

Investor Newsletter

Issue **06** 2015



Evolution™

Gains CFDA Registration Certificate

Shanghai MicroPort Orthopedics Co ("MicroPort® Orthopedics") announced that its second generation medial-pivot Evolution™ Medial-Pivot Knee System ("Evolution™") was recently awarded registration certificate from China Food and Drug Administration ("CFDA").

The Evolution™ is designed to treat non-inflammatory joint diseases, including osteoarthritis, traumatic arthritis and ischemic necrosis; arthritic diseases such as rheumatoid arthritis; functional deformity; some treatment or device failures; and some fractures that other technologies can't cure. As one of the well-known knee systems in the world, the Evolution™ has gained high market recognition after launched in the US in 2010 and then subsequently to Europe and Japan.

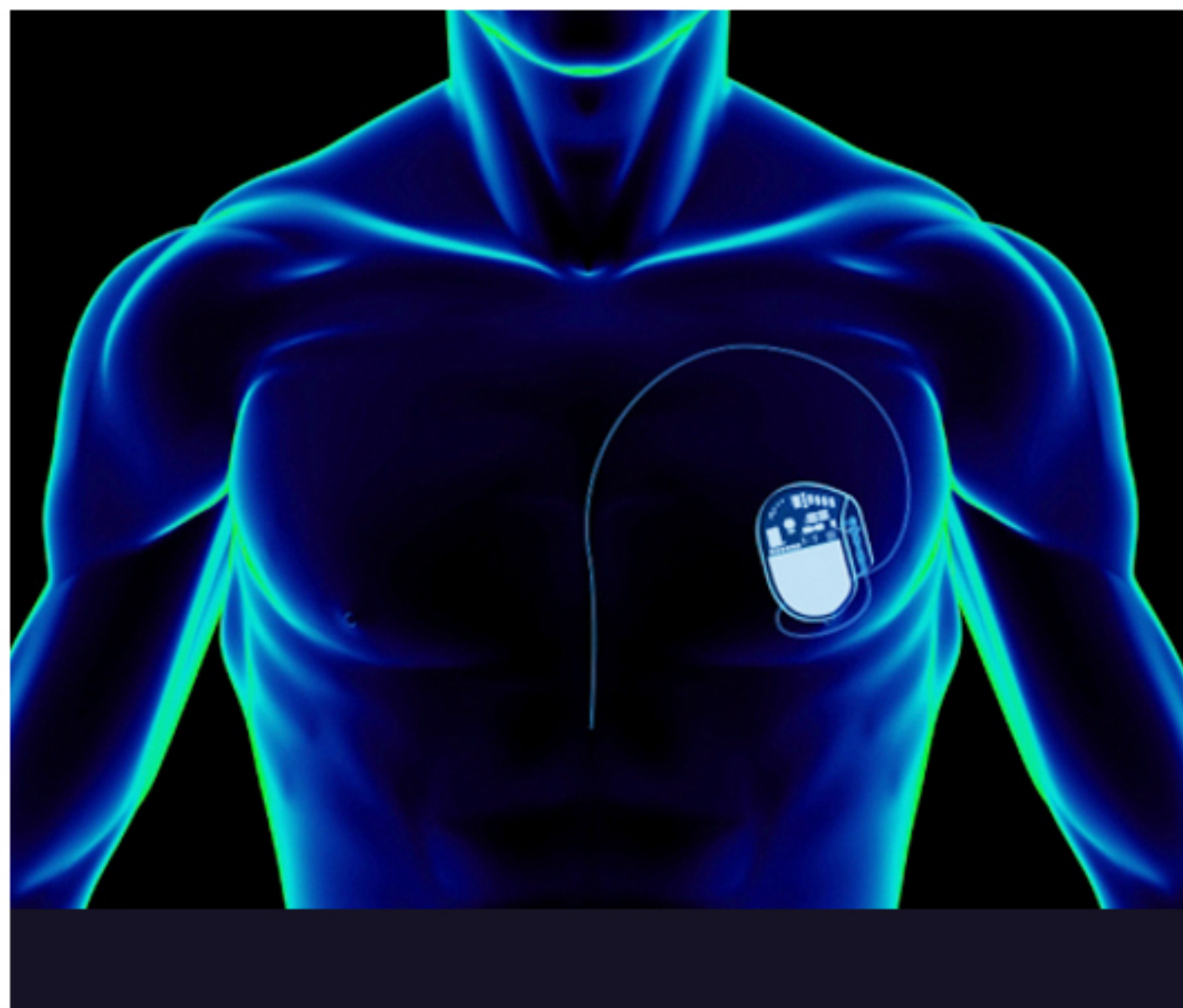
Built on over 16 years of excellent clinical history of the Advance® Medial-Pivot Knee System ("Advance®"), the Evolution™ is designed to replicate the movement and stability of a normal, healthy knee by incorporating a patented ball-in-socket feature on the medial side. To offer better implant fit for patients, it features an expanded number of implant sizes and the anatomic tibial base.

With its launch in the China market, MicroPort® Orthopedics will offer more solutions for patients, which will help reinforce the brand image and increase market share for the company.



MicroPort Sorin CRM Launches China's First Domestic Pacemaker Production Line

China's first domestic cardiac pacemaker production line with international advanced standards was launched in MicroPort Sorin CRM (Shanghai) Co ("MSC") located in Shanghai Zhangjiang Hi-Tech Park on June 27, which means imported cardiac pacemakers will no longer monopolize the China market in the near future and also represents a solid step forward for Shanghai to build a global technology innovation center.



With the advancement of China's medical and healthcare reform and Shanghai's steps to build a global technology innovation center, a precious opportunity of developing domestic cardiac pacemaker is emerging. To take advantage of such opportunity, Shanghai MicroPort Medical (Group) Co ("MicroPort®") has carried out large R&D investments in implantable pacemakers since 2010; and in 2014 MicroPort® formed the joint venture MSC with Sorin Group to market and develop cardiac rhythm management ("CRM") devices (implantable pacemakers, defibrillators, cardiac resynchronization devices and related devices) in China, with MicroPort® holding a 51 percent stake in the joint venture entity.

"By introducing world-class pacemaker production line and advanced technologies, MSC aims to develop and produce pacemaker technologies and products with independent intellectual property rights, so as to revolutionize China's pacemaker industry from Made-in-China to Innovated-in-China with domestic cardiovascular experts and research institutions," said MicroPort® Chairman and CEO Dr. Zhaohua Chang and Sorin Group CEO André-Michel Ballester. ▶

Currently, implanting pacemakers is the only effective way to treat bradycardia, which has been widely used and accepted in developed countries. In China, as early as 1960s, physicians and research engineers had developed pacemakers and used them to successfully treat patients. However, due to lack of core technologies and industrialization experience, up to date China has to almost solely rely on imports for pacemaker devices, the high price of which has deterred many patients and hampered the development of the industry. In fact, the global pacemaker market is still monopolized by only five multi-national enterprises.

Every year, there are around 540,000 patients suffering from sudden cardiac death and 600,000 patients with bradycardia in China, and they all need to implant medical devices such as the pacemakers, which brings the business of domestically made pacemakers a broad market opportunity, according to experts of Chinese Society of Pacing & Electrophysiology ("CSPE"), including Professor Congxin Huang, President of CSPE, Professor Shu Zhang, Former President of CSPE, and Professor Dejia Huang, President-Elect of CSPE.

"The launch of the world-class pacemaker production line is a milestone in China's pacemaker industry. It means we can produce pacemakers with advanced international standards here in Zhangjiang," said Qiyi Luo, MSC Chairman and MicroPort® Chief Technology Officer. "We believe, China's pacemaker industry will have a similar developmental trajectory as its coronary stent industry which witnessed domestically made devices gradually replace imported products. As the leading player, MicroPort® gained rich experience from the revolutionary change of China's coronary stent industry, with which MSC can more effectively push the development of domestic CRM business."

Junbo Ge, Director of Cardiology in Shanghai Zhongshan Hospital, added, China's coronary stent market was monopolized by imported products but in only 10 years domestically made stents take up 80% market share. "So we are confident that in the near future Chinese physicians can use domestic pacemakers to save patients in China and even all around the world."





MPSC Annual General Meeting Held

MicroPort Scientific Corporation ("MPSC") Annual General Meeting ("AGM") was held on June 29 in its Shanghai headquarters. Board of Directors including Executive Director Dr. Zhaohua Chang, who is MPSC Chairman and Chief Executive Officer ("CEO"), Non-executive Director Hiroshi Shirafuji, Non-executive Director Norihiro Ashida, Independent Non-executive Director Dr. Guoen Liu and Independent Non-executive Director Jonathan H. Chou, attended the meeting.

During the meeting, Dr. Chang and MPSC Chief Finance Officer Martin Sun, MPSC Chief Technology Officer Dr. Qiyi Luo, MPSC Chief Marketing Officer Bo Peng, MicroPort® Orthopedics CEO Ted Davis, and Jonathan Chen, MPSC Senior Vice President of International Operations and Investor Relations, answered questions raised by shareholders.

At the AGM, all the proposed resolutions as set out in the notice of the AGM dated 6 May 2015 were taken by poll, and the poll results were published on MicroPort® official website (www.microport.com) and the website of The Stock Exchange of Hong Kong Ltd (www.hkexnews.hk).

Tubridge™:

The Breakthrough Aneurism Medical Device



Tubridge™ Vascular Reconstruction Device ("Tubridge™"), a product of MicroPort NeuroTech (Shanghai) Co ("MicroPort® NeuroTech"), recently drew wide attention in World Live Neurovascular Conference in Chicago. In a micro-surgery procedure to treat cerebral aneurysm live broadcasted in the congress, Tubridge™ was precisely inserted into the brain and successfully helped control blood flow into the aneurysm. The whole procedure lasted for 30 minutes and was highly recognized and praised by experts in attendance.

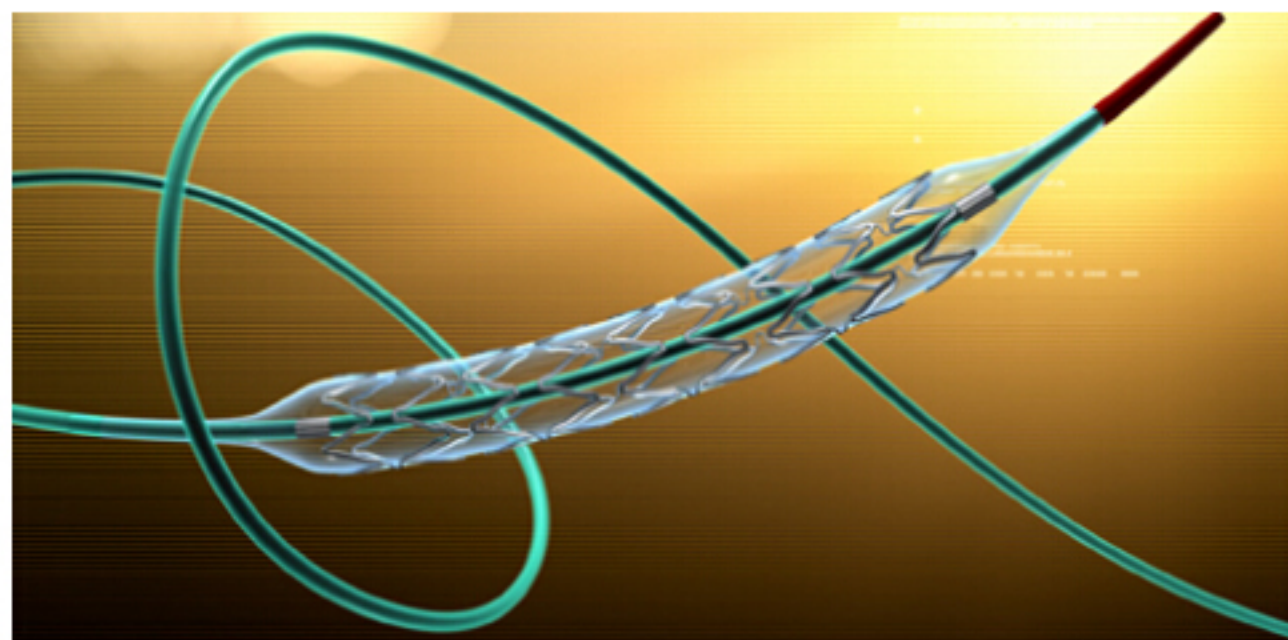
"In our clinical tests, we've shown that the cure rate for larger aneurysm is higher than 90%. It produces much better results than the traditional treatment," said Jianmin Liu from Shanghai Changhai Hospital, who completed the Tubridge™ procedure.

Tubridge™, which took eight years for Shanghai Changhai Hospital and MicroPort® NeuroTech to jointly develop, marks a breakthrough in the treatment of cerebral aneurysm, as it is expected to reduce recurrence rates from 90% to lower than 5%. The device can successfully reconstruct cerebrovascular and also features excellent delivery ability, low collateral impact and high vessel patency rate.

A cerebral aneurysm is a weak or thin spot on a blood vessel in the brain that balloons up and fills with blood. It is the main cause of subarachnoid hemorrhage. The bulging aneurysm can put pressure on a nerve or surrounding brain tissue. Aneurysms can later burst and bleed into the brain, causing serious complications or even death. Larger aneurysms are the most dangerous, with high aneurysmal rupture rate, high treatment cost, complex operating procedure and high recurrence rate.

MicroPort® NeuroTech Attends CSA&TISC to Promote APOLLO

MicroPort® NeuroTech, a wholly owned subsidiary of MicroPort®, recently attended the First Academic Meeting of Chinese Stroke Association and 2015 Tiantan International Stroke Conference ("CSA&TISC") held from June 26 to June 28 in Beijing, to promote our neurovascular device APOLLO Intracranial Stent System ("APOLLO").



During the conference which attracted several thousand experienced surgeons, Professor Zhongrong Miao of Beijing Tian Tan Hospital issued a report named "Result and Prospect of Registry in Endovascular Treatment for Intracranial Arterial Stenosis in China" in which he released the research result of APOLLO Balloon-Mounted Stent for Symptomatic Intracranial Artery Stenosis Registry Study in China: The rate of 30-day primary safety end point is 4.4%, better than the result from the SAMMPRIS, in which the rate in stent group is 14.7% and that in medical group is 5.8%.

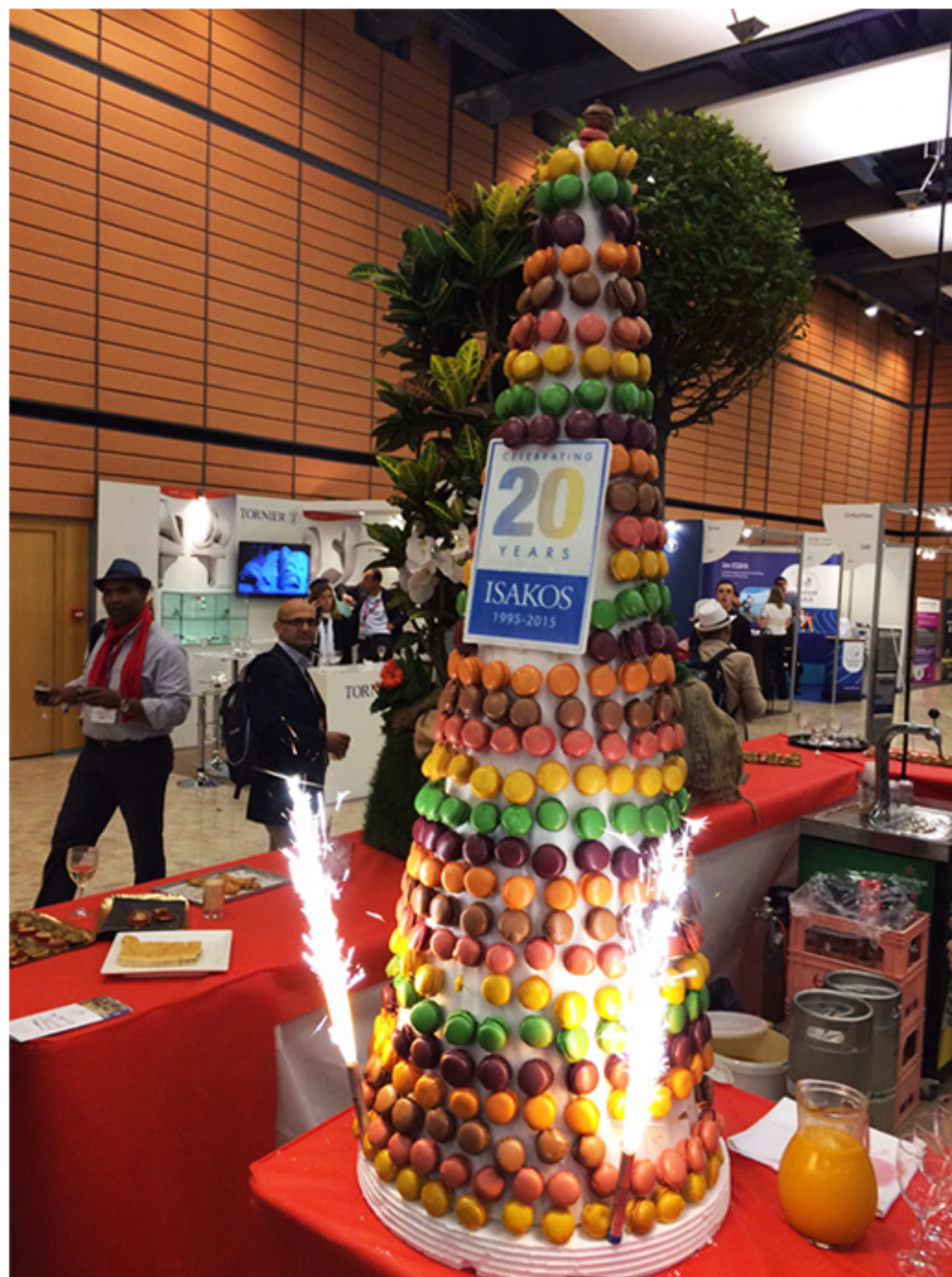
"APOLLO is equipped with a rapid-exchange design which allows precise positioning and excellent radial force," said Bo Peng, MicroPort® Chief Marketing Office and the Executive Director of MicroPort® NeuroTech. "Such clinical outcome also showed the excellent surgical skills of surgeons in the 12 famous neuro-medical centers represented by Beijing Tian Tan Hospital, which proves that China now leads the world in Intracranial stents surgeries."

Independently designed and developed by MicroPort®, APOLLO was launched in the China market in 2015. It is China's first intracranial vascular stent for the treatment of ischemic cerebrovascular disease. It was awarded the second prize of Shanghai Scientific Progress Award in 2009 and was listed in the National Key New Products Scheme in 2011.

The Annual Meeting of JOSKAS

From June 18 to June 20, the 7th Annual Meeting of Japanese Orthopedic Society of Knee, Arthroscopy and Sports Medicine (“JOSKAS”) was held in Sapporo Convention center located in the northern Japan. The society, established in 2009, aims to share results of clinical researches of arthroscopy, knee joints and sports medicine, and is dedicated to development of the orthopedic industry in Japan. MicroPort® Orthopedics Japan attended the meeting and received about 60 questions and comments from our customers.





ISAKOS Congress in Lyon, France

The ISAKOS Congress is held every two years and took place in Lyon, France from June 7 to June 11. MicroPort® Orthopedics attended the congress and its booth showcased both the Medial Pivot philosophy as well as the SuperPath™ approach.

ISAKOS congresses are international gatherings, where leaders of national and regional societies meet to share research and societal information. The ISAKOS Congress is known for its vitality and variety, as well as diverse and high quality presentations. The congress included Scientific Paper Sessions, Discussions and Debates, Symposia, Live Surgical Demonstrations, Electronic Posters, Technical Exhibits, Instructional Course Lectures, Lunch Time Lectures and Hands on Workshops.



The 9th International Congress on Orthopedic Advanced Techniques and Clinical Translational Research

From May 16 to May 17, MicroPort® Orthopedics attended the 9th International Congress on Orthopedic Advanced Techniques and Clinical Translational Research, which was held by the faculty committee of medicine and health China Academy of Engineering and Shanghai Ninth People's hospital. MicroPort® Orthopedics displayed the entire portfolio of hip and knee replacement products. Faculties and experts came to visit MicroPort® Orthopedics booth, and our sales&marketing staff introduced the design concept and clinic result of SuperPath™ technique and medial pivot knee system to them.

MicroPort® Orthopedics hosted a satellite meeting on May 16 and invited a joint replacement expert to give a speech on design concept and clinic follow-up of the second generation of medial pivot knee system. By analyzing the cause of mid-flex instability of the knee,

MicroPort® Orthopedics demonstrated advanced technology and products in the congress, offering Chinese orthopedic experts safer solutions, which are expected to benefit more patients with joint related diseases.

MicroPort® Products Gain Market Approval in Overseas Market

On June 5, WALTZ CoCr Coronary Stent System was awarded the registration certificate in Argentina, which is the first registration certification the product gained in the South American region. Such approval provides a foundation for the product substitution in the market (former two generations of product are Mustang™ Coronary Stent System and Tango).

In addition, Hercules Bifurcated Stent-Graft System and CRONUS™ Stent Graft in Surgical Operation were also approved for market launch for the first time in Peru, which were the first approvals for the products of MicroPort Endovascular (Shanghai) Co ("MicroPort® Endovascular") in Peru.



The 4th Shanghai Jiao Tong University Vascular Disease Forum

From May 29 to May 31, the "4th Shanghai Jiao Tong University Vascular Disease Forum ("SJVF-2015")" was held by Shanghai Ninth People's Hospital Affiliated to Shanghai Jiao Tong University School of Medicine. On the booth of MicroPort® Endovascular, we displayed several endovascular products such as Castor Branched Aortic Stent Graft System, which was well recognized by experts in attendance.

The 1st Huashan Surgery International Forum Held

On June 4 to June 6, "The 1st Huashan Surgery International Forum," hosted by the Affiliated Huashan Hospital of Fudan University and the journal "China Oncology", was held in Shanghai.



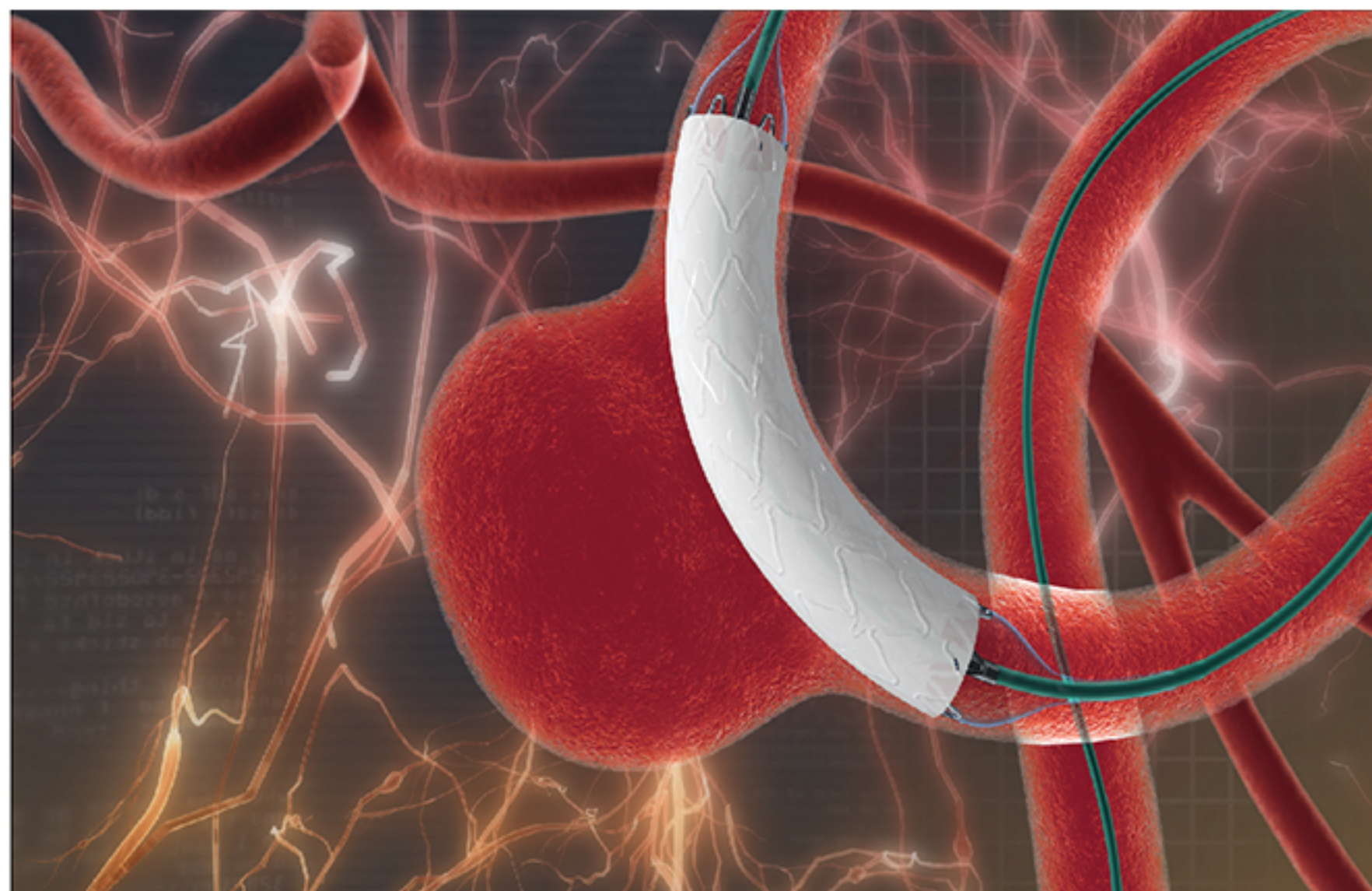
During the meeting, MicroPort® Endovascular hosted the special forum that was themed as "case studies of endovascular treatment of abdominal aortic aneurysms". Several professionals from famous domestic hospitals were invited to share and explain clinical cases of endovascular treatments of thoracic and abdominal aortic aneurysm, which helped enhance the participants' understanding in our products.

MicroPort® Endovascular Attends Workshop on Vascular Diseases

From June 13 to June 14, Henan Macro-vascular Diseases Diagnosis and Treatment Workshop was held in Zhengzhou, the capital city of Henan Province. As the sole sponsor of the meeting, MicroPort® Endovascular took this opportunity to promote our endovascular products such as Castor Branched Aortic Stent Graft System, which attracted a lot of attention.

MicroPort® NeuroTech Attends Pujiang Forum

From June 12 to June 13, the Fourth Pujiang Forum was held in Shanghai Jiaotong University School of Medicine Affiliated Renji Hospital. MicroPort® NeuroTech attended the forum with surgeons from domestic famous hospitals such as Capital Medical University Affiliated Beijing Tian Tan Hospital and Harbin Medical University Affiliated First Hospital. Staffs of Renji Hospital shared two cases of WILLIS® Intracranial Stent Graft System which was well received by people in attendance.



WILLIS® Intracranial Stent Graft System

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