



Mindray Medical International Limited
2010 Annual Report

mindray
healthcare within reach

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Who We Are

Mindray is a leading developer, manufacturer and marketer of medical devices worldwide. Our three primary business segments are patient monitoring and life support products, in-vitro diagnostic products and medical imaging systems. Through both our main manufacturing and engineering base in China and worldwide distribution network, we supply high-quality, sophisticated and cost-effective products to customers around the world.

CHINA OPERATIONAL HEADQUARTERS, GLOBAL FOOTPRINT

With global operational headquarters in Shenzhen, China, Mindray's multiple offices manage a comprehensive distributor network around the world that are complemented by direct sales channels in several developed countries. Through its China-based engineering and manufacturing infrastructure, Mindray supplies its high performance-to-price ratio products to an ever-expanding distribution and direct network around the world.

COMMITMENT TO QUALITY

Year after year, Mindray continues to develop and deliver the highest quality medical devices at the most competitive prices. We employ in-process quality control throughout our entire production process as we pursue the goal of a zero-defect ratio for our products. Our vertically integrated operating model complements this process, and enables us to efficiently develop, manufacture and market high-quality products.

FOCUS ON R&D - A DRIVER FOR GROWTH & PROFITABILITY

With more than 1,500 engineers based primarily in China, complemented by teams of engineers in the U.S and Europe, Mindray has established a powerful R&D platform that continues to drive high growth and profitability. We are particularly proud of our R&D team, which not only continually looks for ways to innovate and bring to market high-quality products specific to the needs of our customers, but is also dedicated to reducing product costs. As a result, we have a large and growing patent portfolio, a strong product pipeline and the industry's leading growth and profitability record.





CEO Letter

We are proud to present our fifth annual report as a public company. In 2010, we were encouraged to see recovery in certain markets in which we operate.

Dear Fellow Shareholders,

Overall, we delivered solid financial results with double digit revenue and earnings growth, as well as strong profit margins. We also maintained our focus on operational excellence and innovation. Our long-term commitment to invest in international sales channels had allowed us to capture growth opportunities and demonstrated solid performance in some key regions. We met our product development goal by launching 10 new products, including a brand new Magnetic Resonance Imaging (MRI) product, MagSense 360. Launching into the MRI market was a major breakthrough for Mindray. We are extremely proud of this R&D achievement and optimistic about its potential for future growth.

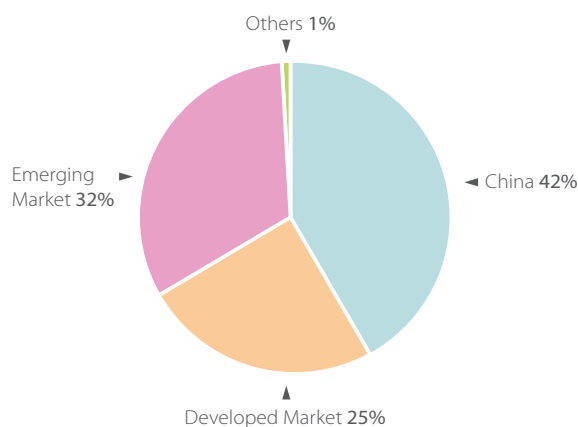
During the year, we continued to make significant progress in integrating the acquired patient monitoring business of Datascope. Collaborative products were introduced and cost synergies were achieved which have improved our gross margins. In China, Mindray also launched initiatives in sales re-alignment, product development, branding and marketing. We believe that these strategic initiatives, along with the Chinese government's firm commitment to the completion of its proposed healthcare reform plan, will continue to favor our company in the long term. Additionally, our Shenzhen subsidiary received the nationwide key software enterprise status for the 2010 calendar year, which grants Mindray a 10% corporate income tax rate for the Shenzhen subsidiary in 2010.

In 2010, we also completed an equity offering of approximately \$150 million. This, along with our strong operating cash flow generation, greatly helped to increase our cash reserve and strengthen our ability to further develop business.

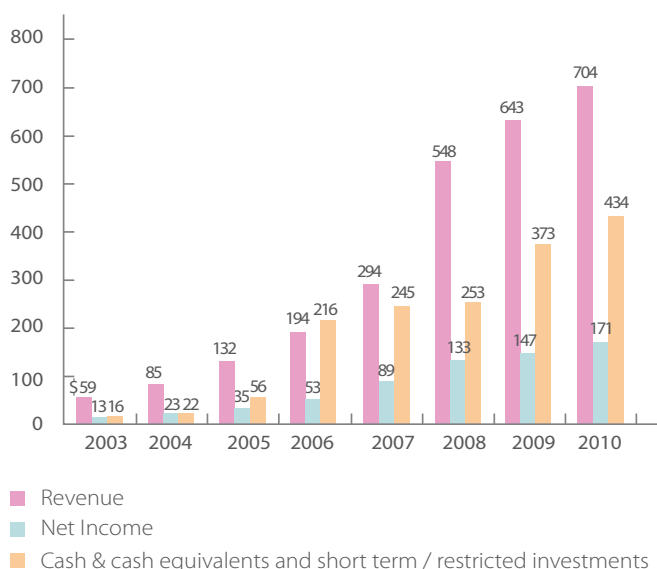
To leverage this strong cash position and further implement our growth strategy, we are aggressively advancing our organic product development as well as actively exploring external opportunities which we believe could complement or enhance Mindray's core capabilities. Recently, we signed an agreement to acquire a controlling stake of Shenke Medical, an infusion pump manufacturer. We expect to achieve synergy in the transaction by combining our strong engineering, manufacturing, sales and management platforms with Shenke's brand name, technology and expertise in the infusion pump area.

In continuing our commitment to Mindray shareholders, the Board of Directors has declared a cash dividend on its ordinary share of \$0.30 per share based on our net income for the full year 2010. This is the fifth consecutive year that we have declared dividends after our IPO in 2006.

A Global Player in Medical Technology



Long-term focus on growth, profitability and cash generation



“Recovery in certain international markets, along with Mindray’s long-standing efforts in building overseas infrastructure”

As a global company, our business is exposed to global macro economic fluctuations. In the second half of 2010, the macro economic environment began to show improvement after the economic crisis and we started seeing recovery in certain international markets. During the year, emerging markets such as Latin America, Eastern Europe and the CIS region, Africa and the Middle East, remained our key growth drivers, as a result of our consistent execution of expansion strategy in international channels. We also opened three more international branch offices in Egypt, Indonesia and India to capture long term growth opportunities in these markets. In addition, developed markets recorded better than expected growth driven by pent-up demand and broader product offerings.

“Chinese government’s firm commitment to invest in healthcare, together with Mindray’s launch of strategic initiatives aiming at long-term sustainable domestic growth”

In 2010, despite the Chinese government’s firm commitment to healthcare spending, we experienced unexpectedly weak government tender as most spending were in areas where Mindray did not have strong presence. However, we believe that the situation could improve as the government recently refocused their investment on county level hospitals, in which it has stated its goal to upgrade all county level hospitals to an “above average” level in five years. To accomplish this, it plans to invest a total of RMB 36 billion in supporting 2,176 county level hospitals across the country over three years. Mindray has significant presence in this segment and we believe that this announcement could benefit us. In addition, the government plans to encourage private and foreign investments in hospitals and clinics, as well as increase spending on medical insurance.

In addition to the favorable macro environment in China, we also initiated strategic measures to solidify our domestic market position in different market segments. Starting from the second quarter of 2010, we have been rolling out various strategies to optimize our domestic operations. Of these, the sales realignment effort, which targets the existing distributors and sales management teams, is our primary focus. Under this program, we first intend to better divide the sales team to target different segments of the market. Secondly, we are adding dedicated sales teams to target key large hospital accounts, as well as township level healthcare centers and clinics. We are also installing more advanced and effective IT systems to support different sales projects. We are seeing gradual improvement resulting from this effort and we are on track to complete this program in the second quarter of 2011.

In 2010, we further expanded our domestic sales channel coverage by adding two new branch offices, in addition to our existing 30 branch offices. Going forward, we will continue to optimize our sales channel network to ensure excellent execution of our domestic sales and marketing strategies.



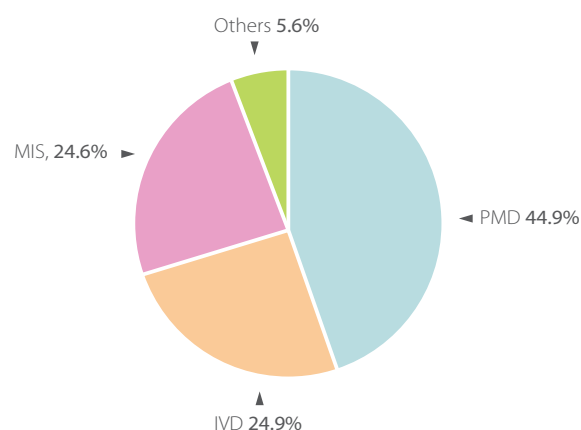
“R&D remains Mindray’s top priority”

In 2010, we successfully launched ten new products across our three main product lines, including one brand new MRI product, MagSense 360, as well as two new patient monitoring products, the V series, which are jointly-developed by our Shenzhen and Mahwah engineering teams. We also officially launched our first defibrillator product in the domestic market. As a result of our R&D effort and dedication, we now have over 80 products in the market. Going forward, we are confident that our R&D commitment will allow us to continue to deliver our targeted goal of 7 to 10 new product introductions each year, while maintaining a healthy margin level.

“Continued contribution and well-balanced growth across all three product lines”

Mindray offers a diversified sales mix resulting from strong product offerings across each of its three primary business segments as well as an expansive geographic reach across developed and emerging markets alike. These factors combine to create unique opportunities for the company in the patient monitoring and life support products, in-vitro diagnostic products and medical imaging systems device markets, both in China and internationally. In 2010, all three of our product lines continued to contribute to our solid growth, with our patient monitoring and life support division leading as the primary driver of organic growth.

Segment Revenues as a Percentage of Total 2010 Revenues



A closer look at our three product lines:

With approximately 10% of world market share, Mindray is the third largest player in the global patient monitoring device market. Mindray plans to grow this position while further expanding our market share through bundled sales focused on total operating room solutions. Currently, our patient monitoring and life support products contribute around 44.9% of our total revenues and is our fastest growing segment.

Our in-vitro diagnostics product line contributes approximately 24.9% to total revenues and competes in the largest addressable market for Mindray. We have enriched our product portfolio in this product line by launching a new sophisticated biochemistry analyzer and several new reagents. Diagnostic laboratory reagent sales accounted for 26.4% of the segment's 2010 net revenues. We expect reagent sales to increase in both real and percentage terms as we build a sufficient installed base of analyzers, coupled with more effective marketing strategies.

Approximately 24.6% to total revenues stems from our medical imaging systems product line. With the launch of additional color ultrasound systems and high-ticket imaging products, as well as increased market share of ultrasound products in the United States and other developed markets, we believe that we will have better overall penetration in both the short and long term.

“Excellent employees together with more advanced IT systems support Mindray’s long term growth”

As of December 31, 2010, Mindray employs more than 6,300 employees globally. As we have stated in the past, our employees are our most valuable asset and our performance-based culture is designed to reward talent and the results that are a byproduct of hard work. We have consistently created ownership incentives for our employees by granting options to purchase our shares. We have great people at every level, including strong leaders who have the experience and strategic insight to turn the opportunities that lie ahead of us into even greater success in the future.

Advanced IT systems and tools are important to help facilitate a company’s long term growth. After the acquisition of Datascope’s patient monitor business, we implemented a global SAP system to support our business. In 2010, we also adopted various IT systems to improve the management of our sales channels, manufacturing and after-sales services, etc.

“Looking ahead - strengthening Mindray's international presence and maintaining Mindray's leading domestic position”

We are excited about our future as we look to further broaden our international presence and strengthen our foothold in China. As the overall global market environment continues to improve, we will continue to strengthen our sales, marketing and support infrastructure worldwide. For the international markets, we will prioritize building and optimizing sales and service platforms for our key regions by increasing direct investment, continuing to penetrate into both the public and private sectors, enhancing investment in market promotion, increasing the number of local staff and launching customized after-sales service programs. In China, we expect favorable Chinese private and government healthcare spending to continue. We are encouraged by the government’s recent renewed focus on county level hospitals as well as the progress of our strategic initiatives. We remain confident that Mindray is in a strong position in the domestic market based on the favorable macro healthcare spending environment in China, as well as our brand recognition, competitive advantages and R&D strength.

Our ongoing commitment to investing in R&D helps us build upon our product lines in an effort to expand our addressable markets while maintaining a leading market share in China. In 2011, R&D investment remains our focus. We intend to increase R&D efficiency and build a strong product pipeline to support the new segment penetration. In addition, we will invest in R&D centers in China and other overseas locations to strengthen our capabilities and attract more engineering talents.

Our mission is to make better healthcare solutions more accessible to humanity. We will continue to develop products that focus on addressing the ever-changing demands of the market. We are confident that our dedication to R&D will allow us to keep delivering advanced and affordable products into the market and thus achieve our aspiration of providing healthcare within reach.

We thank you all for your continued support.

Sincerely yours,

Xu Hang
Chairman & Co-CEO
Mindray Medical
International Limited



Sincerely yours,

Li Xiting
President & Co-CEO
Mindray Medical
International Limited





World-Class R&D

Mindray's success was largely built on our dedication to R&D, which allows us to consistently introduce new and more advanced products at competitive prices within a relatively short period of time. Between 2008 and 2010, our spending on R&D remained relatively steady at approximately 10% of net revenues. In 2010, we launched 10 new products, which met our product development goal. In 2011, we aim to launch an additional 7 to 10 new products. In China, we currently have R&D centers located in Shenzhen, Beijing, Nanjing and we are in the process of leasing and renovating new facilities in Xi'an, Chengdu and Shanghai. We also maintain R&D centers in the United States in cities including Seattle, Washington, Mahwah, and New Jersey, as well as in Stockholm, Sweden.





Mindray has developed OR/ICU solutions that integrate our products of patient monitor, anesthesia machine, defibrillator and color Doppler ultrasound system, surgical lights, operating table, ceiling supply units, etc, providing end users with efficient and dependable supports.



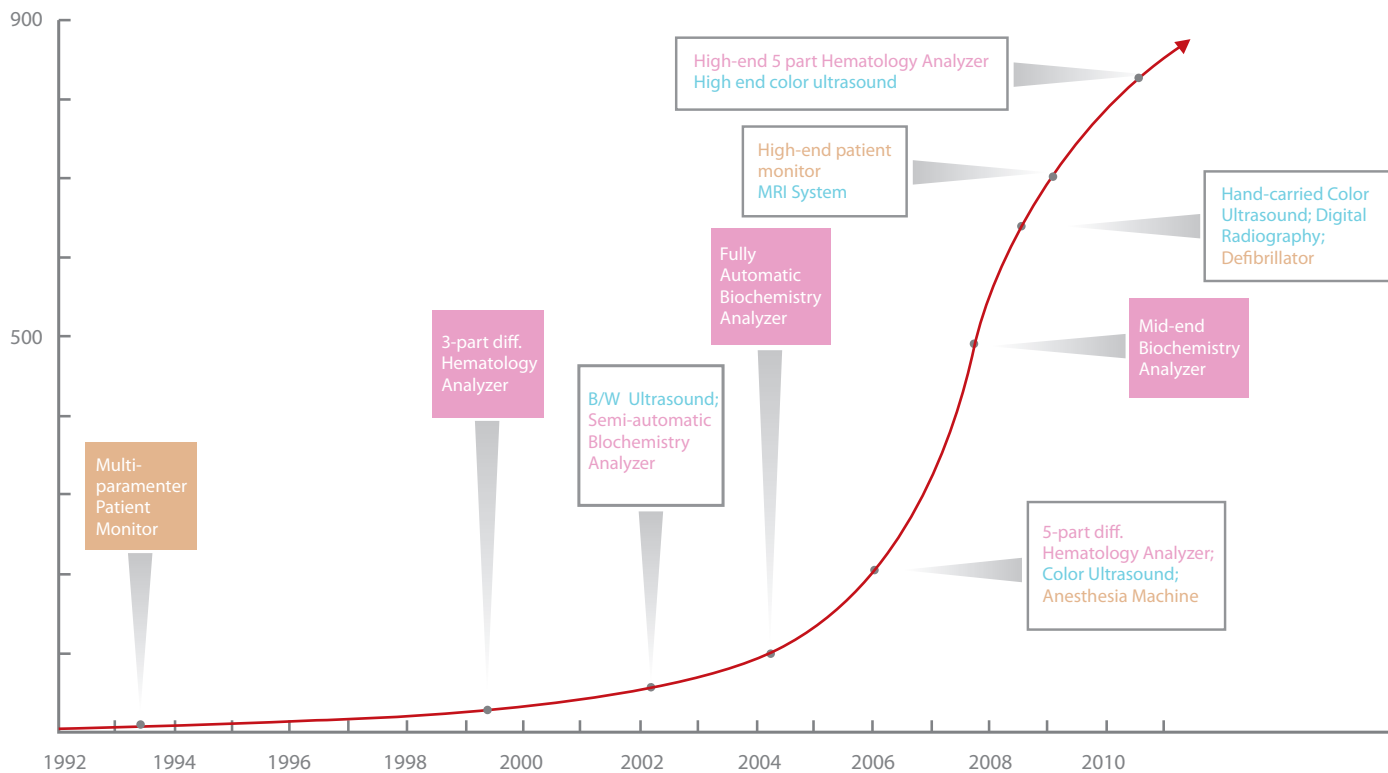
Our Products

Commitment to product innovation and quality drives rapid growth

- Patient Monitoring & Life Support Products
- *In-Vitro* Diagnostic Products
- Medical Imaging Systems



Total Revenue USD mm



Expanding Suite of Products Fuels Growth

Over the past 20 years, Mindray has vertically and horizontally enriched its product portfolio from that of a single product model provider to one covering three major product lines with more than 80 models. Because Mindray has continued to launch new sophisticated products, Mindray's net revenue has maintained a rapid growth pace and the company's addressable markets have expanded dramatically.



Patient Monitoring & Life Support Products

Segment revenues in 2010: \$316 million, 13.7% annual growth rate, 44.9% of total net segment revenues.

Net revenues in our patient monitoring and life support products segment grew at an annual rate of 13.7% to \$316 million in 2010. This was primarily driven by organic growth, of which the key drivers were patient monitor products, defibrillator, as well as surgical beds and lights.

Our patient monitoring devices track the physiological parameters of patients, such as heart rate, blood pressure, respiration and temperature. We currently offer around 40 different patient monitoring devices that are suitable for adults, pediatric and neonatal patients, and are used principally in hospital intensive care units, operating rooms and emergency rooms. Our patient monitoring device portfolio can be categorized into single- and multiple-parameter monitors, mobile and portable multifunction monitors, central stations that can collect and display multiple patient data on a single screen, and electro-cardiogram monitoring devices. To further expand this product line, we set our sights on becoming a total solutions provider for the end users. Additionally, in 2010, we have added to this product line, two patient monitor products, a surgical light, a surgical bed and a ceiling pendent system which brought our product offerings to over 40 within the patient monitoring and life support products line.

In-Vitro Diagnostic Products

Segment revenues in 2010: \$175 million, 12.8% annual growth rate, 24.9% of total net segment revenues.

Net revenues in our in-vitro diagnostic products segment grew at an annual rate of 12.8% to \$175 million in 2010. This growth resulted primarily from increased sales of biochemistry analyzers and reagents. Reagent sales create a recurring revenue stream for Mindray and accounted for around 26.4% of our in-vitro diagnostic products segment revenues in 2010.

Our in-vitro diagnostic products provide data and analysis on blood, urine and other bodily fluid samples for clinical diagnosis and treatment. We offer a range of semi-automated and fully-automated in-vitro diagnostic products for laboratories, clinics and hospitals to perform analysis to detect and quantify various substances in the patient samples. Our current product portfolio consists of in-vitro diagnostic products in two primary product categories: hematology analyzers and biochemistry analyzers. We also offer reagents for use with our in-vitro diagnostic products. A reagent is a substance used in the chemical reactions analyzed by our in-vitro diagnostic products.

Additionally, Mindray has three immunoassay products, which also fall under our in-vitro diagnostic line, that contribute to our revenue. These consist of a urinalysis product and complementary reagents, a microplate reader and a microplate washer.

In 2010, we launched a biochemistry analyzer, a hematology analyzer and several reagents. Our current product portfolio consists of more than 20 in-vitro diagnostic products and more than 100 reagents.

Medical Imaging Systems

Segment revenues in 2010: \$173 million, 6.6% annual growth rate, 24.6% of total net segment revenues.

Net revenues in our medical imaging systems product segment grew at an annual rate of 6.6% to \$173 million in 2010. This growth resulted primarily from continued increase in sales of our color ultrasound systems.

Our medical imaging systems segment includes both ultrasound systems, digital radiography systems and a MRI system.

Our ultrasound systems use computer-managed sound waves to produce real time images of anatomical movement and blood flow. Ultrasound systems are commonly employed in medical fields such as urology, gynecology, obstetrics and cardiology. We currently sell black and white and color portable and mobile ultrasound systems, and offer a broad range of transducers to enhance the adaptability of these products for a variety of applications. We believe this variety and adaptability increases customer appeal and broadens our potential client base. Our digital radiography systems use flat-panel detectors to capture images. Digital radiography systems shorten x-ray exposure time compared to traditional film-based radiography systems. The detector design eliminates manual activities, hastens treatment, improves patient comfort and provides greater cost efficiency. Our MRI system currently uses permanent magnetic field and inscan technology to record the image of the scanned area of the body.

In 2010, we launched two color ultrasound products and one MRI product. Our current product portfolio consists of more than 15 medical imaging systems.



Corporate Social Responsibility

Corporate social responsibility (CSR) has become one of the most important benchmarks for measuring enterprises and it is critical to a company' s long-term sustainable success.

Mindray has been operating with a strong sense of CSR for a long time. After 20 years of operations, we feel that it is important for us to proactively participate in giving back to the society while committing to deliver high-quality products and services. Therefore, we have been supporting many projects both in and outside of China, with focuses on education, charity and environmental protection.



- 1 In 2010, Mr. Li Xiting, President and Co-CEO, donated RMB for 6 million to Dangshang Middle School, Anhui Province
- 2 In 2010, Mr Xu Hang, Chairman and Co-CEO, donated RMB 2 million for treatment of children with congenital heart disease in Guangxi Province
- 3 In 2010, On behalf of the company, Mr. Jie Liu, CFO and COO, donated RMB 4.5 million for the Yushu earthquake relief
- 4 In 2007, On behalf of the company, Mr. Xu Hang, Chairman and Co-CEO, donated medical devices worth of RMB 10 million to Jilin Province

Support for education

Each year, Mindray offers free training to healthcare workers in Africa on how to use and maintain our medical devices, thus ensuring that they provide the greatest benefits possible in sometimes challenging circumstances. With basic correct knowledge, healthcare professionals can ensure that patients would get quality healthcare with minimum discomfort, while also extending the life of our products.

Beyond the medical practice, we have also helped fund three Hope Project primary schools and contributed to the educational funds for Tsinghua University and the University of Science and Technology of China.

Support for charity

In China, Mindray has used its leading position to actively support the nationwide effort to improve rural healthcare conditions by designing customized and affordable equipment for these particularly harsh environments. We have also taken a lead role in disaster relief efforts. For example, Mindray offered over US\$610,000 worth of medical devices and funding for use in the stricken area during the Sichuan earthquake in 2008.

Mindray' s humanitarian activities have covered a broad range of crises, from the turmoil of the SARS outbreak in 2003, to the Yushu earthquake in 2010. In recent years, we have donated medical devices that were worth more than US\$3 million to towns and villages in China and Ethiopia. We have also cooperated with Aiyou Huaxia Charity Foundation to help children suffering from congenital heart disease (CHD).

Support for environmental protection

We strictly comply with environmental regulations. Many of our products and production processes conform to international standards such as the European Union' s Waste Electrical and Electronic Equipment Directive, as well as the Restriction of Hazardous Substances Directive. Our processes reduce the use of toxic substances such as cyanide, as well as decrease energy consumption through the use of more efficient liquid crystal displays and circuit boards.

Our commitment to CSR is widely supported by our management and employees. We will continue our contribution effort and hope to encourage more people to join us.



Core Values

Vision

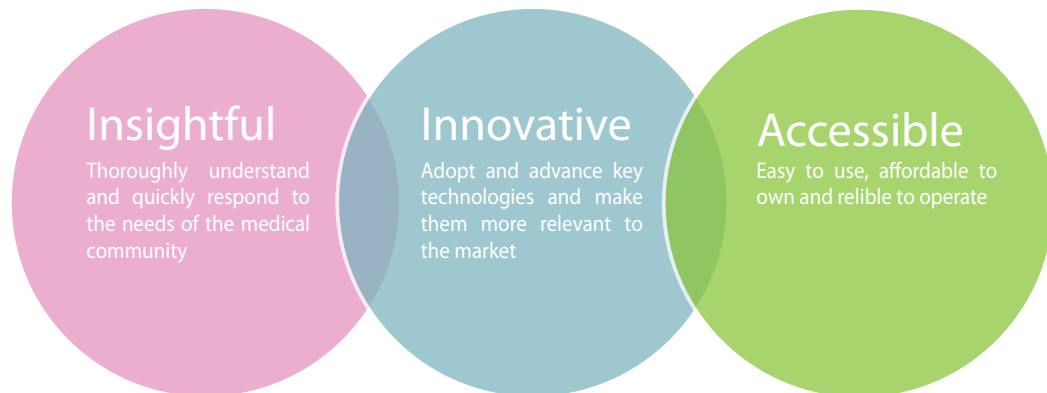
We will make better healthcare solutions more accessible to humanity.

Mission

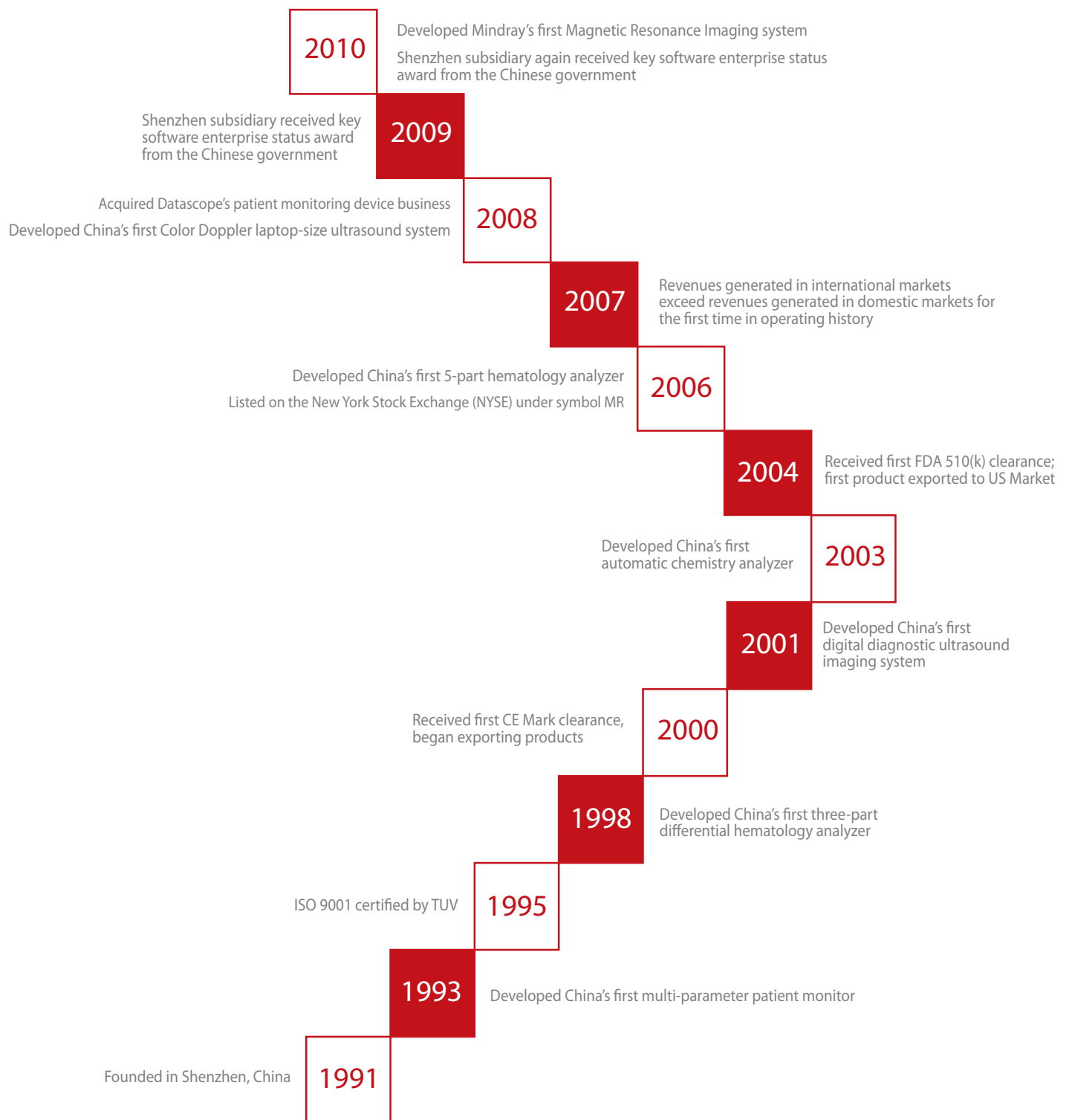
Improve healthcare by optimizing and sharing medical technologies with the world.

Values

To earn the respect and trust of our customers worldwide by continuously finding better solutions across all aspects of our business and to create a performance-driven culture that values integrity and constant improvement.



Milestones



Corporate Information

Corporate Officer

Xu Hang
Chairman and Co-Chief Executive Officer

Li Xiting
President and Co-Chief Executive Officer

Liu Jie
Chief Financial Officer and
Chief Operating Officer

Alex Lung
Deputy Chief Financial Officer

May Li
Deputy Chief Financial Officer

Cheng Minghe
Chief Strategic Officer

David Gibson
President, Mindray DS USA Inc.

Fannie Lin Fan
General Counsel

Board of Directors

Xu Hang
Chairman and Co-Chief Executive Officer
Mindray Medical International Limited

Li Xiting
President, Director and Co-Chief Executive Officer
Mindray Medical International Limited

Ronald Ede
Director

Joyce I-Yin Hsu
Director

Chen Qingtai
Independent Director

Peter Wan
Independent Director
Fellow of Hong Kong Institute of Certified
Public Accountants, the Association of
Chartered Certified Accountants, U.K. and
the Hong Kong Institute of Directors

Kern Lim
Independent Director
Executive Director, CFO and COO of VSC
Holdings Limited

Wu Qiyao
Independent Director
Professor at Beijing Institute of Technology

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