

2021

ANNUAL REPORT
SUMMARY





01

IMPORTANT NOTES

Important Notes

This annual report summary is extracted from the full text of the annual report. Investors who wish to understand the operating results, financial conditions and future development plan of the Company should carefully read the full text of the annual report on such media designated by China Securities Regulatory Commission.

All directors have attended the board meeting to review the report.

Audit opinions from PricewaterhouseCoopers Zhong Tian LLP on the annual financial report of the Company are: standard unqualified opinions.

Changes in the accounting firm during the reporting period: The Company has not changed the accounting firm, which is still PricewaterhouseCoopers Zhong Tian LLP.

Notice of non-standard audit opinions

☐ Applicable ☒ Not applicable

The Company was unprofitable when it went public, and it is currently unprofitable

☐ Applicable ☒ Not applicable

The plan on distribution of dividends on ordinary shares or conversion of capital reserve into share capital of the Company considered by the Board during the reporting period

☒ Applicable ☐ Not applicable

The plan of the Company on distribution of dividends on ordinary shares which was considered and approved at the Board meeting is as follows: Based on the share capital available for profit distribution on the date of stock registration when the Company implements the profit distribution plan, the Company distributes a cash dividend of RMB35.00 (tax inclusive) for every 10 shares held. There will be no bonus shares or conversion of capital reserve into share capital of the Company.

The plan of the Company on distribution of dividends on preferred shares in this reporting period which was considered and approved at the Board meeting

☐ Applicable ☒ Not applicable



02 GENERAL INFORMATION OF THE COMPANY

1. Company Profile

Stock Abbreviation	Mindray	Stock Code	300760
Stock Exchange Where Shares Are Listed	Shenzhen Stock Exchange		
Contact Details	Board Secretary		
Name	Li Wenmei		
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2. Introduction of Primary Business or Product during the Reporting Period

2021 is the first year for the “14th Five-Year Plan”, and the quality development is the theme of China’s economic and social development in this period and even in a longer period. While China’s economy is in the high-quality development stage, the COVID-19 pandemic continued to spread around the world. Thanks to the anti-pandemic measures taken by governments at all levels, the pandemic situation has been generally stable in China, and routine diagnosis and treatment activities in hospitals and the Company’s various businesses have returned to normal. Given the COVID-19 pandemic’s impact on domestic medical and disease control system, China attaches historic importance to medical investment and has started the new medical infrastructure construction. In overseas markets, although the developed countries have far exceeded the developing countries in medical investment and resources, some weaknesses have been exposed amid the COVID-19 pandemic. Therefore, the developed countries have carried out many projects in the post-pandemic era to overcome these weaknesses with strong finance policies.

By virtue of reliable product quality, timely supply of production capacity, and sound after-sales services, the Company’s ventilators, monitors and other anti-pandemic devices have attracted a large number of new high-end customers at home and abroad during the pandemic period, increasing Mindray’s influence and popularity and shortening the promotion cycle of brand and products. Mindray, a provider of medical device product solutions and IT ecosystem solutions, will further participate in the new medical infrastructure construction, and concentrate on the demand for shoring up weak spots of healthcare in the domestic and overseas markets. The Company improves hospitals’ diagnosis and treatment capabilities coupled with the penetration rate in global high-end customers based on the high-quality and cost-effective products.

In the future, the Company will keep focusing on its primary business, and will fully enhance product R&D, domestic and international marketing expansion, as well as indigenous construction and other comprehensive capabilities so as to achieve breakthroughs to earn new customer groups and consistently improve market shares. Furthermore, the Company will continue to strengthen internal management processes and outcomes, coupled with the operational efficiency to maintain a sound growth in revenue and net profit.

During the reporting period, there were no significant changes on the primary business of the Company.

During the reporting period

the Company achieved a revenue of RMB

25,269.58 million

representing a year-on-year growth of 20.18%.



Total profit recorded RMB

9,017.08 million

representing a year-on-year growth of 21.22%.



Net profit attributable to shareholders recorded RMB

8,001.55 million

representing a year-on-year growth of 20.19%.





Patient Monitoring & Life Support

Achieved a revenue of RMB

11,153.47 million

With a year-on-year growth of

11.47%



In-Vitro Diagnostics

Achieved a revenue of RMB

8,448.63 million

With a year-on-year growth of

27.12%



Medical Imaging

Achieved a revenue of RMB

5,425.52 million

With a year-on-year increase of

29.29%

(1) Patient Monitoring & Life Support

The Company offers a wide range of instruments and solutions for patient monitoring & life support, including patient monitors, ventilators, defibrillators, anesthesia machines, operating tables, surgical lights, medical supply units, infusion pumps, electrocardiographs, and integrated solutions for operating room/intensive care unit (OR/ICU), etc., as well as minimally invasive surgical products, including surgical endoscopic camera systems, cold light sources, insufflators, optical endoscopes, minimally invasive surgical instruments and surgical consumables, etc.

During the reporting period, the Company's Patient Monitoring & Life Support business achieved a revenue of RMB11,153.4726 million, with a year-on-year growth of 11.47%. As the business area with the largest demand amid the pandemic in 2020, Patient Monitoring & Life Support business maintained a sound growth during the reporting period, mainly due to the new medical infrastructure construction led by the expansion of large public hospitals in China. According to the Company's statistics, the accessible market space of the new medical infrastructure of China has exceeded RMB20 billion by the end of the reporting period. As the construction targets the expansion of large public hospitals, the procurement demand for medical device is mainly from large projects at hospital-wide level. As a leading brand of medical devices in China, Mindray embraces a strong

product competitiveness, sound hospital-wide solutions and multiple ecosystems, which is conducive to the new medical infrastructure and can better support the construction of smart hospitals. In addition, non-pandemic-related products that were affected by the pandemic gradually recovered during the reporting period, with seed businesses including AED and minimally invasive surgery achieving high growth.

During the reporting period, the Company launched new products, such as M-Connect ecosystem • Smart Monitoring+, VS 8 and VS 9 vital signs monitors, uMED defibrillators, BeneFusion E series infusion pumps (eVP/eSP/eDS), high-end A8 and A9 anesthesia systems, non-invasive ventilators for adults, HyPixel R1 4K ultra-high-definition fluorescence endoscope camera system, HyBase V8 new platform operating table, HyPort R80 new drawbridge I-type, 4K digital operating room and others in the field of Patient Monitoring & Life Support. As for the area of Animal Medical, the Company launched new products, such as the Veta series of animal anesthesia machines, Vetina series of veterinary rigid endoscopy systems, ePM Vet series of multi-parameter vital signs monitors, etc.

With technologies of key products of Patient Monitoring & Life Support business leading the world, coupled with the major breakthrough in the high-end customer group and brand influence amid the COVID-19 pandemic, Patient Monitoring & Life Support business will lead other business to forge Mindray into a global leading medical device company.

(2) In-Vitro Diagnostics

The Company's products mainly include hematology analyzers, chemiluminescence immunoassay analyzers, biochemistry analyzers, coagulation analyzers, urine analyzers, microbiology diagnostic systems, etc., and related reagents, which obtain clinical diagnostic information by detecting human samples such as blood, body fluids and tissues.

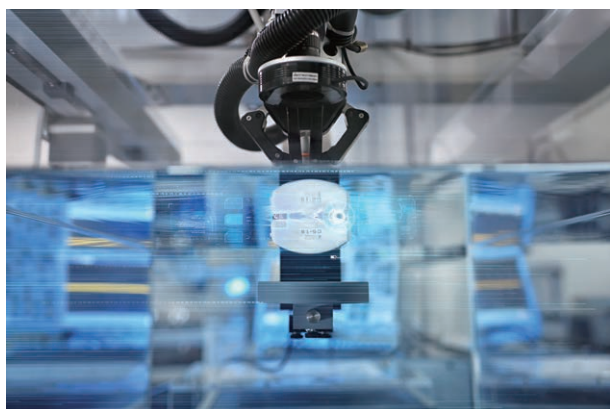
During the reporting period, the Company's IVD business achieved a revenue of RMB8,448.6266 million, with a year-on-year growth of 27.12%. Benefiting from the global recovery of routine diagnosis and treatment, physical examination, and surgery, consumption of conventional reagents recovered significantly. The increased number of the new popular product BC-7500 CRP, which is a combination of high-end 5-part differentiation, automatic peripheral blood sampling, and high-speed CRP testing, fueled the fast-growing IVD business during the reporting period. During the reporting period, the Company's blood cell business surpassed the similar imported brands for the first time and ranked the first in China.

In order to support the rapid and sustainable growth of IVD business, the Company increased R&D investment and launched the automated cell morphology analyzer MC-80, high-end automated biochemistry analyzer BS-2800M, high-end automated chemiluminescence immunoassay analyzer CL-8000i, automated hematology analyzer BC-7500CS, automated urine analysis all-in-one machine EU-5600, etc. during the reporting period. The Company will unveil a new generation of high-end coagulation analyzers and supporting reagents this year, to cement

the foundation for the fast-growing IVD business. Based on the insight into the needs of clinical laboratories during the reporting period, the Company launched the M-Ai Lab IT solution, which not only helps a laboratory to achieve automation, intelligence and standardization, but also provides more valuable diagnostic basis for clinical applications. As for the area of Animal Medical, the Company has introduced new products such as the fully automatic blood cell analyzer BC-75R Vet, etc.

During the reporting period, Mindray acquired 100% equity of Hytest Invest Oy, a world-leading supplier of IVD antigens and antibodies, and the subsidiaries thereof (hereinafter referred to as "HyTest") in cash, through its wholly-owned subsidiary MR Global (HK) Limited as well as Mindray Medical Netherlands B.V., which is the wholly-owned subsidiary of MR Global (HK) Limited. HyTest has a more comprehensive technology innovation ability over the IVD field by virtue of its rich R&D experience in raw materials and a team of outstanding scientists. While helping to tackle clinical problems and create core clinical values, HyTest contributes to elevating Mindray's IVD business into world-leading standards as soon as possible and realizing its global development.

With the technological advances and innovations of IVD products, the Company will gradually blossom into a supplier of IVD products and IT solutions, helping hospitals establish standardized laboratories. The Company will further expand its competitive advantages in Chinese market and improve the localization rate. At the same time, the Company will enhance the development of the international market and gradually establish brand influence to bring continuous contribution to the Company's business performance.





(3) Medical Imaging

The Company offers products including ultrasound diagnostic systems, digital X-ray imaging systems and PACS. In the area of ultrasound diagnostic systems, the Company provides hospitals, clinics, and imaging centers with a full range of high-end and low-end ultrasound diagnostic systems, as well as dedicated solutions for different sub-sectors of clinical specialties covering radiology, obstetrics and gynecology, intervention, emergencies, anesthesia, critical care, liver fibrosis, etc. As for digital X-ray imaging, the Company provides radiology departments, ICUs and emergency departments with a variety of mobile, vertical double-column and suspended digital imaging solutions.

During the reporting period, the Company's Medical Imaging business achieved a revenue of RMB5,425.5215 million, with a year-on-year increase of 29.29%. The normalization of routine diagnosis and treatment, physical examination, and ultrasound procurement activities worldwide promoted the recovery and high growth of medical imaging business during the reporting period. In the Chinese market, the Company has accelerated high-end breakthroughs in traditional ultrasound departments and emerging clinical departments of hospitals by virtue of its continuous high-end-oriented technology development and clinical application of ultrasound products. The proportion of income from secondary and tertiary hospitals in the Company's domestic income from ultrasound products has been increasing constantly. During the reporting period, the Company's ultrasound business surpassed similar imported brands for the first time, ranking the second in China. In the international market, the Company has benefited from the ZST+ platform based on holographic data and the popular new mid to high end bench-top ultrasound I9 series equipped with ultra-fast processing hardware architecture, coupled with installations of MX and ME series high-end portable ultrasound products by high-end customers in Europe, CIS, Latin America and other markets during the anti-pandemic period. Therefore, the

Company will strive to achieve a breakthrough in ultrasound business from low-end customers to high-end customers. Those international small and medium-sized imaging centers, which were hardest hit by the COVID-19 pandemic, are experiencing a recovery, boosting the demand for the low – and mid-end ultrasound products.

During the reporting period, the Company launched new products mainly in the field of Medical Imaging, such as the comprehensive application solution of ultrasound "Kunlun R7" (China), women and children application solutions "Nuwa R7" (China), POC high-end tablet color Doppler ultrasound TE9 (global), high-end notebook color Doppler ultrasound M10 (China), low to mid end bench-top color Doppler ultrasound DC-70 shear-wave solution (global), mid-end portable MX/ME series expanding multiple application fields, and high-end mobile DR MobiEye 700/750/800 series (China). In addition, innovative, ultrasonic, remote quality control solutions and discipline alliance solutions were launched for MiCo+. As for the area of Animal Medical, the Company has introduced new products such as Vetus E7, a portable color Doppler ultrasonic diagnostic system.

Going forward, the Company will develop and improve its clinical solutions for obstetrics and gynecology, cardiovascular, anesthesia, intervention and other clinical solutions tailored to the needs of clinical customers. The Company will also work to achieve a comprehensive breakthrough in high-end customers via the accumulation of ultra-high-end ultrasound technology, accelerating the localization rate and market share.

Based on the analysis of the continuously improving core competitive advantages and cost-effective advantages of the Company's product portfolios in the three major business areas, the Company has gradually transitioned from a supplier of medical devices to a solution provider to improve the overall diagnosis and treatment capability of medical institutions.

(4) Smart Healthcare Area

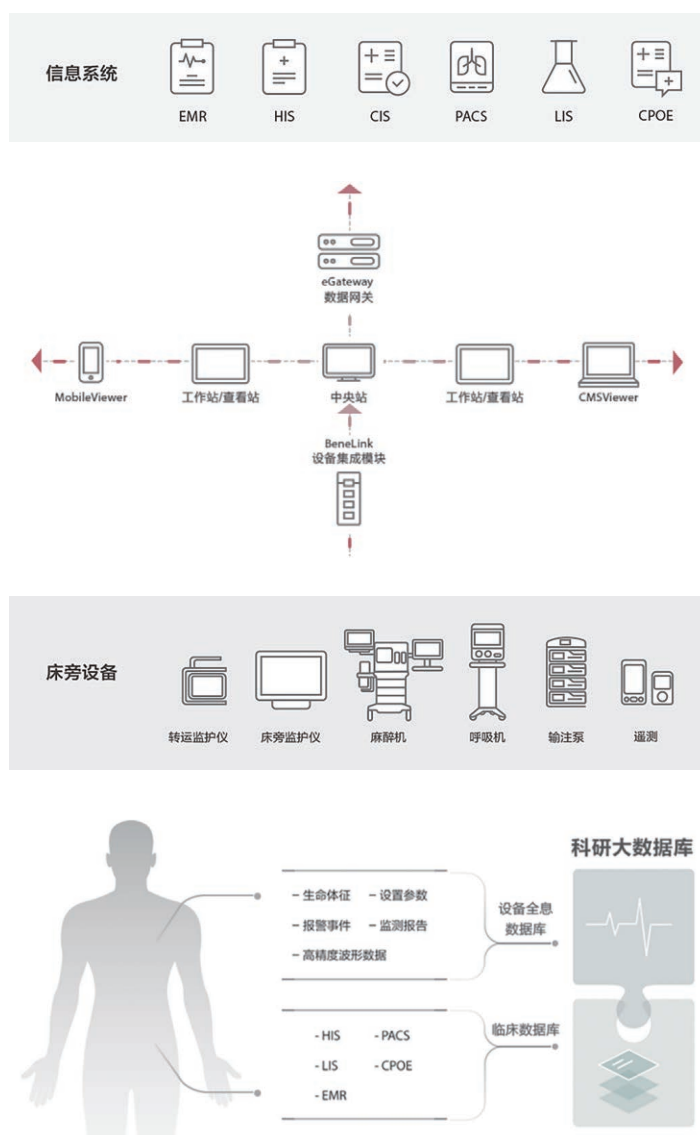
Apart from the product supply, the Company aims to meet the increasing information construction needs of hospitals, including building an integrated management system of hospital medical equipment, improving management and operation efficiency, and assisting in building an intelligent diagnosis and treatment ecosystem. The Company will also make contributions to the academic construction, talent training and others.

During the reporting period, the Company expanded the application scenarios of M-Connect IT solutions in hospitals. Based on the layout and advantages of multiple products such as patient monitors, anesthesia machines, ventilators and infusion pumps, the Company has launched multi-scene solutions covering hospitals, critical care, perioperative period, emergency, cardiology, general care, etc. The Company is committed to

improving the efficiency of hospital management and department operation via informatization, with a view to helping clinical workers easily brave challenges and comprehensively improving the quality of medical services under the patient-centered concept. By integrating all bedside equipment data, the Company has built the equipment holographic database, which is complementary and organically combined with hospitals' existing clinical databases. The equipment holographic database contributes to big data research, lays a foundation for artificial intelligence, and accelerates hospitals' scientific research output.

The Company launched the M-Connect ecosystem • Smart Monitoring+, iStatus status monitoring and evaluation function, and iAlarm intelligent alarm chain. They not only combine, analyze, and utilize raw physiological data, but also provide more accurate patient status monitoring, evaluation and alarm for clinical care. The iStatus status monitoring function breaks equipment boundaries, allowing the organic integration of

M-Connect IT solution



guardianship, breathing, drug infusion, ultrasonic images and video information via wireless compound technology, so as to assist in clinical medical care with a panoramic view of patient status monitoring. Meanwhile, information is presented in a way that is more consistent with clinical habits by the dimension of physiological system and organ, helping to ensure that patients are in safe monitoring at all times. Based on big data and intelligent algorithms, the iStatus status monitoring function can continuously analyze device data and statistical changes in patients' previous abnormalities, automatically capture the typical abnormalities, and finally generate long-term patient status overview and paper reports. Also, it can organically integrate the data/waveform of the monitor and ventilator into the ultrasound image interface to display dynamic changes synchronously on the same screen, allowing medical staff to clearly and comprehensively assess the changes in patient status, and improving the efficiency and quality of diagnosis and treatment. The iAlarm intelligent alarm chain realizes precise alarm and

portfolio alarm to ensure patient safety. Alarm distribution can push effective alarm information to mobile terminals such as medical mobile phones in real time. Alarm management enables a complete and objective statistical analysis and report for medical care, laying a foundation for advance of medical services.

By the end of 2021, the M-Connect IT solution has achieved a cumulative contract signing number of more than 200 hospitals, including more than 150 new hospitals in 2021, with a rapid growth. Since its launch two years ago, it has been installed in many top hospitals such as Peking Union Medical College Hospital, Beijing Tiantan Hospital, Shanghai Zhongshan Hospital, Wuhan Tongji Hospital, Xiangya Hospital Central South University, Xijing Hospital and the First Affiliated Hospital of Zhengzhou University.

During the reporting period, the Company began to promote the MiCo+, an imaging cloud service platform. It was born under

MiCo+ imaging cloud service platform



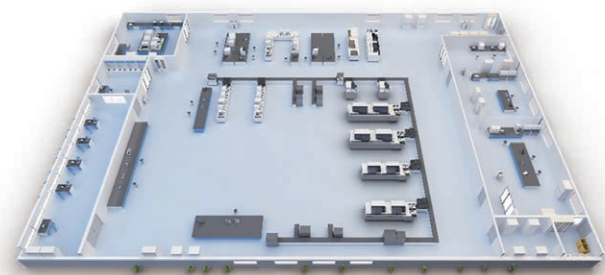
the new era of 5G network. The Company has planned the R&D and layout of related remote products in the early stage, and the COVID-19 pandemic has accelerated the progress of popularization and application. Based on the cloud ecosystem application platform connecting Mindray imaging equipment and users, MiCo+ provides a cloud community and a variety of cloud applications for users to independently create and operate, so as to create a 3D interactive communication medium for ultrasound-related medical workers. With MiCo+, the Company has launched solutions such as Integrated Delivery Network consultation with remote quality control, ultrasound-related remote quality control of Integrated Delivery Network/chain medical institutions, business integration of POC department and ultrasonic department, discipline alliance, remote training and teaching, imaging equipment management, channel business user management and so on. Among them, the Integrated Delivery Network consultation solution with remote quality control, which is realized with the support of Mindray equipment's unique automatic workflow protocol technology, can standardize the scan procedures of primary hospitals, making doctors in superior hospitals more confident in diagnosis, and improving the overall diagnosis and treatment of Integrated Delivery Network/County Integrated Healthcare Organization.

A total of more than 1,300 sets of MiCo+ were installed by the end of 2021, among which more than 1,100 sets were newly installed in 2021, with a significant increase in the installation speed. Hospitals that have installed MiCo+ include the Shenzhen Bao'an People's Hospital, the First Affiliated Hospital, Sun Yat-sen University, China Resources Wisco General Hospital, etc. In 2021, MiCo+ launched the innovative remote quality control solution for ultrasound at

the section level and discipline alliance solution for the first time, realizing a user growth rate of 182% YoY and an active user growth rate of 218% YoY. The Company's projects have covered more than 20 provinces, cities and autonomous regions in China.

During the reporting period, the Company launched the M-Ai Lab IT solution. With IT upgrade of Mindray's eight series of IVD testing equipment, supporting testing reagents, quality control products and calibration products, M-Ai Lab has realized the digitalization throughout reagent management from suppliers to laboratory warehouses, department refrigerators and testing systems. It can also efficiently check the status and reagent accuracy of instruments related to daily quality control, comprehensively and intelligently summarizing quality control reports, and connect one hospital and multiple districts, serving as an efficient and professional online platform for real-time diagnosis and treatment of difficult cases relating to blood diseases. The Company unveiled the reagent management system, quality control management system and intelligent large screen, which can realize the automatic recording of IoT information, intelligent dynamic real-time analysis and reminder, greatly optimizing the management process and improving the management quality. This provides a convenient and professional IT intelligent management solution for the medical laboratory in high-intensity and strict pandemic prevention and control. This also copes with the problems of multiple management connections, low efficiency, and quality control, caused by the complex management elements and information isolation of medical laboratory in a one-stop way.

M-Ai Lab IT solution



The Company is developing the cloud-based analysis and cloud-based learning system based on the line solution of hematology analysis, blood spreader and cell morphology analyzer to create a cross-district professional communication community and learning platform on the cloud. The cloud-based analysis allows the general hospital and the branch laboratory, clinical physicians, and technicians to carry out multidisciplinary communication that focuses on diseases, so as to improve the homogeneous reporting ability of handling difficult hematology analysis. The cloud-based learning can break the time and space limit of medical workers' learning, allowing them to study dynamically and independently, with training and assessment process conform to ISO15189 quality management requirements. The system boosts Integrated Delivery Network/County Integrated Healthcare Organization consultation, exchange of difficult reports, and talent training, and provides an integrated diagnosis and treatment solution of test system + professional IT cloud.

Since its launch in 2021, M-Ai Lab IT solution has been installed in nearly 60 hospitals nationwide (60% of which are tertiary hospitals), such as XJTU No.1 Affiliated Hospital Chang'an, Tianyou Hospital Affiliated to Wuhan University of Science & Technology, Sichuan Cancer Hospital, Sichuan Provincial People's Hospital Dongli District, Guangdong Women's and Children's Hospital, Shenzhen Maternal and Child Health Care Hospital, etc.

(5) Enabling Medical Institutions to Develop with High Quality

During the reporting period, in response to the policy of high-quality development of domestic public hospitals, the Company provided comprehensive solutions to hospitals, helped them build high-quality medical ecosystems, and devoted to acting as their partner to promote their high-quality development.

In the construction of hospital system and management system, the Company, by utilizing resources such as health commissions, hospital associations, medical management institutes, consulting institutions and external experts, assisted in policy interpretation, hospital development planning, performance appraisal, training on overall project plans, and supporting projects. Specifically, the Company held the Tsinghua class, Peking class and other series of training classes, and organized more than 100 learning and exchange activities around the reform of medical insurance payment, hospital management, discipline construction and other topics for hospital managers at all levels, covering nearly 2,000 hospitals in 31 provinces and autonomous regions. The Company also co-built the "Exhibition and Experience Base of High-quality Development Research Centers of Public Hospitals" with people.cn and cooperated with GAHA and industry experts to coach hospitals in policy, performance and grade evaluation, etc.

As for discipline capacity building, the Company improved the discipline hospital competitiveness via multi-center projects, discipline training at home and abroad, and exchanged platforms of various scientific associations, including the multi-center research on liver fiber and lung cancer carried



out in conjunction with associations and hospitals, the advanced training course of SCCM, the overseas training program on ultrasonic imaging provided by the affiliated hospital of Queen Mary University of London, and related meetings and training classes on intensive care, emergency and anesthesia of the Chinese Medical Association.

In terms of improving scientific research, on the one hand, the Company closely cooperated with hospitals and research institutes, complementing each other's advantages, and participated in scientific research to jointly solve major clinical problems and brave challenges. Specifically, the Company cooperated with the domestic top medical center construction hospitals in carrying out the intelligent critical care system, total laboratory automation (TLA) assembly line, intelligent 3D visual endoscope, ultra-high-end color Doppler imaging and other projects. On the other hand, based on the strategy of international exchange, Mindray, by organizing international academic exchange activities, master classes, advanced training in top hospitals around the world, and sharing China's experience in curbing the COVID-19 pandemic, strove for cross-border exchanges and experience sharing among experts and helped hospitals improve their scientific research capacity and academic influence. For example, the Company has carried out the national and provincial research projects jointly with many domestic hospitals in the field of IVD, and carried out several training courses on improving scientific research capacity with external platforms such as Nature magazine and AME, covering more than 200 hospitals in various provinces and cities in China.

In terms of talent training system, the Company provided management and other professional training courses and on-site training of medical staff to enhance the ability of all kinds of talents and assist hospitals in building the talent echelon. The training courses included the Tsinghua University – Hopkins Hospital management and leadership training, TCM management training, top public hospital research class, medical elite class, and user service system training. The Company also helped with building platforms for domestic and overseas exchanges and learning, such as the Asian Medical Week, Guangzhou Forum, and visits to overseas renowned discipline hospitals.

During the reporting period, the accelerated implementation of DRG/DIP insurance payment reform proposed more stringent requirements for the refined management plus diagnosis and treatment capabilities of medical institutions. As a result, "quality and efficiency improvement" evolved as the focus for medical institutions. As a provider of medical device product solutions and IT ecosystem solutions, Mindray has an insight into the core needs of medical institutions and helps medical institutions achieve "quality and efficiency

improvement" via customized products and IT solutions, one-stop procurement, and resource collaboration.

First, the Company helped medical institutions improve their ability to treat intractable, complicated and severe diseases. It provided complete solutions for emergency, operating rooms and ICUs, coupled with the department, hospital-wide and inter-hospital device connection solutions to improve the treatment level of hospital, such as hybrid operating room devices and digital operating room solutions. Second, Mindray provided more customized medical services for medical institutions to improve the diagnosis and treatment capabilities, including ultrasound liver intervention ablation solutions, ultrasound assisted reproduction solutions, ultrasound liver hardness, and the quantitative analysis of the degree of hepatic adipose degeneration and so on. Third, the Company helped hospitals to carry out discipline construction and strengthen personnel training. The Company, by leveraging its R&D and technical advantages, coordinated various resources to help hospitals improve academic efficiency, participated in the construction projects of national medical centers, and carried out multi-center clinical research jointly with well-known hospitals. Fourth, the three IT laboratory solutions of M-Connect, MiCo+ and M-Ai Lab streamlined the working process and lifted the work efficiency of medical staff. During the reporting period, the Shenzhen Bao'an People's Hospital and the People's Hospital of Zayu County, Tibet carried out remote ultrasound interconnection for approximately 50,000 times with the MiCo+ solution, and had over 2,000 real-time consultations, improving the capability of medical imaging diagnosis and treatment at the primary level. Fifth, the Company delivered a more cost-effective performance and reduced personnel cost via systematic platform one-stop procurement. Compared with imported brands, M-Ai Lab solution can help hospitals save 20-30% of the cost of equipment and reagents procurement. Sixth, the Company reduced hospital operating costs and implemented hierarchical diagnosis and treatment through multi-hospital interconnection.



3. Key Performance Drivers

The Company achieved sustained revenue growth in the main business, mainly due to the expanding medical device markets driven by the new medical infrastructure construction, the accelerated localization of the domestic medical device markets, the sustained and stable growth of the global medical device markets, and the Company's competitive advantages in R&D, production and marketing. The detailed drivers are as follows:

(1) The New Medical Infrastructure Construction Led by the Expansion of Large Public Hospitals Enlarges China's Medical Device Market

After the COVID-19 pandemic was brought under control in 2020, many parts of China began to attach importance to their weaknesses in healthcare and new infrastructure construction. The National Development and Reform Commission and the NHC have issued the Plan for Public Health Prevention, Control and Treatment Capacity Building and the Notice on Improving Infection Prevention and Control in Fever Clinics and Medical Institutions, respectively, proposing the modernization of the disease prevention and control system, improvements to the treatment capacity of county-level hospitals across the board, improvements to the urban infectious disease treatment network, upgrades of major pandemic treatment bases, and the transformation of public facilities in peacetime and wartime. In addition, it is imperative to strengthen the construction of ICUs and respiratory and infection departments, further strengthen public health efforts, and comprehensively overcome weaknesses.

For those public hospitals that have undertaken the most urgent, dangerous and arduous medical treatment during the COVID-19 outbreak, the government stressed the need to promote their high-quality development and proposed the guidance of "accelerating the expansion of quality medical resources and balanced regional distribution", including: 1) construction of national medical centers and national regional medical centers; 2) multi-district development of a hospital; 3) the construction of key clinical specialties, which set the expansion of large public hospitals as the focus of the new medical infrastructure construction. Moreover, the National Health Commission (NHC) has deepened the medical reform and guided public hospitals to strengthen informatization construction and enhance surgical capacity with guide of performance appraisal of public secondary and tertiary hospitals.

With the development of the new medical infrastructure construction, the medical device market in China will usher in long-term expansion. As the new medical infrastructure projects in China are dominated by the expansion of large public hospitals, the procurement demand for medical equipment is mainly driven by the large hospital-wide projects, stimulating the three major business of the Company, particularly the Patient Monitoring & Life Support business.

Mindray, a leading brand of medical devices in China, has strong product strengths, complete hospital-wide solutions and multiple ecosystems, which are more suitable to the demand of the new medical infrastructure construction and can better support the construction of smart hospitals. From the perspective of accessible market scale for Mindray, the market space for new medical infrastructure in China has reached RMB20 billion by the end of the reporting period.

On October 27, 2021, the NHC issued the Work Plan for Improving the Comprehensive Capacity of County Hospitals under the "Thousand Counties Project (2021-2025)". The Work Plan clearly proposed to promote the transfer of high-quality medical resources from provincial and municipal hospitals to county-level hospitals, shore up the weakness of county hospitals in medical service and management capabilities, gradually realize the integration and sharing of medical resources within the counties, and give full play to the leading role of county hospitals in the county medical service system and the bridge role in urban and rural medical service system. At least 1,000 county hospitals across the country will advance to tertiary hospitals with corresponding capabilities by 2025, playing their central role, which will lay a solid foundation for curing common diseases in cities and counties.

From the perspective of accessible market for Mindray, the market space of the "Thousand Counties Project" is expected to reach RMB10 billion in the next few years.

As the continuous transfer of medical investment and resources to lower-tier hospitals, hospitals and medical institutions at county level and below will gradually require greater construction efforts, which will further expand the duration and implementation scope of the new medical infrastructure in China.

(2) The Promotion of Products of Quality Domestic Enterprises that Have Core Technologies in Hospitals has been Accelerated

With acceleration of Chinese aging population, per capita medical expenditure continues to grow. Governments have successively launched medical reform policies such as VBP, sunshine procurement and DRG/DIP, aiming to ease the contradiction between the shortage of medical insurance funds and people's pursuit of quality medical resources, and popularizing the high-end medical technology, so that the government can afford the medical expenses of 1.4 billion people and reduce the burden of people's medical treatment.

In the past few decades, China has made a rapid development in terms of economy, science and technology. Some domestic enterprises have surpassed the international first-tier level in some technological fields. The concept of "imported products must be better than domestic products" has been reversed to a large extent, which provides a solid foundation for improving localization rate in the field of medical devices, and provides more opportunities for the accelerated promotion of cost-effective products of high-quality domestic enterprises that have core technologies in hospitals.

Mindray's mission to "advance medical technologies to make healthcare more accessible" is highly consistent with the demands of the country. The Company will continue investing in R&D, including R&D accumulation, technology iteration, and market cultivation, so as to seize the development opportunity. While making breakthroughs in core technologies, the Company improves the cost performance of its products and provides hospitals and ordinary people with affordable products and high-quality medical services, enabling more people to enjoy high-quality life care. The market share of the Company will thus be increased. Finally, a win-win situation for governments, hospitals, patients and manufacturers will be achieved.



(3) Global Medical Device Market Keeps Growing Steadily, and Chinese Medical Device Market is Growing Rapidly

With the natural growth in global population and the aging of population, the demand in the healthcare industry will continue to increase. In addition, the economic growth of developing countries boosted their consumption capacity, supporting the sustained growth of the global medical device market. EvaluateMedTech estimated that the capacity of the global medical device market was approximately USD504.3 billion in 2021. The CAGR of the sales value of global medical devices for 2020-2024 will be 5.6%. The market size is expected to reach USD594.5 billion in 2024. According to the analysis data of BCG, the global medical device market size of major countries was USD483.0 billion in 2020, and it is expected to be USD770 billion in 2030. From 2020 to 2030, the CAGR of the global market will stay at 5%.

China has a huge population that is aging rapidly. With the rapid economic growth, the increasingly enhanced payment capacity of the public and the gradually improved healthcare system, China's medical device industry recorded a rapid growth and has become the second largest market in the world. According to the Medical Device Blue Book: Report on China's Medical Device Industry (2021) jointly released by the China Society for Drug Regulation and the Social Sciences Academic Press (China), Chinese medical device manufacturers achieved a main operating revenue of approximately RMB872.5 billion in 2020, with an increase of RMB152.5 billion, or 21%, compared with RMB720.0 billion in 2019. From 2021 to 2022, the main operating revenue of medical device manufacturers is expected to exceed RMB1 trillion, and China's medical device industry is expected to maintain a CAGR of approximately 15%. The Chinese market will keep expanding in the near future.

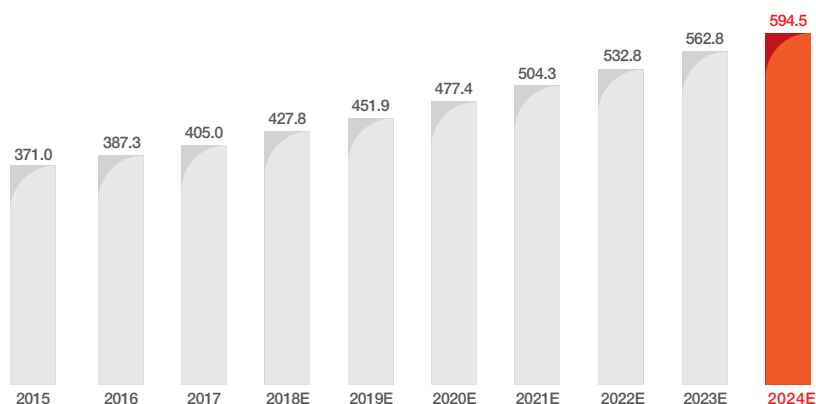
In the post-pandemic era, governments around the world suffered a greater financial pressure, with government-led public health projects and procurement by private medical groups becoming more price-sensitive. This is undoubtedly an important positive factor for Mindray that has high operational efficiency, cost-effective products, complete product lines and complete solutions.

According to the Company's statistics, Mindray has laid out three major production lines and four high-potential businesses corresponding to the domestic and international accessible market space of RMB120 billion and RMB710 billion, respectively, and the Company's domestic and international revenues in 2021 is approximately RMB15.3 billion and RMB10 billion, respectively. At present, the Company's domestic market share is only in low double digits, and it is even only in low single digits in the international market share. With the expanding medical device industry in China and international emerging markets, the Company's established businesses in the global market, particularly in the markets beyond China, still have huge growth space.

(4) The Company's Competitive Advantages in R&D, Production, Marketing and Other Aspects have been Further Highlighted

The MPI medical product innovation system is the cornerstone of the Company's independent R&D. During the reporting period, the two core ideas of customer orientation and concurrent engineering continued to extend and develop in depth in product innovation activities, and their connotations were further enriched. On the one hand, the Company continued deepening the market-oriented and customer-oriented ideas and further strengthened the importance of market scanning and customer needs in business planning, product conception and development to constantly produce high-quality products

Global medical device market size from 2015 to 2024 (billion USD)



to meet customer needs. The Company continued building customer-oriented IT management platforms, including equipment management platform based on 5G and IoT, product solution quotation and ordering platform, and digital service management platform to improve customer satisfaction. On the other hand, the Company focused on carrying out concurrent engineering in product innovation to continuously strengthen the core competitiveness of products. For the whole business value chain, the Company has improved activities by implementing designs with consideration of procurement, manufacturing, sales and service. The Company fully considered the needs of supply chain, manufacturing, marketing and service at the beginning of product design to improve the overall operational efficiency and benefit and the comprehensive competitiveness.

In addition, the Company has incorporated product registration in more than 100 countries into the MPI process system and established a cross-system team covering planning, R&D and regulations. The Company has created an innovative, efficient, life-cycle, international registration management platform through registration demand management, registration and regulation platform construction, performance incentive, IT support, etc. The platform has become the direct productivity for the Company's international business development and a guarantee for the continuous compliance of products on sale and rapid entry of new products into the international market.

The Company kept collaboration in R&D and production and took the life-cycle product management process as the core. In the R&D process of introducing new products, the Company fully considered the convenience of production and optimized product design to improve production efficiency and quality. The Company continued ramping up manufacturing capacity building and production management to establish an advanced quality management system, lean production system and intelligent manufacturing system via vertical integration, lean production, and intelligent manufacturing.

The Company continued developing, improving and upgrading the iterative S&OP (sales and operations) process in line with the concept of supply chain transformation to achieve a balance between demand and supply, and continuously optimize supply chain management.

Many monitor, ultrasound, and test products of the Company

have been CE certified and FDA registered. Among them, Mindray's IVD reagent has obtained the CE certificate for the In-Vitro Medical Devices Regulation (IVDR) issued by TÜV SÜD, a European notified body, among the first batch of certificates in China. The ultrasound products have continuously passed the quality system audit for the Medical Device Regulation (MDR) of the EU. Adhering to the high quality product standard, the Company established an efficient intelligent manufacturing system. Thanks to the perfect quality management system, the Company's products were widely recognized by downstream customers.

As of December 31, 2021, the Company had 3,540 marketing staff. The Company had branches in more than 30 provinces and autonomous regions in China and subsidiaries in more than 30 countries abroad. Its products were exported to more than 190 countries and regions. The Company became a long-term partner of leading medical institutions in USA, UK, Italy, Spain, Germany, France and other countries.

During the reporting period, the Company deeply integrated the domestic and international marketing systems. First, the Company launched a global, online, unified and efficient quotation system, cost management evaluation system and independent dealer ordering system, coupled with comprehensive optimization and iteration of the business opportunity management system, so as to release marketing personnel from the tedious daily work such as ordering, delivery, and logistics. Second, the Company replicated the unique competitiveness of successful domestic marketing strategy of "accurate market segmentation, deep penetration, and catering to hospital needs" to international marketing and established a multi-dimensional marketing team to closely integrate marketing personnel with clinical customers, improve customer stickiness and tap more potential clinical and academic needs. Moreover, the Company has established a sound dealer management system and a matrix architecture for global marketing, which improved the systematic and precise marketing management, improved synergy efficiency within the Company, promoted the rapid growth of the team, and provided a broader space for training and communication among team personnel.

4. Revenue and Cost

(1) Composition of Revenue

Overview of revenue

Unit: RMB

	2021		2020		YoY increase/ decrease
	Amount	Proportion of revenue	Amount	Proportion of revenue	
Total revenue	25,269,580,818.00	100%	21,025,846,389.00	100%	20.18%
By industry					
Medical device industry	25,257,849,416.00	99.95%	20,980,954,301.00	99.79%	20.38%
Others	11,731,402.00	0.05%	44,892,088.00	0.21%	-73.87%
By product					
Patient Monitoring & Life Support products	11,153,472,647.00	44.14%	10,005,956,348.00	47.59%	11.47%
IVD products	8,448,626,617.00	33.43%	6,646,100,248.00	31.61%	27.12%
Medical Imaging products	5,425,521,471.00	21.47%	4,196,331,457.00	19.96%	29.29%
Other products	230,228,681.00	0.91%	132,566,248.00	0.63%	73.67%
Others	11,731,402.00	0.05%	44,892,088.00	0.21%	-73.87%
By region					
Domestic	15,259,206,960.00	60.39%	11,110,186,370.00	52.84%	37.34%
Overseas	10,010,373,858.00	39.61%	9,915,660,019.00	47.16%	0.96%

(2) The Industry, Products, Regions or Sales Model that Accounts for more than 10% of the Company's Revenue or Operating Profit

☒ Applicable ☐ Not applicable

Unit: RMB

	Revenue	Cost of sales	Gross profit margin	YoY increase/ decrease in revenue	YoY increase/ decrease in cost of sales	YoY increase/ decrease in gross profit margin
By industry						
Medical device industry	25,257,849,416.00	8,834,784,368.00	65.02%	20.38%	20.20%	0.05%
By product						
Patient Monitoring & Life Support products	11,153,472,647.00	3,748,214,644.00	66.39%	11.47%	16.98%	-1.59%
IVD products	8,448,626,617.00	3,167,337,367.00	62.51%	27.12%	18.34%	2.78%
Medical Imaging products	5,425,521,471.00	1,826,192,735.00	66.34%	29.29%	28.69%	0.16%

Primary business data in the recent year adjusted according to the caliber at the end of the reporting period under the circumstances that the statistical caliber of the Company's primary business data was adjusted during the reporting period

☐ Applicable ☒ Not applicable

5. R&D Investment

✓ Applicable ☐ Not applicable

Name of main R&D project	Project purpose	Project progress	Objective	Expected impact on the Company's development
YiJianHu 2.0	Launch new products	Developing	Improve the monitoring and interconnection levels, meet the information requirements of the whole hospital, suit more clinical scenarios, and enhance product competitiveness	Further expand the market share in the monitoring market
Telemetry (China Region)	Upgrade of products	Available soon	Integrate the M-Connect ecosystem with telemetry monitoring + central station as the cornerstone, improve IT ability of department, and meet the needs of clinical differentiation	Further expand the share in the telemetry monitoring market, and create new growth points in emerging markets and segmented fields such as elderly care and county tertiary hospitals
Adult non-invasive ventilator	Launch new products	Available	Enter into the new professional non-invasive ventilator market segment, accelerate the coverage of ventilators in all segments, and develop a complete respiratory solution	Improve the Company's products in the professional segments of ventilators and increase market coverage, so as to further strengthen its leading position and brand image in the professional respiratory solutions industry; and develop new products and strengthen the Company's professional influence in respiratory departments and other customer groups to lay a solid foundation for new product promotion
New platform operating table (V8, V8 Classic, V6)	Launch new products	International: available Domestic: available soon	Increase the types of operating tables in the middle and high-end, and high-end market segments	Achieve a higher product specialization that is conducive to enhance the competitiveness of Mindray's operating tables in high-level hospitals and expand its share in the middle and high-end market
A new generation of high-end coagulation analyzers and reagents	Upgrade of products	Available soon	Meet the clinical requirements of tertiary hospitals, and improve the speed and capability of automation	Enter the market of high-end hospitals above grade-3 to further enhance the Company's coagulation market share and brand influence

Name of main R&D project	Project purpose	Project progress	Objective	Expected impact on the Company's development
BS-600M auto chemistry analyzer	Launch new products	Available soon	Enter the mid-end market and expand the market share	Improve features and performance, meet the demand of international mid-end market, enhance product competitiveness, and achieve a breakthrough in biochemical business in the international mid-end market
M1000 integrated solution	Launch new products	Available soon	Improve the efficiency of the analysis process with unique uncovering and visual modules, enable the 4.5m ² high-quality, integrated biochemical immune assembly line to help the high-quality development of laboratory departments, and consolidate the Company's leading position in the field of cascading assembly line	Have a great application prospect in the middle and high-end market, with unique clinical value and cost advantages, and support customer group breakthroughs and expand the share
BC-700 series auto hematology analyzers	Launch new products	Open model: available Automated model: available soon	International: achieve a breakthrough in the small to medium customer base Domestic: build competition barriers in secondary hospitals	International: the first five-part differential hematology and ESR analyzer, help to gain the international mid-end customer base Domestic: consolidate the competitive advantage in the mid-end market
Automatic identification and drug sensitivity detection system	Launch new products	Developing	Improve the performance of identification and drug sensitivity detection and match the market demand for identification and drug sensitivity automation	Enrich the microbial product line, improve detection performance and automation, provide better products and services for clinical microbial testing, and gradually establish Mindray clinical microbial testing brand
ToRCH	Launch new products	Available soon	Come with automatic chemiluminescence immunoassay instruments to supplement reagent package and strengthen the comprehensive competitive strength of CLIA products	Expand test packages, enrich reagent types, and further enhance the competitiveness and market share of the Company's products in the international market

Name of main R&D project	Project purpose	Project progress	Objective	Expected impact on the Company's development
Resona/Eagus R9 upgrade	Upgrade of products	Developing	Enhance the comprehensive strength of high-end products in the radiation and systemic application, and enhance the competitiveness of high-end products in clinical diagnosis and scientific research	Establish a high-end brand image and further expand the market share
Nuewa R9 upgrade	Upgrade of products	Developing	Improve the comprehensive performance of gynecologic ultrasound products to meet the needs of professional customers	Further expand the Company's share in the high-end gynecologic ultrasound market
Consona N9/8	Launch new products	Available	Improve performance, expand features, enhance the comprehensive competitive strength of ultrasound products, improve the technological content of primary medical ultrasound solutions, and help implement the policy of graded diagnosis and treatment	Support the implementation of graded diagnosis and treatment and further expand the market share
Consona N7/6	Launch new products	Available soon	Improve performance, expand features, enhance the comprehensive competitive strength of ultrasound products, improve the technological content of primary medical ultrasound solutions, and help implement the policy of graded diagnosis and treatment	Support the implementation of graded diagnosis and treatment and further expand the market share
TEX20	Launch new products	Available soon	Achieve a breakthrough in high-end POC tablet application in high-end hospitals in the developed markets, provide information interconnection solutions for clinical departments, and strengthen Mindray's influence as an innovative brand	Enhance the Company's brand awareness in the developed markets and achieve a further increase in the POC market share

Name of main R&D project	Project purpose	Project progress	Objective	Expected impact on the Company's development
Zonare (for ophthalmic use)	Launch new products	Available	Address the pain points of low clinical imaging quality and few imaging mode of b-ultrasound in ophthalmology in China, become the first ophthalmic color Doppler ultrasound device approved by China Food and Drug Administration and enter the professional market of ophthalmology	Enrich the application field, tap the blank market and enhance the Company's brand influence in the segmented market
TE Air (professional phased array)	Launch new products	Available soon	Develop a handheld ultrasound system with professional image performance, and popularize the professional ultrasound system to more clinical departments	This product is Mindray's first handheld diagnostic ultrasound system, which has explored new ultrasound application scenarios and customer groups. With the improvement of clinical diagnostic level, diagnostic speed, and diagnostic cost, the handheld ultrasound system has a broad market prospect.
MiCo+ (Add and upgrade solutions)	Upgrade of products	Developing	Provide better remote solutions and better support the implementation of quality control	Drive the sales of imaging devices
New-generation fixed DR	Upgrade of products	Developing	Further expand the market share through upgrading	Further improve the Company's share in the fixed DR market
Vetus E7	Launch new products	Available	Develop a new generation of portable professional veterinary model with the ZST+ platform that improves imaging performance	Excellent sales in the first half year after launch will increase the Company's market share in portable ultrasound products for animal use
Vetus 5	Launch new products	Available	Launch a new generation of low – and mid-end cart-based platform products, and relying on the new generation of Mindray's professional veterinary ultrasound platform and leveraging high-end advanced technology, provide clear and accurate diagnostic images according to the physical characteristics of different animals	Expand the Company's share in the low – and mid-end market of bench-top veterinary ultrasound devices

Name of main R&D project	Project purpose	Project progress	Objective	Expected impact on the Company's development
Veta series animal anesthesia machine	Launch new products	Available	Redefine the veterinary anesthesia machines and lead the veterinary anesthesia market	The Veta series anesthesia machine is expected to be a dedicated and professional product that quickly becomes a star product in the field of veterinary anesthesia after launch, laying a solid foundation for the Company to forge professional products for animals. The Company will quickly become a leader in the field of veterinary anesthesia devices.
ePM 12M Vet	Launch new products	Available	Develop a high-end modular monitor for animals with high quality and excellent performance that is intelligent and easy to use	Enrich the Company high-end modular monitor portfolio in professional animal monitoring market. The Company will quickly become a leader in the field of animal monitoring.
BC-75R Vet veterinary auto hematology analyzer	Launch new products	Available soon	Meet the needs of clinical testing in centralized test scenarios with a large sample size and make the instrument reach the first-class level of accuracy in the industry	Capture a favorable position in the high-end veterinary hematology market, expand the animal medical business in animal reference laboratory, animal research center, scientific research institutions and CRO market segment, and improve product competitiveness
Ceramic hip products	Launch new products	Available	Add the fourth generation of ceramic products and enhance clinical value	Form a complete hip product portfolio to support the Company's hip product volume
High cross-linked polyethylene products for hip joints	Upgrade of products	Available	Add mainstream hip lining products and enhance clinical value	Form a complete hip product portfolio to support the Company's hip product volume
Large size of femoral heads	Launch new products	Available	Improve the product portfolio and increase the scope of clinical application	Form a complete hip product portfolio to support the Company's hip product volume
Spine PEEK cages	Launch new products	Available	Cooperate with spine GSS products, support the most mainstream spinal surgery, and improve the product portfolio	Expand the market share of the Company's spine products

Name of main R&D project	Project purpose	Project progress	Objective	Expected impact on the Company's development
The series of mini-plates	Launch new products	Available	Improve the product portfolio and increase the scope of clinical application	Expand the market share of the Company's trauma products
Trauma instrument upgrade	Upgrade of products	Available	Improve clinical experience, reduce operation time, reduce operation risk, and improve product reputation	Expand the market share of the Company's trauma products
Trauma bone plates & bone nails	Launch new products	Developing	Improve the product portfolio and increase the scope of clinical application	Expand the market share of the Company's trauma products
Intramedullary nail digital navigation instrument	Launch new products	Developing	Use digital tools, enhance clinical experience and enhance product reputation	Build Mindray characteristic tools and expand the market share
New generation of thoracolumbar spine posterior screw system	Launch new products	Developing	Improve product specifications and extend the scope of clinical application	Expand the market share of the Company's spine products
3D printed acetabular cups	Launch new products	Developing	Add high-performance products, improve clinical effects, and reserve technology for other 3D printing products	Improve the competitiveness of hip joint products, expand the market share, and support the launch of other 3D printing products in the future
Cervical cages	Launch new products	Developing	Improve product specifications and extend the scope of clinical application	Expand the market share of the Company's spine products

Company R&D personnel

	2021	2020	Percent of change
Number of R&D personnel (number of people)	3,492	3,070	13.75%
Proportion of R&D personnel in total	23.78%	25.94%	Down by 2.16 pts
Educational background of R&D personnel			
Undergraduate and below	1,136	1,025	10.83%
Master	2,223	1,954	13.77%
Doctor	133	91	46.15%
Age composition of R&D personnel			
Below 30	1,838	1,402	31.10%
30-40	1,338	1,370	-2.34%
Above 40	316	298	6.04%

The Company's R&D investment in recent three years and its proportion in revenue

	2021	2020	2019
R&D investment (RMB)	2,725,948,142.00	2,095,530,245.00	1,649,485,970.00
Proportion of R&D investment in revenue	10.79%	9.97%	9.96%
Capitalized R&D expenditure (RMB)	201,586,514.00	226,230,427.00	183,874,695.00
Proportion of capitalized R&D expenditure in R&D investment	7.40%	10.80%	11.15%
Proportion of capitalized R&D expenditure in net profit	2.52%	3.40%	3.92%

Reason and impact of major changes in the composition of R&D personnel

☐ Applicable ☒ Not applicable

Reason for the significant change in the proportion of total R&D investment in revenue over the previous year

☐ Applicable ☒ Not applicable

Reason for the significant change of capitalization rate of R&D investment and explanation of its rationality

☐ Applicable ☒ Not applicable

6. Business Plan for 2022

In the future, Mindray will seize the historical opportunity in the fast-growing medical device industry at home and abroad, and remain customer-oriented. The Company will keep strengthening its business advantages in R&D, technology, manufacturing, quality, product, marketing, channel, service and other aspects through independent R&D and technological innovation and improving its core competitiveness and profitability for sustained and sound growth.

Focusing on the primary business in 2022, the Company will foster the growing business. By strengthening the comprehensive capabilities over product R&D, market expansion and other aspects, the Company will promote the strategic planning and business layout in an orderly manner and optimize production and management efficiency in order to maintain a steady and sound growth of revenue and business performance. The Company's business plan for 2022 is as follows:

(1) R&D Innovation Plan

Adhering to the concept of technological innovation as the spiritual core, the Company always leads the technological innovation and upgrading in the industry, and will keep doing so in future development.

In 2022, the Company will increase R&D investment in all business areas, strengthen the integration and application of cutting-edge technologies in related disciplines to improve its R&D strength and maintain the leading edge in technology.

Patient Monitoring & Life Support: For monitoring products, the Company will focus on the new forms of intelligent products, use technologies such as early warning of status monitoring, intelligent alarm, clinical decision support, video fusion, wireless sensors, and wireless connection of bedside devices, and build a leading, intelligent and economic ecological monitoring system for critical and subcritical hospitals. For defibrillation products, the Company will focus on miniaturized products, develop miniaturized technologies such as high-pressure therapy and accessories, integrate handheld ultrasound devices, transport ventilators, infusion pumps and other first-aid devices, and create the world's leading pre-hospital first-aid ecosystem. For anesthesia ventilators, the Company will focus on the anesthesia ecosystem to create the industry leading technologies, such as the intravenous inhalational anesthesia system and intelligent closed-loop anesthesia. In the area of respiration, Mindray will focus on various biospheres of Patient Monitoring & Life Support, and the development of intelligent auxiliary diagnosis and treatment tools for critical care and non-invasive ventilators. Meanwhile, the Company will expand

sub-segments such as transport and neonatal high-frequency, and further explore possible new tracks and new business to create an ecosphere with Mindray characteristics. In the area of minimally invasive surgery, the Company will prioritize the research of ultra-high definition camera technology, near-infrared fluorescence camera technology, 3D camera technology and energy platforms while carrying out the research of AI image processing in image optimization and auxiliary tools. The Company will upgrade Patient Monitoring & Life Support related equipment, and strengthen cross-hospital and cross-regional connectivity among Patient Monitoring & Life Support devices. By relying on products and IT solutions such as monitors, defibrillators, anesthesia machines, ventilators, infusion pumps, surgical lights and operating tables, the Company will comprehensively improve workflow and usability in critical care, surgery, emergency and other scenarios, and provide efficient clinical application tools.

IVD: The Company will use the integrated, automated, information-based and intelligent technologies based on different laboratory scenarios to comprehensively improve workflow and usability. Driven by the clinical needs, the Company will strengthen the construction of detection system platforms to make biochemical, immune, coagulation, microbial and other detection performance lead the world. With the core raw materials, the Company aims to comprehensively improve the performance and supply security of reagents while investing in the R&D of innovative reagents. The Company will strengthen the role of biochemical and immune instruments in automatic assembly lines and intelligent examination departments. For biochemical and immune reagents, the Company will develop new testing items as required by clinical applications, and provide more efficient testing methods for clinicians. Moreover, the Company will carry out in-depth research on hematology and body fluid cell analysis technology, focusing on AI recognition based on clinical needs, automated analysis, and intelligent workflow improvement. The Company will also expand the technological leadership in blood analysis. Focusing on building a first-class coagulation testing system, the Company will launch key technology research and productization in the fields of high-speed high-throughput coagulation testing system, coagulation traceability system, automatic coagulation testing line, and new project testing kits, further enlarging the Company's domestic leading advantage in technology. In the field of M-Ai Lab information system, the Company will explore the big data and information integration of clinical testing, and provide an in-depth clinical value for clinic applications. Furthermore, the Company will optimize department management and improve department operation efficiency.

Medical Imaging: The Company will strengthen the research on the Zone Sonography™ Technology in the field of ultrasound, and further research and explore the area array probe, handheld ultrasound devices, real-time 3D imaging, elastic imaging, contrast-enhanced imaging, vector flow imaging, photoacoustic imaging, MiCo+ platform, interventional ultrasound, clinical applications and other aspects. In addition, the Company will carry out research and application of intelligent technology based on big data in imaging technology, workflow, auxiliary diagnosis and other aspects to expand its leading edge in global ultrasonic imaging technology. Moreover, the Company will increase the investment in ultrasonic R&D in the next generation of the professional obstetric ultrasound, professional cardiac ultrasound, and other clinical application fields. In the area of radiology, the Company will keep developing the R&D of image chain core technologies and key components such as image post-processing, serialized high-performance flat panel detectors and serialized high-integration generators to strengthen the core competitiveness of products. The Company also aims to accelerate the implementation of the integration of MiCo+, boosting the construction of Integrated Delivery Network/County Integrated Healthcare Organization.

Animal Medical: The Company will establish research platforms for IVD, vital parameters and medical imaging technology according to the different animal species. In the area of Medical Imaging, the Company will focus on developing the animal imaging adaptation technology, measurement technology, workflow and others, providing veterinarians with high-quality images, efficient auxiliary diagnosis and easy-to-use medical imaging products, and reducing the technical requirements of image printing to bring more clinical value. In the area of Patient Monitoring & Life Support, the Company will focus on research on vital signs monitoring & veterinary anesthesia workflow, animal monitoring, accessories for animal use, and high-flow anesthesia systems to improve the usability and clinical value in diverse clinical scenarios. In the area of IVD, the Company will prioritize the research on multi-species blood and body fluid cell parameters, optical signals and optical path systems and animal detection reagents, and the R&D of new detection projects to provide more efficient detection methods and product platforms for clinicians.

Orthopedics: While improving spinal products, joint products and trauma products, the Company will invest more in digital surgical tools, basic raw materials of orthopedics, minimally invasive surgical solutions, perioperative overall solutions and others to deliver solutions with Mindray characteristics and build core competitiveness.

The Company will deploy high-quality resources worldwide and integrate the technical innovation ability of overseas R&D centers, customer demand grasp ability and efficient

engineering technology ability of domestic R&D centers to establish an efficient global R&D system. In addition, the Company will utilize the full value chain DFX (Design for X means design for all periods of the product life cycle, in which X can represent procurement, manufacturing, service, etc., as well as product competitiveness or factors determining product competitiveness) to build comprehensive cost advantages and improve the efficiency of business operations.

(2) Marketing System Plan

In 2022, the Company will further optimize the global marketing management system, including expediting the expansion of the global localization network presence, enhancing the global warehouse network layout, and improving the market resilience and customer service. In addition, the Company will grasp the opportunities of new medical infrastructure construction in the global market in the post-pandemic era. In response to the market demand and based on the large-scale breakthrough in high-end customers in 2021, the Company will expand the market share and enhance the penetration rate of high-end customers to secure the sound and sustainable development.

In terms of domestic sales, the Company will play a leading role in the post-pandemic era to improve the capacity of China's medical system and disease control system:

On February 19, 2021, the Central Committee of Comprehensively Deepening Reforms approved the "Opinions on Promoting High-quality Development of Public Hospitals", which affirmed the main force status of public hospitals and proposed the guidance of "accelerating the expansion of high-quality medical resources and regional balanced layout", including: 1) construction of national medical centers and regional medical centers; 2) multi-district development of a hospital; 3) construction of key clinical specialties. As a leading enterprise, Mindray will play an important role in the new medical infrastructure construction led by the expansion of public hospitals. From the perspective of accessible market for Mindray, China's market for new medical infrastructure has reached RMB20 billion by the end of the reporting period.

The NHC further deepens the medical reform and guides public hospitals to strengthen information construction and improve surgical capacity via taking the performance appraisal of public hospitals (national examination) as an indicator. Mindray has corresponding product solutions, talent training and discipline construction programs in these two fields, which can fully meet hospitals' needs. This is also an important opportunity for an leading enterprise.

On October 27, 2021, the NHC issued the Work Plan for Improving the Comprehensive Capacity of County Hospitals under the "Thousand Counties Project" (2021-2025). It

clearly pointed out to promote the transfer of high-quality medical resources from provincial and municipal hospitals to county-level hospitals. At least 1,000 county hospitals in China will advance to tertiary hospitals with corresponding medical service capabilities by 2025 and play their central role, which will lay a solid foundation for curing common diseases in cities and counties. According to the Company's statistics, the market space of the "Thousand Counties Project" is expected to reach RMB10 billion in the next few years from the perspective of accessible market for Mindray.

Furthermore, the Company will follow the sales system goals: market segmentation, segmentation team, and academic specialization for being closer to customers; improve the comprehensive service capacity and operation efficiency, and reduce the existing cost; keep optimizing the network maintenance center, assign more personnel, respond faster to after-sales service requirements; upgrade the training center of each branch to provide more effective training for local end customers and channel resources; continue increasing the input of information system, optimize the process, and improve the work efficiency of marketing personnel.

In terms of overseas sales, the Company will give full play to the advantages of the established global platforms to help overseas local medical institutions complete the equipment supply amid the period of shoring up weak spots, and will strengthen the promotion and brand penetration online as well as by other means. The Company, by taking the opportunity of emergency procurement during the COVID-19 pandemic, expanded overseas high-end hospital customers and quickly strengthened relations with such customers, further promoting Mindray's brand influence. The Company will enhance the penetration rate of products in new high-end hospital customers by leveraging its strengths in products, brands and channels in the post-pandemic era. Due to the impact of the pandemic on the financial budgets around the world, the Company's advantage of cost effectiveness will be further highlighted, and it is expected to have better development opportunities in the international market.

The Company will concentrate resources on more investment in the key regional markets and fast-growing sub-business:

- 1 As part of the efforts to integrate the marketing systems of China with developing countries, the Company will replicate the successful domestic marketing strategy of "accurate market segmentation, deep penetration, and catering to hospital needs" and apply it in the developing countries, making them an important growth engine of the Company.
- 2) The Company will strengthen the capacity construction of platforms in overseas market, to match the demand of rapid business development in a forward-looking

manner. The Company will strengthen its user service capacity, including overseas marketing site construction, logistics center construction, global warehouse network layout, etc. The Company will continue to develop global unified management standards, mechanisms and processes, and build a matrix organizational structure to improve the organizational ability of the whole marketing system. In addition, the Company will accelerate global product access and registration, refine the global channel management system, and maximize the efficiency of marketing personnel by IT means.

- 3) The Company will establish a sound professional marketing team for Patient Monitoring & Life Support, IVD and Medical Imaging. It will continue making breakthroughs in the horizontal and vertical customer base of Patient Monitoring & Life Support and Medical Imaging products. In respect of IVD business, the Company will move forward the transformation from laboratories of small sample size to those of medium sample size in the international market.
- 4) The resurgence of the pandemic worldwide has affected hospital income and procurement capacity. Exacerbated by fierce competition in product prices and growing nativism, it is more difficult for the Company to integrate into local markets. Braving these challenges, the Company will press ahead with its global development and expand its presence in local markets in Europe, developing countries and other fast-growing regions. Meanwhile, Mindray will improve the coordination between the Company and dealers, as well as enhance the brand image and the market penetration in the local markets.

In addition, the Company will concentrate more resources on investment in animal medical, minimally invasive surgery, orthopedics and AED. Based on the promising prospects of these four seed businesses, the Company has lifted its revenue targets for the coming three years, and the related business is expected to gradually grow into the backbone of the Company's long-term development.

(3) M&A Plan

As for M&A, since the global M&As initiated in 2008, the Company has built and consolidated the global R&D and marketing integration platform, with rich M&A experience. The Company leads the domestic industry in M&A efficiency, number of targets, particularly the integration depth, experience and ability of M&A. For the subsequent years, the Company plans to optimize a platform with strong integration, replicable and high-growth M&A integration in light of the characteristics and development opportunities of each major global market. Through M&As with strategic foresight, the Company will integrate the cutting-edge

technologies of the whole industry chain globally, enhance the comprehensive competitiveness of existing business in the mid to high end market, and increase the market share of growing businesses. Moreover, the Company will keep exploring new business universes to unleash the potential of sustainable growth. Emphasizing regional differentiation in the layout of investment and M&As, the Company will respond to changes in the political and economic situation as well as the medical and health industry trends, and explore the local operation platform and supply capacity building in major international markets in a regular and focused manner.

(4) Information System Upgrade Plan

The Company will continue the information system construction projects. The Company will incorporate informatization into the key business chains such as product development, manufacturing, quality control, sales and channel management, and supply chain balance, coupled with operation links including human resources management, financial management, telecommuting and collaboration platform, to further lift management level and improve management efficiency. In 2022, the Company will provide information support for the implementation of its development strategy via the promotion of SAP, ERP and other systems as well as construction projects such as the sales and quotation platform, channel management platform, service management platform, production management system MES, integrated supply chain, IoT, big data management and analysis platform, PLM R&D management, and information security and information infrastructure. The Company will provide the "Any Time, Any Where" information support capability for enterprise management and business expansion, and support the Company's business operations and decisions by digital means. The Company will improve the systems such as ERP, CRM, HR and Mindray Online office and collaboration platform in its global branches and subsidiaries, which will be conducive to integrating information between the Company and its branches, to inform the Company of business dynamics of its branches and market in a timely, comprehensive and accurate manner, and will also promote the rapid integration of the Company's information, bring down management costs, and improve the rationality and speed of scientific decision-making, providing a guarantee and support for the Company's steady and rapid growth.

(5) Management Improvement Plan

Since its foundation, the Company's concept of "whole-heartedly medical care" and strictly standardized management system are the core pillars supporting the Company's development from an equipment provider to a comprehensive solution provider, from one product line to multiple product lines, from low-end to becoming high-end, and from dominating the domestic market to winning a place in the global market. In 2022, the Company will continue

mechanism construction and implement management improvement project. In line with the plan for upgrading information systems, the Company will further promote the intelligent construction of project management, product management, and production management. Apart from strengthening the core competitiveness of products, the Company will focus on the whole business value chain to improve the overall operation efficiency and enhance the comprehensive competitive strengths. Furthermore, the Company will improve the management by objectives and performance appraisal, and establish a salary distribution system together with a diversified employee value system determined by position, skill, performance and efficiency.

(6) Human Resource Plan

Mindray adheres to the core values of being "customer-oriented, human-oriented, rigorous and pragmatic, proactive". When developing its business, the Company attaches great importance to talent team construction and has fostered a talent team with strong professional proficiency, rich industry experience and international vision in R&D, marketing, manufacturing, service, professional functions and management. As a multinational medical device solution provider based in China, the Company always regards human resources as the core competitiveness for the sustainable development.

In 2022, the Company will strengthen its relations with colleges and universities to enhance its influence and attraction in first-class universities. It will attract outstanding young talents with competitive salaries and create a dynamic and profound talent team with a refined mechanism for training, selection and flow. In minimally invasive surgery, immunofluorescence and ultra-high-end color Doppler ultrasound field, the Company will introduce the world's top technical experts to overcome technical difficulties and lead technological innovation. In addition, the Company will select, train and reserve compound talents based on the analysis and design of the growth path of key positions. Apart from the sound evaluation and supervision mechanism as well as open and transparent performance management system, the Company uses a portfolio remuneration tool to motivate and retain key employees at all levels. The Company will establish an internal talent market and optimize the internal flow of talent. The Company will intensify innovation award efforts by increasing the number of innovation awards to create an atmosphere for innovation. It will strengthen overseas cultural construction, improve employee communication, and forge the organizational centripetal force.

7. Key Accounting Data and Financial Indicators

(1) Key Accounting Data and Financial Indicators for the Past Three Years

Whether the Company needs to adjust its financial information retrospectively or restates its previous year's accounting information

☐ Yes ☒ No

Unit: RMB

	As of 2021	As of 2020	Change between the year-end figure for this year and the previous year	As of 2019
Total assets	38,103,022,990.00	33,306,388,963.00	14.40%	25,634,149,109.00
Net assets attributable to shareholders	26,952,803,219.00	23,277,631,000.00	15.79%	18,593,110,199.00

	2021	2020	YoY change	2019
Revenue	25,269,580,818.00	21,025,846,389.00	20.18%	16,555,991,314.00
Net profit attributable to shareholders	8,001,553,606.00	6,657,676,062.00	20.19%	4,680,646,750.00
Net profit attributable to shareholders, net of non-recurring profit/loss	7,850,417,234.00	6,539,656,430.00	20.04%	4,614,981,760.00
Net cash flow from operating activities	8,998,649,175.00	8,870,109,849.00	1.45%	4,721,794,915.00
Basic earnings per share (RMB/share)	6.5868	5.4765	20.27%	3.8502
Diluted earnings per share (RMB/share)	6.5868	5.4765	20.27%	3.8502
Weighted average return on equities	31.92%	32.29%	-0.37%	27.91%

(2) Key Accounting Data by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Revenue	5,781,049,735.00	6,997,297,898.00	6,613,164,642.00	5,878,068,543.00
Net profit attributable to shareholders	1,715,036,341.00	2,629,393,304.00	2,318,453,562.00	1,338,670,399.00
Net profit attributable to shareholders, net of non-recurring profit/loss	1,695,726,614.00	2,613,659,941.00	2,234,808,098.00	1,306,222,581.00
Net cash flow from operating activities	1,110,538,731.00	2,412,517,062.00	2,573,928,190.00	2,901,665,192.00

Whether the above financial indicators or the totals significantly differ from those disclosed in the Company's quarterly and semi-annual reports

☐ Yes ☒ No

8. Share Capital and Shareholders

(1) Number of Ordinary Shareholders and Preferred Shareholders with Voting Rights Restored and Shareholding of the Top Ten Shareholders

Unit: share

Total number of shareholders at the end of the reporting period	65,757	Total number of shareholders at the end of the previous month before the disclosure date of the annual report	64,265	Total number of preferred shareholders with voting rights restored	0	Total number of shareholders holding special voting shares (if any)	0
Shareholding of the top ten shareholders							
Name of shareholder	Type of shareholder	Shareholding percentage	Total number of shares held	Number of restricted shares held	Pledged, marked or frozen shares		
					Status of shares	Amount	
Smartco Development Limited	Overseas legal entity	26.90%	327,072,335				
Magnifice (HK) Limited	Overseas legal entity	24.43%	296,951,000		Pledged	51,760,000	
Hong Kong Securities Clearing Co., Ltd.	Overseas legal entity	9.03%	109,746,308				
Ever Union (H.K.) Limited	Overseas legal entity	4.40%	53,526,377				
Shenzhen Ruilong Consultancy Services Partnership (LLP)	Domestic non-state-owned legal entity	3.39%	41,159,352		Pledged	7,581,800	
Shenzhen Ruifu Management Consultancy Partnership (LLP)	Domestic non-state-owned legal entity	3.21%	38,965,113		Pledged	7,249,500	
Shenzhen Ruijia Management Consultancy Partnership (LLP)	Domestic non-state-owned legal entity	1.26%	15,366,730		Pledged	2,211,386	
Shenzhen Ruixiang Investment Consultancy Partnership (LLP)	Domestic non-state-owned legal entity	1.15%	13,991,238		Pledged	2,047,870	
Industrial and Commercial Bank of China Limited – Invesco Great Wall Emerging Growth Mixed Securities Investment Fund	Others	1.03%	12,499,801				
Industrial and Commercial Bank of China Limited – Central Europe Health Hybrid Securities Investment Fund	Others	0.98%	11,871,360				

Shareholding of the top ten shareholders						
Name of shareholder	Type of shareholder	Shareholding percentage	Total number of shares held	Number of restricted shares held	Pledged, marked or frozen shares	
					Status of shares	Amount
Explanation of any associated relationship and/or persons acting in concert between the above-mentioned shareholders						1. Smartco Development Limited, Magnifice (HK) Limited, Shenzhen Ruilong Consultancy Services Partnership (LLP) and Shenzhen Ruifu Management Consultancy Partnership (LLP): (1) Li Xiting holds shares in Shenzhen Ruilong Consultancy Services Partnership (LLP) and Shenzhen Ruifu Management Consultancy Partnership (LLP) as a limited partner and indirectly holds equity interest in Smartco Development Limited through Quiet Well Limited; (2) Xu Hang holds shares in Shenzhen Ruilong Consultancy Services Partnership (LLP) and Shenzhen Ruifu Management Consultancy Partnership (LLP) as a limited partner; meanwhile, Xu Hang indirectly holds equity interest in Magnifice (HK) Limited through Magnifice Limited; (3) Cheng Minghe holds shares in Shenzhen Ruilong Consultancy Services Partnership (LLP) and Shenzhen Ruifu Management Consultancy Partnership (LLP) as a limited partner and acts as an executive director of Ruian Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruifu Management Consultancy Partnership (LLP); (4) Wu Hao holds equity interest in Ruiheng Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruilong Consultancy Services Partnership (LLP), acts as an executive director and general manager of Ruiheng Consultancy Management (Shenzhen) Co., Ltd., and holds equity interest in Ruian Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruifu Management Consultancy Partnership (LLP); (5) Li Xiting and Xu Hang are persons acting in concert.
						2. Ever Union (H.K.) Limited, Shenzhen Ruijia Management Consultancy Partnership (LLP), and Shenzhen Ruixiang Investment Consultancy Partnership (LLP): (1) Cheng Minghe controls Ever Union (H.K.) Limited and acts as an executive director of Ruixiang Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruijia Management Consultancy Partnership (LLP), and Ruikang Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruixiang Investment Consultancy Partnership (LLP); (2) Wu Hao holds equity interest in Ruixiang Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruijia Management Consultancy Partnership (LLP), and Ruikang Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruixiang Investment Consultancy Partnership (LLP).

Whether the Company has a differential arrangement for voting rights

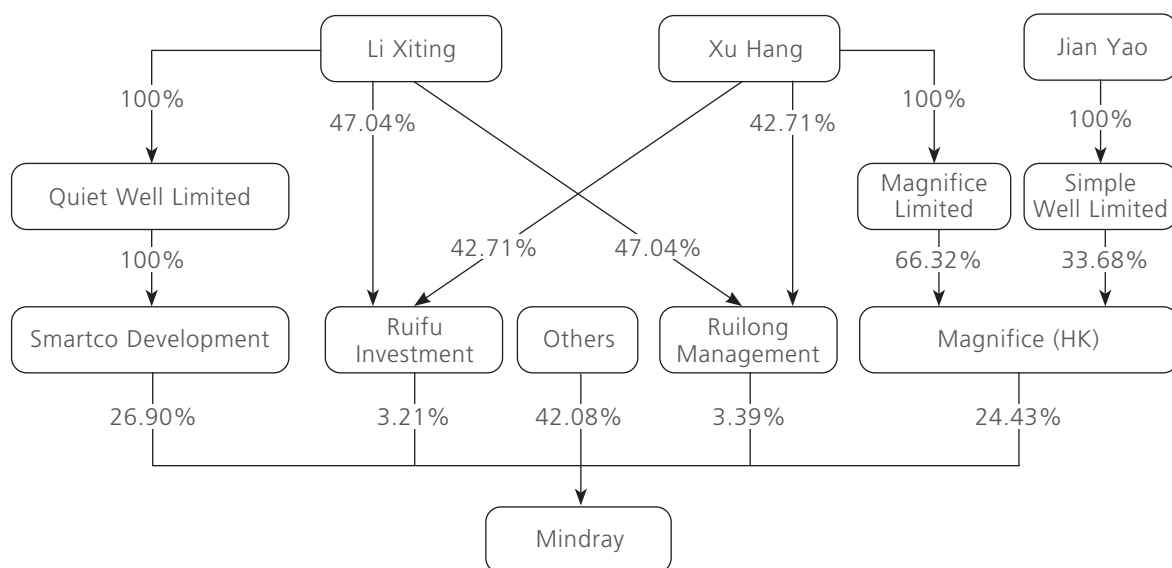
☐ Applicable ☒ Not applicable

(2) Total Number of the Preferred Shareholders of the Company and the Shareholding of the Top Ten Preferred Shareholders

☐ Applicable ☒ Not applicable

There was no shareholding of preferred shareholders of the Company during the reporting period.

(3) Set Out Below is the Chart of the Ownership and Controlling Relationship Between the Company and the Actual Controllers



9. Outstanding Bonds on the Date of Approval of the Annual Report

☐ Applicable ☒ Not applicable



03 FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2021

(All amounts in RMB unless otherwise stated)

[English translation for reference only]

ASSETS	31-Dec-21	31-Dec-20
Current assets		
Cash at bank and on hand	15,361,062,758	15,864,751,347
Derivative assets	9,820,000	–
Notes receivable	131,697,681	96,076,022
Accounts receivable	1,658,675,548	1,443,117,646
Advances to suppliers	237,870,214	205,529,368
Other receivables	126,035,180	294,831,238
Inventories	3,565,329,699	3,540,721,551
Current portion of non-current assets	26,369,000	23,929,000
Other current assets	217,989,794	162,547,150
Total current assets	21,334,849,874	21,631,503,322
Non-current assets		
Long-term receivables	34,545,215	3,319,920
Long-term equity investments	26,356,400	25,544,919
Investment properties	45,256,251	61,227,132
Fixed assets	3,771,794,343	3,199,110,742
Construction in progress	1,126,309,549	929,840,414
Right-of-use assets	233,244,486	–
Intangible assets	2,061,210,179	1,145,078,942
Development expenditures	140,061,226	174,406,857
Goodwill	4,218,327,427	1,224,558,695
Long-term prepaid expenses	84,174,207	29,751,545
Deferred tax assets	596,428,529	501,892,563
Other non-current assets	4,430,465,304	4,380,153,912
Total non-current assets	16,768,173,116	11,674,885,641
TOTAL ASSETS	38,103,022,990	33,306,388,963

LIABILITIES AND SHAREHOLDERS' EQUITY	31-Dec-21	31-Dec-20
Current liabilities		
Accounts payable	2,281,108,321	1,499,594,321
Advance payment	231,787	—
Contract liabilities	2,408,192,187	3,293,398,162
Employee benefits payable	1,771,044,552	1,517,439,961
Taxes payable	473,651,796	347,175,520
Other payables	1,309,047,185	1,238,539,119
Non-current liabilities due within one year	85,084,923	—
Other current liabilities	300,712,562	340,088,695
Total current liabilities	8,629,073,313	8,236,235,778
Non-current liabilities		
Lease liabilities	152,152,581	—
Provisions	186,766,880	144,733,626
Deferred income	105,094,391	156,787,383
Long-term employee benefits payable	1,811,731,273	1,389,228,606
Deferred tax liabilities	200,435,312	46,623,327
Other non-current liabilities	49,723,249	42,398,735
Total non-current liabilities	2,505,903,686	1,779,771,677
Total liabilities	11,134,976,999	10,016,007,455
Shareholders' equity		
Share capital	1,215,691,266	1,215,691,266
Capital surplus	8,152,584,784	8,152,584,784
Other comprehensive income	(409,739,649)	(122,577,213)
Surplus reserve	607,845,633	607,845,633
Undistributed profits	18,386,411,971	13,424,086,530
Total shareholders' equity attributable to shareholders of the Company	26,952,803,219	23,277,631,000
Minority interests	15,242,772	12,750,508
Total shareholders' equity	26,968,045,991	23,290,381,508
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	38,103,022,990	33,306,388,963

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB unless otherwise stated)

[English translation for reference only]

	2021	2020
Revenue	25,269,580,818	21,025,846,389
Cost of sales	(8,842,715,216)	(7,366,094,227)
Gross profit	16,426,865,602	13,659,752,162
Taxes and surcharges	(281,988,904)	(217,538,038)
Selling and distribution expenses	(3,998,947,743)	(3,611,686,584)
General and administrative expenses	(1,105,683,090)	(897,368,046)
Research and development expenses	(2,524,177,625)	(1,869,299,818)
Financial income - net	85,973,389	61,420,849
Including: Interest expenses	(8,634,183)	–
Interest income	407,324,996	385,696,042
Asset impairment gains or losses	(131,734,229)	(110,249,620)
Fair value change	9,878,833	–
Credit impairment gains or losses	5,813,969	(29,685,187)
Other income	574,839,415	476,353,272
Investment gains or losses	811,481	(4,471,487)
Including: Investment losses from associates and joint ventures	811,481	(4,471,487)
Gains on disposal of assets	4,065,884	(2,067,381)
Operating profit	9,065,716,982	7,455,160,122
Non-operating income	23,240,924	53,673,178
Non-operating expenses	(71,873,073)	(70,393,025)
Total profit	9,017,084,833	7,438,440,275
Income tax expenses	(1,013,038,963)	(778,836,983)
Net profit	8,004,045,870	6,659,603,292
Classified by ownership of the equity		
Attributable to shareholders of the Company	8,001,553,606	6,657,676,062
Attributable to minority interests	2,492,264	1,927,230
Classified by continuity of operations		
Net profit from continuing operations	8,004,045,870	6,659,603,292
Other comprehensive income		
Attributable to shareholders of the Company, net of tax		
Other comprehensive income items which will be reclassified to profit or loss		
Differences arising from translation of foreign currency financial statements	(287,162,436)	(121,268,366)
Total comprehensive income	7,716,883,434	6,538,334,926
Attributable to shareholders of the Company	7,714,391,170	6,536,407,696
Attributable to minority interests	2,492,264	1,927,230
Earnings per share - Basic and diluted earnings per share	6.5868	5.4765

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB unless otherwise stated)

[English translation for reference only]

	2021	2020
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	26,136,465,139	25,183,135,187
Refund of taxes and surcharges	490,853,871	646,697,319
Cash received relating to other operating activities	791,628,656	610,757,001
Sub-total of cash inflows	27,418,947,666	26,440,589,507
Cash paid for goods and services	(8,675,969,493)	(9,177,819,916)
Cash paid to and on behalf of employees	(5,349,441,531)	(4,608,721,169)
Payments of taxes and surcharges	(2,560,077,388)	(2,251,390,582)
Cash paid relating to other operating activities	(1,834,810,079)	(1,532,547,991)
Sub-total of cash outflows	(18,420,298,491)	(17,570,479,658)
Net cash flows from operating activities	8,998,649,175	8,870,109,849
Cash flows used in investing activities		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	21,734,097	2,827,564
Cash received relating to other investing activities	140,000,000	8,750,000
Sub-total of cash inflows	161,734,097	11,577,564
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(1,402,493,907)	(1,182,710,693)
Cash paid to acquire investments	–	(20,000,000)
Net cash paid for acquiring subsidiaries and other business units	(3,519,676,951)	
Cash paid relating to other investing activities	(51,680,800)	(4,000,000,000)
Sub-total of cash outflows	(4,973,851,658)	(5,202,710,693)
Net cash flows used in investing activities	(4,812,117,561)	(5,191,133,129)
Cash paid for debt repayment	(440,732,118)	–
Cash flows (used in)/from financing activities		
Cash payments for interest expenses and distribution of dividends or profits	(3,039,228,165)	(1,823,536,899)
Cash paid relating to other financing activities	(1,124,910,023)	(29,589,000)
Sub-total of cash outflows	(4,604,870,306)	(1,853,125,899)
Net cash flows used in financing activities	(4,604,870,306)	(1,853,125,899)
Effect of foreign exchange rate changes on cash and cash equivalents	(171,446,283)	(197,470,867)
Net increase in cash and cash equivalents	(589,784,975)	1,628,379,954
Add: Cash and cash equivalents at the beginning of the year	15,722,513,481	14,094,133,527
Cash and cash equivalents at the end of the year	15,132,728,506	15,722,513,481

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB unless otherwise stated)

[English translation for reference only]

Item	Equity attributable to shareholders of the Company						Minority interests	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits			
Balance at 31 December 2019	1,215,691,266	8,171,269,620	(1,308,847)	607,845,633	8,599,612,527		23,940,091	18,617,050,290
Changes in accounting policies (Note 2(27))	-	-	-	-	(9,665,160)		-	(9,665,160)
Balance at 1 January 2020	1,215,691,266	8,171,269,620	(1,308,847)	607,845,633	8,589,947,367		23,940,091	18,607,385,130
Movements for the year ended 31 December 2020								
Total comprehensive income								
Net profit	-	-	-	-	6,657,676,062		1,927,230	6,659,603,292
Other comprehensive income	-	-	(121,268,366)	-	-		-	(121,268,366)
Total comprehensive income for the year	-	-	(121,268,366)	-	6,657,676,062		1,927,230	6,538,334,926
Capital contribution and withdrawal by shareholders								
Effect of acquisition of minority interests of subsidiaries	-	(23,701,242)	-	-	-		(13,116,813)	(36,818,055)
Capital contribution by other investors of associates	-	5,016,406	-	-	-		-	5,016,406
Profit distribution	-	-	-	-	-		-	-
Profit distribution to shareholders	-	-	-	-	(1,823,536,899)		-	(1,823,536,899)
Balance at 31 December 2020	1,215,691,266	8,152,584,784	(122,577,213)	607,845,633	13,424,086,530		12,750,508	23,290,381,508
Balance at 31 December 2018	1,215,691,266	8,171,269,620	18,019,957	607,845,633	5,145,497,030		19,992,777	15,178,316,283
Changes in accounting policies	-	-	-	-	(10,839,987)		(9,845)	(10,849,832)
Balance at 1 January 2019	1,215,691,266	8,171,269,620	18,019,957	607,845,633	5,134,657,043		19,982,932	15,167,466,451
Movements for the year ended 31 December 2019								
Total comprehensive income								
Net profit	-	-	-	-	4,680,646,750		4,170,049	4,684,816,799
Other comprehensive income	-	-	(19,328,804)	-	-		-	(19,328,804)
Total comprehensive income for the year	-	-	(19,328,804)	-	4,680,646,750		4,170,049	4,665,487,995
Profit distribution								
Profit distribution to shareholders	-	-	-	-	(1,215,691,266)		(212,890)	(1,215,904,156)
Balance at 31 December 2019	1,215,691,266	8,171,269,620	(1,308,847)	607,845,633	8,599,612,527		23,940,091	18,617,050,290

Stock Code: 300760

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healthcare within reach