

Jan 2024

## **Mindray Bio-Medical**

### **M&A of APT Medical Conference Call-Script**

Dear Investors,

On January 28th, Mindray's wholly-owned subsidiary, Shenzhen Mindray Scientific Holdings Co., Ltd., signed a share transfer agreement with the controlling shareholder and other shareholders of APT Medical. Shenzhen Mindray Scientific Holdings Co., Ltd. plans to acquire approximately 14.12 million shares of APT Medical, accounting for 21.12% of APT Medical's total equity, at a price of RMB 471.12 per share through the agreement. Simultaneously, Shenzhen Mindray Scientific Holdings Co., Ltd. signed an equity transfer agreement with Chenyihongqi, planning to acquire its entire 0.12% general partnership interest in Zhuhai Tongsheng for a consideration of RMB 1.29 million. Shenzhen Mindray Scientific Holdings Co., Ltd. will become a limited partner and the general partner of Zhuhai Tongsheng, while Mindray will still hold 99.88% of Zhuhai Tongsheng's limited partnership interest.

After completing this transaction, Shenzhen Mindray Scientific Holdings Co., Ltd. will directly hold approximately 14.12 million shares of APT Medical, representing 21.12% of APT Medical's total equity. Shenzhen Mindray Scientific Holdings Co., Ltd. and its partner acting in concert Zhuhai Tongsheng will collectively hold approximately 16.46 million shares of APT Medical, accounting for 24.61% of APT Medical's total equity, resulting in Shenzhen Mindray Scientific Holdings Co., Ltd. becoming the controlling shareholder of APT Medical. The merger valuation of this transaction is RMB 30.2 billion, with a premium rate of 25% over APT Medical's closing price on January 26th, and a reference premium rate of 23% based on APT Medical's average closing price over the past 60 days.

Following the completion of this transaction, the board of directors of APT Medical will increase from 7 members to 9 members, including 6 non-independent directors and 3 independent directors. Among them, 4 non-independent directors and 1 independent director will be recommended by Mindray, while 2 non-independent directors and 2 independent directors will be recommended by Mr. Cheng Zhenghui.

After the completion of this transaction, the Chairman and legal representative of APT Medical will be nominated by Mindray, and Mr. Cheng Zhenghui is expected to serve as Vice Chairman and General Manager.

The number of members on the supervisory board of APT Medical will remain unchanged at 3, including 1 employee representative supervisor and 2 non-employee representative supervisors. Among them, 2 non-employee representative supervisors will be nominated by Mindray, and 1 employee representative supervisor will be elected and appointed as the chairman of the supervisory board by the APT Medical Employee Representative Assembly.

Based on the arrangements for the equity structure and governance structure of APT Medical after the completion of the above-mentioned transaction, Mindray will be able to exert control over APT Medical and achieve consolidation of APT Medical on the consolidated financial statements of Mindray.

Continuously building and enriching the consumable-oriented business layout has always been Mindray's important development strategy. To achieve this, we actively seek globally outstanding targets for mergers and acquisition, promoting coordinated development internally and externally. With the intensification of global aging populations and a continuous increase in cardiovascular disease patients, the number of cardiovascular-related surgeries worldwide is steadily growing. Given the large market size and relatively low penetration rate in the cardiovascular field, coupled with ongoing advancement in surgical techniques, the industry is in a high-growth phase. Mindray is confident in the market development trend for cardiovascular products, particularly in electrophysiology.

Over the years, APT Medical has deeply focused on various areas within the cardiovascular field, diversifying its presence in electrophysiology and related consumables. It holds a leading position in domestic technology, raw material research and development, supply chain systems, and advanced production processes, making it one of the leading enterprises in China's electrophysiology and cardiovascular-related sectors. Through this transaction, Mindray will enter the blue ocean market of the cardiovascular field, driving the business development of electrophysiology and related

consumables. Mindray and APT Medical will collaborate in various aspects such as research and development, marketing, and manufacturing, fostering mutual growth. Mindray will also adhere to its mission of advancing medical technologies to make healthcare more accessible and strive to provide better healthcare for all.