%。較合資分銷公司2012年威高品牌骨科產品銷售增長34%。

受以上產品結構調整舉措的影響，年內，本集團高附加值產品（毛利率超過60%）之營業收入佔營業收入總額之百分比維持在52.2%（二零一二年：45.8%）。

研究與開發

截至二零一三年十二月三十一日止十二個月，本集團新取得產品註冊證54項，已經研發完成、尚在取證過程中的有36項，新獲得專利92項，正在申請中的53項。

RESEARCH AND DEVELOPMENT (continued)

The strategy of placing strong emphasis on research and development has enhanced the competitiveness and laid a 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 31 December 2013, the Group had over 300 product registration certificates and over 300 patents, of which 37 were patents on invention.

In view of the need for the strategic adjustments to product mix, the Group continued to increase the investment in the research and development in existing products series and new medical devices, so as to further improve its product series and expand product range. The Group continued to maintain its leading position in research and development capability in China. For the twelve months ended 31 December 2013, total research and development expenses amounted to approximately RMB208,921,000 (2012: approximately RMB170,587,000), representing 4.5% (2012: 4.6%) of revenue of the Group.

PRODUCTION

During the Year, The Group completed the relocation of main production facilities (including those workshops for syringes, special infusion sets and blood transfusion sets) and those ancillary facilities like warehouse, inspection center and office building from the original production plant to new industrial zone, and these facilities had been put into operation one after another 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 of low value-added products with low rate of returns. This enhanced the contribution rate for each type of products and raised the overall profitability of the Company.

研究與開發 (續)

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。

截至二零一三年十二月三十一日止十二個月，本集團擁有超過300餘項產品註冊證，超過300餘項專利，其中37項是發明專利。

基於產品結構戰略性調整的要求，本集團繼續加大在現有產品系列和多個新醫療器械領域的研發投入，以進一步完善產品系列和拓寬產品領域，持續保持本土研發實力的領先地位。截至二零一三年十二月三十一日止十二個月，研發之總開支約為人民幣208,921,000元（二零一二年：約人民幣170,587,000元），佔收入的4.5%（二零一二年：4.6%）。

生產

年內，本集團完成了包括注射器、專用輸液器、輸血製品等車間的主體生產設施，及倉庫、檢測中心、辦公樓等附屬設施由舊廠區向新工業區的搬遷工作，並在年內相繼投入使用。

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，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 adhered to implementing the strategy in integrating its sales channels. During the Year, the Group restructured its marketing system and achieved an initial success. At the same time, the Group achieved its expected sales revenue with increased in the number of sales staff, investment and support in market channels.

During the Year, the Group strengthened as its sales management system, integrated and restructured distributors. The Group focused on its marketing resources on customer development and maintained the relationship with hospitals from the grade-A of tier two or above (二甲級以上醫院). For the twelve months ended 31 December 2013, the Group newly added 127 hospitals while other medical institutes and distributors increased by 23 and 49 respectively. As at the date of this report, the Group has a total customer base of 5,159 (including 3,090 hospitals, 414 blood stations, 611 other medical units and 1,044 distributors).

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

TURNOVER BY GEOGRAPHICAL SEGMENTS

| | | 2013 二零一三年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | Increase/ (Decrease) over corresponding period 較同期增減% % |
|----------------------------|--------|-----------------------------------|-----------------------------------|--|
| Eastern and Central | 華東與華中 | 1,994,133 | 1,271,083 | 56.9 |
| Northern | 華北 | 970,134 | 799,911 | 21.3 |
| Northeast | 東北 | 525,798 | 453,210 | 16.0 |
| Southern | 華南 | 411,231 | 322,303 | 27.6 |
| Southwest | 西南 | 370,088 | 311,331 | 18.9 |
| Northwest | 西北 | 143,788 | 116,839 | 23.1 |
| Overseas | 海外 | 198,138 | 198,066 | 0.0 |
| Subtotal | 小計 | 4,613,310 | 3,472,743 | 32.8 |
| Distribution Joint Venture | 分銷合營公司 | - | 216,372 | - |
| Total | 合計 | 4,613,310 | 3,689,115 | 25.1 |

銷售及市場推廣

本集團堅持銷售渠道整合之策略，年內本集團對市場營銷體系進行的重組取得了初步成功。同時增加了銷售人員的數量，加大了市場渠道支持的投資力度，實現預期銷售收入。

年度內，本集團強化了銷售管理體系，整合重組了經銷商客戶，將營銷資源重點聚焦於二甲級以上醫院的客戶開發與維護。截至二零一三年十二月三十一日止十二個月，客戶新增127家醫院，其他醫療單位新增了23家，經銷商新增了49家。於本報告刊發日期，本集團的客戶總數為5,159名（包括醫院3,090家、血站414家、其它醫療單位611家和1,044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：

營業收入地區分部

TURNOVER BY GEOGRAPHICAL SEGMENTS
(continued)

The integration of sales channels has strengthened the Group's market penetration and influence over the direct sales to high-end customers. It enhanced sales contribution per customer and average sales per customer were increased by approximately 20.2% when compared with last year. It continued to drive up the product penetration to high-end customers and is an important way to generate revenue growth of the Group.

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 valued added infusion sets. It has increased the proportion of sales generated from high value-added products. Comparison of sales revenue of principal products with that in 2012 is as follows:

營業收入地區分部 (續)

渠道的整合，增強了本集團在直銷高端客戶群的滲透力、影響力，提高了單客戶的貢獻率，使單客戶平均銷售額較去年增長約20.2%。持續推進高端客戶的產品滲透率，是本集團拉動收入增長的一項重要手段。

產品結構的調整為提升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：

| Product category | 產品類別 | For the twelve months ended 31 December 截至十二月三十一日止十二個月 | | | For the three months ended 31 December 截至十二月三十一日止三個月 | | |
|-------------------------------------|-----------|---|-----------------------------------|---|---|-----------------------------------|---|
| | | 2013 二零一三年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | Increase/ (Decrease) over corresponding period 較同期增減% % | 2013 二零一三年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | Increase/ (Decrease) over corresponding period 較同期增減% % |
| Infusion sets | 輸液器 | 1,254,165 | 1,129,038 | 11.1 | 317,514 | 256,920 | 23.6 |
| Needles | 醫用針製品 | 722,304 | 612,085 | 18.0 | 180,313 | 123,544 | 46.0 |
| Syringes | 注射器 | 595,022 | 530,805 | 12.1 | 149,719 | 121,970 | 22.8 |
| Blood bags | 血袋製品 | 233,760 | 201,673 | 15.9 | 66,054 | 55,181 | 19.7 |
| Pre-filled syringes | 預充式注射器 | 209,575 | 158,586 | 32.2 | 50,924 | 26,590 | 91.5 |
| Blood sampling products | 採血產品 | 84,546 | 71,316 | 18.6 | 22,807 | 17,056 | 33.7 |
| Wound Management | 創傷手術護理 | 77,537 | 64,525 | 20.2 | 20,200 | 16,816 | 20.1 |
| PVC granules | PVC粒料 | 74,421 | 67,455 | 10.3 | 19,436 | 18,621 | 4.4 |
| Other consumables | 其他耗材 | 294,747 | 228,153 | 29.2 | 95,102 | 53,669 | 77.2 |
| Subtotal for single-use consumables | 一次性醫用耗材小計 | 3,546,077 | 3,063,636 | 15.7 | 922,069 | 690,367 | 33.6 |
| Orthopaedic products | 骨科製品 | 505,947 | 223,015 | 126.9 | 120,119 | 9,611 | 1,149.8 |
| Blood purification consumables | 血液淨化耗材 | 450,410 | 288,571 | 56.1 | 131,678 | 91,172 | 44.4 |
| Blood purification equipments | 血液淨化設備 | 110,876 | 113,893 | (2.6) | 39,214 | 38,122 | 2.9 |
| Total | 總計 | 4,613,310 | 3,689,115 | 25.1 | 1,213,080 | 829,272 | 46.3 |

HUMAN RESOURCES

As at 31 December 2013, the Group employed a total of 9,304 employees. The breakdown by departments when compared with last year is as follows:

Department

| | | 2013 二零一三年 | 2012 二零一二年 |
|----------------------------|---------|---------------|---------------|
| Production | 生產 | 5,660 | 5,720 |
| Sales and marketing | 銷售及市場推廣 | 2,085 | 1,762 |
| Research and development | 研發 | 927 | 906 |
| Finance and administration | 財務及行政 | 359 | 294 |
| Quality control | 質量控制 | 143 | 139 |
| Management | 管理 | 89 | 80 |
| Purchasing | 採購 | 41 | 34 |
| Total | 總計 | 9,304 | 8,935 |

Save for the six employees (including the company secretary) who are resided in Hong Kong and Europe, all the employees of the Group are resided in Mainland China. During the Year, total cost of salaries, welfare and social benefits of the Group amounted to approximately RMB806,202,000 (2012: RMB648,046,000).

Remuneration System

The Group's remuneration policy has been determined based on its performance, changes in the local consumption power and competition in human resources market. The remuneration policy so determined has become the basis of determining the salary level 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.

人力資源

於二零一三年十二月三十一日，本集團共聘用9,304名僱員，與去年比較的部門分析如下：

部門

| | | 2013 二零一三年 | 2012 二零一二年 |
|---------|--|---------------|---------------|
| 生產 | | 5,660 | 5,720 |
| 銷售及市場推廣 | | 2,085 | 1,762 |
| 研發 | | 927 | 906 |
| 財務及行政 | | 359 | 294 |
| 質量控制 | | 143 | 139 |
| 管理 | | 89 | 80 |
| 採購 | | 41 | 34 |
| 總計 | | 9,304 | 8,935 |

除6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806,202,000元（二零一二年：人民幣648,046,000元）。

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 31 December 2013, the Group recorded a turnover of RMB4,613,310,000, representing an increase of 25.1% over the previous financial year. Net profit attributable to the owners of the Company was approximately RMB387,984,000 (2012: net profit attributable to the owners of the Company of approximately RMB996,486,000), representing a decrease of approximately 61.1% as compared with the previous year. Net profit attributable to the owners of the Company excluding extraordinary items (which include the effect on disposal of operation of BIG and exchange differences) was approximately RMB936,941,000 (2012: net profit attributable to the owners of the Company of approximately RMB852,172,000 excluding the effect of operation of BIG and exchange differences), representing an increase of approximately 9.9% over the previous year.

Financial Summary

| | | 2013 二零一三年 RMB'000 人民幣千元 | 2012 二零一二年 RMB'000 人民幣千元 | Growth 增長 % |
|--|------------------|---|-----------------------------------|-------------------|
| Turnover | 營業額 | 4,613,310 | 3,689,115 | 25.1 |
| Gross profit | 毛利 | 2,726,866 | 2,112,420 | 29.1 |
| Net profit attributable to the owners of the Company | 本公司擁有人應佔純利 | 387,984 | 996,486 | (61.1) |
| Net profit attributable to the owners of the Company excluding extraordinary items | 不計特殊項目本公司擁有人應佔純利 | 936,941 | 852,172 | 9.9 |

The extraordinary items included profit attributable from investment in BIG and loss on disposal amounting to RMB497,421,000 (2012: RMB130,775,000), loss on exchange differences amounting to RMB46,050,000 (2012: gain of RMB29,719,000) and the effect on dissolution of the Distribution Joint Venture with Medtronic amounting to RMB5,486,000 (2012: RMB16,180,000).

財務回顧

截至二零一三年十二月三十一日止年度，年度營業額達至人民幣4,613,310,000元，較上一財政年度增長了25.1%。本公司擁有人應佔純利約人民幣387,984,000元（二零一二年：本公司擁有人應佔純利約人民幣996,486,000元），較上一年度下降約61.1%。不計當中包括出售柏盛業務影響及滙兌差額等特殊項目的本公司擁有人應佔純利約人民幣936,941,000元，（二零一二年：不計柏盛業務影響及滙兌差額的本公司擁有人應佔純利約人民幣852,172,000元），較上一年度上升約9.9%。

財務摘要

特殊項目包括應佔柏盛盈利與出售之損失人民幣497,421,000元（二零一二年：人民幣130,775,000元），匯率差額之虧損人民幣46,050,000元（二零一二年收益為人民幣29,719,000元）及與美敦力的分銷合營公司清算影響等項目人民幣5,486,000元（二零一二年：人民幣16,180,000元）。

FINANCIAL REVIEW (continued)

Liquidity and Financial Resources

The Group has maintained a sound financial position during the Year. As at 31 December 2013, the Group's cash and bank balance amounted to approximately RMB2,975,623,000. For the year ended 31 December 2013, net cash flow from operating activities of the Group amounted to approximately RMB720,174,000. The Group has maintained a sound cash flow position.

Total interest expenses of the Group for the year ended 31 December 2013 were approximately RMB8,957,000 (2012: RMB4,678,000).

Gearing Ratio

As at 31 December 2013, total net cash of the Group amounted to approximately RMB2,575,723,000 (2012: RMB1,297,856,000). The change in the total net cash was mainly due to increase in cash from disposal of interest in BIG.

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 31 December 2013, the Group has not encountered any material difficulty due to currency fluctuation nor shortage of its own operating funds. For the twelve months ended 31 December 2013, 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 RMB46,050,000 for the year ended 31 December 2013 was recognised (2012: foreign exchange gain equivalent to RMB29,719,000) by the Company.

財務回顧 (續)

流動資金及財務資源

本集團於本年度維持良好的財務狀況。於二零一三年十二月三十一日，本集團現金及銀行結餘約為人民幣2,975,623,000元。截至二零一三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720,174,000元，現金流量狀況健康。

截至二零一三年十二月三十一日止年度，本集團的利息支出總額約為人民幣8,957,000元（二零一二年：人民幣4,678,000元）。

資本負債比率

於二零一三年十二月三十一日，本集團淨現金總額約為人民幣2,575,723,000元（二零一二年：人民幣1,297,856,000元）。淨現金總額的變動主要由於出售柏盛權益所增加的現金。

匯率風險

本集團的採購和銷售以中國為主。其所有資產、負債及交易均以人民幣計值。截至二零一三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。截至二零一三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，本公司於截至二零一三年十二月三十一日止年度，實現匯兌損失合人民幣46,050,000元（二零一二年：匯兌收益折合人民幣29,719,000元）。

FINANCIAL REVIEW (continued)

Contingent Liabilities

On 21 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 USD49.6 million.

The award of the arbitration was handed down on 5 March 2013 and the final award on taxation of costs was handed down on 23 October 2013. The Board is of the view that it will not have a significant impact on the Group after considering the following factors:

- (a) The Arbitral Tribunal dismissed Adject's claims and only awarded wasted expenditure to Adject; and
- (b) The Company was awarded HK\$12.05 million in costs while Adject was only awarded HK\$8.05 million.

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 rezoned as commercial and residential use. Hence, during the Year, the Group made an investment of RMB1,014,295,000 on purchase of land, production facilities and plant construction for the purpose of the overall relocation of the industrial zone for the Group's medical consumables in future.
2. Investing RMB48,000,000 to construct the workshop for irradiation sterilization, with a site area of 6,000 square metres. It is expected to commence production in the fourth quarter of 2014.

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 31 December 2013, and there was no material acquisition and disposal in any other subsidiaries and associates during the Year.

財務回顧 (續)

或有負債

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，內容有關與Adject ApS之合同糾紛涉及最多49,600,000美元的損失仲裁金額。

仲裁判決已於二零一三年三月五日頒佈，而訟費稅項的最終判決於二零一三年十月二十三日頒佈。董事局在考慮以下因素後認為不會對集團有重大影響。

- (a) 仲裁庭駁回Adject的申索，而僅將耗損開支的款項判Adject得值；及
- (b) 本公司獲判要負責12,050,000港元之訟費，而Adject僅獲判8,050,000港元。

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1,014,295,000元，用於購買土地、生產設備與建設廠房，為本集團醫療耗材工業園未來實現整體搬遷之用。
2. 投資人民幣48,000,000元建設輻照滅菌車間，佔地6,000平方米，預計2014年第4季度投產。

除上述重大投資與投資計劃外，於二零一三年十二月三十一日，本集團並無重大資本承擔，無參與重大投資或購入資本資產之未來計劃。於本年度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。

MATERIAL INVESTMENTS/ FUTURE MATERIAL INVESTMENT PLANS

(continued)

Capital commitment

As at 31 December 2013, 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 RMB656,312,000 (2012: RMB643,721,000). The above amounts will be financed by the internal resources of the Group.

Pledge of the Group's Assets

As at 31 December 2013, the Group did not pledge the land use rights and buildings (2012: RMB Nil) but the Company pledged bank deposits of RMB143,496,000 (2012: RMB91,546,000) to secure the bills and banking facilities granted to the Group.

Reserves and Distributable Reserves

As at 31 December 2013, total reserves of the Group amounted to RMB8,592,708,000 (2012: RMB8,463,356,000).

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 31 December 2013, the distributable reserves of the Company were approximately RMB2,151,298,000 (2012: RMB2,038,346,000).

重大投資／未來重大投資計劃 (續)

資本承擔

於二零一三年十二月三十一日，本集團及本公司已經簽約但尚未作出撥備的購置物業、廠房及設備的資本承擔約為人民幣656,312,000元（二零一二年：人民幣643,721,000元），上述款項將以本集團之內部資源支付。

本集團資產抵押

於二零一三年十二月三十一日，本集團並無抵押土地使用權及樓宇（二零一二年：人民幣零元），惟本公司已抵押存款人民幣143,496,000元（二零一二年：人民幣91,546,000元）以獲取授予本集團的票據及銀行貸款額度。

儲備及可供分派儲備

於二零一三年十二月三十一日，本集團儲備總額為人民幣8,592,708,000元（二零一二年：人民幣8,463,356,000元）。

根據中國的法律及條例，本公司可供分派的儲備將以按照中國會計原則及規則所計算金額與按照香港公認會計原則所計算金額中的較低者為基準。於二零一三年十二月三十一日，本公司可供分派的儲備約為人民幣2,151,298,000元（二零一二年：人民幣2,038,346,000元）。

REVIEW AND OUTLOOK

In 2013, facing the situation of rapid development of medical device market and competition of medical device companies in the PRC, the Company adjusted its product lines and disposed its cardiovascular business. Despite such disposal had caused considerable impact on profit for the Year, cash received from the disposal would be beneficial to the future business development and product lines expansion of the Company. The establishment of sales channels in orthopaedic products enhanced the brand awareness of Weigao and its market position. The initial success of marketing and sales restructuring lays a foundation for maintaining customer relationship and expansion of new customers in future.

Looking forward to 2014, facing the rapid development of medical market and intensifying competition from companies in the industry, together with the relocation of new factory and increase in wage costs, the Company believes that these will have a continuous impact in retaining talents and the profitability of consumables for the Company. In view of this situation, the Group will place emphasis on the followings:

1. Speed up the study and formulation 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.
2. Strengthen management capability in strategy and merger and acquisition, fully capitalise on the customer resource strengths in the PRC high-end market, promote international collaboration by ways of joint venture, co-operation, technology transfer, acquisitions and mergers, introducing technologies and further expanding product categories to consolidate the competitive strengths of the various product lines of the Company, and gradually expand the international market share of existing products.

回顧與展望

二零一三年度，面對中國醫療器械市場的快速發展和醫療器械公司競爭的格局，本公司對公司產品線進行了調整，出售了心血管業務，雖然對本年度利潤造成了較大影響，但是出售該業務所帶來的現金有利於公司未來公司業務發展和產品線擴展；骨科銷售渠道的組建有助於威高品牌的提升和對市場的把握；營銷系統重組的初步成功，為今後客戶關係維護和新客戶拓展打下了基礎。

展望二零一四年，公司認為面對醫療市場的快速發展和同行業公司競爭的日益加劇，以及新產房搬遷與工資成本的上漲，對公司人才保留及常規產品的盈利能力產生持續的影響。針對此形勢，本集團將：

1. 加快長效激勵機制的研究和制定，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。
2. 強化戰略與購併管理能力，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，鞏固公司多產品線的競爭優勢，並逐漸擴充現有產品的國際市場份額。

REVIEW AND OUTLOOK (continued)

3. Continue to intensify more efforts in the research and development of new products to facilitate the adjustment of product sales mix, while continuously improve the product functionality, through adopting irradiation sterilization and launching of new PEEK rods in spine and trauma products, increase the competitiveness of our products in the market.
4. Deepen the management of sales organisation, further clarify the organizational structure and management responsibilities for the sales system, establish accountability system for management at different levels in customer expansion and achievement of sales growth, improve the efforts in professional training to customers, increase resources deployment in marketing and academic training, enhance the brand image of Weigao to improve the sales network coverage of the Group and market share of its product lines, and thereby consolidate and expand its market share.
5. Conduct synergistic procurement and synergistic sales to reduce procurement and distribution costs; continue to enhance the investments in technological improvement, and increase the level of automation with an objective of assimilating the pressure from increase in costs in relocation of new factory and rising labour costs.

With study and formulation of long-term talent incentive mechanism and the launching of more upgraded products and large-scale new product series, clear of responsibility and authorisation mechanism of restructured sales organisation, 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.

回顧與展望 (續)

3. 繼續加大新產品的研發力度，以促進產品銷售結構的調整；同時不斷完善產品性能，通過輻照滅菌與骨科脊柱Peek棒為代表的脊柱與創傷新產品的推出，提高產品在市場上的競爭力。
4. 深化銷售組織管理，進一步明晰銷售系統的組織架構和管理權責，建立各級管理人員拓展客戶和實現銷售增長的責任制，提升對客戶的專業培訓力度，增加市場推廣、優化學術培訓的資源配置，提升威高的品牌形象，以提升本集團之銷售網絡覆蓋率與產品線市場佔有率，鞏固擴大市場份額。
5. 開展協同採購與協同銷售，降低採購和分銷成本；繼續加大技改投入，提升自動化水平，消化新廠房搬遷的成本增加壓力與人工成本上漲的壓力。

管理層相信，隨著人才激勵長效機制的研究與制定，更多升級產品的推出和新系列產品的大規模上市，及銷售組織重組後責權機制的明晰，本集團在中國市場的領先地位將持續鞏固。本集團及其僱員有信心面對新的挑戰。

To all shareholders:

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

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

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

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

致各位股東：

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

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

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

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

REPORT OF THE SUPERVISORY COMMITTEE 監事會報告書

The Supervisory Committee is satisfied with the achievement and cost-effectiveness of the Company in 2013 and has great confidence in the future prospect of the Company.

本監事會對本公司於二零一三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

26 March 2014

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

二零一四年三月二十六日

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 28 February 2004.

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 specific 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 2013.

The following summarizes the corporate governance practices of the Company:

The Board of Directors

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

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。

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二零一三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。

以下概述本公司的企業管治常規：

董事會

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

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

The Board of Directors (continued)

Currently, the Board comprises ten Directors, including four executive Directors, two non-executive Directors and four independent non-executive Directors. The Directors as at 31 December 2013 are:

Executive Directors:

Mr. Zhang Hua Wei
Mr. Wang Yi
Mr. Gong Jian Bo
(appointed on 18 March 2013)
Mr. Xia Lie Bo
(appointed on 18 March 2013)

Non-executive Directors:

Mr. Chen Xue Li
Mrs. Zhou Shu Hua
Mr. Christopher J. O'Connell
(resigned on 1 July 2013)

Independent non-executive Directors:

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

遵守董事進行證券交易的標準守則 (續)

董事會 (續)

目前，董事會由十名董事組成，包括四名執行董事、兩名非執行董事以及四名獨立非執行董事。於二零一三年十二月三十一日，董事的具體名單如下：

執行董事：

張華威先生
王毅先生
弓劍波先生
(於二零一三年三月十八日獲委任)
夏列波先生
(於二零一三年三月十八日獲委任)

非執行董事：

陳學利先生
周淑華女士
Christopher J. O'Connell先生
(於二零一三年七月一日辭任)

獨立非執行董事：

盧偉雄先生
李家淼先生
付明仲女士
王錦霞女士

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

The Board of Directors (continued)

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

Board Meetings

The Company adopts the practice of holding board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of board meeting will be sent to all Directors at least 14 days prior to a regular board meeting. Reasonable notice will be given to Directors for ad-hoc board meetings. Directors may participate either in person or through electronic means of communications.

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

遵守董事進行證券交易的標準守則 (續)**董事會** (續)

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

董事會會議

本公司的董事會會議每年最少定期舉行四次，大約每季舉行一次。需要時亦會召開臨時會議，以商討整體策略以及本集團的營運和財務表現。全體董事將於舉行定期董事會會議前最少十四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)

Board Meetings (continued)

Number of Board meetings held during the year 2013: 6.

The attendance of each Director at Board meetings during the year ended 31 December 2013 was as follows:

遵守董事進行證券交易的標準守則 (續)

董事會會議 (續)

於二零一三年度舉行的董事會會議次數：6次。

截至二零一三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 2013
於二零一三年
的出席率
(%)**

Executive Directors

Mr. Zhang Hua Wei
Mr. Wang Yi
Mr. Gong Jian Bo
(appointed on 18 March 2013)
Mr. Xia Lie Bo
(appointed on 18 March 2013)

執行董事：

張華威先生 100%
王毅先生 83%
弓劍波先生 100%
(於二零一三年三月十八日獲委任)
夏列波先生 100%
(於二零一三年三月十八日獲委任)

Non-executive Directors

Mr. Chen Xue Li
Mrs. Zhou Shu Hua
Mr. Christopher J. O'Connell
(resigned on 1 July 2013)

非執行董事：

陳學利先生 50%
周淑華女士 67%
Christopher J. O'Connell先生 0%
(於二零一三年七月一日辭任)

Independent non-executive Directors

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

獨立非執行董事：

盧偉雄先生 100%
李家淼先生 100%
付明仲女士 100%
王錦霞女士 100%

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

Board Meetings (continued)

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.

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

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).

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.

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

Chairman and Chief Executive Officer

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.

The Chairman of the Board is appointed by the Board itself, who is responsible for the leadership of the 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.

遵守董事進行證券交易的標準守則 (續)**董事會會議** (續)

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。

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。

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。

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。

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。

主席與行政總裁

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。

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)

Experience

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.

Directors' responsibility

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.

Remuneration Committee

The Company established a remuneration committee on 12 August 2005 in accordance with the requirement of the Code. The remuneration committee comprises four independent non-executive Directors, namely Mr. Lo Wai Hung, Mr. Li Jia Miao, Mrs. Fu Ming Zhong, Mrs. Wang Jin Xia and a non-executive director, Mrs. Zhou Shu Hua.

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.

遵守董事進行證券交易的標準守則 (續)

經驗

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。

董事責任

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。

薪酬委員會

本公司已根據守則規定於二零零五年八月十二日成立薪酬委員會。薪酬委員會由四名獨立非執行董事盧偉雄先生、李家焱先生、付明仲女士及王錦霞女士及一名非執行董事周淑華女士組成。

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。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

Remuneration Committee (continued)

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.

Remuneration of Directors is subject to annual assessment and recommendation by the Remuneration Committee to the Board for further review and approval, which is 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.

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.

Nomination Committee

The Company established a nomination committee on 21 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, Mrs. Wang Jin Xia 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:–

- 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.

遵守董事進行證券交易的標準守則 (續)**薪酬委員會** (續)

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。

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。

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。

提名委員會

本公司已根據守則規定於二零一二年五月二十一日成立提名委員會。提名委員會由盧偉雄先生、李家焱先生、付明仲女士、王錦霞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：

- 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。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

Nomination Committee (continued)

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

The Nomination Committee provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary. All members of the Nomination Committee 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.

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.

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.

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

遵守董事進行證券交易的標準守則 (續)

提名委員會 (續)

- 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。
- 評核獨立非執行董事的獨立性。
- 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。

提名委員會已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。

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。

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。

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。

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

(continued)

Corporate Governance Committee

The Company established a corporate governance committee on 30 May 2013. The corporate governance committee comprises Mr. Zhang Hua Wei as the chairman of the committee and Mr. Lo Wai Hung, Mr. Li Jia Miao, Mrs. Fu Ming Zhong and Mrs. Wang Jin Xia as members. The terms of reference of the corporate governance committee have been defined. The principal duties include:–

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the board;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the code and disclosure in the corporate governance report.

The Corporate Governance Committee will be provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary. All members of the Corporate Governance Committee will 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.

遵守董事進行證券交易的標準守則 (續)

企業管治委員會

本公司於二零一三年五月三十日成立企業管治委員會。企業管治委員會包括張華威先生(作為委員會主席)以及盧偉雄先生、李家淼先生、付明仲女士及王錦霞女士(作為成員)。企業管治委員會之職權範圍已界定。主要職責包括:

- (a) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
- (e) 檢討本公司遵守《守則》的情況及在《企業管治報告》內的披露。

企業管治委員會將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。企業管治委員會的所有成員將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

Financial Reporting

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.

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.

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

Internal control

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.

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

The Board has considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training program and budget.

問責及核數

財務報告

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。

本公司的全體董事均知悉其編製賬目的責任，於本年報內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。

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。

內部監控

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，彼等將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。

董事會已審查本集團內部監控系統的效能。

董事會已考慮資源的充足性、本公司會計及財務報告部門員工的資歷及經驗以及彼等的培訓計劃及預算。

ACCOUNTABILITY AND AUDIT (continued)**Audit Committee**

The audit committee of the Company comprises four independent non-executive Directors, namely Mr. Lo Wai Hung (chairman of the audit committee), Mr. Li Jia Miao, Mrs. Fu Ming Zhong, Mrs. Wang Jin Xia 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:

- 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.
- 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.
- 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.

問責及核數 (續)**審核委員會**

本公司的審核委員會由四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、付明仲女士及王錦霞女士及非執行董事周淑華女士組成。審核委員會的職權範圍已清晰界定，其主要職責包括：

- 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。
- 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與核數師討論核數性質及範疇及有關申報責任。
- 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)

Audit Committee (continued)

- 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, the committee will review 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.
- To oversee the financial reporting system and internal control procedures of the Company.

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

問責及核數 (續)

審核委員會 (續)

- 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本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。
- 監管本公司財務申報制度及內部監控程序。

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 2013
於二零一三年
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. Li Jia Miao | 李家淼先生 | 100% |
| Mrs. Fu Ming Zhong | 付明仲女士 | 100% |
| Mrs. Wang Jin Xia | 王錦霞女士 | 100% |
| Non-executive Director | 非執行董事 | |
| Mrs. Zhou Shu Hua | 周淑華女士 | 50% |

The scope of responsibilities of the audit committee is available on the websites of Company and the Stock Exchange of Hong Kong Limited.

審核委員會的職權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)

Audit Committee (continued)

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 2013.

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

In 2013, the audit fees paid to the external auditors by the Company was approximately RMB3,140,000.

Mandate Granted to the Board

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.

- (1) to be responsible for convening shareholders' meetings and report on its work at shareholders' meetings;
- (2) to implement the resolutions passed at shareholders' meetings;
- (3) to determine the business plans and investment plans of the Company;
- (4) to formulate the annual fiscal budgets and final accounts of the Company;
- (5) to formulate profit distribution proposals and loss recovery proposals of the Company;
- (6) to formulate proposals for increasing or reducing of the registered capital of the Company and proposals for issue of debentures of the Company;
- (7) to draft proposals for the merger, division and dissolution of the Company;

問責及核數 (續)

審核委員會 (續)

於二零一三年度，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。

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。

於二零一三年，本公司向外聘核數師支付的核數費用約為人民幣3,140,000元。

董事會的授權

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。

- (一) 負責召集股東大會，並於股東大會報告工作；
- (二) 執行股東大會通過的決議案；
- (三) 決定本公司的經營計劃和投資方案；
- (四) 制訂本公司的年度財務預算方案及決算方案；
- (五) 制訂本公司的利潤分配方案和彌補虧損方案；
- (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；
- (七) 擬定本公司合併、分拆及解散的方案；

ACCOUNTABILITY AND AUDIT (continued)

Mandate Granted to the Board (continued)

- (8) to determine the establishment of the internal management bodies of the Company;
- (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;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals for amendments to the Articles of Association of the Company; and
- (12) to exercise other functions as stipulated by the articles of association or granted by the shareholders' meetings.

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:

- (1) to be in charge of the management of production and operation and to organize the implementation of the resolutions of the Board;
- (2) to organize the implementation of the annual business plans and investment plans of the Company;
- (3) to draft proposals for the establishment of internal management bodies of the Company;
- (4) to draft the basis management system of the Company;
- (5) to formulate the basic rules and regulations of the Company;
- (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;

問責及核數 (續)

董事會的授權 (續)

- (八) 決定本公司內部管理機構的組成；
- (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；
- (十) 制訂本公司的基本管理制度；
- (十一) 制訂本公司組織章程細則的修改方案；及
- (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。

董事會授權行政總裁執行以下各項策略及負責日常業務：

- (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；
- (二) 組織實施本公司年度經營計劃和投資方案；
- (三) 擬訂本公司內部管理機構的組成方案；
- (四) 擬訂本公司的基本管理制度；
- (五) 制訂本公司的基本規章；
- (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)

Mandate Granted to the Board (continued)

- (7) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the Board; and
- (8) to exercise other functions granted by the Articles of Association and the Board.

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

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

Communications with shareholders

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

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.

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.

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

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.

問責及核數 (續)

董事會的授權 (續)

- (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
- (八) 行使組織章程細則和董事會授予的其他職權。

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。

董事會下設四個委員會：即審核委員會、薪酬委員會、提名委員會及企業管治委員會。每個委員會各有涵蓋其責任、權利和職能的職權範圍。各委員會的主席會定期向董事會匯報，並按情況需要就討論事宜提出建議。

與股東的溝通

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。

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。

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。

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。

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。

DIRECTOR'S TRAINING

Directors' continuous training and development

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant. The directors are committed to complying with the CG Code A6.5 which came into effect on 1 April 2012 on directors' training. All directors have participated in continuous professional development by attending seminars and/or studying materials to director's duties and responsibility and provided a record of training they received for the financial year ended 31 December 2013 to the Company.

DIRECTORS' LIABILITIES INSURANCE

The Company has arranged appropriate insurance cover for Directors' liabilities in respect of potential legal actions against the Directors arising out of corporate activities of the Group pursuant to Code Provision A.1.8 of the new CG Code. Such directors' liability insurance will be reviewed and renewed annually.

Throughout the year ended 31 December 2013, no claim has been made against the Directors.

董事之培訓

董事之持續培訓及發展

董事須參與持續專業發展，以深造及更新彼等的知識及技能。此為確保彼等向董事會作出知情及相關之貢獻。董事承諾遵守於二零一二年四月一日起生效之有關董事培訓之企業管治守則第A6.5條。截至二零一三年十二月三十一日止財政年度，全體董事均透過出席與董事職責及責任有關之研討會及／或研習資料以參與持續專業發展，並已向本公司提供其於截至二零一三年十二月三十一日止財政年度所接受培訓之記錄。

董事責任保險

本公司已按照新企管守則之守則條文A.1.8條，就董事可能因本集團企業活動而面對之法律行動作適當董事責任投保安排。有關董事責任保險將每年檢討及續保。

於截至二零一三年十二月三十一日止整個年度並無針對董事之申索。

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Hua Wei, aged 50, 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.

Mr. Wang Yi, aged 54, 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.

Mr. Gong Jian Bo, aged 46, is an executive Director of the Company and the general manager of Shandong Weigao Orthopaedic Device Company Limited (“Weigao Orthopaedic”). Mr. Gong graduated from 常州市武進前黃學校 (Changzhou Wujin Qian Huang College*) in 1987. Prior to joining the Company, Mr. Gong joined 常州市武進第三醫療器械廠 (Changzhou Wujin The Third Medical Device Factory*) (“Changzhou Wujin”) in 1988. He served as an assistant to the factory director and worked in technical and sales departments and was subsequently promoted to factory director in 1993. Changzhou Wujin is principally engaged in the research and development, sales and production of medical devices in China. Mr. Gong joined Weigao Orthopaedic in February 2005. Mr. Gong has over 20 years of valuable experience in medical device industry in China.

董事會

執行董事

張華威先生，50歲，本公司副董事長兼總經理兼威高集團有限公司（「威高集團」）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集團副廠長，自一九九八年起為威高集團總經理。張先生於二零零零年十二月加入本公司。

王毅先生，54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集團，歷任生產科長（一九八八年至一九八九年）、威高集團第二分廠主管（一九八九年至一九九二年）、威高集團第三分廠經理（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。

弓劍波先生，46歲，本公司之執行董事及山東威高骨科材料有限公司（「威高骨科」）總經理。弓先生於一九八七年畢業於常州市武進前黃學校。於加入本公司前，弓先生於一九八八年加入常州市武進第三醫療器械廠（「常州武進」）。他曾擔任廠長助理並參予技術及銷售部門之工作並其後於一九九三年晉升為廠長。常州武進主要於中國從事醫療設備之研發、銷售及生產。弓先生於二零零五年二月加入威高骨科。弓先生於中國醫療設備行業擁有逾20年之寶貴從業經驗。

BOARD OF DIRECTORS (continued)

Executive Directors (continued)

Mr. Xia Lie Bo, aged 36, is an executive Director of the Company and the general manager and the chairman of Weihai Weigao Blood Purification Products Company Limited ("Weigao Blood Purification"). Mr. Xia graduated from 寧波高等專科學校 (Ningbo Advanced Technical College*) in 1998. Prior to joining the Company, Mr. Xia served as a management trainee in the quality control division in 寧波亞泰醫療器械有限公司 (Ningbo Yatai Medical Device Company Limited*) ("Ningbo Yatai") since August 1998. Ningbo Yatai is a sino-foreign joint venture company which is principally engaged in research and development, manufacture and sale of plasma segregator and blood lavage set. Mr. Xia subsequently joined 浙江玉環衛康醫療器械有限公司 (Zhejiang Yu Huan Wei Kang Medical Equipment Company Limited*) ("Yu Huan") in November 2000 and was responsible for strategic planning and management in Yu Huan which is principally engaged in research and development of protein A-based immune absorption column in China. In April 2002, Mr. Xia joined 浙江科銳生物科技有限公司 (Zhejiang Ke Rui Biotech Company Limited*) which is principally engaged in research and development of blood purification related products and he was responsible for overall business management. In May 2003, Mr. Xia joined as a project manager in 上海和祥醫療器械有限公司 (Shanghai Hoxen Company Limited*) which is engaged in distribution of renal failure treatment equipment and blood purification therapy instrument in China. Mr. Xia joined Weigao Blood Purification in October 2004. Mr. Xia has over 10 years of valuable experience in operation and management in blood purification industry in China.

Non-executive Directors

Mr. Chen Xue Li, aged 62, is the Chairman of both the Company and Weigao Holding. Mr. Chen founded Weigao Holding in 1988, and was the head of the company 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.

董事會 (續)

執行董事 (續)

夏列波先生，36歲，本公司之執行董事及威海威高血液淨化製品有限公司（「威高血液淨化」）總經理兼董事長。夏先生於一九九八年畢業於寧波高等專科學校。於加入本公司前，自一九九八年八月起，夏先生曾任職於寧波亞泰醫療器械有限公司（「寧波亞泰」），擔任品質部見習管理人員職務。寧波亞泰為一間主要從事血漿分離器及血液灌流器之研發、生產及銷售業務之中外合營企業。隨後於二零零零年十一月，夏先生加入浙江玉環衛康醫療器械有限公司（「玉環」），負責玉環（主要於中國從事蛋白A免疫吸附柱之研發）之策略規劃及管理。於二零零二年四月，夏先生加入浙江科銳生物科技有限公司（主要從事血液淨化相關產品之研發），負責整體業務管理。於二零零三年五月，夏先生加入上海和祥醫療器械有限公司擔任項目經理職務，該公司於中國從事腎功能衰竭治療設備及血液淨化治療儀之分銷業務。於二零零四年十月，夏先生加入威高血液淨化。夏先生在中國血液淨化製品行業擁有逾10年之寶貴經營管理經驗。

非執行董事

陳學利先生，62歲，本公司及威高集團董事長。陳先生於一九八八年創立威高集團，曾任威高集團主管（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。

BOARD OF DIRECTORS (continued)

Non-executive Directors (continued)

Mrs. Zhou Shu Hua, aged 57, 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.

Independent Non-executive Directors

Mr. Lo Wai Hung, aged 54, 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 10 August 2009. Mr. Lo is also an independent non-executive director of Talent Property Group Limited which is listed on the Stock Exchange of Hong Kong Limited and C Cheng Holdings Limited which is listed on Growth Enterprise Market ("GEM") board of 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.

Mr. Li Jia Miao, aged 74, is an independent non-executive Director. Mr. Li is a senior economist and obtained an university qualification major in economics and management in Hohai University in 1998. Mr. Li has over 45 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 Group Company Limited since 2000. He was appointed as an independent non-executive director of the Company on 28 February 2007.

董事會 (續)

非執行董事 (續)

周淑華女士，57歲，本公司非執行董事兼威高集團財務副總經理。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集團，歷任威高集團財務部財務科長、財務部經理及財務副總經理等職。

獨立非執行董事

盧偉雄先生，54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(該公司於香港聯合交易所有限公司上市)及思城控股有限公司(該公司於香港聯合交易所有限公司創業板(「創業板」)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。

李家森先生，74歲，獨立非執行董事。李先生為一名高級經濟師，一九九八年南京河海大學經濟管理專業畢業，大學學歷。李先生擁有逾45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集團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。

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 63, 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 1992. 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.

Mrs. Fu is currently the chairman of China Association of Pharmaceutical Commerce and she joined the Company in October 2011.

付明仲女士，63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。付女士於一九九二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。

付女士現時亦為中國醫藥商業協會執行會長於二零一一年十月加入本公司。

BOARD OF DIRECTORS (continued)

Independent Non-executive Directors (continued)

Mrs. Wang Jin Xia, aged 59, an independent non-executive Director of the Company. Mrs. Wang is a senior economist and has over 30 years of working experience, especially the management experience in the pharmaceutical commerce, pharmaceutical and healthcare products industry. Mrs. Wang obtained a bachelor degree in economics (經濟學學士) from Dongbei University of Finance and Economics in July 1983 and was assigned to work in State Pharmaceutical Administration of China Pharmaceutical Company (國家醫藥管理局中國醫藥公司). Mrs. Wang was deputy director of the finance division, deputy director and director of the information division of China Pharmaceutical Company (中國醫藥公司) during the period from 1989 to 2002, and deputy secretary of China Pharmaceutical Business Association (中國醫藥商業協會) in 1999. Mrs. Wang was an independent director of Jiangsu Wu Zhong Industrial Company Limited (江蘇吳中實業股份有限公司) (Stock code: 600200), a company listed in Shanghai, from April 2002 to April 2010. Mrs. Wang held the positions of the general secretary and the vice president of China Association of Pharmaceutical Commerce (中國醫藥商業協會) and the person in charge of the pharmaceutical chains branch of China Association of Pharmaceutical Commerce (中國醫藥商業協會連鎖藥店分會) from 2000 to 2012. She is also an expertise committee member of the pharmaceutical industry under the Ministry of Commerce (國家商務部藥品流通行業) and an expertise member of price evaluation division under the National Development and Reform Commission. (國家發展和改革委員會藥品價格評審中心), senior advisor of China Nonprescription Medicines Association (中國非處方藥協會), visiting professor of Shanghai Jiao Tong University Continuing Education School.

Mrs. Wang is also an independent non-executive director of Shanghai-listed Merro Pharmaceutical Co., Ltd since September 2007, (stock code: 600297) and also the independent non executive director of Shandong Realcan Pharmaceutical Co., Ltd. (stock code: 002589), a company listed in Shenzhen, since November 2009.

董事會 (續)

獨立非執行董事 (續)

王錦霞女士，59歲，本公司之獨立非執行董事。王女士為高級經濟師及擁有逾30年工作經驗，尤其於藥品流通、醫藥及保健產品行業的管理經驗。王女士於一九八三年七月在東北財經大學獲得經濟學學士學位，被分配到國家醫藥管理局中國醫藥公司工作。王女士於一九八九年至二零零二年期間出任中國醫藥公司財務處副處長、信息處副處長及處長，一九九九年出任中國醫藥商業協會副秘書長。王女士自二零零二年四月至二零一零年四月出任於上海上市之江蘇吳中實業股份有限公司(股份代號：600200)之獨立董事。王女士自二零零零年至二零一二年曾擔任中國醫藥商業協會秘書長、副會長等職及中國醫藥商業協會連鎖藥店分會負責人。彼亦為國家商務部藥品流通行業專家委員會專家及國家發展和改革委員會藥品價格評審中心專家、中國非處方藥協會高級顧問、上海交通大學繼續教育學院客座教授。

自二零零七年九月以來，王女士亦為於上海上市之美羅藥業股份有限公司(股份代號：600297)之獨立非執行董事及自二零零九年十一月以來亦為於深圳上市之山東瑞康醫藥股份有限公司(股份代號：002589)之獨立非執行董事。

BOARD OF DIRECTORS (continued)

Supervisors

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:

Mrs. Bi Dong Mei, aged 50, is the supervisor of the Company and the chief accountant of Weigao Holding. 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.

董事會 (續)

監事

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：

畢冬梅女士，50歲，本公司監事及威高集團審計長。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集團，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)

Supervisors (continued)

Ms. Chen Xiao Yun, aged 40, is the supervisor of the Company and the finance manager of Weigao Holding. 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.

Mr. Long Jing, aged 39, is currently the supervisor of the Company and the sales manager of the Company. Mr. Long graduated from Shandong University of Economics (山東經濟學院) in 1996 with a bachelor degree in marketing. In 2005, Mr. Long obtained a master degree in business management from Shandong University. Prior to joining the Company, Mr. Long joined 山東省塑料工業總公司 (Shandong Plastic Materials Industry Company*) from 1996 to 2002 and served as the sales chief and was principally responsible for the sales and marketing of raw materials. In July 2005, Mr. Long joined the Company and served as the assistant manager of sales department. Mr. Long is a certified public accountant in the PRC and has over 10 years of valuation experiences in sales and marketing in China.

Senior Management

Mr. Cui Jin, Jason, aged 42, has over 15 years working experience in accounting, costing, budgeting, treasury management, financial planning and analysis. Mr. Cui joined Weigao Holding Company Limited, the holding company of the Group, in August 2011 as the chief financial controller. Mr. Cui worked for Bard Medical Device Beijing Limited initially as finance manager between November 2006 to March 2008 and was its finance director between April 2008 to July 2011. Mr. Cui worked for Velux China Limited as the finance manager (August 2004 to October 2006), Kerr-Mcgee China Petroleum Limited as budget coordinator and project cost controller (September 2002 to July 2004), Xian Janssen Pharmaceutical Company Limited as finance manager (September 2000 to September 2002) and Deloitte Touche Tohmatsu as senior auditor (September 1998 to August 2000). Mr. Cui graduated from Peking University with a bachelor degree in finance and obtained a master degree major in enterprise management and accounting from Peking University.

董事會 (續)

監事 (續)

陳曉雲女士，40歲，本公司監事及威高集團之財務經理。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集團，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。

龍經先生，39歲，現時為本公司之監事兼銷售經理。龍先生於一九九六年畢業於山東經濟學院，持有市場營銷專業學士學位。於二零零五年，龍先生取得山東大學之工商管理碩士學位。於加入本公司前，龍先生於一九九六年至二零零二年加入山東省塑料工業總公司擔任銷售主管，並主要負責原材料之銷售及市場推廣。於二零零五年七月，龍先生加入本公司，曾任銷售管理部副經理職務。龍先生乃中國註冊會計師，並於中國擁有逾十年之銷售及市場推廣方面之寶貴經驗。

高級管理人員

崔謹先生，42歲，于會計、成本、預算、司庫管理、財務計劃及分析方面擁有逾15年之工作經驗。崔先生于二零一一年八月加入本集團之控股公司威高集團有限公司擔任財務總監。崔先生首先于二零零六年十一月至二零零八年三月擔任巴德醫療器械北京有限公司之財務經理及于二零零八年四月至二零一一年七月擔任其財務總監。崔先生曾出任威盧克斯中國有限公司之財務經理（二零零四年八月至二零零六年十月）、科麥奇中國石油有限公司之預算主管及項目成本控制主管（二零零二年九月至二零零四年七月）、西安楊森製藥有限公司之財務經理（二零零零年九月至二零零二年九月）及滬江德勤會計師事務所之高級審計師（一九九八年九月至二零零零年八月）。崔先生畢業于北京大學，持有財務學學士學位並獲頒北京大學企業管理會計專業方向之碩士學位。

BOARD OF DIRECTORS (continued)

Senior Management (continued)

Mr. Song Xiu Shan, aged 50, 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.

Mr. Zhou De Jun, aged 55, 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.

Ms. Chan Yuk Ying, Phyllis, aged 53, 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.

Ms. Wong Miu Ling, Phillis, aged 45, is the company secretary of the Company. Ms. Wong joined the Company in May 2006. She is an associate member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Wong has over 15 years of experience in corporate finance and management.

董事會 (續)

高級管理人員 (續)

宋修山先生，50歲，本公司銷售副總。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集團，曾任威高集團北京銷售分公司經理、威高集團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。

周德軍先生，55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。

陳玉英女士，53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。

黃妙玲女士，45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 31 December 2013.

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 28 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 27 February 2004 and were transferred to Main Board of the Stock Exchange on 29 July 2010.

PRINCIPAL ACTIVITIES

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. As at the date of this report, the Group has a total customer base of 5,159 (including 3,090 hospitals, 414 blood stations, 616 other medical units and 1,044 distributors).

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

The results of the Group for the year ended 31 December 2013 are set out in the consolidated statement of comprehensive income on page 69 of this annual report.

董事欣然提呈本集團截至二零一三年十二月三十一日止年度的年報及經審核財務報表。

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。

主要業務

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。於本報告日期，本集團擁有總計5,159家（包括3,090家醫院、414家血站、616家其他醫療單位及1,044家經銷商）的客戶基礎。

業績、股東週年大會、暫停辦理股份過戶登記手續及股息

本集團截至二零一三年十二月三十一日止年度的業績載於本年報第69頁的綜合全面收入報表。

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 30 April 2014 to Friday, 30 May 2014 (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 H share registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 29 April 2014.

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., Tuesday, 29 April 2014

Closure of register of members of the Company for attendance of the annual general meeting Wednesday, 30 April 2014 to Friday, 30 May 2014

Latest time to lodge in the reply slip 4:30 p.m., Friday, 9 May 2014

Date of annual general meeting Friday, 30 May 2014

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」）之權利，本公司將於二零一四年四月三十日（星期三）至二零一四年五月三十日（星期五）（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二零一四年四月二十九日（星期二）下午四時三十分送交本公司的H股股份過戶登記處卓佳標準有限公司，地址為香港皇后大道東183號合和中心22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 二零一四年四月二十九日（星期二）下午四時三十分

本公司暫停過戶登記以釐定出席股東週年大會之資格 二零一四年四月三十日（星期三）至二零一四年五月三十日（星期五）

交回回條之最後期限 二零一四年五月九日（星期五）下午四時三十分

股東週年大會日期 二零一四年五月三十日（星期五）

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend a final dividend of RMB0.031 per share (inclusive of tax). The total amount of final dividends to be distributed shall be approximately RMB138,768,000, of which dividends paid to non-resident corporate shareholders will be subject to the corporate tax applicable on the PRC sourced income pursuant to the PRC Corporate Income Tax Law and the Regulations on the Implementation of the PRC Corporate Income Tax Law that became effective on 1 January 2008 and the applicable tax rate is 10%. The listed issuer will be responsible for withholding the relevant amount of tax from the dividend payment and the dividends to be received by the non-resident corporate shareholders will be net of withholding tax. The proposal to declare and pay the final dividend will be submitted to the forthcoming Annual General Meeting to be held on Friday, 30 May 2014. 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, 7 June 2014 to Wednesday, 11 June 2014 (both days inclusive) for the purpose of determining shareholders' entitlement to final dividend for the year ended 31 December 2013, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 6 June 2014.

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0.031元(含稅)。將分派的末期股息總額約人民幣138,768,000元。其中，根據於二零零八年一月一日正式實施的《中國企業所得稅法》及《中國企業所得稅法實施條例》，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稅，適用稅率為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稅。宣派和支付末期股息的建議將在即將於二零一四年五月三十日(星期五)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二零一三年十二月三十一日止年度之末期股息之權利，本公司將於二零一四年六月七日(星期六)至二零一四年六月十一日(星期三)(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二零一四年六月六日(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183號合和中心22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 31 December 2013:-

| | |
|---|---|
| Latest time to lodge in the transfer instrument accompanied by the share certificates | 4:30 p.m., Friday, 6 June 2014 |
| Closure of register of members of the Company for the entitlement of final dividend for the year ended 31 December 2013 | Saturday, 7 June 2014 to Wednesday, 11 June 2014 |
| Record date for entitlement of final dividend | Wednesday, 11 June 2014 |
| Despatch date of final dividend | Friday, 11 July 2014 |

PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment during the year of 2013 at an aggregate cost of approximately RMB948,034,000 in order to enhance its production capacity. Details of movements in the property, plant and equipment of the Group are set out in note 15 to the financial statements.

SHARE CAPITAL

As at 31 December 2013, there was a total issued share capital of 4,476,372,324 shares of the Company (the "Shares") which include:

| | |
|-------------------|-------|
| Non-listed Shares | 非上市股份 |
| H Shares | H股 |

The changes in share capital of the Company are set out in note 31 to the financial statements.

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二零一三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 | 二零一四年六月六日(星期五) 下午四時三十分 |
| 本公司暫停過戶登記以釐定截至二零一三年十二月三十一日止年度之末期股息配額 | 二零一四年六月七日(星期六)至二零一四年六月十一日(星期三) |
| 釐定末期股息配額之記錄日期 | 二零一四年六月十一日(星期三) |
| 末期股息寄發日期 | 二零一四年七月十一日(星期五) |

物業、廠房及設備

本集團為提高產能而於二零一三年年內購置物業、廠房及設備的總成本約人民幣948,034,000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15。

股本

於二零一三年十二月三十一日，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% |

本公司的股本變動載於財務報表附註31。

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2013, an amount of approximately RMB2,151,298,000 (2012: RMB2,038,346,000) 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.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the Year were:

Executive directors

Mr. Zhang Hua Wei
Mr. Wang Yi
Mr. Gong Jian Bo
(appointed on 18 March 2013)
Mr. Xia Lie Bo
(appointed on 18 March 2013)

Non-executive directors

Mr. Chen Xue Li
Mrs. Zhou Shu Hua
Mr. Christopher J. O'Connell
(resigned on 1 July 2013)

Independent non-executive directors

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

本公司之可供分派儲備

於二零一三年十二月三十一日，本公司儲備賬進賬約人民幣2,151,298,000元（二零一二年：人民幣2,038,346,000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稅後溢利總額；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。

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
王毅先生
弓劍波先生
(於二零一三年三月十八日獲委任)
夏列波先生
(於二零一三年三月十八日獲委任)

非執行董事

陳學利先生
周淑華女士
Christopher J. O'Connell先生
(於二零一三年七月一日辭任)

獨立非執行董事

盧偉雄先生
李家淼先生
付明仲女士
王錦霞女士

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (continued)

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.

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 two non-executive directors waived their directors' remuneration for the year ended 31 December 2013 and accepted a nominal annual fee of RMB1.00.

According to the respective service agreements entered into between the Company and each of the four independent non-executive directors, each of Mr. Li Jia Miao, Mrs. Fu Ming Zhong, Mrs. Wang Jin Xia received an annual fee of RMB72,000, and Mr. Lo Wai Hung received an annual fee of HK\$120,000.

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).

DIRECTORS' INTERESTS IN CONTRACTS

No director, either directly or indirectly, is 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.

董事及董事服務合約 (續)

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。

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）。所有兩名非執行董事於截至二零一三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。

根據本公司與四名獨立非執行董事各自訂立之有關服務協議，李家淼先生、付明仲女士、王錦霞女士各自收取年度袍金人民幣72,000元，而盧偉雄先生收取年度袍金120,000港元。

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。

董事於合約中的權益

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 31 December 2013, 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 | Types of interests | Capacity | Total number of non-listed Shares | 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 |
|----------------------------|--------------------|---------------------------|-----------------------------------|--|
| 董事姓名 | 權益類別 | 身份 | 非上市股份總數 | |
| 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. 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% |

In addition, Mr. Chen Lin, son of Mr. Chen Xue Li is holder of the Company's 200,000 non-listed Shares, representing 0.004% of the issue share capital of the Company.

董事於股份的權益及好倉

於二零一三年十二月三十一日，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0.004%。

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集團(本公司相關法團)註冊資本的好倉

| Name of director | Capacity | Amount of registered capital | Approximate percentage of the registered capital of Weigao Holding 佔威高集團註冊資本概約百分比 |
|----------------------------|---------------------------|------------------------------|---|
| 董事姓名 | 身份 | 註冊資本金額 | |
| Mr. Chen Xue Li 陳學利先生 | Beneficial owner 實益擁有人 | 45,079,000 | 36.95% |
| Mr. Zhang Hua Wei 張華威先生 | Beneficial owner 實益擁有人 | 24,400,000 | 20.00% |
| Mrs. Zhou Shu Hua 周淑華女士 | Beneficial owner 實益擁有人 | 12,200,000 | 10.00% |
| Mr. Wang Yi 王毅先生 | Beneficial owner 實益擁有人 | 7,320,000 | 6.00% |

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 31 December 2013, 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

於二零一三年十二月三十一日，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 | Capacity | Number of non-listed shares | Percentage of issued non-listed Shares 佔已發行非上市股份百分比 | Number of H Shares | Percentage of total issued share capital 佔已發行股本總額的百分比 |
|--|---------------------------|-----------------------------|--|-----------------------|--|
| 股東名稱 | 身份 | 非上市股份數目 | | H股數目 | |
| Weigao Holding Company Limited 威高集團有限公司 | Beneficial owner 實益擁有人 | 2,159,755,676 | 83.3% | 0 | 48.25% |
| Medtronic Holding Switzerland GmbH | Beneficial owner 實益擁有人 | 322,884,324 | 12.5% | Not available 沒有提供 | 7.20% |

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 | 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 |
|--|--|--|
| 主要股東名稱 | | |
| JPMorgan Chase & Co. | 244,222,890(L) 3,554,000(S) 229,319,911(P) | 12.96(L) 0.18(S) 12.17(P) |
| OppenheimerFunds, Inc. | 196,632,000(L) | 10.44(L) |
| Oppenheimer Developing Markets Fund | 175,850,000(L) | 9.34(L) |
| Baillie Gifford & Co | 151,636,000(L) | 8.05(L) |
| McCombie Iain | 151,636,000(L) | 8.05(L) |
| Morrison Elaine | 151,636,000(L) | 8.05(L) |
| Plowden Charles | 151,636,000(L) | 8.05(L) |
| Tait Anthony | 151,636,000(L) | 8.05(L) |
| Telfer Andrew | 151,636,000(L) | 8.05(L) |
| Warden Alison | 151,636,000(L) | 8.05(L) |
| Tait Anthony | 132,076,000(L) | 7.01(L) |
| Telfer Andrew | 132,076,000(L) | 7.01(L) |
| Plowden Charles | 118,388,000(L) | 6.28(L) |
| Capital Research and Management Company | 114,662,000(L) | 6.09(L) |

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

附註：(L)–好倉、(S)–淡倉、(P)–可供借出的股份

*Source: Website of Hong Kong Stock Exchange

*資料來源：香港聯交所網站

MAJOR CUSTOMERS AND SUPPLIERS

In 2013, sales to the Group's five largest customers accounted for 3.44% of the total sales for the year and sales to the largest customer included therein accounted for 0.75% of the total sales of the year. Purchases from the Group's five largest suppliers accounted for 23.48% of the total purchases for the year and purchases to the largest supplier included therein accounted for 7.0% 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.

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.

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.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION

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

主要客戶及供應商

於二零一三年，向本集團五大客戶的銷售佔年內總銷售3.44%，而向其中最大客戶的銷售則佔年內總銷售0.75%。向本集團五大供應商所作採購佔年內總採購額23.48%，而向其中最大供應商所作採購則佔年內總銷售額7.0%。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。

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。

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。

持續關連交易及關連交易

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及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 3 April 2012, Jierui Subsidiary, a wholly owned subsidiary of the Company entered into packaging materials supply agreement with Weigao Fusen, a 75% owned subsidiary of Weigao Holding Company Limited ("Weigao Holding") regarding the supply of packaging materials, including medical based packaging boxes and bags by Jierui Subsidiary with an annual cap of RMB5.0 million for the year of 2013. The actual transaction amount for the Year was approximately RMB787,000.
2. On 3 April 2012, Weigao Medical Materials Company Limited ("Weigao Medical Materials") entered into a supply agreement with Weihai Jierui Medical Products Company Limited ("Jierui Subsidiary") regarding the supply of packaging materials, printing ink and thinner by Weigao Medical Materials to Jierui Subsidiary with an annual cap of less than RMB5.0 million for the year ended 31 December 2013. For the year under review, the actual amount of transaction for the Year was approximately RMB1,829,000.
3. On 23 August 2013, the Company entered into a supplemental agreement with Weihai Weigao Fusen Medical Materials Company Limited ("Weigao Fusen"), a 75% 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 RMB45.0 million for the year ended 31 December 2013. For the year under review, the actual amount of transaction for the Year was approximately RMB41,217,000.
4. On 3 April 2012, Weigao Jierui Medical Products Company Limited ("Jierui Subsidiary"), a wholly owned subsidiary of the Company revised the packaging material supply agreement with Shandong Weigao Pharmaceutical Company Limited ("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 RMB17.0 million. For the year under review, the actual transaction amount was approximately RMB8,455,000.

持續關連交易

1. 於二零一二年四月三日，本公司之全資附屬公司潔瑞附屬公司與威高集團有限公司（「威高集團」）擁有75%權益之附屬公司威高富森就由潔瑞附屬公司供應包裝材料（包括醫用包裝盒及包裝袋）訂立包裝材料供應協議，二零一三年度之年度上限為人民幣5,000,000元。本年度之實際交易額約為人民幣787,000元。
2. 於二零一二年四月三日，威高醫用材料有限公司（「威高醫用材料」）與威海潔瑞醫用品有限公司（「潔瑞附屬公司」）就由威高醫用材料向潔瑞附屬公司供應包裝材料、印刷油墨及稀釋劑訂立供應協議，截至二零一三年十二月三十一日止年度之年度上限少於人民幣5,000,000元。於回顧年度，本年度之實際交易額約為人民幣1,829,000元。
3. 於二零一三年八月二十三日，本公司與威高集團擁有75%權益之附屬公司威海威高富森醫用材料有限公司（「威高富森」）訂立補充協議，據此，本公司向威高富森購買手術縫合線、醫用敷料及醫用貼膜，截至二零一三年十二月三十一日止年度之年度上限少於人民幣45,000,000元。於回顧年度，本年度之實際交易額約為人民幣41,217,000元。
4. 於二零一二年四月三日，本公司的全資附屬公司威高潔瑞醫用品有限公司（「潔瑞附屬公司」）與威高集團之非全資附屬公司山東威高藥業有限公司（「威高藥業」）就由潔瑞附屬公司向威高藥業銷售包裝材料而修訂包裝材料供應協議，年度上限少於人民幣17,000,000元。於回顧年度，實際交易額約為人民幣8,455,000元。

CONTINUING CONNECTED TRANSACTIONS

(continued)

持續關連交易 (續)

5. On 13 December 2012, 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 RMB18.0 million for the year ended 31 December 2013. For the Year under review, the actual amount of transaction was approximately RMB 15,268,000.
 6. On 23 August 2013, 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 RMB26.0 million for the year ended 31 December 2013. For the Year under review, the actual amount of transaction was RMB22,288,000.
 7. On 23 August 2013, 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 RMB5.0 million for the year ended 31 December 2013. For the Year under review, the actual transaction amount was approximately RMB3,100,000.
 8. On 13 July 2012, 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 RMB5.0 million. No transaction was recorded during the Year under review.
5. 於二零一二年十二月十三日，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」）與威高集團的非全資附屬公司山東威高藥業有限公司（「威高藥業」）就購買血液透析液、置換液、鉀粉及鈣粉訂立血液透析液供應協議，截至二零一三年十二月三十一日止年度之年度上限少於人民幣18,000,000元。於回顧年度，實際交易額約為人民幣15,268,000元。
 6. 於二零一三年八月二十三日，威高集團擁有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，截至二零一三年十二月三十一日止年度之年度上限少於人民幣26,000,000元。於回顧年度，實際交易額為人民幣22,288,000元。
 7. 於二零一三年八月二十三日，威高集團的附屬公司威海威高建築有限公司（「威高建築」）與本公司就向本公司提供裝修工程及裝潢服務訂立主裝修合約，截至二零一三年十二月三十一日止年度之年度上限少於人民幣5,000,000元。於回顧年度，實際交易額約為人民幣3,100,000元。
 8. 於二零一二年七月十三日，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」）與威高集團擁有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5,000,000元。於回顧年度，並無錄得交易。

CONTINUING CONNECTED TRANSACTIONS
(continued)

持續關連交易 (續)

9. On 27 May 2011, the Company entered into disposal pressure monitoring Weihai Weigao Medical 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 with an annual of RMB6.0 million for the year ended 31 December 2013. The actual transaction amount was approximately RMB1,293,000.
 10. On 13 July 2012, 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 with an annual cap of RMB20.0 million. The actual transaction amount was approximately RMB8,706,000.
 11. On 3 April 2012, 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 with an annual cap of RMB7.0 million. The actual transaction amount was approximately RMB1,785,000.
 12. On 11 April 2013, Shandong Weigao Pharmaceutical Company Limited (“Weigao Pharmaceutical”) entered into an agreement with the Company regarding the supply of single-use consumable with an annual cap of RMB5.0 million for the year ended 31 December 2013. The actual transaction amount for the year was RMB3,847,000.
9. 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」)就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，截至二零一三年十二月三十一日止年度之年度上限為人民幣6,000,000元。實際交易額約為人民幣1,293,000元。
 10. 於二零一二年七月十三日，本公司與山東威高醫療包裝製品有限公司(「威高醫療包裝」)訂立就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訂立協議，年度上限為人民幣20,000,000元。實際交易額約為人民幣8,706,000元。
 11. 於二零一二年四月三日，潔瑞附屬公司與威高醫療包裝就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訂立協議，年度上限為人民幣7,000,000元。實際交易額約為人民幣1,785,000元。
 12. 於二零一三年四月十一日，山東威高醫藥有限公司(「威高醫藥」)與本公司訂立一份協議，內容有關供應一次性使用耗材，截至二零一三年十二月三十一日止年度之年度上限為人民幣5,000,000元。本年度之實際交易額為人民幣3,847,000元。

CONTINUING CONNECTED TRANSACTIONS

(continued)

13. On 1 April 2011, 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 RMB2,100,000 in 2013.
14. On 14 December, 2012, Weigao Orthopaedic and Medtronic SD renewed OEM agreement regarding the manufacturing and sale of orthopaedic products by Weigao Orthopaedic to Medtronic SD for the year ended 31 December, 2013 with an annual cap of less than RMB70.0 million. The actual amount of transaction for the Year was approximately RMB39,233,000.
15. On 23 August 2013, Weihai Weigao Group Mould Company Limited, the wholly owned subsidiary of the Company ("Weigao Mould") and Shandong Weigao Medical Packaging Company Limited, the wholly owned subsidiary of Weigao Holding ("Weigao Medical Packaging") entered into mould-making contract, under which Weigao Mould manufactures multiple cavity moulds for spike ports and injection ports for the year ended 31 December 2013 with an annual cap of less than RMB1.7 million. The actual amount of transaction for the Year was approximately RMB1,368,000.

持續關連交易 (續)

13. 於二零一一年四月一日，本公司的控股股東威高集團（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號之物業訂立租賃協議。本公司於二零一三年支付的年度租金為人民幣2,100,000元。
14. 於二零一二年十二月十四日，威高骨科與Medtronic SD就威高骨科向Medtronic SD製造及銷售骨科產品而重續原始設備製造協議。截至二零一三年十二月三十一日止年度之年度上限少於人民幣70,000,000元。本年度之實際交易金額約為人民幣39,233,000元。
15. 於二零一三年八月二十三日，本公司的全資附屬公司威海威高集團模具有限公司（「威高模具」）與威高集團的全資附屬公司山東威高醫療包裝製品有限公司（「威高醫療包裝」）就製造用於輸藥塞及加藥塞之多腔模具重續模具製造合約。截至二零一三年十二月三十一日止年度之年度上限少於人民幣1,700,000元。本年度之實際交易金額為人民幣1,368,000元。

CONTINUING CONNECTED TRANSACTIONS
(continued)

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.

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.

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.

Based on the work performed, the auditors of the Company have confirmed in a letter to the Board to the following effect with respect to the continuing connected transactions of the Company that such transactions:

- (i) have received approval from the Board;
- (ii) were conducted in accordance to the pricing policy;
- (iii) have been entered into in accordance with the relevant agreement governing such transactions; and
- (iv) have not exceeded the cap amount for the financial year ended 31 December 2013 disclosed in the relevant announcement.

持續關連交易 (續)

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。

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。

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。

基於所執行之工作，本公司之核數師已於一份函件中向董事會確認有關本公司持續關連交易之下列影響，即該等交易：

- (i) 已獲董事會批准；
- (ii) 已根據定價政策進行；
- (iii) 根據規管該等交易之有關協議進行；及
- (iv) 並無超越有關公佈所述截至二零一三年十二月三十一日止財政年度之上限金額。

CONTINUING CONNECTED TRANSACTIONS (continued)

Disclosure of Information on Directors

Pursuant to Rule 13.51B of the Listing Rules, the changes of information on Directors during the period are stated as follows:-

1. Mr. Gong Jian Bo has been appointed as the executive director of the Company with effect from 18 March 2013.
2. Mr. Xia Lie Bo has been appointed as the executive director of the Company with effect from 18 March 2013.
3. Mr. Christopher J. O'Connell resigned as the non-executive director of the Company with effect from 1 July 2013.

AUDITORS

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

On behalf of the Board

Chen Xue Li
Chairman

Weihai, Shandong, the PRC
26 March 2014

持續關連交易 (續)

披露董事資料

根據上市規則第13.51B條，董事資料於本期間之變動載列如下：

1. 弓劍波先生已獲委任為本公司執行董事，自二零一三年三月十八日起生效。
2. 夏列波先生已獲委任為本公司執行董事，自二零一三年三月十八日起生效。
3. Christopher J. O'Connell先生已辭任本公司非執行董事，自二零一三年七月一日起生效。

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
二零一四年三月二十六日



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)

We have audited the consolidated financial statements of Shandong Weigao Group Medical Polymer Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 69 to 176, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**DIRECTORS' RESPONSIBILITY FOR THE
CONSOLIDATED FINANCIAL STATEMENTS**

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.

**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)

本行已完成審核第69至176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二零一三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損益及其他全面收入報表、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。

董事就綜合財務報表的責任

貴公司的董事須負責根據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》的披露要求編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐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，而根據雙方協定的委聘條款，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 31 December 2013 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

26 March 2014

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 貴集團於二零一三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

二零一四年三月二十六日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

| | | NOTES | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|--|---------------------|-------|-----------------------------------|-----------------------------------|
| | | 附註 | | |
| Revenue | 收入 | 7 | 4,613,310 | 3,689,115 |
| Cost of sales | 銷售成本 | | (1,886,444) | (1,576,695) |
| Gross profit | 毛利 | | 2,726,866 | 2,112,420 |
| Other income, gains and losses | 其他收入、收益及虧損 | 8 | 10,484 | 107,749 |
| Distribution costs | 分銷成本 | | (1,161,236) | (874,317) |
| Administrative expenses | 行政開支 | | (313,995) | (212,893) |
| Research and development expenses | 研發開支 | | (208,921) | (170,587) |
| Finance costs | 融資成本 | 9 | (8,957) | (4,678) |
| Share of profit (loss) of joint ventures | 應佔合營公司盈利 (虧損) | | 2,820 | (4,401) |
| Share of profit of associates | 應佔聯營公司盈利 | | 62,325 | 172,882 |
| Loss on disposal of an associate | 出售一間聯營公司之虧損 | | (565,232) | - |
| Profit before taxation | 除稅前溢利 | | 544,154 | 1,126,175 |
| Income tax expense | 所得稅開支 | 10 | (156,475) | (129,805) |
| Profit for the year | 年內溢利 | 11 | 387,679 | 996,370 |
| Other comprehensive income (expense) | 其他全面收入(開支) | | | |
| Items that may be reclassified subsequently to profit or loss: | 其後可重新分類至損益之項目: | | | |
| Exchange differences arising on translation of foreign operations – subsidiaries | 換算海外業務產生滙兌差額 – 附屬公司 | | (1,105) | (626) |
| – an associate | – 一間聯營公司 | | (47,824) | (4,847) |
| Reclassified to loss on disposal of an associate | 重新分類至出售一間聯營公司之虧損 | | 67,832 | - |
| Total comprehensive income for the year | 年內全面收入總額 | | 406,582 | 990,897 |
| Profit for the year attributable to: | 年內溢利下列各項應佔: | | | |
| Owners of the Company | 本公司擁有人 | | 387,984 | 996,486 |
| Non-controlling interests | 非控股權益 | | (305) | (116) |
| | | | 387,679 | 996,370 |
| Total comprehensive income attributable to: | 全面收入總額下列各項應佔: | | | |
| Owners of the Company | 本公司擁有人 | | 406,887 | 991,013 |
| Non-controlling interests | 非控股權益 | | (305) | (116) |
| | | | 406,582 | 990,897 |
| Earnings per share – basic | 每股盈利(基本) | 14 | RMB人民幣0.09元 | RMB人民幣0.22元 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2013 於二零一三年十二月三十一日

| | | NOTES | 31/12/2013 RMB'000 二零一三年 十二月 三十一日 人民幣千元 | 31/12/2012 RMB'000 二零一二年 十二月 三十一日 人民幣千元 |
|---|------------------|-------|--|--|
| | | 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 15 | 3,948,375 | 3,198,249 |
| Investment properties | 投資物業 | 16 | 10,109 | 10,597 |
| Deposits paid for acquiring property, plant and equipment | 就收購物業、廠房及設備之已付按金 | | 83,323 | 59,407 |
| Prepaid lease payments | 預付租賃款項 | 17 | 514,693 | 461,520 |
| Intangible assets | 無形資產 | 18 | 16,705 | 19,820 |
| Interests in joint ventures | 於合營公司的權益 | 19 | 107,277 | 104,457 |
| Interests in associates | 於聯營公司的權益 | 20 | 128,458 | 2,525,106 |
| Goodwill | 商譽 | 21 | 202,900 | 202,900 |
| Deferred tax assets | 遞延所得稅資產 | 28 | 22,834 | 24,402 |
| Other receivables – receivable after one year | 其他應收款—應於一年後收取 | | – | 1,684 |
| | | | 5,034,674 | 6,608,142 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 22 | 866,356 | 830,274 |
| Trade and other receivables | 應收貿易款及其他應收款 | 23 | 2,227,947 | 1,651,028 |
| Available-for-sale investments | 可供出售投資 | | 40,000 | – |
| Pledged bank deposits | 已抵押銀行存款 | 24 | 143,496 | 91,546 |
| Bank balances and cash | 銀行結餘及現金 | 25 | 2,975,623 | 1,297,856 |
| | | | 6,253,422 | 3,870,704 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 應付貿易款及其他應付款 | 26 | 1,747,783 | 1,472,504 |
| Borrowings – repayable within one year | 銀行借款—須於一年內償還 | 27 | 300,200 | – |
| Tax payable | 應付稅項 | | 34,319 | 57,253 |
| | | | 2,082,302 | 1,529,757 |
| Net current assets | 流動資產淨額 | | 4,171,120 | 2,340,947 |
| | | | 9,205,794 | 8,949,089 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 30 | 447,637 | 447,637 |
| Reserves | 儲備 | | 8,592,708 | 8,463,356 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2013 於二零一三年十二月三十一日

| | | | 31/12/2013 | 31/12/2012 |
|--|----------------|-------|-------------------|------------|
| | | NOTES | RMB'000 | RMB'000 |
| | | | 二零一三年 | 二零一二年 |
| | | | 十二月 | 十二月 |
| | | | 三十一日 | 三十一日 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| Equity attributable to owners of the Company | 本公司持有人應佔權益 | | 9,040,345 | 8,910,993 |
| Non-controlling interests | 非控股權益 | | 22,587 | 9,422 |
| Total equity | 股權總額 | | 9,062,932 | 8,920,415 |
| Non-current liability | 非流動負債 | | | |
| Borrowings – repayable after one year | 銀行借款 – 須於一年後償還 | 27 | 99,700 | – |
| Deferred income | 遞延收入 | 29 | 43,162 | 28,674 |
| | | | 142,862 | 28,674 |
| | | | 9,205,794 | 8,949,089 |

The consolidated financial statements on pages 69 to 176 were approved and authorised for issue by the Board of Directors on 26 March 2014 and are signed on its behalf by:

第69至176頁的綜合財務報表已獲董事會於二零一四年三月二十六日批准及授權刊發，並由以下董事代表董事會簽署：

Chen Xue Li
陳學利

DIRECTOR
董事

Zhang Hua Wei
張華威

DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動報表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | Non-controlling interests | | Total |
|---|------------------|---|-----------------------|---------------------------|---------------------|---------------|-------------------|---------------------------|---------|-----------|
| | | Share capital | Share premium reserve | Statutory surplus reserve | Translation reserve | Other reserve | Retained earnings | Total | | Total |
| | | RMB'000 | RMB'000 | RMB'000 (Note) | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 股本 | 股份溢價儲備 | 法定盈餘儲備 | 匯兌儲備 | 其他儲備 | 保留盈利 | 總計 | 非控股權益 | 總計 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 (附註) | 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 | 人民幣千元 |
| At 1 January 2012 | 於二零一二年一月一日 | 447,637 | 2,478,544 | 240,962 | (16,928) | 2,661 | 5,049,115 | 8,201,991 | 9,538 | 8,211,529 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | 996,486 | 996,486 | (116) | 996,370 |
| Exchange differences arising on translation of foreign operations | 換算海外業務產生的匯兌差額 | | | | | | | | | |
| - subsidiaries | - 附屬公司 | - | - | - | (626) | - | - | (626) | - | (626) |
| - an associate | - 一間聯營公司 | - | - | - | (4,847) | - | - | (4,847) | - | (4,847) |
| Total comprehensive income for the year | 年內全面收入總額 | - | - | - | (5,473) | - | 996,486 | 991,013 | (116) | 990,897 |
| Transfer to statutory reserve | 轉撥至法定儲備 | - | - | 14,696 | - | - | (14,696) | - | - | - |
| Dividends recognised as distribution (note 13) | 確認為分銷的股息 (附註13) | - | - | - | - | - | (282,011) | (282,011) | - | (282,011) |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 447,637 | 2,478,544 | 255,658 | (22,401) | 2,661 | 5,748,894 | 8,910,993 | 9,422 | 8,920,415 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | 387,984 | 387,984 | (305) | 387,679 |
| Exchange differences arising on translation of foreign operations | 換算海外業務產生的匯兌差額 | | | | | | | | | |
| - subsidiaries | - 附屬公司 | - | - | - | (1,105) | - | - | (1,105) | - | (1,105) |
| - an associate | - 一間聯營公司 | - | - | - | (47,824) | - | - | (47,824) | - | (47,824) |
| Reclassified to loss on disposal of an associate | 重新分類至出售一間聯營公司之虧損 | - | - | - | 69,054 | (1,222) | - | 67,832 | - | 67,832 |
| Total comprehensive income for the year | 年內全面收入總額 | - | - | - | 20,125 | (1,222) | 387,984 | 406,887 | (305) | 406,582 |
| Injection of minority shareholders | 少數股東注資 | - | - | - | - | - | - | - | 13,470 | 13,470 |
| Transfer to statutory reserve | 轉撥至法定儲備 | - | - | - | - | - | - | - | - | - |
| Dividends recognised as distribution (note 13) | 確認為分銷的股息 (附註13) | - | - | - | - | - | (277,535) | (277,535) | - | (277,535) |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 447,637 | 2,478,544 | 255,658 | (2,276) | 1,439 | 5,859,343 | 9,040,345 | 22,587 | 9,062,932 |

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 31 December 2013 截至二零一三年十二月三十一日止年度

| | | 2013 | 2012 |
|---|-------------------|------------------|-----------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 |
| OPERATING ACTIVITIES | 經營業務 | | |
| Profit before taxation | 除稅前溢利 | 544,154 | 1,126,175 |
| Adjustments for: | 經作出下列調整： | | |
| Interest income | 利息收入 | (5,947) | (20,488) |
| Finance costs | 融資成本 | 8,957 | 4,678 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 184,474 | 125,083 |
| Depreciation of investment properties | 投資物業折舊 | 372 | 144 |
| Prepaid lease payments charged to profit or loss | 從損益中扣除的預付租賃款項 | 11,048 | 9,991 |
| Allowances for bad and doubtful debts | 呆壞賬撥備 | 22,211 | 5,568 |
| Amortisation of intangible assets | 無形資產攤銷 | 3,115 | 3,115 |
| Share of loss (profit) of joint ventures | 應佔合營公司虧損(溢利) | (2,820) | 4,401 |
| Share of profit of associates | 應佔聯營公司盈利 | (62,325) | (172,882) |
| Loss on disposal of an associate | 出售聯營公司之虧損 | 565,232 | - |
| Realised profit on sales to an associate | 銷售予聯營公司之未變現溢利 | - | (23,701) |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | (1,428) | (13) |
| Release of deferred income | 遞延收入付回 | (3,112) | (7,474) |
| Exchange loss (gain) | 匯兌虧損(收益) | 37,487 | (26,797) |
| | | 1,301,418 | 1,027,800 |
| Movements in working capital | 營運資金變動 | | |
| Increase in inventories | 存貨增加 | (36,082) | (367,273) |
| Increase in trade and other receivables | 應收貿易賬款及其他應收款項增加 | (601,339) | (204,970) |
| Increase in trade and other payables | 應付貿易賬款及其他應付款項增加 | 216,418 | 436,089 |
| Increase in deferred income | 遞延收入增加 | 17,600 | 31,086 |
| Cash generated from operations | 經營所得現金 | 898,015 | 922,732 |
| Income taxes paid | 已付所得稅 | (177,841) | (116,701) |
| NET CASH FROM OPERATING ACTIVITIES | 經營業務所得現金淨額 | 720,174 | 806,031 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 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 | (865,539) | (864,481) |
| Purchases of intangible assets | 購買無形資產 | - | (5,200) |
| Deposit paid for acquiring property, plant and equipment | 就收購物業、廠房及設備支付的按金 | (83,323) | (59,407) |
| Addition of prepaid lease payments | 預付租賃款項增加 | (65,433) | (94,860) |
| Establishment of a joint venture | 成立一間合營公司 | - | (80,000) |
| Dividend income received from an associate | 收取一間聯營公司的股息收入 | 45,787 | 40,897 |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 14,978 | 4,726 |
| Interest received | 已收利息 | 5,947 | 20,488 |
| Purchases of available-for-sale investments | 購買可供出售投資 | (40,000) | - |
| Withdrawal of pledged bank deposits | 提取已抵押銀行存款 | 136,248 | 233,867 |
| Placement of pledged bank deposits | 存入已抵押銀行存款 | (188,198) | (217,941) |
| Receipt of consideration of disposal of subsidiaries in prior year | 於上年度收取出售附屬公司之代價 | 4,000 | 6,200 |
| Disposal of an associate | 出售一間聯營公司 | 1,911,053 | - |
| NET CASH FROM (USED IN) INVESTING ACTIVITIES | 投資業務產生(所用)現金淨額 | 875,520 | (1,015,711) |
| FINANCING ACTIVITIES | 融資業務 | | |
| Repayments of borrowings | 償還借款 | (100) | (84,012) |
| New borrowings raised | 新增加之借貸 | 400,000 | - |
| Interest paid | 已付利息 | (16,275) | (4,476) |
| Dividend paid | 已付股息 | (277,535) | (282,011) |
| Capital injection from non-controlling shareholders | 非控股股東之資金注入 | 13,470 | - |
| NET CASH FROM (USED IN) FINANCING ACTIVITIES | 融資業務產生(所用)之現金淨額 | 119,560 | (370,499) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等價物增加(減少)淨額 | 1,715,254 | (580,179) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 於年初的現金及現金等價物 | 1,297,856 | 1,851,238 |
| Effect of foreign exchange rate changes | 外匯匯率變動的影響 | (37,487) | 26,797 |
| 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 | 2,975,623 | 1,297,856 |

1. GENERAL

Shandong Weigao Group Medical Polymer Company Limited (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 28 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 of the Company is 312 Shi Chang Road, Weihai, Shandong Province, PRC. The Company has relocated its principal place of business to 18 Xing Shan Road, Weihai, Shandong Province, PRC since May in 2013.

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

山東威高集團醫用高分子製品股份有限公司(「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集團有限公司(「威高集團」)，一間於中國註冊的有限責任公司。本公司的註冊辦事處地址為中國山東省威海市世昌大道312號。本公司已自二零一三年五月起將其主要營業地點遷至中國山東省威海市興山路18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 HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which have been effective.

| | |
|---|---|
| Amendments to HKFRSs | <i>Annual Improvements to HKFRSs 2009-2011 Cycle</i> |
| Amendments to HKFRS 7 | <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i> |
| Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 | <i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i> |
| HKFRS 10 | <i>Consolidated Financial Statements</i> |
| HKFRS 11 | <i>Joint Arrangements</i> |
| HKFRS 12 | <i>Disclosure of Interests in Other Entities</i> |
| HKFRS 13 | <i>Fair Value Measurement</i> |
| HKAS 19 (as revised in 2011) | <i>Employee Benefits</i> |
| HKAS 27 (as revised in 2011) | <i>Separate Financial Statements</i> |
| HKAS 28 (as revised in 2011) | <i>Investments in Associates and Joint Ventures</i> |
| Amendments to HKAS 1 | <i>Presentation of Items of Other Comprehensive Income</i> |
| HK (IFRIC)-Int 20 | <i>Stripping Costs in the Production Phase of a Surface Mine</i> |

Except as described below, the application of the above amendments to standards in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用由香港會計師公會（「香港會計師公會」）頒佈的下列已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（修訂） | 香港財務報告準則二零零九年至二零一一年週期的年度改進 |
| 香港財務報告準則第7號（修訂） | 披露－抵銷金融資產及金融負債 |
| 香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號（修訂） | 綜合財務報表、共同安排及披露於其他實體的權益：過渡性指引 |
| 香港財務報告準則第10號 | 綜合財務報表 |
| 香港財務報告準則第11號 | 共同安排 |
| 香港財務報告準則第12號 | 披露於其他實體的權益 |
| 香港財務報告準則第13號 | 公平值計量 |
| 香港會計準則第19號（二零一一年經修訂） | 僱員福利 |
| 香港會計準則第27號（二零一一年經修訂） | 獨立財務報表 |
| 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 |
| 香港會計準則第1號（修訂） | 呈列其他全面收入項目 |
| 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 |

除下文所述者外，於本年度應用上述準則之修訂並無對該等綜合財務報表內呈報之金額及／或該等綜合財務報表內所載披露造成重大影響。

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

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to HKAS 1, the Group’s ‘statement of comprehensive income’ is renamed as the ‘statement of profit or loss and other comprehensive income’. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 Consolidated Financial Statements, HKFRS 11 Joint Arrangements, HKFRS 12 Disclosure of Interests in Other Entities, HKAS 27 (as revised in 2011) Separate Financial Statements and HKAS 28 (as revised in 2011) Investments in Associates and Joint Ventures, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

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）

香港會計準則第1號（修訂）呈列其他全面收入項目

本集團已應用香港會計準則第1號其他全面收入項目之呈列之修訂。採用香港會計準則第1號之修訂後，本集團的「全面收益表」更名為「損益及其他全面收益表」。此外，香港會計準則第1號之修訂規定於其他全面收益部分作出額外披露，將其他全面收入項目劃分成兩類：(a)其後不會重新分類至損益的項目；及(b)於達成特定條件時，其後可重新分類至損益的項目。其他全面收入項目的所得稅須按相同基準予以分配。修訂並無更改按除稅前或除稅後呈列其他全面收入項目的選擇權。由於已追溯應用該等修訂，其他全面收入項目的呈列已作修訂以反映有關變動。除上述的呈列變動外，應用香港會計準則第1號之修訂不會對損益、其他全面收益及全面收益總額構成任何影響。

有關綜合入賬、共同安排、聯營公司及披露之新訂及經修訂準則

於本年度，本集團已首次應用有關綜合入賬、共同安排、聯營公司及披露之五項準則，包括香港財務報告準則第10號綜合財務報、香港財務報告準則第11號共同安排、香港財務報告準則第12號披露於其他實體的權益、香港會計準則第27號（二零一一年經修訂）獨立財務報表及香港會計準則第28號（二零一一年經修訂）於聯營公司及合資公司的投資以及對香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號有關過渡性指引的修訂。

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

New and revised Standards on consolidation, joint arrangements, associates and disclosures (continued)

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC)-Int 12 Consolidation – Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company reviewed and assessed whether they have control over all the existing subsidiaries in accordance with the requirements of HKFRS 10. The directors of the Company concluded that there is no impact on the Group’s control over the subsidiaries after the application of HKFRS 10 and all the subsidiaries continue to be consolidated in the Group’s consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

有關綜合入賬、共同安排、聯營公司及披露之新訂及經修訂準則（續）

香港會計準則第27號（二零一一年經修訂）由於僅處理獨立財務報表而並不適用於本集團。

應用該等準則之影響載列如下。

應用香港財務報告準則第10號之影響

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中處理綜合財務報表之部分及香港（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號改變控制權之定義，以致當投資者a)對被投資方擁有權力；b)面對或擁有自其參與被投資方產生之可變回報之風險或權利；及c)有能力行使其權力以影響其回報時，即對被投資方擁有控制權。該三項標準須同時滿足，投資者方對被投資方擁有控制權。控制權先前乃定義為有權監管實體之財務及營運政策以從其業務中獲益。香港財務報告準則第10號已加入額外指引，以解釋投資者何時對被投資方擁有控制權。

本公司已根據香港財務報告準則第10號之規定審閱及評估彼等是否對現有附屬公司擁有控制權。本公司董事之結論為於應用香港財務報告準則第10號後並無對本集團於該等附屬公司之控制權概無影響，而所有附屬公司繼續綜合計入本集團之綜合財務報表。

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

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

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）

應用香港財務報告準則第11號之影響

香港財務報告準則第11號取代香港會計準則第31號於合營公司之權益，而相關詮釋香港（常務詮釋委員會）－詮釋第13號共同控制實體－合營方的非貨幣注資已被納入香港會計準則第28號（二零一一年經修訂）。香港財務報告準則第11號訂明由兩個或以上訂約方擁有共同控制權之共同安排應如何分類及入賬。根據香港財務報告準則第11號，共同安排僅分為兩類－合營業務及合營公司。根據香港財務報告準則第11號，共同安排的分類乃經考慮該等安排的結構、法律形式、安排訂約方協定的合約條款及其他相關事實及情況後，基於共同安排各方的權利及責任而釐定。合營業務為一項共同安排，據此對安排擁有共同控制權的各方（即合營業務經營者）對該安排相關的資產及負債均享有權利及負責義務。合營公司為一項共同安排，據此對安排擁有共同控制權的各方（即合營方）對該安排的淨資產享有權利。香港會計準則第31號以往有三種形式的共同安排－共同控制企業、共同控制業務及共同控制資產。根據香港會計準則第31號對共同安排的分類主要基於該安排的法律形式而釐定（例如透過獨立實體成立之共同安排乃分類為共同控制企業）。

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

Impact of the application of HKFRS 11 (continued)

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Group’s investments in joint arrangements in accordance with the requirements of HKFRS 11. The Group consistently used equity method to account investments in joint ventures. The directors of the Company concluded that there is no impact on the classification of the Group’s investments in joint arrangements after the application of HKFRS 11.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

The directors of the Company have concluded that the application of this standard will not have significant impacts on the consolidated financial statements except for more extensive disclosure about its interests in other entities.

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）

應用香港財務報告準則第11號之影響（續）

合營公司與合營業務的最初及其後會計處理方法均有所不同。於合營公司的投資乃採用權益法入賬（不再容許採用比例綜合法）。於合營業務的投資的入賬方法為各合營經營者均確認其資產（包括其於任何共同持有資產應佔的份額）、其負債（包括其於任何共同產生負債應佔的份額）、其收入（包括其於合營業務銷售的任何收入應佔的份額）及其費用（包括其於任何共同產生費用應佔的份額）。各合營經營者根據適用準則就其於合營業務中的權益將資產及負債以及收入及費用入賬。

本公司已根據香港財務報告準則第11號之規定審閱及評估本集團於共同安排之投資之分類。本集團貫徹使用權益法入賬於合營公司之投資。本公司董事之結論為於應用香港財務報告準則第11號對本集團於共同安排之投資之分類概無影響。

應用香港財務報告準則第12號之影響

香港財務報告準則第12號是一項新披露準則，適用於附屬公司、共同安排、聯營公司及／或未綜合結構實體擁有權益之實體。整體而言，香港財務報告準則第12號之應用已導致於綜合財務報表作出更廣泛披露。

本公司董事之結論為應用此項準則將不會對綜合財務報表構成重大影響，以便就其於其他實體之權益作出更廣泛披露除外。

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

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第13號公平值計量

本集團於本年度首次採用香港財務報告準則第13號。香港財務報告準則第13號為有關公平值計量及披露提供單一來源指引。香港財務報告準則第13號之範圍廣泛：香港財務報告準則第13號之公平值計量規定適用於其他財務報告準則規定或允許作出公平值計量及作出有關公平值計量之披露之金融工具項目及非金融工具項目，惟香港財務報告準則第2號以股份付款範圍內之以股份付款之交易、香港會計準則第17號租賃範圍內之租賃交易及與公平值類似但並非公平值之計量（如就計量存貨而言之可變現淨值或就減值評估而言之使用價值）除外。

香港財務報告準則第13號將一項資產之公平值界定為於現行市況下於計量日期在主要市場（或最有利之市場）進行之有序交易所出售資產可收取（或倘釐定一項負債之公平值，則轉讓該負債須支付者）之價格。香港財務報告準則第13號項下之公平值指為平倉價，不論該價格是否直接觀察或使用另一估值技術估計得出。此外，香港財務報告準則第13號包括作出廣泛披露之規定。

香港財務報告準則第13號須前瞻性地應用。根據香港財務報告準則第13號之過渡條文，本集團並無就二零一二年同期作出任何香港財務報告準則第13號所規定之新披露。除額外披露外，應用香港財務報告準則第13號並無對綜合財務報表已確認之金額構成任何重大影響。

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

HKFRS 13 Fair Value Measurement (continued)

In addition, the Group has early adopted the amendments to HKAS 36 Recoverable Amounts Disclosures for Non-Financial Assets in advance of its effective date which is 1 January 2014.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The Group has early applied the disclosure requirements set out in the amendments to HKAS36 in preparing the recoverable amount disclosures for non-financial assets.

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13號公平值計量（續）

此外，本集團已提早於二零一四年一月一日之生效日期前採納香港會計準則第36號非金融資產可收回金額披露之修訂。

香港會計準則第36號非金融資產可收回金額披露之修訂

香港會計準則第36號之修訂就獲分配商譽或具有無限使用年期的其他無形資產的現金產生單位並無出現減值或減值撥回的情況，取消就有關現金產生單位的可收回金額作出披露的規定。此外，該等修訂就資產或現金產生單位的可收回金額乃按照其公平值減出售成本釐定的情況，引入有關公平值等級、主要假設及所用估值方法的額外披露規定。

本集團已於編製非金融資產可收回金額披露時提早應用香港會計準則第36號（修訂）所載的披露規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

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

Except for amendments to HKAS36, the Group has not early applied the following new and revised standards, amendments and interpretation (“new and revised HKFRSs”) that have been issued but are not yet effective.

| | |
|--|--|
| Amendments to HKFRS 10, HKFRS 12 and HKAS 27 | <i>Investment Entities</i> ¹ |
| Amendments to HKAS 19 | <i>Defined Benefit Plans: Employee Contributions</i> ² |
| Amendments to HKFRS 9 and HKFRS 7 | <i>Mandatory Effective Date of HKFRS 9 and Transition Disclosures</i> ³ |
| Amendments to HKAS 32 | <i>Offsetting Financial Assets and Financial Liabilities</i> ¹ |
| Amendments to HKAS 39 | <i>Novation of Derivatives and Continuation of Hedge Accounting</i> ¹ |
| Amendments to HKFRS | <i>Annual Improvements to HKFRSs 2010-2012 Cycle</i> ⁴ |
| Amendments to HKFRS | <i>Annual Improvements to HKFRSs 2011-2013 Cycle</i> ² |
| HKFRS 9 | <i>Financial Instruments</i> ³ |
| HKFRS 14 | <i>Regulatory Deferral Accounts</i> ⁵ |
| HK(IFRIC)-Int 21 | <i>Levies</i> ¹ |

- ¹ Effective for annual periods beginning on or after 1 January 2014
- ² Effective for annual periods beginning on or after 1 July 2014
- ³ Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised
- ⁴ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
- ⁵ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

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）

除香港會計準則第36號（修訂）外，本集團並無提早應用以下已頒布但尚未生效之新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）：

| | |
|--|---|
| 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號（修訂） | 投資實體 ¹ |
| 香港會計準則第19號（修訂） | 界定福利計劃：僱員供款 ² |
| 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號之強制生效日期及過渡披露 ³ |
| 香港會計準則第32號（修訂） | 抵銷金融資產及金融負債 ¹ |
| 香港會計準則第39號（修訂） | 衍生工具的更替及對沖會計的延續 ¹ |
| 香港財務報告準則（修訂） | 香港財務報告準則二零一零年至二零一二年週期之年度改進 ⁴ |
| 香港財務報告準則（修訂） | 香港財務報告準則二零一一年至二零一三年週期之年度改進 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14號 | 監管遞延賬戶 ⁵ |
| 香港（國際財務報告詮釋委員會）— 詮釋第21號 | 徵費 ¹ |

- ¹ 於二零一四年一月一日或之後開始之年度期間生效
- ² 於二零一四年七月一日或之後開始之年度期間生效
- ³ 可供應用—強制性生效日期將於落實香港財務報告準則第9號尚待確實階段後釐定
- ⁴ 於二零一四年七月一日或之後開始之年度期間生效，惟有限例外情況除外
- ⁵ 對於二零一六年一月一日或之後開始的首份按照香港財務報告準則編製的年度財務報表生效

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

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 applicable to the Group are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

於二零零九年頒佈的香港財務報告準則第9號引入了分類及計量金融資產的新規定。香港財務報告準則第9號其後於二零一零年修訂，載入分類及計量金融負債以及終止確認的規定，並於二零一三年進一步修訂，載入對沖會計的新規定。

適用於本集團的香港財務報告準則第9號的主要規定概述如下：

- 於香港會計準則第39號金融工具：確認及計量範圍內的所有確認金融資產將於其後按攤銷成本或公平值計量。具體來說，以業務模式持有以收回合約現金流為目的及純粹為支付本金及未償還本金的利息而擁有合約現金流的債務投資一般在其後會計期末按攤銷成本計量。所有其他債務投資及股本投資在其後報告期末按其公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回決定，於其他全面收入內以股本投資（並非持作買賣）的公平值呈列其後變動，而僅股息收入一般於損益內確認。

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

HKFRS 9 *Financial Instruments* (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 recognition 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 of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may not have significant impact on the amounts reported in respect of the Group’s financial assets and financial liabilities based on an analysis of the Group’s financial instruments as at 31 December 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

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.

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（續）

- 就指定為按公平值計入損益的金融負債的計量而言，香港財務報告準則第9號規定，因金融負債信貸風險有變而導致其公平值變動的款額乃於其他全面收入呈列，惟倘於其他全面收入確認有關負債的信貸風險變動的影響會產生或擴大損益的會計錯配則除外。金融負債信貸風險變動所引起的金融負債公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為按公平值計入損益的金融負債的全部公平值變動款額於損益內呈列。

本公司董事預期，根據對本集團於二零一三年十二月三十一日的金融工具的分析，於未來採納香港財務報告準則第9號可能不會對就本集團金融資產及金融負債呈報的金融產生任何重大影響。

3. 主要會計政策

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。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. 主要會計政策 (續)

誠如下文載列之會計政策所說明，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。歷史成本一般以換取貨品及服務所作出代價之公平值為基準。

公平值指市場參與者之間於計量日期進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格為直接觀察得出或採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者於計量日期為該資產或負債進行定價時將會考慮的該等特徵。在該等綜合財務報表中計量及／或披露的公平值均按此基礎予以確定，惟香港財務報告準則第2號以股份為基礎付款範圍內的以股份為基礎付款交易、香港會計準則第17號租賃範圍內的租賃交易、以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，概述如下：

- 第一級輸入數據指該實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據指就資產或負債直接或間接地可觀察的輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據指資產或負債的不可觀察輸入數據。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 主要會計政策 (續)

主要會計政策載列如下。

綜合基準

綜合財務報表包含本公司以及本公司及其附屬公司所控制的實體的財務報表。當本公司符合以下情況，即取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或多項出現變動，則本集團會重新評估其是否控制被投資方。

附屬公司於本集團取得附屬公司的控制權時開始綜合入賬，並於本集團喪失對附屬公司的控制權時終止。特別是，年內收購或出售附屬公司的收入及開支自本集團取得控制權當日起直至本集團不再控制附屬公司之日止於綜合損益及其他全面收益表列賬。

損益及各其他全面收入項目歸屬於本公司擁有人及非控股權益。附屬公司的全面收入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。

本集團於必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的會計政策相符一致。

與本集團成員公司間交易有關的所有集團內資產及負債、權益、收入、開支及現金流量均於綜合賬目時悉數對銷。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

For the purposes of impairment testing, goodwill 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 disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3. 主要會計政策 (續)**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。

就減值測試而言，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。

於出售相關現金產生單位時，其應佔商譽金額會計入作釐定出售溢利或虧損數額之用。

本集團有關收購聯營公司產生的商譽的政策載於下文。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures

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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

Under the equity method, an investment in an associate or a joint venture is 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 associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing 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 the associate or joint venture.

3. 主要會計政策 (續)

於聯營公司及合營公司的投資

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。

合營公司指一項共同安排，據此於安排擁有共同控制權的訂約方對共同安排的資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權的各方作出一致同意的決定時存在。

聯營公司及合營公司之業績、資產及負債利用權益會計法載入該等綜合財務報表內。聯營公司及合營公司就權益會計目的編製財務報表所採用會計政策與本集團於類似情況下就同類交易及事件所採用者一致。

根據權益法，於聯營公司或合營公司的投資乃初步於綜合財務狀況表按成本值確認，並於其後作出調整以確認本集團應佔聯營公司或合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或合營公司虧損超出本集團於該聯營公司或合營公司的權益時（包括任何實際上構成本集團於聯營公司或合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聯營公司或合營公司付款時，方會確認額外虧損。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment (or a portion thereof) is classified as held for sale.

3. 主要會計政策 (續)

於聯營公司及合營公司的投資 (續)

於被投資方成為一家聯營公司或合營公司當日，對於聯營公司或合營公司的投資採用權益法入賬。於收購一間聯營公司或合營公司的投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值的任何部分乃確認為商譽，並計入投資之賬面值。本集團應佔可識別資產及負債的公平淨值超出投資成本的任何差額，於重新評估後即時於投資被收購之期間於損益確認。

香港會計準則第39號的規定乃應用於釐定是否有必要就本集團於聯營公司或合營公司之投資確認任何減值虧損。於有需要時，則根據香港會計準則第36號 *資產減值*，透過將投資之可回收金額（使用價值與公平價值減出售成本之較高者）與其賬面值進行比較，而將投資之總賬面值（包括商譽）作為單獨資產進行減值測試。任何確認之減值虧損形成投資賬面值之一部分。該減值虧損之任何撥回金額乃根據香港會計準則第36號按投資其後增加之可回收金額予以確認。

於投資不再作為聯營公司或合營公司當日或投資（或其一部份）分類為持作出售當日，本集團終止使用權益法。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

Upon disposal or partial disposal of the Group's interest in an associate or a joint venture in which the Group lost significant influence or joint control and discontinued the use of equity method, any retained interest that is within the scope of HKAS 39 is measured at fair value on that date, the difference between the carrying amount of the associate or joint venture at the date, and the proceeds from disposing of such interest (or partial interest) in the associate or joint venture and the fair value of the retained interest is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture 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 the Group lost significant influence or joint control over the investee.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement of the previously held interest or the retained interest to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. 主要會計政策 (續)

於聯營公司及合營公司的投資 (續)

於出售或部份出售本集團於本集團喪失重大影響力或共同控制權的聯營公司或合營公司的權益及終止使用權益法時，香港會計準則第39號範圍內的任何保留權益乃按當日的公平值計量，聯營公司或合營公司於當日的賬面值與出售聯營公司或合營公司的有關權益（或部份權益）的所得款項及保留權益的公平值之間的差額，乃計入釐定出售聯營公司或合營公司的盈虧。此外，倘該聯營公司或合營公司直接出售相關資產或負債，則本集團可能需要按相同基準計入有關該聯營公司或合營公司的以往於其他全面收入確認的所有金額。因此，倘聯營公司或合營公司以往於其他全面收入確認的盈虧重新分類為出售相關資產或負債的損益，則本集團將於對被投資方喪失重大影響力或共同控制權時將權益盈虧重新分類至損益（列作重新分類調整）。

當於聯營公司的投資成為對合營公司的投資或於合營公司的投資成為對聯營公司的投資時，本集團繼續使用權益法。於發生該等所有權變動時，不會對先前持有權益或保留權益重新計量至公平值。

當本集團削減於聯營公司或合營公司的所有權權益但繼續使用權益法時，倘以往於其他全面收入確認有關削減所有權權益的盈虧部分將於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

(continued)

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

3. 主要會計政策 (續)**於聯營公司及合營公司的投資**

(續)

倘集團實體與本集團聯營公司或合營公司進行交易(如出售或注入資產),則與聯營公司或合營公司進行交易所產生之溢利及虧損乃按與本集團無關之於聯營公司或合營公司之權益於本集團之綜合財務報表內確認。

持作出售的非流動資產

倘非流動資產及出售組別的賬面金額將主要透過出售交易(而非透過持續使用)收回,則非流動資產及出售組別分類為持作出售。此條件僅於資產(或出售組別)可以其現況供即時出售,出售條款僅屬出售該資產(或出售組別)的一般慣常條款,且極有可能出售時,方告達成。管理層必須承諾進行出售,即應預期於分類日期起計一年內合資格確認為一項已完成出售。

當本集團承諾進行涉及喪失一間附屬公司控制權的出售計劃,倘符合上述條件,該附屬公司的所有資產及負債均分類為持作出售,不論本集團會否於出售後保留其前附屬公司的非控股權益。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets held for sale (continued)

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint control over the joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with HKAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of 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)

持作出售的非流動資產 (續)

當本集團承諾進行涉及出售於聯營公司或合營公司的投資或部分投資的出售計劃，倘符合上述條件，將予出售的該項投資或部分投資分類為持作出售，而本集團將由投資（或其部分）分類為持作出售之時起，不再就該分類為持作出售的部分使用權益法。並無分類為持作出售的於聯營公司或合營公司的投資的任何保留部分，繼續使用權益法入賬。當出售導致本集團喪失對聯營公司的重大影響力或對合營公司的共同控制權時，本集團於出售時不再使用權益法。

於出售後，本集團按照香港會計準則第39號將於聯營公司或合營公司的任何保留權益入賬，惟倘保留權益仍屬一間聯營公司或合營公司，則本集團將使用權益法（見上文於聯營公司或合營公司的投資的會計政策）。

分類為持作出售的非流動資產（及出售組別）按其以往賬面金額與公平值減出售成本的較低者計量。

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)

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.

Leasing

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.

The Group as lessor

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

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)

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。

租賃

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。

本集團作為出租人

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。

本集團作為承租人

經營租約付款以直線法按租約年期確認為開支。

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)

Foreign currencies

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

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

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

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)

外幣

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

結算及重新換算貨幣項目時產生的匯兌差額會於產生期間在損益確認。

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

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)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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.

Retirement benefit costs

The employees of the Group are members of state-managed retirement benefit schemes, the obligations of the Group under which are equivalent to those arising in a defined contribution retirement benefit plan. Contributions to state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

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

3. 主要會計政策 (續)**政府補助**

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

政府補助按系統化基準於本集團將由補助擬補償的相關成本確認為開支的各期間在損益內確認。具體而言，主要條件為本集團應購買、興建或以其他方式收購非流動資產的政府補助乃於綜合財務狀況表確認為遞延收入並且在有關資產的可使用年期內有系統及合理地轉移至損益內。

用作補償本集團已產生支出或虧損或旨在為本集團提供即時財務資助（而無未來相關成本）的應收政府補助，乃於應收期間於損益內確認。

退休福利成本

本集團僱員為國家管理的退休福利計劃的成員，據此，本集團承擔界定供款退休福利計劃中相應的義務。向國家管理的退休福利計劃作出的供款於僱員已提供服務以有權獲取供款時確認為開支。

稅項

所得稅開支指現時應付的稅項及遞延稅項總和。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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.

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.

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.

3. 主要會計政策 (續)

稅項 (續)

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。

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。倘有應納稅溢利將可用以抵銷可動用可扣稅暫時差額，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），則該等資產及負債不會予以確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and 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.

Prepaid lease payments

Prepaid lease payments represent payments made to acquire land use rights and are amortised on a straight-line basis over the term of the land use rights.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

3. 主要會計政策 (續)**稅項 (續)**

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

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

預付租賃款項

預付租賃款項指為收購土地使用權作出的付款，其按土地使用權年期以直線法攤銷。

物業、廠房及設備

物業、廠房及設備包括持有用於生產或提供貨物或服務，或用於行政用途之樓宇（不包括在建工程），乃按照成本減其後累計折舊及累計減值虧損（如有）於綜合財務狀況表列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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 after taking into account of their estimated residual values, 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.

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.

Investment properties measured using the cost model

Investment properties are properties held to earn rentals.

Investment properties are initially 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 recognised 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.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備 (在建工程除外) 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。在建工程按成本減任何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。

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任何收益或虧損 (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。

採用成本模式計量的投資物業

投資物業指持作賺取租金的物業。

投資物業初步乃以成本 (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。確認折舊以便於經考慮投資物業的估計剩餘價值後採用直線法按估計使用年限撇銷其成本。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment properties measured using the cost model (continued)

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

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

Intangible assets***Intangible assets acquired separately***

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. 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.

3. 主要會計政策 (續)**採用成本模式計量的投資物業 (續)**

就由自用物業轉撥至投資物業而言，於及僅於佔用情況有變（即業主佔用結束）時，方會轉撥至投資物業。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）。

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

無形資產***獨立收購的無形資產***

個別收購且具備有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。估計可使用年期及攤銷法於各報告期末檢討，而估計之任何變動影響按未來適用法予以入賬。具備有限可使用年期的無形資產攤銷於其估計可使用年期內按直線基準計提。

無形資產於出售或當預期使用或出售時不會帶來未來經濟利益時取消確認。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。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 with finite useful lives 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. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)

除商譽外之有形及無形資產之減值虧損 (見上述有關商譽之會計政策)

於報告期末，本集團審閱其有限使用年期之有形及無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘有任何該等跡象存在，將估計資產之可收回金額以釐定其減值虧損（如有）。倘不能估計個別資產之可收回金額時，本集團則估計該資產所屬之現金產生單位之可收回金額。倘有合理及一致的分配基準，公司資產亦會分配至個別現金產生單位，否則會被分配至最小之現金產生單位組合，當中有合理及一致的分配基準。

可收回金額為公平值減成本及使用價值之較高者。評估使用價值時，乃使用能反映現行市場所評估金錢之時間價值之稅前貼現率貼現至其現在價值，而該資產之預計未來現金流量則未有調整相關風險。

倘一項資產（或現金產生單位）之估計可收回金額低於其賬面值，則該資產（或現金產生單位）之賬面值將調低至其可收回金額。減值虧損隨即於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

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.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. 主要會計政策 (續)**除商譽外之有形及無形資產之減值虧損 (見上述有關商譽之會計政策)** (續)

倘減值虧損其後撥回，該項資產（或現金產生單位）之賬面值將增加至其經修訂之估計可收回金額，惟增加後之賬面值不得超過倘若該資產（或現金產生單位）於過往年度並無確認減值虧損所釐定之賬面值。減值虧損撥回隨即確認為收入。

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。

撥備

當本集團因過往事件須承擔現有責任（法定或推定），而本集團很可能須結清有關責任及可就有關責任金額作可靠估計時，則會確認撥備。

確認為撥備的金額（包括服務特許經營安排為在移交授予人之前維持或恢復基建而指定的合約責任所產生者）為於計及與責任有關的風險及不明朗因素後須於報告期末結清現有責任的最佳估計代價。倘使用結清現有責任的估計現金流量來計量撥備，其賬面值為該等現金流量的現值（如金錢時間值的影響屬重大者）。

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 available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

本集團的金融資產分類為可供出售(「可供出售」)金融資產及貸款及應收款項。分類視乎金融資產的性質及目的而定,並於初步確認時釐定。所有定期購買或出售金融資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或出售須於市場上按規則或慣例設定的時間框架內交付資產的金融資產。

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 financial assets or 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 assets, or, where appropriate, to the net carrying amount on initial recognition.

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

AFS financial assets

AFS financial assets are non-derivatives that are either designated or not classified as financial assets at loans and receivables. The unlisted equity securities are classified as available-for-sale financial assets.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy in respect of impairment loss on financial assets below).

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。

可供出售金融資產

可供出售金融資產為指定或非分類為按貸款及應收款項計值金融資產的非衍生工具。非上市股本證券分類為可供出售金融資產。

就於活躍市場並無市價報價及其公平值未能可靠計量的可供出售股本投資而言，其於報告期末按成本減任何已識別減值虧損計量(見下文有關金融資產的減值虧損的會計政策)。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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 cash and pledged bank deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be 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 AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For loans and receivables and other AFS investments, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contracts, such as 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)

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、銀行結餘及現金以及已抵押銀行存款）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。

金融資產的減值

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

就可供出售股本投資而言，抵押品之公平值大幅或長期下跌至低於其成本被認為屬減值的客觀證據。

就貸款及應收款項及其他可供出售投資而言，減值的客觀證據包括：

- 發行人或對手方出現重大財政困難；或
- 違反合約，如逾期或拖欠利息或本金還款；或
- 借款人有可能面臨破產或財務重組。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)**Financial assets** (continued)*Impairment of financial assets* (continued)

For certain categories of financial asset, such as trade 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 of 90 – 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

3. 主要會計政策 (續)**金融工具 (續)****金融資產 (續)***金融資產的減值 (續)*

就若干類金融資產(例如應收貿易款項)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90至180天的延遲付款數量有所增加,以及國家或地區經濟狀況出現明顯變動(與應收款項未能償還的情況吻合)。

對於按攤銷成本計值的金融資產而言,減值虧損金額為按該資產的賬面值與按金融資產原先實際利率折讓之估計未來現金流量之現值間的差額。

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,惟應收貿易款項及其他應收款項除外,應收貿易款項及其他應收款項的賬面值會透過撥備賬作出扣減。當應收貿易款項或其他應收款項被視為不可收回時,其將於撥備賬內撇銷。之前已撇銷的款項如其後收回,將計入撥備賬內。撥備賬內的賬面值變動會於損益中確認。

當可供出售金融資產被視為減值,先前於其他全面收入內確認的累積盈虧重新分類為發生減值期內的損益。

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.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

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

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

股本工具乃證明實體於扣減所有負債後的資產中擁有剩餘權益之任何合約。本公司所發行的股本工具按已收所得款項減直接發行成本列賬。

其他金融負債

其他金融負債（包括借款以及應付貿易款項及其他應付款項）其後按攤銷成本採用實際利率法計量。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)**Financial liabilities and equity instruments**

(continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 liabilities, or, where appropriate, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

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 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.

On derecognition of a financial asset in its entirety, 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, and only when, the Group's obligations are 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.

3. 主要會計政策 (續)**金融工具 (續)****金融負債及股本工具 (續)***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(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)按金融負債的預期年限,或(倘合適)準確折現至初步確認時賬面淨值的利率。利息支出按實際利率基準確認。

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。

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。

當及僅當本集團的責任獲解除、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. 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 31 December 2013, the carrying amount of goodwill is RMB202,900,000 (2012: RMB202,900,000). Details of the recoverable amount calculation are disclosed in note 21.

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 cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

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。於二零一三年十二月三十一日，商譽的賬面值為人民幣202,900,000元（二零一二年：人民幣202,900,000元）。可收回金額計算方法的詳情於附註21披露。

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，同時透過適當優化債務與權益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）。

5. CAPITAL RISK MANAGEMENT (continued)

The directors of the Company review the capital structure on a semi-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.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial assets

Loans and receivables (including cash and cash equivalents)
Available-for-sale investments

金融資產

貸款及應收款項 (包括現金及現金等價物)
可供出售投資

Financial liabilities

Amortised cost

金融負債

攤銷成本

Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade and other receivables, pledged bank deposits, bank balances and cash, trade and 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.

5. 資本風險管理 (續)

本公司董事按半年基準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. 金融工具

金融工具類別

| | 2013 | 2012 |
|---|------------------|-----------|
| | RMB'000 | RMB'000 |
| | 二零一三年 | 二零一二年 |
| | 人民幣千元 | 人民幣千元 |
| Financial assets | | |
| Loans and receivables (including cash and cash equivalents) | 5,241,545 | 2,921,767 |
| Available-for-sale investments | 40,000 | - |
| Financial liabilities | | |
| Amortised cost | 2,014,089 | 1,352,553 |

財務風險管理目標及政策

本集團的主要金融工具包括可供出售投資、應收貿易款項及其他應收款項、已抵押銀行存款、銀行結餘及現金、應付貿易款項及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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

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)

Market risk

市場風險

Currency risk

貨幣風險

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

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、採購及銀行結餘及現金，因而使本集團承受外幣風險。

The carrying amounts of the Group's foreign currency denominated monetary assets which are included in the bank balance and cash at the end of the reporting period are as follows.

於報告期末，本集團計入銀行結餘及現金內之以外幣列值之貨幣資產之賬面值如下。

| | | Liabilities 負債 | | Assets 資產 | |
|--------------------------|------|-------------------|---------|--------------|---------|
| | | 2013 | 2012 | 2013 | 2012 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Currency of SGD | 新加坡元 | - | - | 297,346 | 715,587 |
| Currency of HKD | 港元 | - | - | 29,639 | 22,812 |
| Currency of USD | 美元 | - | - | 1,908,362 | 813 |
| Other foreign currencies | 其他外幣 | - | - | 54 | 868 |

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

本集團主要承受港元、新加坡元、美元及其他外幣之貨幣風險。

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

The following table details the Group's sensitivity to a 5% (2012:5%) 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 post-tax profit for the year where the RMB weakens 5% against the relevant currency. For a 5% strengthening of the RMB against the relevant currency, there would be an opposite impact on the post-tax 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)

下表詳列本集團對人民幣兌相關外幣之匯率上升及下跌5% (二零一二年:5%)之敏感度。5%為向主要管理人員在內部報告外幣風險所使用之敏感度,並為管理層對外匯匯率合理可能變動之評估。敏感度分析僅包括未結付之以外幣列值之貨幣項目,並於期末按5%之外匯匯率變動調整彼等之換算。以下正數表示當人民幣兌相關外幣貶值5%時之本年度稅後溢利之升幅。倘人民幣兌相關外幣升值5%,則會對本年度稅後溢利有等額相反影響。

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|---|---------------|---|-----------------------------------|
| Increase (decrease) in post-tax profit for the year | 本年度稅後溢利增加(減少) | | |
| – If RMB weakens against foreign currency | – 倘人民幣兌外幣貶值 | 95,004 | 31,453 |
| – If RMB strengthens against foreign currency | – 倘人民幣兌外幣升值 | (95,004) | (31,453) |

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

The Group is exposed to fair value interest rate in relation to pledged bank balances and borrowings with fixed interest rate (notes 24 and 27).

The Group is also exposed to cash flow interest rate in relation to bank balances and borrowings with variable interest rate (notes 25 and 27). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of saving/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 has been determined based on the exposure to interest rates for bank balances and borrowings with variable interest rate at the end of the reporting period. The analysis is prepared assuming the bank balances and variable-rate borrowings at the end of the reporting period were outstanding for the whole year. A 25 basis points (2012: 25 basis points) 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.

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

本集團面臨有關已抵押銀行結餘及定息借款的公平值利率風險(附註24及27)。

本集團亦面臨有關銀行結餘及浮息借款的現金流量利率風險(附註25及27)。本集團的現金流量利率風險主要集中於中國人民銀行頒佈的存款／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率風險。

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

下文的敏感度分析已按於報告期末銀行結餘及浮息借款承受的利率風險釐定。分析經假設於報告期末的銀行結餘及浮息借款於全年均屬未償還而編製。於向主要管理人員內部呈報利率風險時，將使用25個基本點子(二零一二年：25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。

6. FINANCIAL INSTRUMENTS (continued)**Financial risk management objectives and policies** (continued)**Market risk** (continued)*Sensitivity analysis (continued)*

If interest rates on bank balances and variable-rate borrowings had been 25 basis points (2012: 25 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2013 would increase/decrease by RMB5,776,000 (2012: RMB2,952,000).

Credit risk

As at 31 December 2013, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by the counterparties is arising from 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.

6. 金融工具 (續)**財務風險管理目標及政策** (續)**市場風險** (續)*敏感度分析* (續)

倘浮息抵押銀行存款、銀行結餘及借款利率升高／降低25個基本點子(二零一二年:25個基本點子),而所有其他變動維持不變,則本集團於截至二零一三年十二月三十一日止年度的稅後溢利將增加／減少人民幣5,776,000元(二零一二年:人民幣2,952,000元)。

信貸風險

於二零一三年十二月三十一日,倘因對手方未能履行責任而將導致本集團產生財務虧損,則本集團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值。

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。

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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

流動資金風險

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 borrowings and ensures compliance with loan covenants.

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。管理層監察借款的使用情況並確保符合貸款契約。

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.

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。

Liquidity tables

流動資金表

| | | Weighted average effective interest rate % | Less than | 1-2 year | 2-5 years | Over | Total | Carrying |
|---|----------------------|--|------------------|---------------|----------------|---------------|-------------------------|------------------------------------|
| | | | 1 year | 1-2 year | 2-5 years | 5 years | undiscounted cash flows | amount at |
| | | % | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | 31.12.2013 |
| | | 加權平均實際利率 % | 少於1年 人民幣千元 | 1至2年 人民幣千元 | 2至5年 人民幣千元 | 超過5年 人民幣千元 | 未貼現現金 流量總額 人民幣千元 | 於二零一三年 十二月三十一日 的賬面值 人民幣千元 |
| 2013 | 二零一三年 | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | |
| Trade payables | 應付貿易款項 | - | 853,553 | - | - | - | 853,553 | 853,553 |
| Bills payable | 應付票據 | - | 238,840 | - | - | - | 238,840 | 238,840 |
| Other payables | 其他應付款項 | - | 499,996 | - | - | - | 499,996 | 499,996 |
| Other payables for the acquisition of additional interest in a subsidiary | 就收購一間附屬公司額外權益的其他應付款項 | - | 22,000 | - | - | - | 22,000 | 22,000 |
| Borrowings | 借款 | 6.15% | 309,293 | 219 | 115,511 | - | 425,023 | 399,700 |
| | | | 1,923,682 | 219 | 115,511 | - | 2,039,412 | 2,014,089 |

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6. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity tables (continued)

| | Weighted average effective interest rate % | Less than 1 year RMB'000 | 1-2 year RMB'000 | 2-5 years RMB'000 | Over 5 years RMB'000 | Total undiscounted cash flows RMB'000 | Carrying amount at 31.12.2012 RMB'000 |
|---|--|--------------------------|------------------|-------------------|----------------------|---------------------------------------|---------------------------------------|
| | | | | | | | |
| 2012 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Trade payables | - | 776,217 | - | - | - | 776,217 | 776,217 |
| Bills payable | - | 231,898 | - | - | - | 231,898 | 231,898 |
| Other payables | - | 322,438 | - | - | - | 322,438 | 322,438 |
| Other payables for the acquisition of additional interest in a subsidiary | - | 22,000 | - | - | - | 22,000 | 22,000 |
| | | 1,352,553 | - | - | - | 1,352,553 | 1,352,553 |

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.

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

6. 金融工具 (續)

財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (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釐定。

本公司董事認為，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。

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6. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. 金融工具 (續)

公平值 (續)

於綜合財務狀況表確認的公平值計量

下表提供初次確認後以按公平值計量的金融工具分析，其按可觀察的公平值程度分為第一至三級。

- 第一級公平值計量乃按可識別資產或負債於活躍市場所報的價格（未調整）得出。
- 第二級公平值計量乃按資產或負債可直接（即作為價格）或間接（即按價格衍生）觀察的輸入值（第一級計入的報價除外）得出。
- 第三級公平值計量乃按估值技術，包括資產或負債之輸入值而不按可觀察的市場資料（不可觀察輸入值）得出。

31 December 2013
二零一三年十二月三十一日

| | Level 1 RMB'000 第一級 人民幣千元 | Level 2 RMB'000 第二級 人民幣千元 | Level 3 RMB'000 第三級 人民幣千元 | Total RMB'000 總計 人民幣千元 |
|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| Available-for-sale investments 可供出售投資 | - | 40,000 | - | 40,000 |

31 December 2012
二零一二年十二月三十一日

| | Level 1 RMB'000 第一級 人民幣千元 | Level 2 RMB'000 第二級 人民幣千元 | Level 3 RMB'000 第三級 人民幣千元 | Total RMB'000 總計 人民幣千元 |
|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| Available-for-sale investments 可供出售投資 | - | - | - | - |

6. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

The fair value of available-for-sale investments is determined by using income approach based on discounted cash flow analysis with the expected interest rates.

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 device products, orthopaedic products and 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 device 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 (續)

於綜合財務狀況表確認的公平值計量 (續)

可供出售投資的公平值乃根據已貼現現金流量分析及預計利率採用收入法釐定。

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：一次性使用醫療器械產品、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：

| | | |
|-------------|---|-------------------------------|
| 一次性使用醫療器械產品 | – | 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。 |

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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：

2013

二零一三年

| | | Single use medical device 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 抵減 人民幣千元 | Total RMB'000 合計 人民幣千元 |
|---|-------------------|--|---|---|--|---------------------------------|
| Revenue | 收益 | | | | | |
| External sales | 外部銷售 | 3,546,077 | 505,947 | 561,286 | - | 4,613,310 |
| Inter-segment sales | 內部分部銷售 | 3,373 | - | 864 | (4,237) | - |
| Total | 合計 | 3,549,450 | 505,947 | 562,150 | (4,237) | 4,613,310 |
| Segment profit | 分部溢利 | 765,201 | 257,264 | 14,863 | - | 1,037,328 |
| Unallocated expenses | 未分配開支 | | | | | (372) |
| Unallocated other income, gain and losses | 未分配其他收入、收益及 虧損 | | | | | 762 |
| Bank interest income | 銀行利息收入 | | | | | 5,947 |
| Interest on available for sale investments | 可供出售投資利息 | | | | | 576 |
| Share of profit of joint ventures | 應佔合營公司溢利 | | | | | 2,820 |
| Share of profit of associates | 應佔聯營公司溢利 | | | | | 62,325 |
| Loss on disposal of an associate | 出售一間聯營公司 的損失 | | | | | (565,232) |
| Profit before taxation | 除稅前溢利 | | | | | 544,154 |

Inter-segments sales are charged at prevailing market rates.

內部分部銷售均按現行市價計算。

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7. SEGMENT INFORMATION (continued)

7. 分部資料 (續)

Segment revenues and results (continued)

分部收益及業績 (續)

2012

二零一二年

| | | Single use medical device 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 抵減 人民幣千元 | Total RMB'000 合計 人民幣千元 |
|--|-------------------|---|---|---|--|---------------------------------|
| Revenue | 收益 | | | | | |
| External sales | 外部銷售 | 3,063,636 | 223,015 | 402,464 | - | 3,689,115 |
| Inter-segment sales | 內部分部銷售 | 9,817 | - | 535 | (10,352) | - |
| Total | 合計 | 3,073,453 | 223,015 | 402,999 | (10,352) | 3,689,115 |
| Segment profit | 分部溢利 | 783,964 | 93,380 | 25,525 | - | 902,869 |
| Unallocated expenses | 未分配開支 | | | | | (144) |
| Unallocated other income, gain and losses | 未分配其他收入、收益及 虧損 | | | | | 54,969 |
| Share of loss of joint ventures | 應佔合營公司溢利 | | | | | (4,401) |
| Share of profit of associates | 應佔聯營公司溢利 | | | | | 172,882 |
| Profit before taxation | 除稅前溢利 | | | | | 1,126,175 |

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 expenses, other income, gains and losses of the corporate function, share of profit (loss) of joint ventures, share of profit of associates and loss on disposal of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

經營分部的會計政策與本集團會計政策相同。分部溢利指各分部所賺取的溢利，未計及開支、其他收入、企業職能的收益及虧損、應佔合營公司溢利（虧損）、應佔聯營公司溢利及出售聯營公司收益／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。

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綜合財務報表附註

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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：

2013

二零一三年

| | | Single use medical device 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 | 5,673,857 | 724,994 | 1,461,448 | 7,860,299 |
| Interests in an associate | 於一間聯營公司權益 | | | | 128,458 |
| Interests in joint ventures | 於合營公司權益 | | | | 107,277 |
| Available-for-sale investments | 可供出售投資 | | | | 40,000 |
| Investment properties | 投資物業 | | | | 10,109 |
| Deferred tax assets | 遞延稅項資產 | | | | 22,834 |
| Pledged bank deposits | 抵押銀行存款 | | | | 143,496 |
| Bank balances and cash | 銀行結餘及現金 | | | | 2,975,623 |
| Consolidated assets | 綜合資產 | | | | 11,288,096 |
| Liabilities | 負債 | | | | |
| Segment liabilities | 分部負債 | 1,510,442 | 156,589 | 536,133 | 2,203,164 |
| Other payable relating to the acquisition of additional interest in a subsidiary (note 26) | 與收購一間附屬公司額外權益有關的其他應付款項 (附註26) | | | | 22,000 |
| Consolidated liabilities | 綜合負債 | | | | 2,225,164 |

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綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

7. SEGMENT INFORMATION (continued)

7. 分部資料 (續)

Segment assets and liabilities (continued)

分部資產及負債 (續)

2012

二零一二年

| | | Single use medical device 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 | 4,731,084 | 641,785 | 1,052,013 | 6,424,882 |
| Interests in an associate | 於一間聯營公司權益 | | | | 2,525,106 |
| Interests in joint ventures | 於合營公司權益 | | | | 104,457 |
| Investment properties | 投資物業 | | | | 10,597 |
| Deferred tax assets | 遞延稅項資產 | | | | 24,402 |
| Pledged bank deposits | 抵押銀行存款 | | | | 91,546 |
| Bank balances and cash | 銀行結餘及現金 | | | | 1,297,856 |
| Consolidated assets | 綜合資產 | | | | 10,478,846 |
| Liabilities | 負債 | | | | |
| Segment liabilities | 分部負債 | 1,202,732 | 189,791 | 143,908 | 1,536,431 |
| Other payable relating to the acquisition of additional interest in a subsidiary (note 26) | 與收購一間附屬公司額外權益有關的其他應付款項 (附註26) | | | | 22,000 |
| Consolidated liabilities | 綜合負債 | | | | 1,558,431 |

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

監控分部之間的分部表現和分配資源的目的：

- all assets are allocated to operating segments other than investment properties, pledged bank deposits, bank balances and cash, deferred tax assets, available-for-sale investments, interest in joint ventures and interests in associates; and
 - all liabilities are allocated to operating segments other than other payables relating to the acquisition of additional interest in a subsidiary.
- 所有資產分配至經營分部，惟投資物業、抵押銀行存款、銀行結餘及現金、遞延稅項資產、於合營公司的權益及於聯營公司的權益除外；及
 - 所有負債分配至經營分部，惟有關收購於一間附屬公司的額外權益的其他應付款項除外。

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7. SEGMENT INFORMATION (continued)

7. 分部資料 (續)

Other segment information

其他分部資料

2013

二零一三年

| | | Single use medical device 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 | 587,900 | 45,595 | 314,539 | 948,034 |
| Allowance for bad and doubtful debts | 呆壞賬撥備 | 16,002 | 261 | 5,948 | 22,211 |
| Release of prepaid lease payment | 預付租金付款付回 | 8,869 | 193 | 1,986 | 11,048 |
| Amortisation of intangible assets | 無形資產攤銷 | 1 | 3,114 | - | 3,115 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 114,858 | 23,118 | 46,498 | 184,474 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備收益 | (266) | (5) | (1,157) | (1,428) |
| Research and development expenditure | 研發開支 | 151,955 | 38,731 | 18,235 | 208,921 |
| Government grant | 政府補助 | (1,541) | (3,480) | (2,676) | (7,697) |
| Rebate of value added tax ("VAT") | 增值稅退款 | (38,371) | - | - | (38,371) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

7. SEGMENT INFORMATION (continued)

7. 分部資料 (續)

Other segment information (continued)

其他分部資料 (續)

2012

二零一二年

| | | Single use medical device 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 | 586,338 | 49,253 | 229,243 | 864,834 |
| Allowance for bad and doubtful debts | 呆壞賬撥備 | 1,415 | (1,804) | 5,957 | 5,568 |
| Release of prepaid lease payment | 預付租金付款付回 | 7,944 | 193 | 1,854 | 9,991 |
| Amortisation of intangible assets | 無形資產攤銷 | 1 | 3,114 | - | 3,115 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 88,821 | 20,942 | 15,320 | 125,083 |
| (Gain) loss on disposal of property, plant and equipment | 出售物業、廠房及設備(收益)虧損 | (157) | 116 | 28 | (13) |
| Research and development expenditure | 研發開支 | 128,764 | 29,605 | 12,218 | 170,587 |
| Government grant | 政府補助 | (3,611) | (5,983) | (2,464) | (12,058) |
| Rebate of VAT | 增值稅退款 | (42,333) | - | - | (42,333) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

7. SEGMENT INFORMATION (continued)

7. 分部資料 (續)

Revenue from major products

主要產品收益

| | | 2013 | 2012 |
|--|-------------|------------------|-----------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 |
| Sale of single use medical device products | 銷售一次性使用醫療產品 | | |
| – Infusion sets | – 輸液器 | 1,254,165 | 1,129,038 |
| – Syringes | – 注射器 | 595,022 | 530,805 |
| – Pre-filled syringes | – 預充式注射器 | 209,575 | 158,586 |
| – Needles | – 針製品 | 722,304 | 612,085 |
| – Blood bags and sampling products | – 血袋製品及採血產品 | 318,306 | 272,989 |
| – PVC granules | – PVC粒料 | 74,421 | 67,455 |
| – Other products | – 其他產品 | 372,284 | 292,678 |
| Sale of orthopaedic products | 銷售骨科產品 | 505,947 | 223,015 |
| Sale of blood purification products | 銷售血液淨化產品 | 561,286 | 402,464 |
| | | 4,613,310 | 3,689,115 |

Information about major customers

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

Geographical segment

The Group's operations, assets and most of the customers are located in the PRC. Accordingly, no geographical analysis of non-current assets and customers is presented.

主要客戶的資料

於兩個年度內，概無單一客戶銷售額超逾本集團總銷售額的10%。

地區分部

本集團的經營業務、資產及大部分客戶均位於中國。因此，毋須呈列非流動資產及客戶的地區分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

8. OTHER INCOME, GAINS AND LOSSES

8. 其他收入、收益及虧損

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|---|---------------|-----------------------------------|-----------------------------------|
| Rebate of VAT (i) | 增值稅退款 (i) | 38,371 | 42,333 |
| Government grant (ii and iii) | 政府補貼 (ii及iii) | 7,697 | 12,058 |
| Bank interest income | 銀行利息收入 | 5,947 | 20,488 |
| Rental income (note 31) | 租金收入 (附註31) | 1,753 | 2,573 |
| Net exchange (loss) gain | 匯兌 (虧損) 收益淨額 | (46,050) | 29,719 |
| Interest on available for sale investments | 可供出售投資利息 | 576 | - |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備收益 | 1,428 | 13 |
| Others | 其他 | 762 | 565 |
| | | 10,484 | 107,749 |

Note:

- i As Weihai Jierui Medical Products Company Limited ("Jierui") was recognised as a "Social Welfare Entity", the Tax Bureau in Weihai granted a rebate of the value added tax paid by Jierui with effect from 1 May 1999 on the basis of "payment first then rebate". Pursuant to Caishui [2007] No.92 issued by the State Council, with effect from 1 July 2007, Jierui 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 as rebate of value added tax but subject to an annual maximum limit of RMB35,000 per staff with physical disability.

附註：

- i 由於威海潔瑞醫用製品有限公司(「潔瑞」)獲確認為「社會福利企業」，因此威海稅務局向潔瑞授出增值稅退款，由一九九九年五月一日起生效，原則為「先付款後退還」。根據國務院發出之財稅(2007)第92號文件，由二零零七年七月一日起生效，潔瑞獲授出的增值稅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，作為增值稅退款，惟每名殘障員工之退稅年度上限為人民幣35,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

8. OTHER INCOME, GAINS AND LOSSES (continued)

- ii During the year, government grants of RMB4,585,000 (2012: RMB4,584,000) in aggregate were awarded to the Group mainly for specific research and development projects completed during the year ended 31 December 2013 and were recognised as income when the government grants were received. The detail are as follows:
 - 1) Pursuant to the Notice on the Weihai Science and Technology Development Plan for the Year 2012 Lukeguizi [2012] No. 101 issued by the Department of Science and Technology and Department of Finance, the Company received a government grant of RMB3,000,000.00 for the purpose of the Titanium Alloy Locking Plate Project. It was recognised as income during the year ended 31 December 2013 when the government grants were received.
 - 2) During the year ended 31 December 2013, other subsidies of RMB1,585,000 (2012: RMB2,714,000) was awarded to the Group by Bureau of Finance of Weihai High-tech District and are recognised as income during the year ended 31 December 2013 when the government grants were received.
- iii During the year ended 31 December 2013, the release of government grants related to assets amounting to RMB3,112,000 (2012: RMB7,474,000) is recognised as other income (note 29).

8. 其他收入、收益及虧損 (續)

- ii 年內，本集團就於截至二零一三年十二月三十一日止年度已完成的特定研發項目主要獲獎勵政府補助人民幣4,585,000元(二零一二年：人民幣4,584,000元)，並於收取政府補助時確認為收入。
 - 1) 根據山東省科技廳、財政廳聯合發佈的《2012年威海科學技術發展規劃綱要》(魯科規字[2012]101號)文件，本公司收到鈦合金鎖定板項目政府補助人民幣3,000,000元。政府補助於截至二零一三年十二月三十一日年內取得，並於取得時確認為收入。
 - 2) 本集團收到威海市高新技術開發區財政局其他政府補助人民幣1,585,000元(二零一二年：人民幣2,714,000元)。政府補助於截至二零一三年十二月三十一日年內取得，並於取得時確認為收入。
- iii 於截至二零一三年十二月三十一日止年度內，發放有關資產的政府補助人民幣3,112,000元(二零一二年：人民幣7,474,000元)確認為其他收入(附註29)。

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綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

9. FINANCE COSTS

9. 融資成本

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|---|------------------|-----------------------------------|-----------------------------------|
| Imputed interest expenses on other payable | 其他應付款項之推算利息開支 | - | 555 |
| Interest on borrowings wholly repayable within five years | 須於五年內悉數償還的銀行借貸利息 | 16,275 | 4,476 |
| Less: Amount capitalised in construction in progress | 減：在建工程撥充資本 | (7,318) | (353) |
| | | 8,957 | 4,678 |

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 6% (2012: 2.67%) 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6%（二零一二年：2.67%）計算。

10. INCOME TAX EXPENSE

10. 所得稅開支

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|-----------------------------|------------|-----------------------------------|-----------------------------------|
| PRC Enterprise Income Tax | 中國企業所得稅 | 154,907 | 138,450 |
| Deferred taxation (note 28) | 遞延稅項（附註28） | 1,568 | (8,645) |
| | | 156,475 | 129,805 |

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 PRC subsidiaries is 25%.

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》，中國附屬公司之稅率為25%。

10. INCOME TAX EXPENSE (continued)

The Company, Jierui, Shandong Weigao Orthopaedic Device Company Limited (“Weigao Ortho”) and Weihai Weigao Blood Purification Products Company Limited (“Weigao Blood”) were recognised as Shandong Province New and High Technical Enterprises (山東省高新技術企業) from the year 2011 to 2013. 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%. The directors of the Company expect that the Company, Jierui, Weigao Ortho and Weigao Blood can satisfy all current criteria and so will highly probable be recognised as Shandong Province New and High Technical Enterprises in 2014.

Jierui has been recognised as a “Social Welfare Entity” and pursuant to Caishui [2007] No. 92 issued by the State Council, with effect from 1 July 2007. Jierui 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 and the rebate of value added tax is exempted from the PRC income tax. Jierui is subject to income tax at a tax rate of 15%. The tax charge provided for the years ended 31 December 2013 and 2012 were made after taking these tax incentives into account.

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

No provision of overseas taxation has been made for Weigao Medical (Europe) Company Limited, Wellford Capital Limited and Weigao Medical Germany GmbH as they did not have assessable profit during both years.

10. 所得稅開支 (續)

本公司、潔瑞、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」)獲確認為二零一一年度至二零一三年度山東省高新技術企業。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》，高新技術企業可按15%稅率繳付所得稅。本公司預期本公司、潔瑞、威高骨科及威高血液能夠符合所有現時標準，因此將極有可能於二零一四年獲確認為山東省高新技術企業。

潔瑞獲確認為「社會福利企業」，並根據國務院發出之財稅(2007)第92號文件，由二零零七年七月一日起，潔瑞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。潔瑞須按15%稅率繳付所得稅。截至二零一三年及二零一二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。

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

概無就威高醫療(歐洲)有限公司、Wellford Capital Limited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。

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10. INCOME TAX EXPENSE (continued)

10. 所得稅開支 (續)

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

本年度的支出與綜合全面收入報表中的溢利對賬如下：

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|---|-----------------------------|---|-----------------------------------|
| Profit before taxation | 除稅前溢利 | 544,154 | 1,126,175 |
| Taxation at the domestic income tax rate of 15% (2012: 15%) | 按15%國內所得稅率計算的稅項(二零一二年: 15%) | 81,623 | 168,926 |
| Tax effect of share of (profit) loss of joint ventures | 應佔共同控制實體(溢利)虧損的稅務影響 | (423) | 660 |
| Tax effect of share of profit of associates | 應佔聯營公司之溢利的稅務影響 | (9,349) | (25,932) |
| Tax effect of income not taxable for tax purpose | 就稅務而言毋須課稅收入之稅務影響 | (5,756) | (10,861) |
| Additional tax benefit in research and development cost (note) | 研發成本之額外稅務優惠(附註) | (14,554) | (11,703) |
| Additional tax benefit to a social welfare entity | 社會福利實體之額外稅務優惠 | (4,675) | (4,407) |
| Utilisation of estimated tax losses previously not recognised | 動用過往未確認的估計稅項虧損 | (43) | (38) |
| Utilisation of deductible temporary difference previously not recognised | 動用過往年度未確認可抵扣暫時性差異 | (875) | (59) |
| Tax effect of tax losses not recognised | 未確認的稅項虧損的稅務影響 | 5,879 | 1,316 |
| Tax effect of expenses not deductible for tax purpose | 就稅務而言不可抵扣稅務開支的稅務影響 | 11,952 | 11,527 |
| Tax effect of loss on disposal of an associate not deductible for tax purpose | 出售一間聯營公司不扣稅的虧損的稅務影響 | 84,785 | - |
| Effect of differential tax rate on the Group | 不同稅率對本集團的影響 | 7,911 | 376 |
| Taxation | 稅項 | 156,475 | 129,805 |

Note: Additional tax allowance was granted by the PRC tax authority in respect of the research and development cost of RMB97,027,000 (2012: RMB78,020,000) 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97,027,000元(二零一二年：人民幣78,020,000元)授出額外免稅額。

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11. PROFIT FOR THE YEAR

11. 本年度溢利

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|---|--|-----------------------------------|-----------------------------------|
| Profit for the year has been arrived at after charging (crediting): | 本年度溢利經扣除(計入)下列項目後達致: | | |
| Allowances for bad and doubtful debts | 呆壞賬撥備 | 22,211 | 5,568 |
| Amortisation of intangible assets (included in administration expenses) | 無形資產攤銷(包括於行政開支中) | 3,115 | 3,115 |
| Auditors' remuneration | 核數師酬金 | 3,140 | 3,046 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 184,474 | 125,083 |
| Depreciation of investment properties | 投資物業折舊 | 372 | 144 |
| Prepaid lease payments charged to profit or loss | 在損益表扣除的預付租賃款項 | 11,048 | 9,991 |
| Rental payments in respect of premises under operating leases | 經營租賃的物業租金 | 9,593 | 10,234 |
| Research and development expenditure (including staff costs of RMB82,966,000 (2012: RMB68,335,000)) | 研究與開發支出(包括員工成本人民幣82,966,000元(二零一二年: 人民幣68,335,000元)) | 208,921 | 170,587 |
| Cost of inventories recognised as an expense | 確認為開支的存貨成本 | 1,886,444 | 1,576,695 |
| Staff costs, including directors' and supervisors' remuneration | 員工成本(包括董事及監事薪酬) | | |
| – Retirement benefits scheme contributions | – 退休福利計劃供款 | 180,033 | 154,842 |
| – Salaries and other allowances | – 薪金及其他津貼 | 626,169 | 493,204 |
| Total staff costs | 員工成本總額 | 806,202 | 648,046 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備收益 | (1,428) | (13) |

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12. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

Directors' and supervisors' emoluments

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

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

12. 董事、監事及僱員薪酬

董事及監事酬金

監事為本公司監事會的成員。

年內，董事及監事的酬金分析如下：

| | | 2013 二零一三年 | | | 2012 二零一二年 | | | 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 | 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 | | |
| Chief Executive and director Mr. Zhang Hua Wei | 行政總裁兼董事 張華威先生 | - | 1,159 | 7 | 1,166 | - | 1,301 | 7 | 1,308 |
| Executive directors | 執行董事 | | | | | | | | |
| Mr. Wang Yi | 王毅先生 | - | 954 | 7 | 961 | - | 1,092 | 7 | 1,099 |
| Mr. Gong Jian Bo (appointed on 18 March 2013) | 弓劍波先生(於二零一三年三月十八日獲委任) | - | 900 | - | 900 | - | - | - | - |
| Mr. Xia Lie Bo (appointed on 18 March 2013) | 夏列波先生(於二零一三年三月十八日獲委任) | - | 666 | 5 | 671 | - | - | - | - |
| Mr. Wu Chuan Ming (resigned on 27 December 2012) | 吳傳明先生(於二零一二年十二月二十七日辭任) | - | - | - | - | - | 433 | 5 | 438 |
| Mr. Miao Yan Guo (resigned on 27 December 2012) | 苗延國先生(於二零一二年十二月二十七日辭任) | - | - | - | - | - | 416 | 5 | 421 |
| Mr. Wang Zhi Fan (resigned on 27 December 2012) | 王志范先生(於二零一二年十二月二十七日辭任) | - | - | - | - | - | 364 | 5 | 369 |
| | | - | 2,520 | 12 | 2,532 | - | 2,305 | 22 | 2,327 |
| 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 (resigned on 27 December 2012) | 李炳容先生(於二零一二年十二月二十七日辭任) | - | - | - | - | - | - | - | - |
| Mr. Jean-Luc Butel (resigned on 7 March 2012) | Jean-Luc Butel先生(於二零一二年三月七日辭任) | - | - | - | - | - | - | - | - |
| Mr. Christopher J. O'Connell (appointed on 21 May 2012 and resigned on 1 July 2013) | Christopher J. O'Connell先生(於二零一二年五月二十一日獲委任並於二零一三年七月一日辭任) | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - |

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

12. 董事、監事及僱員薪酬 (續)

Directors' and supervisors' emoluments (continued)

董事及監事酬金 (續)

| | | 2013 二零一三年 | | | 2012 二零一二年 | | | |
|--|------------------------|-------------------------------------|--|--------------|---------------|-------------------------------------|--|--------------|
| | | Salaries and other allowances | Retirement benefits schemes contributions | Total | Fee | Salaries and other allowances | Retirement benefits schemes contributions | Total |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 袍金 | 其他津貼 | 退休福利 計劃供款 | 總計 | 袍金 | 薪金及 其他津貼 | 退休福利 計劃供款 |
| | | 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 | 人民幣千元 | 人民幣千元 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | | |
| Mr. Lo Wai Hung | 盧偉雄先生 | 96 | - | - | 96 | 97 | - | - |
| Mrs. Fu Ming Zhong | 付明仲女士 | 72 | - | - | 72 | 72 | - | - |
| Mr. Li Jia Miao | 李家淼先生 | 72 | - | - | 72 | 72 | - | - |
| Mrs. Wang Jin Xia | 王錦霞女士 | 72 | - | - | 72 | 44 | - | - |
| Mr. Luan Jian Ping (resigned on 15 March 2012) | 樂建平先生 (於二零一二年三月十五日辭任) | - | - | - | - | 18 | - | - |
| | | 312 | - | - | 312 | 303 | - | - |
| Supervisors | 監事 | | | | | | | |
| Mr. Long Jing (appointed on 18 March 2013) | 龍經先生 (於二零一三年三月十八日獲委任) | - | 457 | 4 | 461 | - | - | - |
| Mr. Miao Hai Sheng (resigned on 21 January 2013) | 苗海生先生 (於二零一三年一月二十一日辭任) | - | - | - | - | - | 325 | 5 |
| Ms. Bi Dong Mei [#] | 畢冬梅女士 [#] | - | - | - | - | - | - | - |
| Ms. Chen Xiao Yun [#] | 陳曉雲女士 [#] | - | - | - | - | - | - | - |
| | | - | 457 | 4 | 461 | - | 325 | 5 |
| | | 312 | 4,136 | 23 | 4,471 | 303 | 3,931 | 34 |

[#] The two supervisors worked for Weigao Holding since 2012, and the salaries and other allowances and retirement benefits schemes contributions were paid by Weigao Holding.

[#] 兩名監事自二零一二年起任職於威高集團，其薪金及其他津貼及退休福利計劃供款由威高集團支付。

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

Employees' emoluments

Of the five individuals with highest emoluments in the Group, three (2012: two) were directors of the Company whose emoluments are included in the disclosure above. The emoluments of the remaining two (2012: three) individual were as follows:

| | | 2013 | 2012 |
|-----------------------------|---------|----------------|---------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 |
| Salaries and other benefits | 薪金及其他福利 | 1,682 | 2,430 |

Their emoluments were within the following band:

| | | 2013 | 2012 |
|------------------------------|-----------------------------|------------------|-----------|
| | | No. of | No. of |
| | | employees | employees |
| | | 二零一三年 | 二零一二年 |
| | | 僱員人數 | 僱員人數 |
| Nil to HKD1,000,000 | 零至1,000,000港元 | - | 1 |
| HKD1,000,001 to HKD1,500,000 | 1,000,001港元至 1,500,000港元 | 2 | 2 |

During the two years ended 31 December 2013, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

12. 董事、監事及僱員薪酬 (續)

僱員酬金

本集團五位最高酬金人士中，三名（二零一二年：兩名）為本公司董事，彼等的酬金詳情已於上文披露。其餘兩名人士（二零一二年：三名）的酬金如下：

| | | 2013 | 2012 |
|-----------------------------|---------|----------------|---------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 |
| Salaries and other benefits | 薪金及其他福利 | 1,682 | 2,430 |

彼等的酬金範圍如下

| | | 2013 | 2012 |
|------------------------------|-----------------------------|------------------|-----------|
| | | No. of | No. of |
| | | employees | employees |
| | | 二零一三年 | 二零一二年 |
| | | 僱員人數 | 僱員人數 |
| Nil to HKD1,000,000 | 零至1,000,000港元 | - | 1 |
| HKD1,000,001 to HKD1,500,000 | 1,000,001港元至 1,500,000港元 | 2 | 2 |

截至二零一三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，作為吸引加入本集團或於加入時的獎勵，或作為離職補償。

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13. DIVIDENDS

13. 股息

| | | 2013 | 2012 |
|---|---|----------------|---------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 |
| Dividends recognised as distribution during the year: | 年內確認為分派的股息： | | |
| 2013 Interim – RMB0.029 (2012: interim dividend – RMB0.033) per share | 二零一三年中期股息每股人民幣0.029元 (二零一二年：中期股息0.033元) | 129,815 | 147,720 |
| 2012 Final – RMB0.033 (2012: 2011 final dividend – RMB0.03) per share | 二零一二年末期股息每股人民幣0.033元 (二零一二年： 二零一一年末期股息每股人民幣0.03元) | 147,720 | 134,291 |
| | | 277,535 | 282,011 |

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2013 of RMB0.031 (2012: RMB0.033) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

於報告期末後，董事建議派付截至二零一三年十二月三十一日止年度的末期股息每股人民幣0.031元（二零一二年：人民幣0.033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。

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14. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company for the each of reporting period is based on the following data:

14. 每股盈利

於各報告期間，本公司擁有人應佔每股基本盈利乃根據下列數據計算：

| | | 2013 | 2012 |
|---|---------------------|------------------|-----------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 |
| Earnings | 盈利 | | |
| Profit for the year attributable to owners of the Company | 本公司擁有人應佔年內溢利 | 387,984 | 996,486 |
| | | 2013 | 2012 |
| | | '000 | '000 |
| | | 二零一三年 | 二零一二年 |
| | | 千股 | 千股 |
| Number of shares | 股份數目 | | |
| Weighted average number of shares for the purpose of basic earnings per share | 就計算每股基本盈利而言的股份加權平均數 | 4,476,372 | 4,476,372 |

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

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

| | | Construction In progress RMB'000 | Buildings RMB'000 | Plant and machinery RMB'000 | Motor vehicles RMB'000 | Furniture, fixtures and office equipment RMB'000 | Total RMB'000 |
|-------------------------------------|---------------|--|----------------------|-----------------------------------|------------------------------|--|------------------|
| | | 在建工程 人民幣千元 | 建築物 人民幣千元 | 廠房及機器 人民幣千元 | 汽車 人民幣千元 | 傢俱、 固定裝置及 辦公室設備 人民幣千元 | 總計 人民幣千元 |
| COST | 成本 | | | | | | |
| At 1 January 2012 | 於二零一二年一月一日 | 1,485,741 | 542,961 | 738,247 | 46,792 | 96,807 | 2,910,548 |
| Additions | 添置 | 675,471 | 5,531 | 113,869 | 9,529 | 60,434 | 864,834 |
| Transfer | 轉讓 | (203,853) | 48,320 | 148,912 | 652 | 5,969 | - |
| Transfer to investment properties | 轉撥至投資物業 | - | (9,934) | - | - | - | (9,934) |
| Disposals | 出售 | - | - | (9,944) | (3,796) | (1,987) | (15,727) |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 1,957,359 | 586,878 | 991,084 | 53,177 | 161,223 | 3,749,721 |
| Additions | 添置 | 740,706 | 1,245 | 85,498 | 11,787 | 108,798 | 948,034 |
| Transfer | 轉讓 | (932,755) | 789,837 | 108,907 | 745 | 33,266 | - |
| Transfer from investment properties | 轉撥自投資物業 | - | 783 | - | - | - | 783 |
| Disposals | 出售 | - | (1,091) | (1,191) | (2,112) | (14,571) | (18,965) |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 1,765,310 | 1,377,652 | 1,184,298 | 63,597 | 288,716 | 4,679,573 |
| DEPRECIATION | 折舊 | | | | | | |
| At 1 January 2012 | 於二零一二年一月一日 | 2,314 | 99,630 | 247,634 | 24,908 | 65,570 | 440,056 |
| Provided for the year | 年內撥備 | - | 20,926 | 73,299 | 7,505 | 23,353 | 125,083 |
| Eliminated on disposals | 於出售時抵銷 | - | - | (7,053) | (2,936) | (1,025) | (11,014) |
| Transfer to investment properties | 轉撥至投資物業 | - | (2,653) | - | - | - | (2,653) |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 2,314 | 117,903 | 313,880 | 29,477 | 87,898 | 551,472 |
| Provided for the year | 年內撥備 | - | 29,631 | 100,560 | 8,263 | 46,020 | 184,474 |
| Eliminated on disposals | 於出售時抵銷 | - | (39) | (538) | (2,128) | (2,710) | (5,415) |
| Transfer from investment properties | 轉撥自投資物業 | - | 667 | - | - | - | 667 |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 2,314 | 148,162 | 413,902 | 35,612 | 131,208 | 731,198 |
| CARRYING AMOUNTS | 賬面值 | | | | | | |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 1,762,996 | 1,229,490 | 770,396 | 27,985 | 157,508 | 3,948,375 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 1,955,045 | 468,975 | 677,204 | 23,700 | 73,325 | 3,198,249 |

15. 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 | 3.2 – 9.5% |
| Plant and machinery | 9.5% |
| Motor vehicles | 19% |
| Furniture, fixtures and office equipment | 19 – 47.5% |

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

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

At 31 December 2013, the Group has no pledged buildings to banks to secure borrowings granted to the Group (2012: nil).

15. 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 | 3.2 – 9.5% |
| 廠房及機器 | 9.5% |
| 汽車 | 19% |
| 傢俱、固定裝置及 辦公室設備 | 19 – 47.5% |

本集團的建築物均位於中國,而租賃土地以中期租約持有。

在建工程指位於中國的在建中建築物、廠房及機器及固定裝置。

於二零一三年十二月三十一日,本集團概無將建築物質押予銀行,作為授予本集團的借款的抵押(二零一二年:無)。

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16. INVESTMENT PROPERTIES

16. 投資物業

| | | RMB'000 人民幣千元 |
|---|---------------|------------------|
| COST | 成本 | |
| At 1 January 2012 | 於二零一二年一月一日 | 4,524 |
| Transfer from property, plant and equipment | 轉撥自物業、廠房及設備 | 9,934 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 14,458 |
| Transfer to property, plant and equipment | 轉撥至物業、廠房及設備 | (783) |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 13,675 |
| DEPRECIATION | 折舊 | |
| At 1 January 2012 | 於二零一二年一月一日 | 1,064 |
| Provided for the year | 年內撥備 | 144 |
| Transfer from property, plant and equipment | 轉撥自物業、廠房及設備 | 2,653 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 3,861 |
| Provided for the year | 年內撥備 | 372 |
| Transfer to property, plant and equipment | 轉撥至物業、廠房及設備 | (667) |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 3,566 |
| CARRYING VALUES | 賬面值 | |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 10,109 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 10,597 |

The fair value of the Group's investment properties of approximately RMB13,142,000 as at 31 December 2013 (2012: RMB13,776,000) has been determined by the directors.

本集團投資物業於二零一三年十二月三十一日的公平值約為人民幣13,142,000元(二零一二年:人民幣13,776,000元),該公平值由董事釐定。

The valuation performed by the directors was arrived by reference to recent market prices of properties in the same location and with similar conditions. There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

董事進行的估值乃以類似地點及相同條件下物業近日的市價作參考。於去年採用的估值技術並無變動。於估算物業的公平值時,物業的最高及最佳用途為其現時之用途。

The fair value of Group's investment properties at 31 December 2013 is categorized within level 2 at the fair value hierarchy.

本集團投資物業於二零一三年十二月三十一之公平值乃按公平值層級分類為第二級。

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16. INVESTMENT PROPERTIES (continued)

The above investment properties are depreciated on a straight-line basis at 5% per annum.

The carrying value of investment properties shown above comprise of buildings erected on:

16. 投資物業 (續)

上述投資物業按直線法以年率5%予以折舊。

以上所述投資物業的賬面值包括建於下述土地上之建築物：

| | | 31/12/2013 | 31/12/2012 |
|-------------------|--------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Land in PRC | 於中國的土地 | | |
| Medium term lease | 中期租約 | 10,109 | 10,597 |

17. PREPAID LEASE PAYMENTS

| | | | |
|--|---------------|----------------|---------|
| 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 | 526,176 | 471,791 |
| Analysed for reporting purposes as: | 就呈報目的分析為： | | |
| Current portion (note 23) | 即期部分 (附註23) | 11,483 | 10,271 |
| Non-current portion | 非即期部分 | 514,693 | 461,520 |
| | | 526,176 | 471,791 |

The leasehold land in PRC is held under medium-term lease of 43-50 years.

在中國的租賃土地乃根據43至50年的中期租約持有。

17. 預付租賃款項

| | | 31/12/2013 | 31/12/2012 |
|--|--|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| | | | |
| | | 526,176 | 471,791 |
| | | 11,483 | 10,271 |
| | | 514,693 | 461,520 |
| | | 526,176 | 471,791 |

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18. INTANGIBLE ASSETS

18. 無形資產

| | | Registration rights | Patent rights | Total |
|------------------------|----------------------|--------------------------------|--------------------------|--------------|
| | | RMB'000 | RMB'000 | RMB'000 |
| | | 登記權 | 專利權 | 總計 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| COST | | | | |
| At 1 January 2012 | 成本 於二零一二年一月一日 | 31,144 | - | 31,144 |
| Additions | 添置 | - | 5,200 | 5,200 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 31,144 | 5,200 | 36,344 |
| Additions | 添置 | - | - | - |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 31,144 | 5,200 | 36,344 |
| AMORTISATION | | | | |
| At 1 January 2012 | 攤銷 於二零一二年一月一日 | 13,409 | - | 13,409 |
| Charge for the year | 年內開支 | 3,115 | - | 3,115 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 16,524 | - | 16,524 |
| Charge for the year | 年內開支 | 3,115 | - | 3,115 |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 19,639 | - | 19,639 |
| CARRYING VALUES | | | | |
| At 31 December 2013 | 賬面值 於二零一三年十二月三十一日 | 11,505 | 5,200 | 16,705 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 14,620 | 5,200 | 19,820 |

The registration rights were acquired on acquisition of subsidiaries from independent third parties. They are amortised on a straight-line basis over a 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。

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19. INTERESTS IN JOINT VENTURES

19. 於合營公司的權益

| | | 31/12/2013 | 31/12/2012 |
|--------------------------------------|--------------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Cost of unlisted investment, at cost | 非上市投資成本 (按成本計算) | 117,990 | 117,990 |
| Share of post-acquisition loss | 應佔收購後虧損 | (10,713) | (13,533) |
| | | 107,277 | 104,457 |

Details of the Group's joint ventures as at 31 December 2013 and 2012 are as follows:

於二零一三年及二零一二年十二月三十一日，本集團的合營公司的詳情如下：

| Name | Form of business structure | Place of incorporation or registration/ operation | Proportion of nominal value of registered capital held by the Group | | Principal activities |
|---|----------------------------|---|---|-------|---|
| | | | 2013 | 2012 | |
| 名稱 | 業務架構形式 | 註冊成立或註冊/營運地點 | 本集團持有的註冊資本面值比例 | | 主要業務 |
| | | | 二零一三年 | 二零一二年 | |
| Weigao Nikkiso (Weihai) Dialysis Equipment Co., Ltd. ("Weigao Nikkiso") (i) | 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」)(i) | 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 |
| Weigao Terumo (Weihai) Medical Products Co., Ltd. ("Weigao Terumo") (ii) | Incorporated | PRC | 50% | 50% | Production and sales of medical products |
| 威高泰爾茂(威海)醫療製品有限公司(「威高泰爾茂」)(ii) | 註冊成立 | 中國 | | | 生產及銷售醫療製品 |

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19. INTERESTS IN JOINT VENTURES (continued)

Note:

- i Pursuant to the terms in the Weigao Nikkiso Co-operation Agreement between the shareholders, the registered capital of USD5,610,000 (equivalent to RMB37,990,000) was contributed by Weigao Blood and USD5,390,000 (equivalent to RMB36,500,000) was contributed by Nikkiso Company Limited (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 has 51% rights to the net assets of Weigao Nikkiso, thus investment in Weigao Nikkiso is classified as investment in joint venture.
- ii Weigao Terumo was established on 6 December 2012. Pursuant to the terms in the Weigao Terumo Agreement between the shareholders, the registered capital of RMB160,000,000 is to be contributed by Weigao Blood and Terumo (China) Investment Company Limited (泰爾茂(中國)投資有限公司) (“Terumo”). Under the Memorandum and Article of Weigao Terumo, Weigao Blood is entitled to 50% voting right and has 50% rights to the net assets of Weigao Terumo, thus investment in Weigao Terumo is classified as investment in joint venture. As at 31 December 2013, Weigo Blood and Terumo have contributed their respective share of registered capital of RMB80,000,000.

Summarised financial information in respect of the Group’s joint ventures is set out below. The summarised financial information represents amounts shown in the joint venture’s financial statements prepared in accordance with HKFRSs.

Weigao Nikkiso

| | | |
|--|----------------|--|
| Current assets | 流動資產 | |
| Non-current assets | 非流動資產 | |
| Current liabilities | 流動負債 | |
| The above amounts of assets and liabilities include the following: | 上述資產及負債金額包括如下: | |
| Cash and cash equivalents | 現金及現金等價物 | |

19. 於合營公司的權益 (續)

附註:

- i 根據股東之間的威高及日機裝合作協議的條款，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，並擁有威高日機裝資產淨值的51%權利，因此於威高日機裝的投資分類為於合營公司的投資。
- ii 威高泰爾茂於二零一二年十二月六日成立。根據股東之間的威高泰爾茂協議的條款，人民幣160,000,000元的註冊資本將由威高血液及泰爾茂（中國）投資有限公司（「泰爾茂」）出資。根據威高泰爾茂的組織章程大綱及公司細則，威高血液擁有威高泰爾茂50%的投票權，並擁有威高泰爾茂資產淨值的50%權利，因此於威高泰爾茂的投資分類為於合營公司的投資。於二零一三年十二月三十一日，威高血液及泰爾茂已分別注入彼等各自應佔之註冊資本人民幣80,000,000元。

有關本集團合營公司的財務資料摘要載列於下文。財務資料摘要指根據香港財務報告準則編製的合營公司財務報表中列示的金額。

威高日機裝

| 31/12/2013 | 31/12/2012 |
|------------|------------|
| RMB'000 | RMB'000 |
| 二零一三年 | 二零一二年 |
| 十二月 | 十二月 |
| 三十一日 | 三十一日 |
| 人民幣千元 | 人民幣千元 |

| | | | |
|--|--|-----------------|----------|
| | | 79,457 | 59,114 |
| | | 18,742 | 18,260 |
| | | (36,867) | (29,418) |
| | | | |
| | | 33,954 | 6,266 |

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19. INTERESTS IN JOINT VENTURES (continued)

Weigao Nikkiso (continued)

| | | Year ended 31/12/2013 RMB'000 截至 二零一三年 十二月 三十一日 止年度 人民幣千元 | Year ended 31/12/2012 RMB'000 截至 二零一二年 十二月 三十一日 止年度 人民幣千元 |
|---------------------|-------|---|---|
| Revenue | 收入 | 106,437 | 40,308 |
| Profit for the year | 本年度溢利 | 13,376 | 8,629 |

The above profit for the year include the following:

| | | Year ended 31/12/2013 RMB'000 截至 二零一三年 十二月 三十一日 止年度 人民幣千元 | Year ended 31/12/2012 RMB'000 截至 二零一二年 十二月 三十一日 止年度 人民幣千元 |
|-------------------------------|-------|---|---|
| Depreciation and amortisation | 折舊及攤銷 | 2,031 | 1,778 |
| Interest income | 利息收入 | 33 | 99 |
| Income tax expense | 所得稅開支 | - | - |

19. 於合營公司的權益 (續)

威高日機裝 (續)

| | | Year ended 31/12/2013 RMB'000 截至 二零一三年 十二月 三十一日 止年度 人民幣千元 | Year ended 31/12/2012 RMB'000 截至 二零一二年 十二月 三十一日 止年度 人民幣千元 |
|---------------------|-------|---|---|
| Revenue | 收入 | 106,437 | 40,308 |
| Profit for the year | 本年度溢利 | 13,376 | 8,629 |

上述本年度溢利包括如下：

| | | Year ended 31/12/2013 RMB'000 截至 二零一三年 十二月 三十一日 止年度 人民幣千元 | Year ended 31/12/2012 RMB'000 截至 二零一二年 十二月 三十一日 止年度 人民幣千元 |
|-------------------------------|-------|---|---|
| Depreciation and amortisation | 折舊及攤銷 | 2,031 | 1,778 |
| Interest income | 利息收入 | 33 | 99 |
| Income tax expense | 所得稅開支 | - | - |

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19. INTERESTS IN JOINT VENTURES (continued)

19. 於合營公司的權益 (續)

Weigao Nikkiso (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Weigao Nikkiso recognised in the consolidated financial statements:

| | | 31/12/2013 | 31/12/2012 |
|--|-------------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Net assets of Weigao Nikkiso | 威高日機裝之資產淨值 | 61,332 | 47,956 |
| Proportion of the Group's ownership interest in Weigao Nikkiso | 本集團於威高日機裝之所有權權益比例 | 51 | 51 |
| Carrying amount of the Group's interest in Weigao Nikkiso | 本集團於威高日機裝權益之賬面值 | 31,279 | 24,457 |

威高日機裝 (續)

上文概述之財務資料與於綜合財務報表確認的於威高日機裝權益之賬面值的對賬：

Weigao Terumo

威高泰爾茂

| | | 31/12/2013 | 31/12/2012 |
|--|----------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Current assets | 流動資產 | 145,085 | 80,000 |
| Non-current assets | 非流動資產 | 9,429 | - |
| Current liabilities | 流動負債 | (2,517) | - |
| The above amounts of assets and liabilities include the following: | 上述資產及負債金額包括如下： | | |
| Cash and cash equivalents | 現金及現金等價物 | 93,439 | 80,000 |

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19. INTERESTS IN JOINT VENTURES (continued)

Weigao Terumo (continued)

| | | Year ended 31/12/2013 RMB'000 截至 二零一三年 十二月 三十一日 止年度 人民幣千元 | Year ended 31/12/2012 RMB'000 截至 二零一二年 十二月 三十一日 止年度 人民幣千元 |
|-------------------|-------|--|---|
| Revenue | 收入 | - | - |
| Loss for the year | 本年度虧損 | (8,003) | - |

The above loss for the year include the following:

| | | Year ended 31/12/2013 RMB'000 截至 二零一三年 十二月 三十一日 止年度 人民幣千元 | Year ended 31/12/2012 RMB'000 截至 二零一二年 十二月 三十一日 止年度 人民幣千元 |
|-------------------------------|-------|--|---|
| Depreciation and amortisation | 折舊及攤銷 | 105 | - |
| Interest income | 利息收入 | - | - |
| Income tax expense | 所得稅開支 | - | - |

19. 於合營公司的權益 (續)

威高泰爾茂 (續)

| | | Year ended 31/12/2013 RMB'000 截至 二零一三年 十二月 三十一日 止年度 人民幣千元 | Year ended 31/12/2012 RMB'000 截至 二零一二年 十二月 三十一日 止年度 人民幣千元 |
|-------------------|-------|--|---|
| Revenue | 收入 | - | - |
| Loss for the year | 本年度虧損 | (8,003) | - |

上述本年度虧損包括如下：

| | | Year ended 31/12/2013 RMB'000 截至 二零一三年 十二月 三十一日 止年度 人民幣千元 | Year ended 31/12/2012 RMB'000 截至 二零一二年 十二月 三十一日 止年度 人民幣千元 |
|-------------------------------|-------|--|---|
| Depreciation and amortisation | 折舊及攤銷 | 105 | - |
| Interest income | 利息收入 | - | - |
| Income tax expense | 所得稅開支 | - | - |

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19. INTERESTS IN JOINT VENTURES (continued)

Weigao Terumo (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Weigao Terumo recognised in the consolidated financial statements:

| | | 31/12/2013 | 31/12/2012 |
|---|-------------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Net assets of Weigao Terumo | 威高泰爾茂之資產淨值 | 151,997 | 80,000 |
| Proportion of the Group's ownership interest in Weigao Terumo | 本集團於威高泰爾茂之所有權權益比例 | 50 | 50 |
| Carrying amount of the Group's interest in Weigao Terumo | 本集團於威高泰爾茂權益之賬面值 | 75,998 | 80,000 |

19. 於合營公司的權益 (續)

威高泰爾茂 (續)

上文概述之財務資料與於綜合財務報表確認的於威高泰爾茂權益之賬面值的對賬：

20. INTERESTS IN ASSOCIATES

| | | 2013 | 2012 |
|--|-------------------------|----------------|-----------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 |
| Cost of listed investment in associates | 於聯營公司之上市投資成本 | - | 2,276,200 |
| Realised gain arising from establishing of an associate | 成立聯營公司產生的變現收益 | 72,314 | 72,314 |
| 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) | 56,144 | 176,592 |
| | | 128,458 | 2,525,106 |
| Fair value of listed investment | 上市投資之公平值 | - | 2,280,091 |

20. 於聯營公司的權益

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20. INTERESTS IN ASSOCIATES (continued)

Notes:

- (1) On 18 December 2008, the Company and Medtronic International Limited ("Medtronic International") entered into an agreement in respect of establishing an entity (the "Distribution JV") in the PRC with a total registered capital of RMB147,580,000 to undertake the sale and distribution of orthopaedic medical device products in the PRC (the "Distribution JV Agreement").

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

Pursuant to the terms in the Distribution JV Agreement, the registered capital of RMB147,580,000 were contributed by Medtronic International while the Company is entitled to 49% voting right and is entitled to share 49% of the result of Distribution JV since its incorporation.

The Company is entitled to share the remaining net assets of the Distribution JV in the following percentage, when the Distribution JV is dissolved under the agreement of the Company and Medtronic International:

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

On 3 December 2012, the Company and Medtronic International entered into an agreement in respect of liquidating and dissolving the Distribution JV and to terminate the Distribution JV Agreement. As at 31 December 2013, the liquidation process has not been completed.

- (2) On 21 November 2013, the Company entered into an agreement to dispose of its interests in Biosensors International Group Ltd ("Biosensors") to CB Medical Holdings Limited. The consideration was satisfied by cash amounted to USD312,284,000 (equivalent to RMB1,911,053,000).

20. 於聯營公司的權益 (續)

附註：

- (1) 於二零零八年十二月十八日，本公司與Medtronic International Limited (「Medtronic International」)就於中國成立實體(「分銷合營公司」)訂立協議(「分銷合營協議」)，分銷合營公司總註冊資本為人民幣147,580,000元，以於中國從事銷售及分銷骨科醫療設備產品。

分銷合營公司以中外合作合營有限責任公司的形式進行。

根據分銷合營協議的條款，註冊資本人民幣147,580,000元已由Medtronic International出資，而本公司則擁有分銷合營公司49%的投票權，並有權分佔分銷合營公司自註冊成立起業績的49%。

分銷合營公司由本公司與Medtronic International根據協議清算時，本公司有權按以下百分比分佔分銷合營公司的餘下資產淨值：

| | |
|------------|-----|
| 自註冊成立起0至1年 | 10% |
| 自註冊成立起1至2年 | 25% |
| 自註冊成立起2年以上 | 49% |

於二零一二年十二月三日，本公司及Medtronic International就清算及解散分銷合營公司及終止分銷合營協議訂立協議。於二零一三年十二月三十一日，清算程序尚未完成。

- (2) 於二零一三年十一月二十一日，本公司訂立協議以將其於柏盛國際集團有限公司(「柏盛」)的權益出售予CB Medical Holdings Limited。代價透過現金312,284,000美元(相等於人民幣1,911,053,000元)支付。

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For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

20. INTERESTS IN ASSOCIATES (continued)

Details of the Group's associate as at 31 December 2013 and 2012 are as follows:

| 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 2013 2012 本公司直接持有的 應佔股權 二零一三年 二零一二年 | | Principal activities 主要業務 |
|--|--------------------------------------|--|---|-------|---|
| | | | 2013 | 2012 | |
| 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) | - | 21.5% | Sale and distribution of heart medical device products 銷售及分銷心臟醫療設備產品 |

Summarised financial information in respect of each of the Group's associates is set out below. The summarised financial information of Distribution JV shown below has been prepared in accordance with HKFRSs, and the summarised financial information of Biosensors shown below has been prepared in accordance with International Financial Reporting Standards.

於二零一三年及二零一二年十二月三十一日，本集團的聯營公司詳情如下：

有關本集團各聯營公司的財務資料摘要載列於下文。下文所示的分銷合營公司的財務資料摘要已根據香港財務報告準則編製，而下文所示的柏盛的財務資料摘要已根據國際財務報告準則編製。

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20. INTERESTS IN ASSOCIATES (continued)

20. 於聯營公司的權益 (續)

Distribution JV

分銷合營公司

| | | 31/12/2013 | 31/12/2012 |
|--------------------------------|-------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Current assets | 流動資產 | 323,718 | 369,877 |
| Non-current assets | 非流動資產 | 37,496 | 79,578 |
| Current liabilities | 流動負債 | (99,054) | (176,101) |
| | | Year ended | Year ended |
| | | 31/12/2013 | 31/12/2012 |
| | | RMB'000 | RMB'000 |
| | | 截至 | 截至 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 止年度 | 止年度 |
| | | 人民幣千元 | 人民幣千元 |
| Revenue | 收入 | - | 927,181 |
| (Loss) profit for the year | 本年度(虧損)溢利 | (11,195) | 85,933 |
| Group's share of (loss) profit | 本集團應佔(虧損)溢利 | (5,486) | 42,107 |

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綜合財務報表附註

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20. INTERESTS IN ASSOCIATES (continued)

20. 於聯營公司的權益 (續)

Biosensors

柏盛

| | | 31/12/2013 | 31/12/2012 |
|--|---------------------------|---------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Current assets | 流動資產 | - | 2,963,858 |
| Non-current assets | 非流動資產 | - | 8,239,317 |
| Current liabilities | 流動負債 | - | (341,573) |
| Non-current liabilities | 非流動負債 | - | (667,282) |
| | | Period ended | Year ended |
| | | 21/11/2013 | 31/12/2012 |
| | | RMB'000 | RMB'000 |
| | | 截至 | 截至 |
| | | 二零一三年 | 二零一二年 |
| | | 十一月 | 十二月 |
| | | 二十一日 | 三十一日 |
| | | 止期間 | 止年度 |
| | | 人民幣千元 | 人民幣千元 |
| Revenue | 收入 | 1,544,663 | 2,111,771 |
| Profit for the year/period | 本年度／期間溢利 | 329,482 | 710,848 |
| Share of profit before fair value adjustment | 應佔公平值調整前溢利 | 70,839 | 153,543 |
| Amortisation of intangible Assets | 無形資產攤銷 | (35,552) | (48,207) |
| Adjustment on fair value of bonds | 有關債券公平值的調整 | - | 3,670 |
| Share of profit | 應佔溢利 | 35,287 | 109,006 |
| Dilution gain recognised | 已確認攤薄收益 | 32,524 | 21,769 |
| Share of other comprehensive income | 應佔其他全面收入 | (47,824) | (4,847) |
| Group's share of profit and other comprehensive income of associates for the year/period | 本年度／期間本集團應佔聯營公司的溢利及其他全面收入 | 19,987 | 125,928 |

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For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

21. GOODWILL

21. 商譽

RMB'000
人民幣千元

| | | |
|---|--|---------|
| CARRYING AMOUNTS | 賬面值 | |
| At 1 January 2012, 31 December 2012 and 31 December 2013 | 於二零一二年一月一日、 二零一二年十二月三十一日及 二零一三年十二月三十一日 | 202,900 |

Impairment testing on goodwill

As explained in note 4, 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 31 December 2013 and 2012 and as follows:

商譽減值測試

誠如附註4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。於二零一三年及二零一二年十二月三十一日，商譽之賬面值如下：

| | | Goodwill | |
|------------------------------------|-------------|---|-------------------------------|
| | | 31/12/2013 | 31/12/2012 |
| | | RMB'000 | RMB'000 |
| | | 商譽 | |
| | | 二零一三年 十二月 三十一日 人民幣千元 | 二零一二年 十二月 三十一日 人民幣千元 |
| Single use medical device products | 一次性使用醫療器械產品 | 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。

21. GOODWILL (continued)

Impairment testing on goodwill (continued)

The recoverable amounts of the groups of CGUs of single use medical device 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% (2012: 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% (2012: 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% (2012: 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% (2012: 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.

21. 商譽 (續)

商譽減值測試 (續)

一次性使用醫療器械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一個年度財政預算為基礎，並按10% (二零一二年：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% (二零一二年：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一個年度財政預算為基礎，並按20% (二零一二年：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% (二零一二年：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。

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22. INVENTORIES

| | | 31/12/2013 | 31/12/2012 |
|----------------|-----|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月三十一日 | 十二月三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Raw materials | 原料 | 151,275 | 149,607 |
| Finished goods | 製成品 | 715,081 | 680,667 |
| | | 866,356 | 830,274 |

22. 存貨

23. TRADE AND OTHER RECEIVABLES

| | | 31/12/2013 | 31/12/2012 |
|--|--------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月三十一日 | 十二月三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Trade receivables | 應收貿易賬款 | 1,842,193 | 1,369,629 |
| Less: Allowance for bad and doubtful debts | 減：呆壞賬撥備 | (93,907) | (84,835) |
| Bills receivable | 應收票據 | 1,748,286 | 1,284,794 |
| Other receivables | 其他應收款項 | 327,485 | 204,482 |
| Prepayments | 預付款項 | 44,905 | 33,905 |
| Other receivables | 其他應收款項 | 94,038 | 110,076 |
| – receivable within one year | – 於一年內應收款 | 1,750 | 7,500 |
| Prepaid lease payments (note 17) | 預付租賃款項(附註17) | 11,483 | 10,271 |
| | | 2,227,947 | 1,651,028 |

23. 應收貿易賬款及其他應收款項

All the bills receivable will be matured within six month.

所有應收票據均將於六個月內到期。

Included in trade receivables is an amount due from an associate of RMB4,132,000 (2012: RMB16,714,000). The amounts are unsecured, interest-free and repayable on demand.

應收貿易賬款包括應收一間聯營公司款項為人民幣4,132,000元(二零一二年：人民幣16,714,000元)。該等款項為無抵押、免息及須於要求時償還。

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23. TRADE AND OTHER RECEIVABLES (continued)

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, which approximated the goods delivery date, at the end of the reporting period.

| | | 31/12/2013 RMB'000 二零一三年 十二月三十一日 人民幣千元 | 31/12/2012 RMB'000 二零一二年 十二月三十一日 人民幣千元 |
|-------------------|----------|---|--|
| 0 to 90 days | 0至90天 | 942,730 | 749,000 |
| 91 to 180 days | 91至180天 | 451,881 | 311,442 |
| 181 to 365 days | 181至365天 | 277,395 | 189,267 |
| Over 365 days | 365天以上 | 76,280 | 35,085 |
| Trade receivables | 應收貿易賬款 | 1,748,286 | 1,284,794 |

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.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB353,675,000 (2012: RMB224,352,000) 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.

23. 應收貿易賬款及其他應收款項 (續)

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(與貨品交付日期接近)呈列的應收貿易賬款(經扣減呆賬撥備)之賬齡分析如下。

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。

本集團的應收貿易賬款結餘已包括賬面總值為人民幣353,675,000元(二零一二年：人民幣224,352,000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。

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23. TRADE AND OTHER RECEIVABLES

(continued)

Ageing of trade receivables which are past due but not impaired:

| | |
|-----------------|----------|
| 181 to 365 days | 181至365天 |
| Over 365 days | 365天以上 |

The Group has made impairment allowances in full for all receivables over 3 years because from historical experience receivables past due beyond 3 years are generally not recoverable.

Movement in the allowance for bad and doubtful debt:

| | |
|---|--------------|
| Balance at beginning of year | 年初結餘 |
| Impairment losses recognised on receivables | 就應收款項確認的減值虧損 |
| Amounts written off as uncollectible | 撇銷為不能收回的款項 |
| Balance at end of year | 年末結餘 |

Bills receivables of approximately RMB228,096,000 (2012: RMB182,730,000) was endorsed with recourse to third parties at 31 December 2013 and corresponding trade payables of RMB228,096,000 (2012: RMB182,730,000) were included in the consolidated statement of financial position accordingly.

23. 應收貿易賬款及其他應收款項

(續)

已逾期但未減值的應收貿易賬款的賬齡：

| 31/12/2013 RMB'000 二零一三年 十二月三十一日 人民幣千元 | 31/12/2012 RMB'000 二零一二年 十二月三十一日 人民幣千元 |
|--|--|
| 277,395 | 189,267 |
| 76,280 | 35,085 |
| 353,675 | 224,352 |

本集團一般會為所有超過三年的應收賬款作出全數撥備，因根據過往經驗，該等逾期超過三年的應收賬款通常無法收回。

呆壞賬撥備的變動：

| 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|-----------------------------------|-----------------------------------|
| 84,835 | 90,636 |
| 21,977 | 5,568 |
| (12,905) | (11,369) |
| 93,907 | 84,835 |

於二零一三年十二月三十一日，具第三方追索權的已背書應收票據約為人民幣228,096,000元（二零一二年：人民幣182,730,000元），而人民幣228,096,000元（二零一二年：人民幣182,730,000元）的相應貿易應付款項已計入綜合財務狀況表。

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23. TRADE AND OTHER RECEIVABLES

(continued)

Other receivables are unsecured, non-interest bearing and have no fixed term of repayment. In the opinion of the directors of the Company, the amounts are expected to be recovered in the next twelve months. The ageing analysis of other receivables net of allowance for bad and doubtful debts is stated as follows:

| | | 31/12/2013 | 31/12/2012 |
|-----------------|----------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| 0 to 90 days | 0至90天 | 19,188 | 19,646 |
| 91 to 180 days | 91至180天 | 3,917 | 3,209 |
| 181 to 365 days | 181至365天 | 12,342 | 4,676 |
| Over 365 days | 365天以上 | 9,458 | 6,374 |
| | | 44,905 | 33,905 |

Movement in the allowance for bad and doubtful debt:

呆壞賬撥備的變動：

| | | 2013 | 2012 |
|---|--------------|----------------|---------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 人民幣千元 | 人民幣千元 |
| Balance at beginning of year | 年初結餘 | 1,617 | 1,617 |
| Impairment losses recognised on receivables | 就應收款項確認的減值虧損 | 296 | - |
| Amounts written off as uncollectible | 撇銷為不可收回的款項 | (62) | - |
| Balance at end of year | 年末結餘 | 1,851 | 1,617 |

Receivables that were not impaired relate to a wide range of customers for whom there was no recent history of default and with good credit quality.

並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。

23a. TRANSFERS OF FINANCIAL ASSETS

As at 31 December 2013, bills receivable with carrying amount of RMB228,096,000 (2012: RMB182,730,000) were endorsed to suppliers on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these bills receivable, it continues to recognise the full carrying amount of the bills receivable and the associated liabilities amounted to RMB228,096,000 (2012: RMB182,730,000), being trade payables. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

24. PLEDGED BANK DEPOSITS

As at 31 December 2013, pledged bank balances represent deposits pledged to banks to secure trade facilities such as bills payable, borrowings and letter of credit amounting to RMB143,496,000 (2012: RMB91,546,000). The amount was classified as current assets in accordance with the classification of these trade facilities.

The pledged bank balances carry fixed interest rate of 3.05% per annum as at 31 December 2013 (2012: 3.05%).

25. 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 0.35% (2012: 0.35%) per annum.

23a. 轉讓金融資產

於二零一三年十二月三十一日，本集團已按全數追索基準向供應商背書賬面值為人民幣228,096,000元（二零一二年：人民幣182,730,000元）的應收票據。由於本集團尚未轉讓有關該等應收票據的重大風險及回報，其繼續確認應收票據及相關負債的全部賬面值人民幣228,096,000元（二零一二年：人民幣182,730,000元），即貿易應付款項。該等金融資產於本集團的綜合財務狀況表中按攤銷成本列賬。

24. 已抵押銀行存款

於二零一三年十二月三十一日，已抵押銀行結餘指抵押予銀行以擔保貿易融資（例如應付票據、借款及信用證）之存款金額人民幣143,496,000元（二零一二年：人民幣91,546,000元）。該等款項已根據該等貿易融資的分類而分類為流動資產。

於二零一三年十二月三十一日，已抵押銀行結餘按固定利率每年3.05厘（二零一二年：3.05厘）計息。

25. 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0.35厘（二零一二年：0.35厘）。

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26. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

| | | 31/12/2013 | 31/12/2012 |
|--|-------------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| 0 to 90 days | 0至90天 | 612,063 | 619,810 |
| 91 to 180 days | 91至180天 | 89,370 | 52,884 |
| 181 to 365 days | 181至365天 | 38,662 | 8,904 |
| Over 365 days | 365天以上 | 11,320 | 8,251 |
| Trade payables | 應付貿易賬款 | 751,415 | 689,849 |
| Bills payable | 應付票據 | 238,840 | 231,898 |
| Advances from customers | 來自客戶墊款 | 64,030 | 64,268 |
| Other tax payables | 其他應付稅項 | 69,364 | 55,683 |
| Consideration payable for the acquisition of additional interest in a subsidiary | 收購一間附屬公司額外權益應付的代價 | 22,000 | 22,000 |
| Construction cost and retention payable | 建築成本及應付保留 | 102,138 | 86,368 |
| Other payables | 其他應付款項 | 499,996 | 322,438 |
| | | 1,747,783 | 1,472,504 |

The normal credit period taken for trade purchases is 90-120 days. All the bills payable will mature within six months.

Included in trade payables are an amount due to fellow subsidiaries of RMB8,141,000 (2012: RMB15,764,000), an amount due to a jointly controlled entity of RMB10,748,000 (2012: RMB12,440,000) and an amount due to an associate of RMB67,035,000 (2012: RMB114,102,000). The amounts are unsecured, interest-free and repayable on demand.

As at 31 December 2013, an amount due to ultimate holding company of RMB11,691,000 (2012: RMB4,819,000) 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.

26. 應付貿易賬款及其他應付款項

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：

| | | 31/12/2013 | 31/12/2012 |
|--|-------------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| 0 to 90 days | 0至90天 | 612,063 | 619,810 |
| 91 to 180 days | 91至180天 | 89,370 | 52,884 |
| 181 to 365 days | 181至365天 | 38,662 | 8,904 |
| Over 365 days | 365天以上 | 11,320 | 8,251 |
| Trade payables | 應付貿易賬款 | 751,415 | 689,849 |
| Bills payable | 應付票據 | 238,840 | 231,898 |
| Advances from customers | 來自客戶墊款 | 64,030 | 64,268 |
| Other tax payables | 其他應付稅項 | 69,364 | 55,683 |
| Consideration payable for the acquisition of additional interest in a subsidiary | 收購一間附屬公司額外權益應付的代價 | 22,000 | 22,000 |
| Construction cost and retention payable | 建築成本及應付保留 | 102,138 | 86,368 |
| Other payables | 其他應付款項 | 499,996 | 322,438 |
| | | 1,747,783 | 1,472,504 |

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。

貿易應付款項包括應付同系附屬公司款項人民幣8,141,000元(二零一二年:人民幣15,764,000元)、應付一間共同控制實體款項人民幣10,748,000元(二零一二年:人民幣12,440,000元)及應付一間聯營公司款項人民幣67,035,000元(二零一二年:人民幣114,102,000元)。該等款項為無抵押、免息及於要求時償還。

於二零一三年十二月三十一日,應付最終控股公司款項人民幣11,691,000元(二零一二年:人民幣4,819,000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。

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27. BORROWINGS

27. 借款

| | | 31/12/2013 | 31/12/2012 |
|---|------------------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Bank borrowings at variable-rate (i) | 按浮動利率計息的銀行借款(i) | 199,900 | - |
| Borrowings from an other entity at fixed-rate (ii) | 來自一間其他實體按固定利率計息的借款(ii) | 100,000 | - |
| Bank borrowings obtained in relation to transferred receivables (iii) | 就已轉讓應收款項取得的銀行借款(iii) | 100,000 | - |
| | | 399,900 | - |
| Secured | 有抵押 | - | - |
| Unsecured | 無抵押 | 399,900 | - |

The borrowings are repayable as follows:

借款須於下列期間償還：

| | | 31/12/2013 | 31/12/2012 |
|--|---------------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Within one year | 於一年內 | 300,200 | - |
| More than one year, but not exceeding two years | 於一年以上但不超過兩年 | 200 | - |
| More than two years, but not exceeding five years | 於兩年以上但不超過五年 | 99,500 | - |
| | | 399,900 | - |
| 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 | (300,200) | - |
| Amount due after one year shown under non-current liabilities | 列為非流動負債而於一年後到期的款項 | 99,700 | - |

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27. BORROWINGS (continued)

Note:

- i As at 31 December 2013, the variable-rate borrowings carry interest rates ranged from 6.00% to 6.15% per annum (2012: nil).
- ii As at 31 December 2013, the amounts represented borrowings obtained from Chongqing International Trust Company Limited. The fixed-rate borrowings carry an interest rate 6.00% per annum (2012: nil).
- iii As at 31 December 2013, the amounts represented trade receivables discounted to China Minsheng Bank Company Limited. The discounted rate is 6.16% per annum (2012: nil).

27. 借款 (續)

附註：

- i 於二零一三年十二月三十一日，浮動利率借款按介於每年6.00厘至6.15厘之間的利率（二零一二年：無）計息。
- ii 於二零一三年十二月三十一日，金額指自重慶國際信托有限公司取得的借款。固定利率借款按每年6.00厘的利率（二零一二年：無）計息。
- iii 於二零一三年十二月三十一日，金額指向中國民生銀行股份有限公司貼現的應收貿易賬款。貼現率為每年6.16%（二零一二年：無）。

28. DEFERRED TAXATION

The following is the deferred tax asset recognised and movements thereon during the current reporting year:

28. 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 | Allowance for bad and doubtful debts | Unrealised profit | Total | |
|----------------------------|---------------|---------------------------------------|---|----------------------|----------------|-------------|
| | | Inventories RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| | | 折舊較稅項 折舊超出 存貨 人民幣千元 | 的 金額 人民幣千元 | 呆壞賬撥備 人民幣千元 | 未變現溢利 人民幣千元 | 總計 人民幣千元 |
| At 1 January 2012 | 於二零一二年一月一日 | - | 1,897 | 9,545 | 4,315 | 15,757 |
| Credited to profit or loss | 計入損益 | 7,153 | 666 | 791 | 35 | 8,645 |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 7,153 | 2,563 | 10,336 | 4,350 | 24,402 |
| Credited to profit or loss | 計入損益 | (7,153) | 1,214 | 4,142 | 229 | (1,568) |
| At 31 December 2013 | 於二零一三年十二月三十一日 | - | 3,777 | 14,478 | 4,579 | 22,834 |

28. DEFERRED TAXATION (continued)

As at 31 December 2013, deductible temporary difference on bad debt RMB1,117,000 (2012: RMB19,858,000) is not recognised because of the unpredictability of future profit streams.

As at 31 December 2013, the Group has estimated unused tax losses of approximately RMB48,782,000 (2012: RMB9,875,000) 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. The amount of RMB838,000 (2012: RMB1,104,000) included in unrecognised tax losses will expire in 2016, the amount of RMB8,754,000 (2012: RMB8,771,000) included in unrecognised tax losses will expire in 2017, and the other amount of RMB39,190,000 (2012: nil) will expire in 2018.

29. DEFERRED INCOME

Arising from government grant 來自政府補助

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 amounted to RMB5,601,000 and RMB1,916,000 for the purpose of research and development of key materials for typical human tissue and organ replacement during the year ended 31 December 2011 and 2012, respectively. An amount of RMB195,000 (2012: RMB5,983,000) has been recognised as other income (note 8) to match with research and development expense incurred by the specific projects during the year ended 31 December 2013.

28. 遞延稅項 (續)

由於未能預測未來的溢利來源，故於二零一三年十二月三十一日，壞賬的可扣減暫時差額人民幣1,117,000元(二零一二年：人民幣19,858,000元)並未確認。

於二零一三年十二月三十一日，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48,782,000元(二零一二年：人民幣9,875,000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二零一六年到期的金額人民幣838,000元(二零一二年：人民幣1,104,000元)，未確認稅項虧損項下包括將於二零一七年到期的金額人民幣8,754,000元(二零一二年：人民幣8,771,000元)及將於二零一八年到期的其他金額人民幣39,190,000元(二零一二年：無)。

29. 遞延收入

| 31/12/2013 RMB'000 二零一三年 十二月 三十一日 人民幣千元 | 31/12/2012 RMB'000 二零一二年 十二月 三十一日 人民幣千元 |
|--|--|
|--|--|

| | |
|---------------|--------|
| 43,162 | 28,674 |
|---------------|--------|

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，本集團分別於截至二零一一年及二零一二年十二月三十一日止年度就研發典型人體組織器官替代的關鍵材料收取特定政府補助人民幣5,601,000元及人民幣1,916,000元。金額人民幣195,000元(二零一二年：人民幣5,983,000元)已確認為其他收入(附註8)，以配合截至二零一三年十二月三十一日止年度特定項目所發生的研發開支。

29. DEFERRED INCOME (continued)

Pursuant to the Notice on the Investment Projects of Industrial and Technology Development for the Year 2012 Fagaibanchanye [2012] No. 1642 issued by the Ministry of Science and Technology of PRC, Weigao Blood received specific government grant RMB14,260,000 for the purpose of purchasing production equipment during the year ended 31 December 2012. An amount of RMB1,426,000 (2012: nil) was recognised as other income during the year ended 31 December 2013 to match with the depreciation expense of the related production equipment.

Pursuant to the Notice on Government Subsidiary for First Topics of Industrial Structure Adjustment Weigaocaiyuzhi [2012] No. 334, the Company received specific government grant RMB14,910,000 for the purpose of purchasing production equipment and plant construction during the year ended 31 December 2012. An amount of RMB1,491,000 (2012: RMB1,491,000) was recognised as other income during the year ended 31 December 2013 to match with the depreciation expense of the related production equipment and plant.

Pursuant to the Notice on the Second Batch Central Government Budget Investment Plan of Strategically Emerging Industrial Project for the Year 2013 Lufagaitouzi [2013] No. 493 issued by the Ministry of Science and Technology of PRC, the Notice on the Shandong Province Government Budget Investment Plan of Construction Project for the Year 2013 Lufagaitouzi [2013] No. 530 issued by the Development and Reform Committee of Shandong Province, and the Notice on the District Government Budget Investment Plan of Strategically Emerging Industrial Project for the Year 2013 Weigaocaiyuzhi [2013] No. 554, Weigao Blood received specific government grant RMB17,600,000 for the purpose of purchasing production equipment and plant during the year ended 31 December 2013. The entire amount has been included in deferred income and will be released to profit or loss over the useful life of the related production equipment and plant.

29. 遞延收入 (續)

根據中國科學技術部發出的有關二零一二年工業及技術發展的投資項目的通知發改辦產業[2012]1642號，威高血液於截至二零一二年十二月三十一日止年度就採購生產設備收取特定政府補助人民幣14,260,000元。金額人民幣1,426,000元(二零一二年：無)於截至二零一三年十二月三十一日止年度已確認為其他收入，以配合有關生產設備的折舊開支。

根據有關工業架構調整第一課題的政府補貼的通知威高財預指[2012]334號，本公司於截至二零一二年十二月三十一日止年度就採購生產設備及廠房建設收取特定政府補助人民幣14,910,000元。金額人民幣1,491,000元(二零一二年：人民幣1,491,000元)於截至二零一三年十二月三十一日止年度確認為其他收入，以配合有關生產設備及廠房的折舊開支。

根據中國科學技術部發出的有關戰略性新興產業項目二零一三年第二批中央預算內投資計劃的通知魯發改投資[2013]493號、山東省發展和改革委員會發出的有關建設項目二零一三年山東省政府預算內投資計劃的通知魯發改投資[2013]530號及有關戰略性新興產業項目二零一三年地區政府預算內投資計劃的通知威高財預指[2013]554號，威高血液於截至二零一三年十二月三十一日止年度就採購生產設備及廠房收取特定政府補助人民幣17,600,000元。全部金額已計入遞延收入並將於有關生產設備及廠房的可使用年期撥入損益。

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29. DEFERRED INCOME (continued)

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 the purpose of research and development of glucose check and insulin injection micro system during the year ended 31 December 2011. An amount of RMB5,850,000 was recognised as other income in the prior years to match with research and development expense incurred in the specific projects. The remaining amount of RMB800,000 will be recognised as other income until research and development expense incurs in the future.

29. 遞延收入 (續)

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，本公司於截至二零一一年十二月三十一日止年度就進行研發血糖檢查及胰島素注射微型系統收取特定政府補助人民幣6,650,000元。金額人民幣5,850,000元於過往年度確認為其他收入，以配合特定項目所發生的研發開支。餘下金額人民幣800,000元將確認為其他收入直至研發開支於未來產生為止。

30. SHARE CAPITAL

30 股本

| | Nominal value of each share | Number of Non-listed shares | Number of H shares | Total number of shares | Value |
|---|-----------------------------------|--|-----------------------|------------------------------|----------|
| | RMB | (Note) | (Note) | | RMB' 000 |
| | 每股 | 非上市股份 | H 股份 | 股份總數 | 價值 |
| | 股份面值 | 股份數目 | H 股數目 | 股份總數 | 價值 |
| | 人民幣 | (附註) | (附註) | | 人民幣千元 |
| At 1 January 2012, 31 December 2012 and 31 December 2013 | | 於二零一二年一月一日， 二零一二年十二月三十一日及 二零一三年十二月三十一日 | | | |
| | 0.1 | 2,592,640,000 | 1,883,732,324 | 4,476,372,324 | 447,637 |

Notes: 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：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。

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31. LEASE COMMITMENTS

The Group as lessee

Minimum lease payments paid under operating leases during the period

Properties

物業

| 2013 | 2012 |
|----------------|---------|
| RMB'000 | RMB'000 |
| 二零一三年 | 二零一二年 |
| 人民幣千元 | 人民幣千元 |

9,593

10,234

At 31 December 2013 and 2012, the Group had the following future minimum payments under non-cancellable operating leases which fall due as follows:

Within one year

於一年內

In the second to fifth year inclusive

於第二至第五年
(包括首尾兩年)

| 31/12/2013 | 31/12/2012 |
|-------------------|------------|
| RMB'000 | RMB'000 |
| 二零一三年 | 二零一二年 |
| 十二月 | 十二月 |
| 三十一日 | 三十一日 |
| 人民幣千元 | 人民幣千元 |

6,600

8,681

2,626

3,550

9,226

12,231

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.

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：

於二零一三年及二零一二年十二月三十一日，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：

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。

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For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

31. LEASE COMMITMENTS (continued)

The Group as lessor

Property rental income earned during the year was approximately RMB1,753,000 (2012: RMB2,573,000). At the end of the reporting period, the Group had contracted with tenants for following future minimum lease payments.

Within one year

於一年內

Operating lease payments represent rentals receivable by the Group from the investment properties. Leases are negotiated and rentals are fixed for one year.

32. CAPITAL COMMITMENTS

At 31 December 2013 and 2012, the Group had commitments which were contracted for but not provided in the consolidated financial statements:

Acquisition of property, plant and equipment

收購物業、廠房及設備

31. 租約承擔 (續)

本集團作為出租人

於年內，所賺取的物業租金收入約為人民幣1,753,000元（二零一二年：人民幣2,573,000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。

經營租約款項指本集團就投資物業所應收的租金。租約經已磋商，而租金於一年內固定不變。

32. 資本承擔

於二零一三年及二零一二年十二月三十一日，本集團於綜合財務報表中擁有已訂約但未撥備的承擔：

| 31/12/2013 RMB'000 二零一三年 十二月 三十一日 人民幣千元 | 31/12/2012 RMB'000 二零一二年 十二月 三十一日 人民幣千元 |
|--|--|
|--|--|

922

1,001

| 31/12/2013 RMB'000 二零一三年 十二月 三十一日 人民幣千元 | 31/12/2012 RMB'000 二零一二年 十二月 三十一日 人民幣千元 |
|--|--|
|--|--|

656,312

643,721

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33. RELATED PARTY TRANSACTIONS

- (a) The Group had the following related party transactions during the two years ended 31 December 2013 and ended 31 December 2012:

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|---|---------------|-----------------------------------|-----------------------------------|
| Sales to a fellow subsidiary | 銷售予同系附屬公司 | 14,457 | 11,996 |
| Sales to an associate | 銷售予聯營公司 | - | 124,904 |
| Sales to a subsidiary of a shareholder of the Company | 銷售予本公司股東的附屬公司 | 39,233 | 47,512 |
| Purchases from fellow subsidiaries | 向同系附屬公司採購 | 92,386 | 80,167 |
| Purchases from a joint venture | 向一間合營公司採購 | 105,108 | 39,175 |
| 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 | 3,100 | 4,421 |

Details of amounts due from/to related parties are set out in notes 23 and 26.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|------------------------------|--------|-----------------------------------|-----------------------------------|
| Short-term employee benefits | 短期僱員福利 | 8,137 | 8,420 |
| Post-employment benefits | 離職後福利 | 70 | 89 |
| | | 8,207 | 8,509 |

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

33. 關連人士交易

- (a) 於截至二零一三年十二月三十一日及截至二零一二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：

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|---------------|--|-----------------------------------|-----------------------------------|
| 銷售予同系附屬公司 | | 14,457 | 11,996 |
| 銷售予聯營公司 | | - | 124,904 |
| 銷售予本公司股東的附屬公司 | | 39,233 | 47,512 |
| 向同系附屬公司採購 | | 92,386 | 80,167 |
| 向一間合營公司採購 | | 105,108 | 39,175 |
| 向最終控股公司支付租金 | | 2,100 | 2,100 |
| 自同系附屬公司獲取建設服務 | | 3,100 | 4,421 |

應收／付關連人士款項的詳情載於附註23及26。

(b) 主要管理人員的報酬

於年內，董事及主要管理層的其他成員的薪酬如下：

| | | 2013 RMB'000 二零一三年 人民幣千元 | 2012 RMB'000 二零一二年 人民幣千元 |
|--------|--|-----------------------------------|-----------------------------------|
| 短期僱員福利 | | 8,137 | 8,420 |
| 離職後福利 | | 70 | 89 |
| | | 8,207 | 8,509 |

董事及主要行政人員的薪酬乃由薪酬委員會就個別人士的表現及市場趨勢而釐定。

34. RETIREMENT BENEFITS SCHEMES

The Group participates in a Mandatory Provident Fund Scheme established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. All Hong Kong employees joining the Group are required to join the Mandatory Provident Fund Scheme.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of mainland. These subsidiaries are required to contribute 18% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The contributions paid and payable to the schemes by the Group are disclosed in note 11.

34. 退休福利計劃

本集團於二零零零年十二月參與根據強制性公積金計劃條例而設立之強制性公積金計劃。該等計劃之資產乃由受託人監管之基金，與本集團之資產分開持有。所有加盟本集團之香港僱員均須參與強制性公積金計劃。

本集團之中國附屬公司之僱員均為大陸政府經營之國家管理退休福利計劃之成員。該等附屬公司須按薪金成本之18%向退休福利計劃供款作為福利所需資金。本集團對退休福利計劃之唯一責任為作出指定之供款。

本集團就該等計劃已付及應付的供款於附註11作出披露。

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

35. 本公司主要附屬公司詳情

Particulars of the Company's principal subsidiaries as at 31 December 2013 and 2012 are as follows:

於二零一三年及二零一二年十二月三十一日，本公司主要附屬公司的詳情如下：

| Name of subsidiaries | Place of registration | Paid up issued/ registered capital | Proportion ownership interest and voting power held by the Company | | | | Principal activities |
|---|-----------------------|---------------------------------------|--|-------|--------------|-------|--|
| | | | % (direct) | | % (indirect) | | |
| 附屬公司名稱 | 註冊地點 | 已發行實繳/ 註冊資本 | 2013 | 2012 | 2013 | 2012 | 主要業務 |
| | | | 所有權益比例及本公司持有的投票權 (直接)% | | (間接)% | | |
| | | | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 | |
| Weihai Jierui Medical Products Company Limited (威海潔瑞醫用製品有限公司) | PRC | RMB32,000,000 | 100 | 100 | - | - | Manufacturing of medical PVC granules, plastic packing bags and carton boxes |
| 威海潔瑞醫用製品有限公司 | 中國 | 人民幣32,000,000元 | | | | | 製造醫用PVC粒料、塑料包裝袋及紙箱 |
| Weihai Weigao Blood Purification Products Company Limited (威海威高血液淨化製品有限公司) | PRC | RMB60,000,000 | 70 | 70 | - | - | Manufacturing of medical blood purification treatments and related consumables |
| 威海威高血液淨化製品有限公司 | 中國 | 人民幣60,000,000元 | | | | | 製造血液淨化療法及相關耗材 |
| Weihai Weigo Group Mould Company Limited (威海威高集團模具有限公司) | PRC | RMB8,000,000 | 90 | 90 | 10 | 10 | Manufacturing of moulds |
| 威海威高集團模具有限公司 | 中國 | 人民幣8,000,000元 | | | | | 製造模具 |
| Shandong Weigao Orthopaedic Device Company Limited (山東威高骨科材料有限公司) | PRC | RMB116,000,000 | 75 | 75 | 25 | 25 | Manufacturing of orthopaedic medical device products |
| 山東威高骨科材料有限公司 | 中國 | 人民幣116,000,000元 | | | | | 製造骨科醫療設備產品 |
| Sichuan Jierui Weigao Medical Device Company Limited (四川潔瑞威高醫療器械有限公司) | PRC | RMB2,000,000 | 100 | 100 | - | - | Trading of medical products |
| 四川潔瑞威高醫療器械有限公司 | 中國 | 人民幣2,000,000元 | | | | | 買賣醫療產品 |

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

35. 本公司主要附屬公司詳情

(續)

| Name of subsidiaries | Place of registration | Paid up issued/ registered capital | Proportion ownership interest and voting power held by the Company | | | | Principal activities |
|--|-----------------------|---------------------------------------|--|-------|--------------|-------|---|
| | | | % (direct) | | % (indirect) | | |
| | | | 2013 | 2012 | 2013 | 2012 | |
| 附屬公司名稱 | 註冊地點 | 已發行實繳/ 註冊資本 | 所有權權益比例及本公司持有的投票權 | | | | 主要業務 |
| | | | (直接)% | | (間接)% | | |
| | | | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 | |
| Shandong Weigao New Life Medical Device Company Limited (山東威高新生醫療器械有限公司) 山東威高新生醫療器械有限公司 | PRC 中國 | RMB20,000,000 人民幣20,000,000元 | 50 | 100 | 50 | - | Manufacturing of medical products 製造醫療產品 |
| Shandong Weigao Automatic Equipment Company Limited (山東威高自動化設備有限公司) 山東威高自動化設備有限公司 | PRC 中國 | RMB5,000,000 人民幣5,000,000元 | - | - | 100 | 100 | Manufacturing of industrial automatic equipment and parts 製造工業自動化設備及配件 |
| Shandong Weigao Group Logistic Company Limited (山東威高集團物流有限公司) 山東威高集團物流有限公司 | PRC 中國 | RMB20,000,000 人民幣20,000,000元 | 100 | 100 | - | - | Provision of logistics and storage services 提供物流及儲存服務 |
| Shandong Weigao Medical Holding Company Limited (山東威高醫療控股有限公司) 山東威高醫療控股有限公司 | PRC 中國 | RMB20,000,000 人民幣20,000,000元 | - | - | 70 | 70 | Manufacturing of medical products 製造醫療產品 |
| Beijing Weigao Yahua Artificial Joints Development Company (北京威高亞華人工關節開發有限公司) 北京威高亞華人工關節開發有限公司 | PRC 中國 | RMB35,000,000 人民幣35,000,000元 | - | - | 100 | 100 | Research, services and sales of medical devices 醫療設備的製造、研發及銷售 |

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

35. 本公司主要附屬公司詳情 (續)

| Name of subsidiaries | Place of registration | Paid up issued/ registered capital | Proportion ownership interest and voting power held by the Company | | | | Principal activities |
|--|----------------------------------|---------------------------------------|--|-------|--------------|-------|--|
| | | | % (direct) | | % (indirect) | | |
| | | | 2013 | 2012 | 2013 | 2012 | |
| 附屬公司名稱 | 註冊地點 | 已發行實繳/ 註冊資本 | 所有權益比例及本公司持有的投票權 | | | | 主要業務 |
| | | | (直接)% | (直接)% | (間接)% | (間接)% | |
| | | | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 | |
| Changzhou Jianli Bangde Medical Devices Co Ltd (常州健力邦德醫療器械有限公司) | PRC | RMB30,000,000 | - | - | 100 | 100 | Manufacturing of orthopaedic devices, implantation materials and artificial organs |
| 常州健力邦德醫療器械有限公司 | 中國 | 人民幣30,000,000元 | | | | | 製造骨科設備、移植材料及人造器官 |
| Fuzhou Fanshun Medical Device Technology Company Limited (福州帆順醫療器械技術有限公司) | PRC | RMB500,000 | 95 | 95 | - | - | Wholesale, sales and purchases of disposable sterile medical devices |
| 福州帆順醫療器械技術有限公司 | 中國 | 人民幣500,000 | | | | | 出售無菌醫療設備的批發、出售及購買 |
| Weigao International Medical Co., Ltd. (威高國際醫療有限公司) | Hong Kong | HKD1,000,000 | 100 | 100 | - | - | Investment holding |
| 威高國際醫療有限公司 | 香港 | 1,000,000港元 | | | | | 投資控股 |
| Wego Medical Holdings Limited (威高醫療控股有限公司) | Hong Kong | HKD1,000,000 | - | - | 100 | 100 | Investment holding |
| 威高醫療控股有限公司 | 香港 | 1,000,000港元 | | | | | 投資控股 |
| Wellford Capital Limited | British Virgin Islands 英屬處女群島 | USD50,000 50,000美元 | - | - | 100 | 100 | Investment holding |
| Weihai Weigao Blood Purification Center (威海威高血液淨化中心) | PRC | RMB5,000,000 | - | - | 70 | 70 | General medicine, clinical laboratory, and hemo-dialysis |
| 威海威高血液淨化中心 | 中國 | 人民幣5,000,000元 | | | | | 一般醫藥、臨床實驗及血液透析 |

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

35. 本公司主要附屬公司詳情

(續)

| Name of subsidiaries 附屬公司名稱 | Place of registration 註冊地點 | Paid up issued/ registered capital 已發行實繳/ 註冊資本 | Proportion ownership interest and voting power held by the Company | | | | Principal activities 主要業務 |
|--|-------------------------------|---|---|-------|--------------|-------|--|
| | | | % (direct) | | % (indirect) | | |
| | | | 2013 | 2012 | 2013 | 2012 | |
| | | | 所有權益比例及本公司持有的投票權 | | | | |
| | | | (直接)% | | (間接)% | | |
| | | | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 | |
| Rongcheng Weigao Blood Purification Center (榮成威高血液淨化中心) 榮成威高血液淨化中心 | PRC 中國 | RMB2,000,000 人民幣2,000,000元 | - | - | 70 | 70 | General medicine, clinical laboratory, and hemodialysis 一般醫藥、臨床實驗及血液透析 |
| Wengdeng Weigao Blood Purification Center (文登威高血液淨化中心) 文登威高血液淨化中心 | PRC 中國 | RMB3,000,000 人民幣3,000,000元 | - | - | 70 | 70 | General medicine, clinical laboratory, and hemodialysis 一般醫藥、臨床實驗及血液透析 |
| Weihai Wegao Biotech Co., Limited (威海威高生命科技有限公司) 威海威高生命科技有限公司 | PRC 中國 | RMB10,000,000 人民幣10,000,000元 | - | - | 70 | 70 | Manufacturing and sales of medical devices 醫療設備的製造及出售 |
| Weigao Medical (Europe) Co., Limited (威高醫療(歐洲)有限公司) 威高醫療(歐洲)有限公司 | British 英國 | USD945,200 945,200美元 | 100 | 100 | - | - | Imports and exports business 進出口業務 |
| Weigao Medical Research (Germany) (威高醫療研發德國有限公司) 威高醫療研發德國有限公司 | Germany 德國 | Euro250,000 250,000歐元 | 100 | 100 | - | - | Manufacturing, research and sales of medical devices 醫療設備的製造、研發及銷售 |
| Weigao Group (Weihai) Medical Products Marketing Co., Ltd. (威高集團(威海)醫用製品營銷有限公司) 威高集團(威海)醫用製品營銷有限公司 | PRC 中國 | RMB650,000,000 人民幣650,000,000元 | 25 | 25 | 75 | 75 | Wholesale of Type I medical devices, surgical devices and other disposable medical products 第一類醫療設備、手術設備及其他一次性醫療產品的批發 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

35. 本公司主要附屬公司詳情

(續)

| Name of subsidiaries | Place of registration | Paid up issued/ registered capital | Proportion ownership interest and voting power held by the Company | | | | Principal activities |
|--|-----------------------|---------------------------------------|--|-------|--------------|-------|---|
| | | | % (direct) | | % (indirect) | | |
| 附屬公司名稱 | 註冊地點 | 已發行實繳/ 註冊資本 | 2013 | 2012 | 2013 | 2012 | 主要業務 |
| | | | 所有權益比例及本公司持有的投票權 (直接)% | | (間接)% | | |
| | | | 二零一三年 | 二零一二年 | 二零一三年 | 二零一二年 | |
| Weigao Group (Weihai) Medical Products Material Supply Co., Ltd. (威海集團(威海)醫用製品材料供應有限公司) | PRC | RMB100,000,000 | 25 | 25 | 75 | 75 | Wholesale of Type I medical devices, surgical devices and other disposal medical products |
| 威海集團(威海)醫用製品材料供應有限公司 | 中國 | 人民幣100,000,000元 | | | | | 第一類醫療設備、手術設備及出售醫療產品的批發 |
| Weihai Weigao Medical International Trading Co., Ltd. (威海威海高醫療國際貿易有限公司) | PRC | RMB5,000,000 | 80 | 80 | 20 | 20 | Sales of medical devices, imports and exports of registered products |
| 威海威海高醫療國際貿易有限公司 | 中國 | 人民幣5,000,000元 | | | | | 醫療設備銷售、註冊產品的進口及出口 |
| Shanxi Weigao Medical Technology Co., Ltd. (陝西威海高醫療科技有限公司) | PRC | RMB3,000,000 | 51 | - | - | - | Medical management software development and related technical consulting services |
| 陝西威海高醫療科技有限公司 | 中國 | 人民幣3,000,000元 | | | | | 醫療管理軟件研發及關連技術諮詢服務 |
| Weigao Hemodialysis Technology Development Co., Ltd. (威海威海高血液透析科技發展有限公司) | PRC | RMB200,000,000 | 75 | - | 17.5 | - | Manufacturing and sales of hemo-dialysis equipment |
| 威海威海高血液透析科技發展有限公司 | 中國 | 人民幣200,000,000元 | | | | | 血液透析設備的製造及出售 |
| Weigao Haisheng Medical Equipment Co., Ltd. (威海威海高海盛醫用設備有限公司) | PRC | RMB18,000,000 | 25 | - | 75 | - | Manufacturing and sales of Type I medical devices and engineering devices |
| 威海威海高海盛醫用設備有限公司 | 中國 | 人民幣18,000,000元 | | | | | 第一類醫療設備機房工程設備製造及出售 |

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

概無附屬公司於年末發行任何債務證券。

In the opinion of the directors of the Company, there is no subsidiary that has non-controlling interests which is material to the Group.

本公司董事認為，概無擁有對本集團有重大影響之非控股權益之附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

36. COMPANY'S STATEMENT OF FINANCIAL POSITION

36. 本公司之財務狀況表

| | | 31/12/2013 | 31/12/2012 |
|---|------------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 2,252,385 | 1,934,480 |
| Investment properties | 投資物業 | 153,621 | 163,987 |
| Prepaid lease payments | 預付租賃款項 | 300,457 | 286,144 |
| Intangible assets | 無形資產 | 22,152 | 1,789 |
| Investments in subsidiaries | 於附屬公司的投資 | 717,299 | 558,299 |
| Investment in an associate | 於一間聯營公司的投資 | 72,314 | 72,314 |
| Amounts due from a subsidiary (note) | 應收一間附屬公司之款項 (附註) | 1,055,592 | 1,054,496 |
| Deferred tax asset | 遞延稅項資產 | 14,779 | 11,150 |
| Other receivables – receivable after one year | 其他應收款項 – 須於一年後收回 | – | 1,684 |
| | | 4,588,599 | 4,084,343 |
| Current assets | 流動資產 | | |
| Inventories | 存貨 | 335,912 | 366,050 |
| Trade and other receivables | 應收貿易及其他應收款 | 1,946,199 | 1,268,292 |
| Amount due from subsidiaries | 應收附屬公司款項 | 99,608 | 18,082 |
| Pledged bank deposits | 已抵押銀行存款 | 143,458 | 87,543 |
| Bank balances and cash | 銀行結餘及現金 | 304,491 | 301,654 |
| | | 2,829,668 | 2,041,621 |
| Current liabilities | 流動負債 | | |
| Trade and other payables | 應付貿易及其他應付款 | 1,116,700 | 1,004,564 |
| Amount due to subsidiaries | 應付附屬公司款項 | 872,788 | 275,529 |
| Borrowings – repayable within one year | 銀行借款 – 須於一年內償還 | 100,000 | – |
| Tax payable | 應付稅項 | 14,753 | 32,749 |
| | | 2,104,241 | 1,312,842 |
| Net current assets | 流動資產淨額 | 725,427 | 728,779 |
| | | 5,314,026 | 4,813,122 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

36. COMPANY'S STATEMENT OF FINANCIAL POSITION (continued)

37. 本公司之財務狀況表 (續)

| | | 31/12/2013 | 31/12/2012 |
|--|------------|-------------------|------------|
| | | RMB'000 | RMB'000 |
| | | 二零一三年 | 二零一二年 |
| | | 十二月 | 十二月 |
| | | 三十一日 | 三十一日 |
| | | 人民幣千元 | 人民幣千元 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 447,637 | 447,637 |
| Reserves | 儲備 | 4,853,661 | 4,351,266 |
| Total equity | 股權總額 | 5,301,298 | 4,798,903 |
| Non-current liability | 非流動負債 | | |
| Deferred income | 遞延收入 | 12,728 | 14,219 |
| | | 12,728 | 14,219 |
| Total equity and non-current liability | 權益及非流動負債總額 | 5,314,026 | 4,813,122 |

Note: The amounts due from a subsidiary amounted to RMB1,055,592,000 (2012: RMB1,054,496,000) are unsecured, non-trade related and interest bearing at 6% per annum. In the opinion of the directors of the Company, the amounts are not expected to be recovered within the coming twelve months from the end of the reporting period and are therefore classified as non-current.

附註：應收一間附屬公司的款項人民幣1,055,592,000元（二零一二年：人民幣1,054,496,000）為無抵押、非貿易相關及按每年6%計息。本公司董事認為，該等金額預期將不可自報告期結束起計未來十二個月內可予收回而因此分類為非流動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013 截至二零一三年十二月三十一日止年度

36. COMPANY'S STATEMENT OF FINANCIAL POSITION (continued)

Information about the statement of movement in reserves of the Company at the end of the reporting period includes:

37. 本公司之財務狀況表 (續)

有關本公司於報告期末之儲備變動表之資料包括：

| | | Movement in reserves | | | |
|--------------------------------------|---------------|-----------------------------|-------------------------------|-------------------------|--------------|
| | | 儲備變動 | | | |
| | | Share premium | Statutory reserve fund | Retained profits | Total |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 股份溢價 | 法定盈餘 | 保留盈利 | 總計 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2012 | 於二零一二年一月一日 | 2,478,544 | 209,123 | 1,403,701 | 4,091,368 |
| Profit for the year | 本年度溢利 | - | - | 541,909 | 541,909 |
| Transfer to statutory reserve | 轉撥至法定儲備 | - | 14,696 | (14,696) | - |
| Dividends recognised as distribution | 確認為分派的股息 | - | - | (282,011) | (282,011) |
| At 31 December 2012 | 於二零一二年十二月三十一日 | 2,478,544 | 223,819 | 1,648,903 | 4,351,266 |
| Profit for the year | 本年度溢利 | - | - | 779,930 | 779,930 |
| Dividends recognised as distribution | 確認為分派的股息 | - | - | (277,535) | (277,535) |
| At 31 December 2013 | 於二零一三年十二月三十一日 | 2,478,544 | 223,819 | 2,151,298 | 4,853,661 |

| | | For the year ended 31 December | | | | |
|---------------------------|-----------|--------------------------------|-----------|-----------|-----------|-----------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 截至十二月三十一日止年度 | | | | |
| | | 二零一三年 | 二零一二年 | 二零一一年 | 二零一零年 | 二零零九年 |
| | | 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 | 4,613,310 | 3,689,115 | 3,180,577 | 2,462,557 | 1,878,495 |
| Profit before taxation | 除稅前溢利 | 544,154 | 1,126,175 | 3,592,506 | 887,884 | 704,960 |
| Taxation | 稅項 | (156,475) | (129,805) | (124,472) | (85,532) | (71,782) |
| Profit for the year | 本年度溢利 | 387,679 | 996,370 | 3,468,034 | 802,352 | 633,178 |
| Profit attributable to: | 下列各項應佔溢利： | | | | | |
| Owners of the Company | 本公司擁有人 | 387,984 | 996,486 | 3,462,172 | 799,072 | 633,864 |
| Non-controlling interests | 非控股權益 | (305) | (116) | 5,862 | 3,280 | (686) |
| | | 387,679 | 996,370 | 3,468,034 | 802,352 | 633,178 |

| | | As at 31 December | | | | |
|-------------------------------|--------------|--------------------|-------------|-------------|-------------|-------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 於十二月三十一日 | | | | |
| | | 二零一三年 | 二零一二年 | 二零一一年 | 二零一零年 | 二零零九年 |
| | | 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 | 11,288,096 | 10,478,846 | 9,371,967 | 4,649,364 | 3,951,795 |
| Total liabilities | 總負債 | (2,225,164) | (1,558,431) | (1,160,438) | (1,015,491) | (1,008,929) |
| Non-controlling interests | 非控股權益 | (22,587) | (9,422) | (9,538) | (7,463) | (3,183) |
| | | 9,040,345 | 8,910,993 | 8,201,991 | 3,626,410 | 2,939,683 |

NOTICE OF THE AGM 股東週年大會通告

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of the shareholders of Shandong Weigao Group Medical Polymer Company Limited* (山東威高集團醫用高分子製品股份有限公司) (the “**Company**”) will be held at 5th Floor, 18 Xing Shan Road, Weihai Torch Hi-Tech Science Park, Shandong, the PRC at 9:00 a.m. on Friday, 30 May 2014 for the purpose of considering and, if thought fit, passing the following ordinary and special resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the audited consolidated financial statements of the Group (including the Company and its subsidiaries) for the year ended 31 December 2013;
2. To consider and approve the report of the board of directors of the Company (the “Board”) for the year ended 31 December 2013;
3. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2013;
4. To declare a final dividend of RMB0.031 per share of RMB0.1 each in the Company for the year ended 31 December 2013;
5. To consider and approve the proposal for the re-appointment of Deloitte Touche Tohmatsu as the auditor of the Company for the year ending 31 December 2014, and to authorise the Board to determine his remuneration;
6. To consider and authorise the Board to approve the remuneration of the directors, supervisors and senior management of the Company for the year ending 31 December 2014;
7. To consider and approve the re-appointment of Mr. Zhang Hua Wei as an executive director of the Company;
8. To consider and approve the re-appointment of Mr. Wang Yi as an executive director of the Company;

茲通告謹訂於二零一四年五月三十日(星期五)上午九時正於中國山東省威海市火炬高技術產業開發區興山路18號5樓召開山東威高集團醫用高分子製品股份有限公司(「**本公司**」)股東的股東週年大會(「**股東週年大會**」),藉以考慮並酌情通過以下普通及特別決議案:

普通決議案

1. 考慮及批准本集團(包括本公司及其附屬公司)截至二零一三年十二月三十一日止年度的經審核綜合財務報表;
2. 考慮及批准本公司截至二零一三年十二月三十一日止年度的董事會(「**董事會**」)報告;
3. 考慮及批准本公司截至二零一三年十二月三十一日止年度的監事會報告;
4. 宣派截至二零一三年十二月三十一日止年度的本公司每股面值為人民幣0.1元的末期股息每股人民幣0.031元;
5. 考慮及批准續聘德勤•關黃陳方會計師行為截至二零一四年十二月三十一日止年度本公司核數師的建議,並授權董事會釐定其酬金;
6. 考慮及授權董事會批准本公司截至二零一四年十二月三十一日止年度的董事、監事及高級管理人員酬金;
7. 考慮及批准重新委任張華威先生為本公司執行董事;
8. 考慮及批准重新委任王毅先生為本公司執行董事;

- | | |
|--|--------------------------------|
| 9. To consider and approve the re-appointment of Mr. Chen Xue Li as a non-executive director of the Company; | 9. 考慮及批准重新委任陳學利先生為本公司非執行董事； |
| 10. To consider and approve the re-appointment of Ms. Zhou Shu Hua as a non-executive director of the Company; | 10. 考慮及批准重新委任周淑華女士為本公司非執行董事； |
| 11. To consider and approve the re-appointment of Mr. Li Jia Miao as an independent director of the Company; | 11. 考慮及批准重新委任李家淼先生為本公司獨立非執行董事； |
| 12. To consider and approve the re-appointment of Mrs. Bi Dong Mei as supervisor of the Company; | 12. 考慮及批准重新委任畢冬梅女士為本公司監事； |
| 13. To consider and approve the re-appointment of Mrs. Chen Xiao Yun as supervisor of the Company; and | 13. 考慮及批准重新委任陳曉雲女士為本公司監事；及 |

SPECIAL RESOLUTIONS

14. To consider and approve, subject to fulfillment of all relevant conditions and/or all necessary approvals and/or consents from the relevant PRC authorities and bodies being obtained and/or the procedures as required under the laws and regulations of the PRC being completed the amendments to the Articles of Association of the Company.

From

"Address of the Company: No. 312 Shi Chang Road, Weihai, Shandong, the PRC.

Post Code: 264209

Telephone No.: 0631-562-2517

Facsimile No.: 0631-562-0555"

To

"Address of the Company: No. 18 Xing Shan Road, Weihai Torch Hi-Tech Science Park, Shandong, the PRC.

Post Code: 264210

Telephone No.: 0631-562-2517

Facsimile No.: 0631-562-0555"

特別決議案

14. 考慮及批准待達成所有有關條件及／或所有必須批准及／或取得有關中國當局及機構同意及／或完成中國法例及法規規定之手續後，對本公司組織章程細則之修訂；

原章程：

「第三條 公司住所：中國山東省威海市世昌大道312號。

郵政編碼：264209

電話號碼：0631-562-2517

傳真號碼：0631-562-0555」

現變更為：

「第三條 公司住所：中國山東省威海市火炬高技術產業開發區興山路18號。

郵政編碼：264210

電話號碼：0631-562-2517

傳真號碼：0631-562-0555」

15. To consider and approve the general mandate to be granted to the Board to issue new shares.

“THAT:

- a) subject to paragraphs (c), (d) and (e) below, the exercise by the Board during the Relevant Period (as herein after defined in paragraph (f)) of all the powers of the Company to allot, issue and deal with non-listed Shares and/or H Shares severally or jointly be and is hereby approved;
- b) the approval in paragraph (a) above shall authorise the Board the Relevant Period to make or grant offers, agreement and options which would or might require the exercise of such powers to allot and issue non-listed Shares and/or H Shares during the Relevant Period or after the end of the Relevant Period;
- c) the aggregate nominal amount of non-listed Shares allotted and issued or agreed to be allotted and issued (whether pursuant to an option or otherwise) by the board of directors pursuant to paragraphs (a) and (b) above, otherwise than pursuant to (i) Rights Issue (as hereinafter defined in paragraph (f)); (ii) upon the exercise of rights of conversion under the terms of any securities which are convertible into Shares; (iii) upon the exercise of rights of subscription under the terms of any warrants issued by the Company; or (iv) any scrip dividend plan or other similar arrangement in lieu of the whole or part of a dividend on Shares allotted pursuant to the Company's Articles of Association, shall not exceed 20% of the aggregate nominal amount of the non-listed Shares in issue on the date of passing this resolution;

15. 考慮及批准授予董事會一般授權以發行新股份。

「動議:

- a) 在下文第(c)、(d)及(e)段的規限下，批准董事會於有關期間（定義見下文第(f)段），行使本公司一切權力，個別或同時配發、發行及處理非上市股份及／或H股股份；
- b) 上文第(a)段的批准將授權董事會於有關期間內作出或授出將要或可能須在有關期間內或結束後行使該等權力配發及發行非上市股份及／或H股股份的售股建議、協議及授出購股權；
- c) 除因根據(i)供股（定義見下文第(f)段）；(ii)根據可轉換為股份的任何證券的條款行使換股權；(iii)根據本公司發行的任何認股權證的條款行使認購權；或(iv)根據本公司組織章程細則配發股份代替有關股份的全部或部分股息的任何以股代息計劃或其他類似安排外，董事會根據上文第(a)及第(b)段將予配發及發行或同意配發及發行（不論是否根據購股權或其他方式）的非上市股份總面值，不得超過於通過本決議案當日已發行非上市股份總面值20%；

- d) the aggregate nominal amount of H Shares allotted and issued or agreed to be allotted and issued (whether pursuant to an option or otherwise) by the board of directors pursuant to paragraphs (a) and (b) above, otherwise than pursuant to (i) Rights Issue (as hereinafter defined in paragraph (f)); (ii) upon the exercise of rights of conversion under the terms of any securities which are convertible into Shares; (iii) upon the exercise of rights of subscription under the terms of any warrants issued by the Company; or (iv) any scrip dividend plan or other similar arrangement in lieu of the whole or part of a dividend on Shares allotted pursuant to the Company's Articles of Association, shall not exceed 20% of the aggregate nominal amount of the H Shares in issue on the date of passing this resolution;
- e) the approval referred to in paragraph (a) above is conditional upon the Company obtaining the approval from China Securities Regulatory Commission;
- f) for the purpose of this resolution;
- "Relevant Period" means the period from the date of the passing of this special resolution until whichever is the earliest of:
- i) the conclusion of next annual general meeting of the Company after the passing of this resolution;
 - ii) the expiration of the period within the twelve month period after the passing of this resolution; or
 - iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in a general meeting.
- d) 除因根據(i)供股(定義見下文第(f)段);(ii)根據可轉換為股份的任何證券的條款行使換股權;(iii)根據本公司發行的任何認股權證的條款行使認購權;或(iv)根據本公司的組織章程細則配發股份代替有關股份的全部或部分股息的任何以股代息計劃或其他類似安排,董事會根據上文第(a)及第(b)段將予配發及發行或同意配發及發行(不論是否根據購股權或其他方式)之H股股份總面值,不得超過於通過本決議案當日已發行H股股份總面值20%;
- e) 上文第(a)段所述批准須待本公司獲得中國證券監督管理委員會批准,方可作實;
- f) 就本決議案而言,
- [有關期間]指由本特別決議案通過日期起至下列三者中的最早者止期間:
- i) 於通過本決議案後本公司下屆股東週年大會結束時;
 - ii) 於通過本決議案後十二個月期間屆滿時;或
 - iii) 本公司股東於股東大會上通過普通決議案撤銷或更改本決議案授予的權力時。

NOTICE OF THE AGM 股東週年大會通告

“Right Issue” means an offer of shares open for a fixed period to holders of shares on the register of members of the Company and (where appropriate) other holders of the equity securities of the Company that are entitled to accept such offer on a fixed record date in proportion to their then holdings of such shares or such equity securities (subject to such exclusion or other arrangements as the directors of the Company may deem necessary of expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in relevant jurisdiction); and

- g) authorise the Board to, at its discretion, make any amendment of the Articles of Association of the Company where necessary, so as to increase the registered capital of the Company, and to reflect the new capital structure upon the granting of approval for the allotment or issue of the shares in the Company pursuant to paragraph (a) above.”

「供股」指於指定期間向於指定記錄日期名列本公司股東名冊的股份持有人及（如合適）本公司其他有權接納有關要約的股本證券持有人，按彼等當時持有有關股份或有關股本證券的比例提呈發售股份，惟受本公司董事就零碎股權或考慮到任何有關司法權區的法律的任何限制或責任或任何認可監管機構或任何證券交易所的規定而可能視為必須或權宜的豁免或其他安排所規限；及

- g) 授權董事會於必要時酌情對本公司的組織章程細則作出任何修訂，以增加本公司的註冊資本，並反映因根據上文第(a)段所授出批准配發或發行本公司股份而出現的新股本架構。」

Yours faithfully,

By order of the Board

**Shandong Weigao Group Medical Polymer
Company Limited***

Chen Xue Li

Chairman

Weihai, Shandong

9 April 2014

Registered Office:

18 Xingshan Road,

Weihai Torch Hi-Tech Science Park

Shandong

The PRC

Principal Place of Business in Hong Kong:

801, Chinachem Century Tower

178 Gloucester Road

Wanchai

Hong Kong

承董事會命

山東威高集團醫用高分子製品股份有限公司

董事長

陳學利

謹啟

山東威海市

二零一四年四月九日

註冊辦事處：

中國

山東省

威海市

火炬高技術產業開發區興山路18號

香港主要營業地點：

香港

灣仔

告士打道178號

華懋世紀廣場801室

Notes:

- (i) A Shareholder who has the right to attend and vote at the AGM is entitled to appoint one proxy (or more) in writing to attend the AGM and vote on his behalf in accordance with the Company's Articles of Association. The proxy need not be a shareholder of the Company. Enclosed herewith a form of proxy for use in the general meeting. Any Shareholder who wishes to appoint a proxy should first review the form of proxy for use in the AGM. For any Shareholder who has appointed more than one proxies, such proxies shall only vote on poll. In the case of joint registered holders, the proxy form may be signed by any joint registered holder. In the case that more than one of such joint registered holders are present at any meeting personally or by proxy, then one such joint registered holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (ii) All Shareholders shall appoint its proxy in writing. To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or certified by a notary or an official copy of that power of attorney or authority, must be delivered at the Company's H Share registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (in respect of the holder of H Shares) and the Company's principal place of business at 18 Xing Shan Road, Weihai Torch Hi-Tech Science Park, Shandong, PRC (in respect of the holder of the Non-listed Shares) not less than 24 hours before the time appointed for holding the AGM or 24 hours before the time designated for voting.
- (iii) Shareholders and their proxies attending the AGM shall produce their proof of identification.
- (iv) For the purpose of determining the identity of shareholders who are entitled to attend at the meeting, the register of members will be closed from 30 April 2014 to 30 May 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's H Share Registrars at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 29 April 2013.
- (v) For the purpose of determining the identity of shareholders who are entitled to receive final dividend for the year ended 31 December 2013, the register of members will be closed from 7 June 2014 to 11 June 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for entitlement of final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's H Share Registrars at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 6 June 2014.

附註:

- (i) 有權出席股東週年大會及於會上投票之股東，均可依照本公司之組織章程細則以書面委派一名（或多名）委任代表出席股東週年大會及代其投票。委任代表無須為本公司股東。現附上於股東大會適用之代表委任表格。股東如欲委派代表，務請先細閱供股東週年大會適用之代表委任表格。股東如已委派多於一名代表，該等代表僅可以投票方式進行表決。倘為股份聯名持有人，則代表委任表格可由任何一名聯名持有人簽署。倘有一名以上聯名登記持有人出席會議（不論為親身或委派代表出席），則僅於本公司股東名冊內就有關股份排名首位之其中一名聯名登記持有人方有權就該等股份投票。
- (ii) 全體股東須以書面形式委任代表。代表委任表格連同任何已簽署或經由公證人簽署證明之授權書或其他授權文件（如有）或授權書或授權文件正本，最遲須於股東週年大會指定舉行時間前二十四小時或指定投票時間前二十四小時，送達本公司香港H股股份過戶登記處卓佳標準有限公司（地址為香港皇后大道東183號合和中心22樓）（就H股股份持有人而言）及本公司的主要營業地點（地址為中國山東省威海市火炬高技術產業開發區興山路18號）（就非上市股份持有人而言），方為有效。
- (iii) 出席股東週年大會之股東及其委任代表應出示其身份證明。
- (iv) 為確定有權出席大會之股東身份，本公司將於二零一四年四月三十日至二零一四年五月三十日（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股份過戶登記手續。為符合資格出席大會，所有過戶文件連同有關股票須不遲於二零一三年四月二十九日下午四時三十分送交本公司之H股股份登記處，地址為香港灣仔皇后大道東183號合和中心22樓。
- (v) 為確定有權收取截至二零一三年十二月三十一日止年度之末期股息之股東身份，本公司將於二零一四年六月七日至二零一四年六月十一日（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股份過戶登記手續。為符合資格收取末期股息，所有過戶文件連同有關股票須不遲於二零一四年六月六日下午四時三十分送交本公司之H股股份登記處，地址為香港灣仔皇后大道東183號合和中心22樓。

NOTICE OF THE AGM 股東週年大會通告

- (vi) The holders of the H Shares who intend to attend the AGM, whether in person or by proxy, should complete and return the reply slip to the Company's H Share registrars in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than Friday, 9 May 2014 by hand, by post, by telegraph or by fax to (852) 2528 3158.
- (vii) The holders of the Non-listed Shares who intend to attend the AGM, whether in person or by proxy, should complete and return the reply slip to the Company's registered address at 18 Xing Shan Road, Weihai Torch Hi-Tech Science Park, Shandong, PRC no later than 9 May 2014 by hand, by post, by telegraph or by fax to (86) 631 5622419.
- (viii) The AGM is expected not to exceed half a day, and all shareholders and proxies shall be responsible for their own travelling and accommodation expenses.
- (ix) Pursuant to Article 80 of the Company's Articles of Association all votes of the Shareholders at the general meetings must be taken by poll.
- (x) Any enquiries about this notice and the AGM shall be sent for the attention to Ms. Xing Jingran at 18 Xing Shan Road, Weihai Torch Hi-Tech Science Park, Shandong, PRC (Tel. (86) 631 5622418) or Ms. Phillis Wong at 801, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong (Tel: (852) 28381490).
- (vi) 擬親身或委派代表出席股東週年大會之H股股份持有人應填妥出席會議的回條，並於二零一四年五月九日（星期五）之前將回條送達本公司之香港H股股份過戶登記處卓佳標準有限公司（地址為香港皇后大道東183號合和中心22樓），回條可親身交回，亦可以郵遞、電報方式交回或傳真至(852) 2528 3158。
- (vii) 擬親身或委派代表出席股東週年大會之非上市股份持有人應填妥出席會議之回條，並於二零一四年五月九日之前將回條送達本公司之註冊地址（中國山東省威海市火炬高技術產業開發區興山路18號），回條可親身交回本公司，亦可以郵遞、電報方式交回或傳真至(86) 631 5622419。
- (viii) 預期股東週年大會需時不超過半天，所有股東及委任代表之往返及食宿費用自理。
- (ix) 根據本公司的組織章程細則第80條規定，於股東大會上股東所作的所有表決必須以投票方式進行。
- (x) 任何有關本通告及股東週年大會之查詢，應送達中國山東省威海市火炬高技術產業開發區興山路18號邢靜然小姐收（電話：(86) 631 5622418）或香港灣仔告士打道178號華懋世紀廣場801室黃妙玲女士收（電話：(852) 28381490）。

WEGO 威高