

Stock Code: 300760

Stock Abbreviation: Mindray

# Shenzhen Mindray Bio-medical Electronics Co., Ltd. 2020 Annual Report Summary

## I. 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 annual report on such media designated by China Securities Regulatory Commission.

The Board, the Supervisory Committee, Directors, Supervisors and senior management of the Company warrant that the information in the annual report is true, accurate, complete and contains no false records, misleading statements or material omissions, and assume individual and joint liabilities for the information contained therein.

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

PricewaterhouseCoopers Zhongtian LLP's audit opinions 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 Zhongtian LLP.

Notice of non-standard audit opinions

Applicable  Not applicable

The plan on distribution of dividends on ordinary shares or conversion of equity 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 for reviewing the report is as follows: Based on the total share capital of 1,215,691,266 shares to distribute a cash dividend of RMB 25 (including tax) 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

## II. General Information of the Company

### 1. Company profile

Stock Abbreviation	Mindray	Stock Code	300760
Stock Exchange Which Shares Are Listed	Shenzhen Stock Exchange		
Contacts and Contact Methods	Board Secretary	Securities Affairs Representative	
Name	Li Wenmei	Zhang Chi, Tang Shi	
Office Address	Floors 1-4, Mindray Building, Keji 12th Road South, High-tech Industrial Park, Nanshan District, Shenzhen City	Floors 1-4, Mindray Building, Keji 12th Road South, High-tech Industrial Park, Nanshan District, Shenzhen City	
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### 2. Primary business or product introduction during the reporting period

#### (1) Primary business and product introduction of the Company

We are principally engaged in the R&D, manufacturing and marketing of medical devices and relevant services. It always follows the orientation of customers' demands and is devoted to providing quality products and services to global medical institutions. The Company integrates innovation, closely follows clinical demands and supports medical institutions in providing quality medical services to boost medical conditions and reduce medical costs across the world. After years of development, the Company has become China's largest and a world-leading supplier of medical devices and solutions. Headquartered in Shenzhen, China, Mindray has established 39 international subsidiaries in over 30 countries in North America, Europe, Asia, Africa, and Latin America. It has 20 subsidiaries and over 40 branches in China, and has developed an R&D innovation platform based on global resource allocation which includes nine R&D centers in Shenzhen, Wuhan, Nanjing, Beijing, Xi'an, Chengdu in China, and Silicon Valley, New Jersey and Seattle in the U.S., forming a huge global network that integrates R&D, marketing, and services.

The principal products of the Company mainly cover three areas, namely Patient Monitoring & Life Support, IVD, and Medical Imaging System. It owns the most complete product lines in the industry in China and meets clinical demands with safe, efficient and easy-to-use "one-stop" overall solutions.

In the area of Patient Monitoring & Life Support, the Company's products include patient monitors, defibrillators, anesthesia machines, ventilators, electrocardiographs, operating tables, surgical lights, medical supply units, infusion pumps, operating rooms/intensive care units (OR/ICU) complete solutions and a series of other patient monitoring & life support instrument solutions, as well as surgical endoscopic camera systems, cold light sources, insufflators, optical endoscopes, minimally invasive surgical instruments and surgical consumables, and a series of other minimally invasive surgical products.

In the area of IVD, the Company offers a series of fully automatic and semi-automatic IVD products for laboratories, clinics and hospitals. The products mainly include hematology analyzers, biochemistry analyzers, chemiluminescence immunoassay 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. In response to the sudden outbreak of COVID-19 in 2020, the Company launched the highly sensitive and specific IgM/IgG antibody detection kit.

In the area of Medical Imaging System, 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. In the area of digital X-ray imaging, the Company provides radiology departments, ICU, and emergency departments with a variety of mobile, vertical double-column, and suspended digital imaging solutions.

In the post-pandemic age, the Company will increase R&D investment in automatic and intelligent Total Laboratory Automation and microbiology sub-businesses in the area of IVD, as well as ventilators sub-business, in-hospital and inter-hospital monitoring and interconnectivity in the area of Patient Monitoring & Life Support. The Company will also focus on cultivating sub-sectors such as minimally invasive surgery, animal care, and AED. Meanwhile, the Company will actively explore seed businesses such as ultra-high-end color ultrasounds, molecular diagnosis and orthopedics, and speed up R&D in these areas by combining research and development from inside and outside the Company. The Company will continue to enrich the "M-Connect" IT solution and build a holographic database of devices to complement and organically integrate with the existing clinical databases of hospitals to boost scientific research on big data, as well as continue to develop the application scenarios of the "UltraSync ++" platform to assist in boosting the overall diagnosis and treatment capabilities of the County Integrated Healthcare Organization/Integrated Delivery Network.

Currently, the products and solutions of the Company are applied in over 190 countries and regions in the world. In the Chinese market, the products of the Company are used in nearly 110,000 medical institutions and over 99% of Grade 3 Class A hospitals in China, including the well-known Peking Union Medical College Hospital, Shanghai Public Health Clinical Center, and Shanghai Ruijin Hospital. In the international market, the Company has been widely recognized by medical institutions in the U.S., the U.K., Germany, France, Italy and Spain as a long-term partner of world-leading medical institutions, such as Mayo Clinic, The Johns Hopkins Hospital, Massachusetts General Hospital, and Cleveland Clinic.

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

## **(2) Industrial development**

1) The new medical infrastructure construction implemented worldwide will speed up industrial development of the medical device sector in the post-pandemic age

The outbreak of COVID-19 in 2020 revealed the shortcomings and deficiencies of countries around the world in their major pandemic prevention and control mechanisms, and public health emergency management systems.

As for China, COVID-19 revealed the prominent shortcomings such as an insufficient total quantity of medical supplies and the imbalanced structure and availability of medical and health offerings. To improve the capabilities to screen and treat infectious diseases and prevent another outbreak of the pandemic, since March 2020, China has started to speed up the construction of new medical infrastructure such as ICU wards, infectious disease hospitals, and fever clinics. The local governments have also started to build reserves of devices and materials for combating the pandemic. As shown by data released by the National Bureau of Statistics, there were a total of 1.023 million medical and health institutions in 2020, an increase of 15,400 over the previous year, which is the most in China's history. In early 2021, most provinces and cities in China determined their major infrastructure and investment plans for 2021. Shanghai, Hebei, Sichuan and other provinces and cities have announced their lists of key construction projects in 2021, covering multiple project areas including infrastructure, health system construction, the improvement of people's livelihoods, and further technological innovation.

The list of major construction projects in Shanghai in 2021 announced by Shanghai Municipal Development and Reform Commission includes 166 formal projects, including 14 medical and health projects. Shanghai plans to complete the construction of 3 projects including New Hongqiao International Medical Center, Shanghai Geriatric Center and International Peace Maternity & Child Health Hospital Fengxian Branch, and plans to start the construction of 1 project, which is the National Children's Medical Center (Shanghai).

As shown by the list of major construction projects in 2021 announced by Hebei Province, Hebei plans to start the construction of 5 medical and health projects, and continue the construction of 11 medical and health projects as well as 2 projects combining medical treatment and health care.

The list of major construction projects in 2021 announced by Sichuan Provincial Development and Reform Commission includes 18 medical and health projects with construction underway and 12 medical and health projects that will start construction.

Anhui Province plans to start construction of 4 provincial regional medical centers and fully complete upgrading the capabilities of 5 provincial hospitals to diagnose and treat intractable and complicated diseases in 2021.

Fujian Province will firmly promote the "Healthy Fujian" construction. In 2021, Fujian will speed up the construction of 3 major epidemic rescue and treatment bases, the Fujian Provincial Obstetrics and Gynecology Hospital, as well as the second phase of Fujian Provincial Hospital Jinshan Branch.

In 2021, Yunnan Province will continue the construction of 14 medical and health projects, start the construction of 12 medical and health projects, and implement 10 provincial key medical and health projects to "make up for shortcomings and increasing capabilities".

New projects that will start construction in Hunan Province in 2021 include the inpatient and outpatient medical technology complex building of the Mawangdui branch of Hunan Provincial People's Hospital, the

Southern branch of Yiyang Heshan People's Hospital (Yiyang No.3 People's Hospital), the outpatient and emergency complex building and the inpatient and medical technology complex building of Loudi Central Hospital, as well as a major epidemic rescue and treatment base. Projects that will continue to be constructed include the expansion project of Changde No.1 Chinese Medicine Hospital, the expansion and renovation project of the outpatient and emergency medical technology building and the geriatrics complex building of The Second Xiangya Hospital of Central South University, the Hunan provincial regional emergency rescue and response center, the outpatient medical technology building of The Third Xiangya Hospital of Central South University, and the project of constructing the Hunan Provincial Center for Disease Control and Prevention at a new location, Xiangtan Jiuhua Medical and Health Town.

Among the first batch of planned major construction projects in 2021 announced by Jiangxi province, two medical projects, namely Honggutan Branch of Affiliated Stomatological Hospital of Nanchang University and Xinyu Yuanhe Hospital, are planned to be completely constructed and put into operation, and 4 medical treatment and health care projects will continue construction. Jiangxi will also start construction of two medical treatment and health care projects, namely Shangrao Guangxin Futian Qingshuiwan Elderly Care Service Project that integrates medical treatment and retirement health care, and Jiangnan'an Ecological Health Care Complex (Linchuan District).

Internationally, COVID-19 has posed huge challenges to the medical and health systems of many countries. Some European countries have begun to plan measures to make up for their medical shortcomings, while developing countries have revealed more serious medical shortcomings. Every country has generally realized the importance of complete health systems for political and economic stability, and has started to increase investment into their medical infrastructure.

In Europe, the EU will launch the EU4HEALTH program, which is expected to invest EUR 9.4 billion in 7 years (2021–2027) to establish a resilient health system in the EU. EUR 3.1 billion will be used to procure a strategic reserve of medical supplies.

Spain has launched a relief plan worth EUR 36 billion. It offered EUR 1.4 billion and EUR 2.8 billion to its Ministry of Health and local health systems respectively. Spain can apply to the EU for EUR 60 billion to restore the economy. From this EUR 60 billion, at least EUR 17 billion will be invested in the medical sector. The number of ICU beds is expected to double in 2 years.

Italy has approved an emergency assistance program of EUR 25 billion and plans to invest EUR 3.2 billion to support the medical sector. Part of the funds will be used to support the construction of the emergency/intensive care hospital network. The number of ICU beds will increase by 70% to 3,500 beds, and 4,225 beds will be added in semi-built up areas, most of which will be equipped with intensive care equipment.

The French government announced a series of measures to reform public hospitals, including forgiving EUR 1 billion of public hospital debt and increasing medical staff remuneration. In addition, starting from 2021, EUR 150 million will be invested every year to improve hospital operations, which will benefit emergency departments.

The global economy, especially economies of emerging markets with greater growth potential, is facing downward pressure due to COVID-19. As a result, the Company's highly cost-effective products are further showing prominent superiority. In the long run, emerging markets are expected to overtake the Chinese market as the main driver of growth for the company.

2) The reform of medical insurance payment will be carried out at a faster speed. DRG and DIP will be fully implemented, and domestic brands with highly cost-effective products will be benefited

In June 2017, the General Office of the State Council issued *Guiding Opinions on Further Deepening the Reform of the Basic Medical Insurance Payment Method*, which put forward the main goal of the reform of the medical insurance payment system: to comprehensively promote diversified and compound medical insurance payment methods mainly based on DIP payment from 2017. The direct purpose of this reform was to regulate medical service behaviors and control unreasonable growth of medical expenses.

In March 2018, it was determined to establish the National Healthcare Security Administration after the national institution reform. The reform of the medical insurance payment system was significantly accelerated after the establishment of the National Healthcare Security Administration. On December 10, the National Healthcare Security Administration issued the *Notice on the National Pilot of Applying for DRG-based Payment*. The *Notice* proposed that the reform of the medical insurance payment system will be deployed in three steps, including "top-level design, simulation testing, and implementation and operation". Through the in-depth participation of cities carrying out the DRG payment pilot, relevant parties will work together to determine the pilot plan, explore the promotion path, and develop and improve the nationally unified DRG payment policies, processes and technical specifications, so as to gain pilot results that can be used for reference, and then be replicated and promoted. In June 2019, the National Healthcare Security Administration and other three departments jointly issued the *Notice on the List of Cities Implementing the National Pilot of Applying for DRG-based Payment*, which determined the 30 cities involved in the national DRG-based payment pilot to ensure simulated operation in 2020 and launch actual payment in 2021. In October, the National Healthcare Security Administration issued the *Notice on Technical Specifications and Grouping Plan for the National Pilot of Diagnosis Related Groups (DRG)*, which specified 376 core DRGs (ADRG). On March 5, 2020, the CPC Central Committee and the State Council officially issued the *Opinions on Deepening the Reform of the Medical Security System* (hereinafter referred to as the *Opinions*), which put forward the key points of China's medical reform in the next 10 years. The *Opinions* mentioned continuous promotion of the reform of diversified and compound medical insurance payment methods mainly based on DIP payment. On June 18, the National Healthcare Security Administration released the *Notice of the National Healthcare Security Administration on Issuing the Sub-grouping Plan (Version 1.0) of China Healthcare Security Diagnosis Related Groups (CHS-DRG)*, which further divided the 376 core groups released in October 2019. It marked that the "three-step strategy" of the DRG mode was about to enter the third stage.

At present, China has made substantial progress in the exploration and practice in top-level system design and local systems for DRG.

On October 14, 2020, the National Healthcare Security Administration released the *Notice of the National Healthcare Security Administration on Issuing the Work Plan for the Global Budget Based on the Regional Point System and DIP*, marking that Diagnosis-Intervention Packet (DIP) based on big data is starting to be implemented across the country. The *Notice* clearly proposed that China will spend 1-2 years to combine the global budget of medical insurance and the point system in areas implementing social pooling to realize diversified and compound payment methods mainly based on DIP for hospitalization.

DIP is becoming a powerful supplement to DRG. From a micro perspective, DRG and DIP will become more effective methods to ease the pressure on medical insurance funds and in turn urge device suppliers to lower product prices, particularly when COVID-19 increased the pressure on the finances of hospitals and medical insurance funds. Meanwhile, hospitals will pay more attention to the clinical diagnosis and treatment efficiency and cost controls, and expand the scale of outpatient and emergency services. From a macro perspective, DRG and DIP will further regulate the Chinese medical environment and medical insurance expenditure structure, therefore speeding up the procurement of highly cost-effective Chinese products. This will have a profound effect on the full production chain of the medical device industry.

3) Supported by policies and cutting-edge technologies, intelligent healthcare has entered a period of rapid development

The rapid development of 5G, cloud computing, big data, IoT, artificial intelligence and other technologies has provided cutting-edge technological support for intelligent healthcare. In the post-pandemic age where digital technologies develop at the forefront with the promotion of new infrastructure, China's smart healthcare infrastructure ushers in rapid development.

From the perspective of policies, in April 2018, the General Office of the State Council issued the *Opinions on Promoting the Development of "Internet + Healthcare"* to deploy in-depth integrated development of Internet and healthcare. In 2019, the government work report put forward for the first time the development of "Internet + healthcare" and acceleration of the construction of the remote medical service system. On July 23, 2020, the State Council issued *Key Tasks for Deepening the Reform of the Medical and Health System in the Second Half of 2020*, which pointed out that China should promote the construction of an Internet-based hierarchical diagnosis and treatment infrastructure, speed up the development of "Internet + healthcare", improve the national health platform, promote a new generation of IT-based medical and health applications, and promote the reshaping of medical and health management and service models. The 2021 government work report once again mentioned "Internet + healthcare" and emphasized its regulated development.

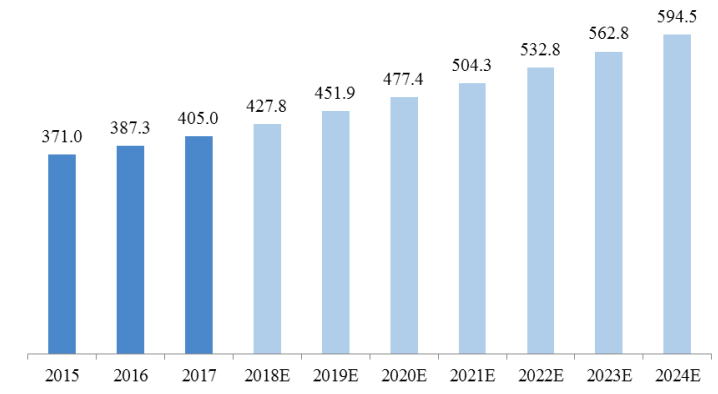
With the guidance of the new medical insurance plan, continuous policy support and cutting-edge technologies, local governments will increase investment in local intelligent healthcare infrastructure, and the medical device industry will embrace better opportunities for digital development.

4) Global medical device industry maintained stable growth driven by the demand end

With the natural growth in global population and the aging of the population, the demand in the healthcare industry will continue to increase. In addition, the economic growth of developing countries boosted the

consumption capacity. In the long term, the global medical devices market will maintain growth trends. Based on the forecast of EvaluateMedTech, the global medical device market capacity reached approximately USD 451.9 billion in 2019. In the period of 2020 to 2024, the sales of global medical devices will maintain a compounding growth rate of 5.6%. In 2024, the market size may reach USD 594.5 billion.

Figure: The size of the global medical device market from 2015 to 2024 (USD 1 billion)



Source: EvaluateMedTech, *World Preview 2018, Outlook to 2024*

5) China's medical devices market has maintained high growth and has become the second largest market in the world

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 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 (2020)* jointly released by China Society for Drug Regulation and Social Sciences Academic Press (China), Chinese medical device manufacturers achieved main operating revenue of about RMB 720 billion in 2019. In the period from 2021 to 2022, the main operating revenue of medical device manufacturers is expected to exceed RMB 1 trillion, and China's medical device industry is expected to maintain compounding growth at about 15% per year. The Chinese market will maintain rapid expansion into the near future.

6) The number of Chinese medical device manufacturers is relatively small with a low industrial concentration

The medical device industry in China has maintained sound and rapid development with the range of available products increasing, as well as the creation of new and innovative products. However, Chinese medical devices manufacturers are "small and scattered" in general. Based on the *Medical Device Blue Book: Report on China's Medical Device Industry (2019)*, over 90% of Chinese medical device manufacturers are small and medium enterprises with a main operating revenue of RMB 30-40 million from primary businesses, which is far behind the annual average main operating revenue of RMB 300-400 million in the Chinese pharmaceutical industry.



7) The Chinese medical device industry's international trade mechanisms have been optimized and the quality and efficiency have been consistently improved

Based on statistics from the China Chamber of Commerce for Import and Export of Medicines and Health Products, China's medical device import and export trade has maintained strong growth in the past 11 years. In 2019, China's medical device imports and exports totaled USD 55.487 billion, an increase of 21.16% compared with the previous year. Imports totaled USD 26.785 billion, which is year-on-year growth of 20.84%. Exports totaled USD 28.702 billion, which is year-on-year growth of 21.46%. In general, China's medical device international trade mechanisms continue to be optimized, with a growing proportion of high-end medical devices and products and continuous improvement of quality and efficiency.

Currently, most of medical devices exported from China are medium- and low-end products. With mechanisms increasingly optimized in recent years, the proportion of products with high added value has been increasing and the cost performance of medical consumables has been boosted significantly. Yet most of medical devices imported are still high-end products.

In the last five years, the export of medical devices has been increasing rapidly. According to the *Medical Device Blue Book: Report on China's Medical Device Industry (2020)*, Chinese medical device and product exports to ASEAN countries totaled USD 2.135 billion in 2019, which is year-on-year growth of 27.11%. Laos was the leading importer of Chinese medical devices and products. As the most populous ASEAN country, Indonesia has an increasing demand for medical products and has become a major market for Chinese enterprises. There is huge market potential for medical consumables, ultrasound, nebulizers and small household equipment. In recent years, trade between China and Latin America and the Caribbean area has been increasing year by year. In 2019, Chinese medical device and product exports to the area totaled USD 1.759 billion, representing year-on-year growth of 23.43%. Brazil ranked first in terms of volume of exports and Venezuela ranked first in terms of growth.

With the improvement of technologies and the expansion of the size of Chinese medical device enterprises, the exports of high-tech products with high added value will gradually expand. Chinese medical device enterprises will play more important roles in the global medical device market. COVID-19 has posed new challenges to public health management and medical products related to public health, leading to a new round of innovation and improving Chinese anti-epidemic drugs, epidemic prevention consumables, disinfection products, and diagnosis, treatment and detection equipment and instruments. This is why China is providing more high-quality products for international trade.

8) China promotes the selection of Chinese medical devices in an orderly manner to advance the high-quality development of the industry

In order to promote the development of the Chinese medical device industry and reduce medical costs, the Planning and Information Department of the National Health Commission of the People's Republic of China has entrusted China Association of Medical Equipment to select outstanding Chinese medical devices every year since 2014. As of 2020, six batches had been selected.

In selecting the first batch of outstanding Chinese medical devices in 2014 in the 3 categories including

digital X-ray machines (flat panel DR), color Doppler ultrasound diagnostic instruments (desktop) and automatic biochemistry analyzers, 14 types of products of the Company were on the list.

In selecting the second batch of outstanding Chinese medical devices in 2015, 17 types of hematology analyzers, 3 types of ventilators, and 6 types of anesthesia machines of the Company were on the list.

In selecting the third batch of outstanding Chinese medical devices in 2016, 4 types of automatic chemiluminescence immunoassay analyzers and 1 type of electrocardiograph of the Company were on the list.

In selecting the fourth batch of outstanding Chinese medical devices in 2017, 34 types of multi-parameter patient monitors, 6 types of portable color ultrasound, 1 type of mobile DR and 2 types of coagulation analyzers of the Company were on the list. Meanwhile, 1 type of microbiology identification and drug resistance instrument and 7 types of blood culture instruments from Changsha Tiandiren Bio-tech, a subsidiary of the Company, and 2 types of spinal biomaterials and 14 types of joint prosthesis from Wuhan Dege Bayer (renamed to Mindray Wuhan in 2020), a subsidiary of the Company, were also on the list.

In the fifth batch of outstanding Chinese medical devices released by China Association of Medical Equipment in 2019, 4 types of automatic urinalysis stations, 5 types of defibrillators, 8 types of laparoscopes, 7 types of injection pumps, 6 types of infusion pumps, 6 types of portable injection pumps and 2 types of infusion working stations of the Company were on the list.

On May 21, 2020, China Association of Medical Equipment announced the list of the sixth batch of outstanding Chinese medical devices on its website. In the category of automatic chemiluminescence immunoassay analyzers announced this time, 4 types of chemiluminescence immunoassay analyzers of the Company were among the best. The CL-6000i/6200i model ranked first with the highest technical score and enterprise score.

These six rounds of selection of outstanding domestic medical devices are affirmation of the technology, quality and clinical performance of the products selected and reflect the true capabilities of the enterprises selected, which is expected to be important reference in the procurement of medical devices by hospitals at all levels. Meanwhile, it also highlights the national support for Chinese medical devices, which will effectively promote their quality, core competitiveness, and continued development.

#### 9) Opportunities and challenges in the development of the industry

The Chinese medical device industry will benefit from the following favorable factors as the industry continues to develop: (a) China's medical reform policies and new medical infrastructure promote expansion of the industry; (b) policies support the Chinese medical device industry; (c) continuous increase in global medical expenditure caused by the aging population; and (d) the enhanced affordability of medical and health services with the rising per capita disposable income and full medical insurance coverage.

Major challenges faced by the Chinese medical device industry include: (a) entry barriers to overseas markets; (b) the small size and weak competitiveness of Chinese medical device enterprises; (c) insufficient R&D investment by Chinese medical device enterprises; and (d) the reluctance of medical institutions to purchase and use Chinese medical devices.

### **(3) The Company's position in the industry**

The principal products of the Company mainly cover three areas, namely Patient Monitoring & Life Support, IVD, and Medical Imaging Systems. It owns the most complete product lines in the industry in China and meets clinical demands with safe, efficient and easy-to-use "one-stop" overall solutions. After years of development, the Company has become China's largest and a world-leading supplier of medical devices and solutions.

Headquartered in Shenzhen, China, Mindray has established 39 international subsidiaries in over 30 countries in North America, Europe, Asia, Africa, and Latin America. It has 20 subsidiaries and over 40 branches in China, and has developed an R&D innovation platform based on global resource allocation which includes nine R&D centers in Shenzhen, Wuhan, Nanjing, Beijing, Xi'an, Chengdu in China, and Silicon Valley, New Jersey and Seattle in the U.S., forming a huge global network that integrates R&D, marketing, and services.

In the Chinese market, the products of the Company cover the market and are used in nearly 110,000 medical institutions and over 99% of Grade 3 Class A hospitals in China, including the well-known Peking Union Medical College Hospital, Shanghai Public Health Clinical Center, and Shanghai Ruijin Hospital. Most of the products of the Company in the area of Patient Monitoring & Life Support, such as patient monitors, ventilators, and infusion pumps, rank first in China. Among them, patient monitors of the Company have achieved market share of over 50% in China.

In the international market, the Company has become a long-term partner of world-leading medical institutions, such as Mayo Clinic, The Johns Hopkins Hospital, Massachusetts General Hospital, and Cleveland Clinic. With over two decades of international development, the Company's products and solutions have been applied in over 190 countries and regions and are widely recognized by medical institutions in the U.S., the U.K., Germany, France, the Netherlands, Italy, and Spain.

In emerging market countries, the Company has achieved a wide range of marketing network coverage, as well as a rapidly rising market share and brand position by leveraging the management and marketing experience accumulated in China and applying it in localized scenarios. In 2020, the Company firmly seized the opportunity brought by COVID-19 to introduce the patient monitoring, IVD and ultrasound products and overall solutions into more high-end hospitals, group hospitals, and large chain laboratories, making breakthrough in filling gaps in number of regional high-end customer bases. The growth of the Company in emerging market countries is expected to accelerate in the future.

In 2020, the Company presented excellent product performance and emergency production and delivery capabilities in the context of COVID-19, and made a breakthrough of entering over 700 high-end customers in the international market, exceeding the sum of international high-end customers breakthrough over the previous years. As a result, the Company's brand promotion is five years ahead of schedule. Mindray products have further demonstrated competitiveness during the period of COVID-19, proving that the Company is capable to compete on the same stage with international first-class medical device enterprises in the global market.

### 3. Key accounting data and financial indicators

#### (1) Key accounting data and financial indicators for the past three years

Does the Company need to adjust its financial information retrospectively or restate its previous year's accounting information?

Yes  No

Unit: RMB

	2020	2019	Year-over-Year Increase/Decrease	2018
Revenue	21,025,846,389.00	16,555,991,314.00	27.00%	13,753,357,469.00
Net profit attributable to the shareholders of the parent company	6,657,676,062.00	4,680,646,750.00	42.24%	3,719,236,169.00
Net profit after deducting non-recurring profit or loss attributable to the shareholders of the parent company	6,539,656,430.00	4,614,981,760.00	41.70%	3,690,674,343.00
Net cash flow from operating activities	8,870,109,849.00	4,721,794,915.00	87.85%	4,034,585,376.00
Basic earnings per share (RMB/share)	5.4765	3.8502	42.24%	3.3376
Diluted earnings per share (RMB/share)	5.4765	3.8502	42.24%	3.3376
Weighted average return on net assets	32.29%	27.91%	4.38%	42.16%
	Year End 2020	Year End 2019	Increase/Decrease Over the Previous Year End	Year End 2018
Total assets	33,306,388,963.00	25,634,149,109.00	29.93%	21,627,385,716.00
Total equity attributable to the shareholders of the parent company	23,277,631,000.00	18,593,110,199.00	25.19%	15,158,323,506.00

#### (2) Key accounting data by quarter

Unit: RMB

	The 1st Quarter	The 2nd Quarter	The 3rd Quarter	The 4th Quarter
Revenue	4,741,266,531.00	5,823,100,502.00	5,499,291,606.00	4,962,187,750.00
Net profit attributable to the shareholders of the parent company	1,313,277,159.00	2,140,350,967.00	1,909,527,771.00	1,294,520,165.00
Net profit after deducting non-recurring profit or loss attributable to the shareholders of the parent company	1,252,861,016.00	2,113,265,645.00	1,898,693,781.00	1,274,835,988.00
Net cash flow from operating activities	1,419,859,741.00	2,789,431,074.00	1,781,018,963.00	2,879,800,071.00

Do the above financial indicators differ significantly from those disclosed in the Company's quarterly and semi-annual reports?

Yes  No

#### 4. 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 end of the reporting period	69,782	Total number of shareholders at the end of last month before the disclosure date of the annual report	76,187	Total number of preferred shareholders with voting rights restored	0	Total number of preferred shareholders with voting rights restored at the end of last month before the disclosure date of the annual report	0
<b>Shareholding of the top ten shareholders</b>							
Name of shareholder	Type of shareholder	Shareholding percentage	Total number of shares held	Number of restricted shares held	Pledged or frozen shares		
					Status of shares	Amount	
Smartco Development Limited	Overseas legal entity	26.90%	327,072,335	327,072,335			
Magnifice (HK) Limited	Overseas legal entity	24.43%	296,951,000	296,951,000	Pledged	54,400,000	
Hong Kong Securities Clearing Co., Ltd.	Overseas legal entity	6.02%	73,228,031	0			
Ever Union (H.K.) Limited	Overseas legal entity	4.77%	57,964,085	0			
Shenzhen Ruilong Consultancy Services Partnership (LLP)	Domestic non-state-owned legal entity	3.89%	47,336,460	47,336,460	Pledged	7,581,800	
Shenzhen Ruifu Management Consultancy Partnership (LLP)	Domestic non-state-owned legal entity	3.72%	45,197,207	45,197,207	Pledged	7,249,500	
Shenzhen Ruijia Management Consultancy Partnership (LLP)	Domestic non-state-owned legal entity	1.54%	18,779,971		Pledged	3,015,526	
Shenzhen Ruixiang Investment Consultancy Partnership (LLP)	Domestic non-state-owned legal entity	1.45%	17,583,541		Pledged	2,792,550	
China Life Private Equity Investment Co., Ltd. — China Life Chengda (Shanghai) Health Industry Equity Investment Center (LLP)	State-owned legal entity	0.99%	12,070,868				
Shenzhen Ruihe Investment Consultancy Partnership (LLP)	Domestic non-state-owned legal entity	0.85%	10,362,354		Pledged	1,629,300	
Explanation on 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						

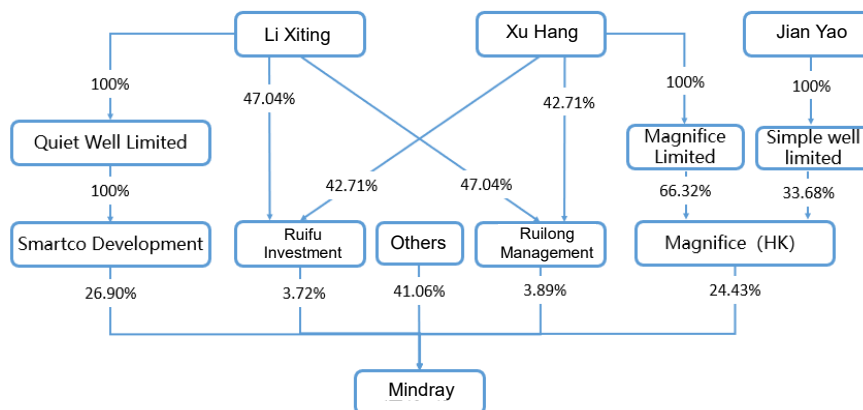
	<p>Ruilong Consultancy Services Partnership (LLP) and Shenzhen Ruifu Management Consultancy Partnership (LLP) as a limited partner and acts as an executive director of Ruian Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruifu Management Consultancy Partnership (LLP); (4) 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.</p> <p>2. Ever Union (H.K.) Limited, Shenzhen Ruijia Management Consultancy Partnership (LLP), Shenzhen Ruixiang Investment Consultancy Partnership (LLP) and Shenzhen Ruihe 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), Ruikang Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruixiang Investment Consultancy Partnership (LLP), and Ruitai Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruihe 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), Ruikang Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruixiang Investment Consultancy Partnership (LLP), and Ruitai Consultancy Management (Shenzhen) Co., Ltd., a general partner of Shenzhen Ruihe Investment Consultancy Partnership (LLP).</p> <p>Except the above, the Company did not know whether the connected relationship or concerted action relationship exists or not among the above shareholders.</p>
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**(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**



## 5. Bonds of the Company

Were there any bonds of the Company that were publicly issued and listed on the stock exchange, and were not matured on the date when the Board approved the release of the annual report or not fully redeemed upon maturity?

No

## III. Operation Discussion and Analysis

### 1. Introduction to operations during the reporting period

In 2020, COVID-19 has posed huge challenges to global public health. Taking it as its mission of "Advancing medical technologies to make healthcare more accessible", Mindray has exerted all efforts in combating the COVID-19 pandemic. As a world-leading medical device and solution supplier, the Company has taken multiple measures to increase production capacity, and actively support the global offensive against COVID-19, offering strong technological support for front-line medical staffs to save more lives and actively fulfill its social responsibility of guarding the health of mankind.

When the outbreak of the pandemic was discovered, the Company quickly launched an emergency plan to resume work on a large scale on the second day of Chinese New Year to stabilize production capacity and ensure efficient delivery. The Company produced and delivered urgently needed medical devices as quickly as possible. Despite the difficulties such as the large number of devices required, a tight schedule, complex coordination, and a complicated environment in the critical period of combating COVID-19, the Company worked together with Huoshenshan Hospital and Leishenshan Hospital in Wuhan to make delivery on time and as per the required quantity at "Chinese speed". The Company delivered over 3,000 key medical devices to these two hospitals in Wuhan. During the reporting period, the Company supplied over 500,000 devices for combating COVID-19 worldwide.

To meet the complicated and diversified special clinical requirements of the treatment hospitals, the Company has provided optimal solutions in response to different challenges and pain points in its three major business areas including Patient Monitoring & Life Support, IVD, and Medical Imaging Systems. The M-Connect IT solution provided by the Company can connect to all devices at the bedside to achieve cross-department/cross-hospital interaction. It makes sure that doctors can view patient data anytime and anywhere, and implement real-time monitoring and remote consultation of patients from outside of the ward, ensuring the safety of medical staffs as much as possible.

In the critical period when COVID-19 has been easing in China, yet getting worse internationally, in addition to providing medical devices and solutions urgently needed for combating the pandemic, the Company has worked together with Chinese and international medical institutions to urgently build international platforms for exchanges on combating COVID-19 to share the Chinese experience with the world. During the reporting period, the Company and its subsidiaries participated in the organization of over 200 webinars, where more than one million medical staff from over 140 countries and regions acquired very practical and applicable experience from information sharing.

Due to the increased demand brought by COVID-19, a large number of devices produced by the Company for combating COVID-19, such as ventilators and monitors, were sold to Chinese and international new high-end customers, significantly shortening the promotion cycle of the Company's brand and products. With the continuous improvement of the products' core competitiveness and increasingly knowledgeable local service teams, the Company is expected to fully promote other products from the three major business areas in hospitals to enhance the overall penetration rate in the high-end customers. In addition, benefiting from reduced marketing and travel expenses during COVID-19, the Company's operating performance showed a sound and positive growth trend.

The Company will continue to focus on its principal businesses and continue to fully enhance product R&D, Chinese and international marketing expansion, localization and other comprehensive capabilities to achieve breakthroughs to earn new customer groups and consistently improve the product market share of the Company. Meanwhile, it will continue to strengthen internal management processes and outcomes, as well as operational efficiency to maintain healthy and positive growth in revenue and net profit.

During the reporting period, the Company achieved revenue of RMB 21,025.8464 million, representing year-on-year growth of 27.00%; achieved a total profit of RMB 7,438.4403 million, representing year-on-year growth of 38.56%; and achieved a net profit attributable to the shareholders of the listed company of RMB 6,657.6761 million, representing year-on-year growth of 42.24%.

## 2. Were there any significant changes to the primary business during the reporting period?

Yes  No

## 3. Products accounting for more than 10% of the Company's income from primary business or profit from primary business

Applicable  Not applicable

Unit: RMB

Name of segment	Revenue	Operating profit	Gross profit margin	Year-over-year increase/decrease in revenue	Year-over-year increase/decrease in operating profit	Year-over-year increase/decrease in gross margin
Patient Monitoring & Life Support products	10,005,956,348.00	6,801,896,852.00	67.98%	54.18%	59.75%	2.37%
IVD products	6,646,100,248.00	3,969,545,073.00	59.73%	14.31%	9.19%	-2.80%
Medical Imaging products	4,196,331,457.00	2,777,264,998.00	66.18%	3.88%	0.49%	-2.24%

Note: According to the Company's latest business plan, revenue and cost data of minimally invasive surgery business was adjusted from other products to Patient Monitoring & Life Support segment.

## 4. Were there any seasonal or cyclical operating characteristics that should be given special attention?

Yes  No



## 5. Description of significant changes in the operating income, operating costs, and total net profit attributable to common shareholders of the listed company, or their compositions during the reporting period compared with the previous reporting period

Applicable  Not applicable

## 6. Facing delisting

Applicable  Not applicable

## 7. Matters related to the financial reports

### (1) Description of changes in accounting policies, accounting estimates and accounting methods compared with the financial reports of the previous year

Applicable  Not applicable

Accounting policies changes and reasoning	Approval procedures	Notes
The Ministry of Finance released the revised <i>Accounting Standards for Business Enterprises No.14 - Income</i> (hereinafter referred to as the "New Accounting Standards for Income") in 2017, requiring Chinese listed companies to implement the new standards for income from January 1, 2020.	The Company deliberated and passed the <i>Proposal on Changes in Accounting Policies</i> at the third meeting of the seventh Board of Directors and the third meeting of the seventh Supervisory Committee held on March 31, 2020, and issued a relevant announcement on it.	In accordance with the regulations for linking the new and former standards, the Company started to prepare financial statements according to the requirements of the new standards since the first quarterly report for 2020, and did not retrospectively adjust the comparable financial data for 2019. The changes in accounting policies this time did not affect relevant financial indicators of the Company for 2019.

According to the relevant provisions of the new accounting standards for income, the Group and the Company adjusted the retained earnings and the amount of other relevant items in the financial statements for early 2020 according to the cumulative effect of implementing the standards for the first time. The comparative financial statements of 2019 were not restated.

Unit: RMB

Accounting policies changes and reasoning	Affected statement items	Affected amount	
		January 1, 2020	
		Consolidation	Company
Adjusted the retained earnings and other relevant items at the beginning of the period according to the cumulative effect determined by identifying individual performance obligations under uncompleted contracts of the Group and the Company in accordance with the new standards for income	Contract assets	34,020,340.00	34,020,340.00
	Deferred income tax assets	6,808,668.00	6,808,668.00
	Other payables	-17,925,952.00	-17,925,952.00
	Undistributed profit	-9,665,160.00	-9,665,160.00
	Contract liabilities	63,317,069.00	63,317,069.00
	Deferred income tax liabilities	5,103,051.00	5,103,051.00

According to the new accounting standards for income, the advances from customers of the Group and the Company were reclassified to contract liabilities, and the output tax received in advance was reclassified to other current liabilities	Advances from customers	-987,570,277.00	-563,073,723.00
	Contract liabilities	943,306,789.00	524,869,717.00
	Other current liabilities	44,263,488.00	38,204,006.00
According to the new accounting standards for income, the deferred income of the Group and the Company was reclassified to contract liabilities, and the deferred income realized for more than one year was reclassified to other non-current liabilities	Deferred income	-202,813,538.00	-105,352,808.00
	Contract liabilities	164,761,434.00	105,352,808.00
	Other non-current liabilities	38,052,104.00	-

Compared with the former standards, the new accounting standards for income brought the following impact on the relevant items of the financial statements in 2020:

Unit: RMB

Affected balance sheet items	Affected amount	
	December 31, 2020	
	Consolidation	Company
Advances from customers	-3,110,408,128.00	-1,970,533,684.00
Deferred income	-362,871,309.00	-252,995,126.00
Contract liabilities	3,293,398,162.00	2,094,939,257.00
Other current liabilities	138,064,865.00	126,732,890.00
Other non-current liabilities	41,816,410.00	1,856,663.00

Affected income statement items	Affected amount	
	2020	
	Consolidation	Company
Revenue	29,296,729.00	29,296,729.00
Cost of sales	327,986,263.00	118,209,988.00
Selling and distribution expenses	-310,060,311.00	-100,284,036.00
Income tax expenses	1,705,617.00	1,705,617.00
Net profit	9,665,160.00	9,665,160.00
Including: Net profit attributable to the shareholders of the parent company	9,665,160.00	9,665,160.00
Gains and losses of minority interests	-	-

## (2) Description of correction of material accounting errors during the reporting period that should be retrospectively restated

Applicable  Not applicable

There was no correction of material accounting errors during the reporting period of the Company that should be retrospectively restated.

**(3) Description of changes in the scope of the consolidated statements compared with the financial reports of the previous year**

√ Applicable  Not applicable

- 1) The Group deregistered its 3 wholly-owned subsidiaries including Zonare Medical Systems, GmbH and Zonare Medicinska Systems, AB in March 2020.
- 2) The Group registered the establishment of Mindray Medical Healthcare Limited, its wholly-owned subsidiary, in Nairobi, Kenya on May 16, 2020.
- 3) The Group established Mindray Animal, its wholly-owned subsidiary, on October 23, 2020, with registered capital of RMB 200,000,000.
- 4) The Group established Qianjing Biotech, its wholly-owned subsidiary, on December 16, 2020, with registered capital of RMB 50,000,000.
- 5) The Group established Mindray Dangshan, its wholly-owned subsidiary, on December 29, 2020, with registered capital of RMB 400,000,000.

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ASSETS	31-Dec-20	31-Dec-19	LIABILITIES AND SHAREHOLDERS' EQUITY	31-Dec-20	31-Dec-19
<b>Current assets</b>			<b>Current liabilities</b>		
Cash at bank and on hand	15,864,751,347	14,272,968,133	Notes payable	-	2,222,510
Notes receivable	96,076,022	27,576,422	Accounts payable	1,499,594,321	1,241,732,655
Accounts receivable	1,443,117,646	1,667,714,349	Contract liabilities	3,293,398,162	N/A
Advances to suppliers	205,529,368	137,460,850	Advances from customers	-	987,570,277
Other receivables	294,831,238	244,739,686	Employee benefits payable	1,517,439,961	1,310,767,953
Inventories	3,540,721,551	2,264,598,752	Taxes payable	347,175,520	291,251,231
Current portion of non-current assets	23,929,000	19,593,000	Other payables	1,238,539,119	1,037,720,057
Other current assets	162,547,150	89,434,074	Other current liabilities	340,088,695	171,557,128
<b>Total current assets</b>	<b>21,631,503,322</b>	<b>18,724,085,266</b>	<b>Total current liabilities</b>	<b>8,236,235,778</b>	<b>5,042,821,811</b>
<b>Non-current assets</b>			<b>Non-current liabilities</b>		
Long-term receivables	3,319,920	15,625,313	Provisions	144,733,626	111,875,890
Long-term equity investments	25,544,919	5,000,000	Deferred income	156,787,383	379,527,538
Investment properties	61,227,132	69,015,865	Long-term employee benefits payable	1,389,228,606	1,424,008,460
Fixed assets	3,199,110,742	2,684,325,161	Deferred tax liabilities	46,623,327	57,252,143
Construction in progress	929,840,414	975,172,558	Other non-current liabilities	42,398,735	1,612,977
Intangible assets	1,145,078,942	953,482,222	<b>Total non-current liabilities</b>	<b>1,779,771,677</b>	<b>1,974,277,008</b>
Development expenditures	174,406,857	145,676,001	<b>Total liabilities</b>	<b>10,016,007,455</b>	<b>7,017,098,819</b>
Goodwill	1,224,558,695	1,301,115,503	<b>Shareholders' equity</b>		
Long-term prepaid expenses	29,751,545	21,450,756	Share capital	1,215,691,266	1,215,691,266
Deferred tax assets	501,892,563	457,188,937	Capital surplus	8,152,584,784	8,171,269,620
Other non-current assets	4,380,153,912	282,011,527	Other comprehensive income	-122,577,213	-1,308,847
<b>Total non-current assets</b>	<b>11,674,885,641</b>	<b>6,910,063,843</b>	Surplus reserve	607,845,633	607,845,633
			Undistributed profits	13,424,086,530	8,599,612,527
			<b>Total shareholders' equity attributable to shareholders of the Company</b>	<b>23,277,631,000</b>	<b>18,593,110,199</b>
			<b>Minority interests</b>	<b>12,750,508</b>	<b>23,940,091</b>
			<b>Total shareholders' equity</b>	<b>23,290,381,508</b>	<b>18,617,050,290</b>
<b>TOTAL ASSETS</b>	<b>33,306,388,963</b>	<b>25,634,149,109</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>33,306,388,963</b>	<b>25,634,149,109</b>

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	2020	2019
<b>Revenue</b>	<b>21,025,846,389</b>	<b>16,555,991,314</b>
Cost of sales	-7,366,094,227	-5,755,057,286
<b>Gross profit</b>	<b>13,659,752,162</b>	<b>10,800,934,028</b>
Taxes and surcharges	-217,538,038	-212,167,177
Selling and distribution expenses	-3,611,686,584	-3,605,667,336
General and administrative expenses	-897,368,046	-765,041,438
Research and development expenses	-1,869,299,818	-1,465,611,275
Financial income - net	61,420,849	407,765,654
Including: Interest expenses	-	-
Interest income	385,696,042	331,296,218
Asset impairment losses	-110,249,620	-156,719,464
Credit impairment losses	-29,685,187	-8,672,016
Other income	476,353,272	385,464,933
Investment losses	-4,471,487	-
Including: Investment losses from associates and joint ventures	-4,471,487	-
Gains on disposal of assets	-2,067,381	-1,493,657
<b>Operating profit</b>	<b>7,455,160,122</b>	<b>5,378,792,252</b>
Non-operating income	53,673,178	39,283,562
Non-operating expenses	-70,393,025	-49,822,289
<b>Total profit</b>	<b>7,438,440,275</b>	<b>5,368,253,525</b>
Income tax expenses	-778,836,983	-683,436,726
<b>Net profit</b>	<b>6,659,603,292</b>	<b>4,684,816,799</b>
<b>Classified by ownership of the equity</b>		
<b>Attributable to shareholders of the Company</b>	<b>6,657,676,062</b>	<b>4,680,646,750</b>
Attributable to minority interests	1,927,230	4,170,049
<b>Classified by continuity of operations</b>		
Net profit from continuing operations	6,659,603,292	4,684,816,799
Net profit from discontinued operations	-	-
<b>Other comprehensive income</b>		
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	-121,268,366	-19,328,804
<b>Total comprehensive income</b>	<b>6,538,334,926</b>	<b>4,665,487,995</b>
Attributable to shareholders of the Company	6,536,407,696	4,661,317,946
Attributable to minority interests	1,927,230	4,170,049
<b>Earnings per share - Basic and diluted earnings per share</b>	<b>5.4765</b>	<b>3.8502</b>

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	2020	2019
<b>Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	25,183,135,187	18,457,232,565
Refund of taxes and surcharges	646,697,319	382,131,126
Cash received relating to other operating activities	610,757,001	445,015,148
<b>Sub-total of cash inflows</b>	<b>26,440,589,507</b>	<b>19,284,378,839</b>
Cash paid for goods and services	-9,177,819,916	-6,785,191,896
Cash paid to and on behalf of employees	-4,608,721,169	-3,876,111,265
Payments of taxes and surcharges	-2,251,390,582	-2,025,942,784
Cash paid relating to other operating activities	-1,532,547,991	-1,875,337,979
<b>Sub-total of cash outflows</b>	<b>-17,570,479,658</b>	<b>-14,562,583,924</b>
<b>Net cash flows from operating activities</b>	<b>8,870,109,849</b>	<b>4,721,794,915</b>
<b>Cash flows used in investing activities</b>		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,827,564	3,895,198
Cash received relating to other investing activities	8,750,000	-
<b>Sub-total of cash inflows</b>	<b>11,577,564</b>	<b>3,895,198</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	-1,182,710,693	-776,860,754
Cash paid to acquire investments	-20,000,000	-5,000,000
Cash paid relating to other investing activities	-4,000,000,000	-
<b>Sub-total of cash outflows</b>	<b>-5,202,710,693</b>	<b>-781,860,754</b>
<b>Net cash flows used in investing activities</b>	<b>-5,191,133,129</b>	<b>-777,965,556</b>
<b>Cash flows (used in)/from financing activities</b>		
Cash payments for interest expenses and distribution of dividends or profits	-1,823,536,899	-1,215,904,156
Including: Cash payments for dividends or profit to minority interests of subsidiaries	-	-212,890
Cash paid relating to other financing activities	-29,589,000	-25,667,188
<b>Sub-total of cash outflows</b>	<b>-1,853,125,899</b>	<b>-1,241,571,344</b>
<b>Net cash flows used in financing activities</b>	<b>-1,853,125,899</b>	<b>-1,241,571,344</b>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>-197,470,867</b>	<b>23,651,473</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,628,379,954</b>	<b>2,725,909,488</b>
Add: Cash and cash equivalents at the beginning of the year	14,094,133,527	11,368,224,039
<b>Cash and cash equivalents at the end of the year</b>	<b>15,722,513,481</b>	<b>14,094,133,527</b>

**CONSOLIDATED STATEMENT OF CHANGES IN  
SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(All amounts in RMB Yuan 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		
<b>Balance at 31 December 2019</b>	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
<b>Balance at 1 January 2020</b>	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
<b>Movements for the year ended 31 December 2020</b>							
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
<b>Balance at 31 December 2020</b>	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
<b>Balance at 31 December 2018</b>	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
<b>Balance at 1 January 2019</b>	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
<b>Movements for the year ended 31 December 2019</b>							
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
<b>Balance at 31 December 2019</b>	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