Investor Newsletter

Issue 07 2015

MicroPort

MicroPort® Orthopedics Femoral Head Biolox Delta Ceramic and Rim-Lock Biolox Delta Ceramic Liner Awarded CFDA Registration Certificate

Shanghai MicroPort Orthopedics Co ("MicroPort® Orthopedics") recently received the registration certificates from China Food and Drug Administration ("CFDA") for its Femoral Head Biolox Delta Ceramic and Rim-Lock Biolox Delta Ceramic Liner. With their market launch, MicroPort® Orthopedics will offer better options to surgeons and patients.

Compared to metal products, the biggest advantages of ceramic products is to reduce wear debris, increase prosthesis survivorship, lower the risks of inflammation and prosthesis dislocation. As the fourth generation of MicroPort® Orthopedics' ceramic products, Femoral Head Biolox Delta Ceramic and Rim-Lock Biolox Delta Ceramic Liner are built on the basis of the third generation Forte Ceramic products with zirconium added to make the material stronger and cracking resistant.

The Biolox ceramic material used in Femoral Head Biolox Delta Ceramic and Rim-Lock Biolox Delta Ceramic Liner has been used to make hip reconstruction products for over 40 years. The material features excellent biocompatibility and scratch resistance to bone cement particles. With its outstanding wettability, it can form effective liquid film lubrication to reduce friction and wear. Up to date, more than 10 million joint prostheses made of Biolox ceramic material have been implanted worldwide.

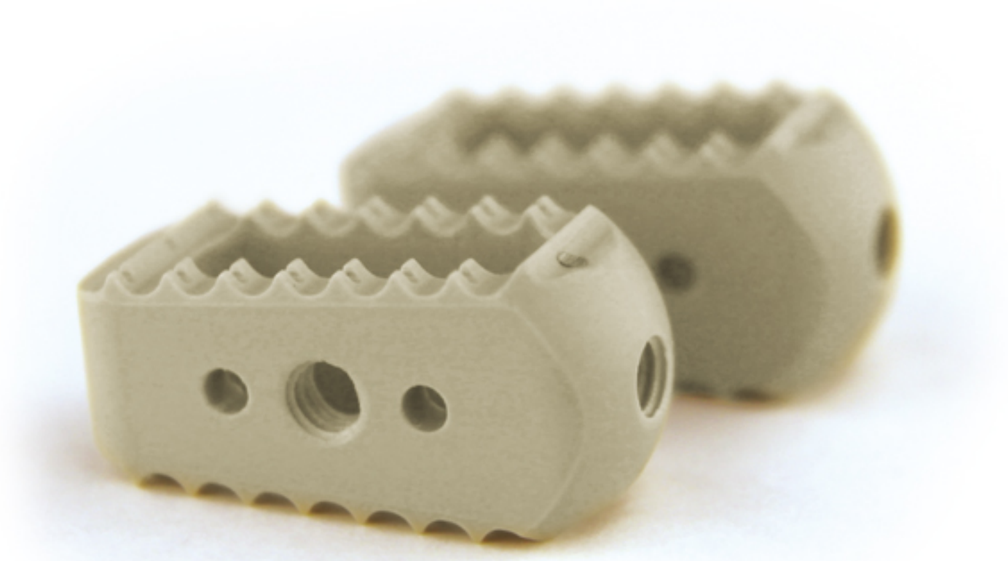
MicroPort

MicroPort® Orthopedics Completes First Implantation of Futago™

MicroPort® Orthopedics recently completed the first implantation of its in-house developed Futago™ Lumbar & Thoracic Fusion Device ("Futago™").

The device was used in a surgery conducted by a surgeon of the Third Affiliated Hospital of Nanchang University to treat a patient with severe lumbar spondylolisthesis. After lumbar decompression, pedicle screw fixation and bond fusion with Futago™, the operation turned out to be a success with less bleeding and excellent postoperative effect. The surgeon also spoke highly of the performance of Futago™ and its related surgical instruments.

Futago™ is MicroPort® Orthopedics' first new lumbar & thoracic fusion device that gained approval from China Food and Drug Administration ("CFDA") for market launch in 2015, and it received CE Mark approval in 2011. Futago™, consisted of a fusion device and a mark, is designed for stabilization use and to promote bone fusion during the normal healing process following surgical correction of disorders of the lumbar & thoracic spine. It is implanted in posterior approach, compatible with Spinal Posterior Fixation System, and indicated for lumbar or thoracic interbody fusion, including degenerative discopathy, lumbar pseudarthrosis and degenerative or isthmic with grade 1 residual displacement after reduction.



Futago™ features patented teeth design, biocompatible Polyetheretherketone ("PEEK") material, secure implant placement, optimum graft area for bone ingrowth and special anatomic design which makes the implant easy to insert. PEEK is currently one of the best kinds of material to make fusion device.

With an aging population, there is a growing demand for spine fusions in China and all over the world. In particular, the launch of lumbar & thoracic fusion device made of PEEK is of great importance to patients with degenerative disorders of the lumbar & thoracic spine. With the completion of Futago™'s first implantation, the device is expected to benefit more patients in China.

MicroPort

FOXTROT™ PRO PTCA Gains Market Approval in Thailand

FOXTROT™ PRO PTCA Balloon Dilatation Catheter ("FOXTROT™ PRO PTCA"), a product in-house developed by Shanghai MicroPort Medical (Group) Co ("MicroPort®"), recently received approval for market launch in Thailand. It is the first time that the product is permitted to launch in a non-European Union overseas market.

FOXTROT™ PRO PTCA is a rapid exchange balloon catheter for percutaneous transluminal coronary angioplasty ("PTCA"). It consists of an integrated shaft system and a balloon near the distal tip. The balloon is a semi-compliant balloon and is used for pre-dilatation of the stenotic atherosclerotic lesions of coronary artery diseases.

The device features thin balloon wall, low compliance and high burst pressure, which lead to its excellent pushability, traceability and crossability. Because of its small crossing profile, the product can be used as Kissing Balloon in 6F Catheter.

FOXTROT™ PRO PTCA is our new generation of balloon dilatation catheter. It received the CE Mark approval in March, 2015. As it is permitted to launch in Thailand, MicroPort® will further expand our overseas market and diversify our cardiovascular product line.

MicroPort

MicroPort® Endovascular Completes Enrollment of Pre-market Clinical Trial for Reewarm18

MicroPort Endovascular (Shanghai) Co ("MicroPort® Endovascular") recently completed the enrollment of pre-market clinical trial for its first-generation Reewarm18 Peripheral Balloon Dilation Catheter ("Reewarm18") to prove its safety and efficacy.

Reewarm18 is designed to treat peripheral vascular stenoses and occlusions (femoral artery, superficial femoral artery, popliteal artery, infrapopliteal arterial). As MicroPort® Endovascular's first-generation of peripheral balloon dilation catheter system, Reewarm18 features excellent pushability, higher flexibility, outstanding crossing-ability, lower compliance, shorter inflation/deflation time, as well as the widest codes with balloon diameter compared to other competitors' peripheral balloon dilation catheters.

The market launch of Reewarm18 is expected to break the domination by foreign companies to treat peripheral arteria diseases which have severely impacted the life quality of Chinese senior citizens. It is known that the prevalence of the disease is expected to be around 20 percent in a population aged over 65 and it is estimated that there are around 60 million people suffering from peripheral arteria diseases in the world. As one of the most common peripheral arteria diseases, lower extremity arterial disease ("LEAD") is mainly caused by arterial atherosclerosis with narrowing or blocking of the arteries in the legs and feet, and would cause a range of severity of symptoms such as claudication, rest pain and even limb necrosis which may lead to amputation, depending on the degree of narrowing at each vascular site.

"Endovascular therapy, such as balloon dilatation and stent implantation, is currently the most effective way to treat LEAD. It improves the blood supply to the extremities with the advantages of minimal invasion and short recovery time," said President of MicroPort® Endovascular. "We are looking forward to seeing Reewarm18 launched in the China market, so as to benefit Chinese patients with its high-quality and affordable price."

MicroPort® EP Attends CAFS to Promote Columbus™

Shanghai MicroPort EP MedTech Co ("MicroPort® EP") recently attended the 13th China Atrial Fibrillation Symposium ("CAFS") held from July 9 to July 12 in Dalian, to promote our Columbus™ 3D EP Navigation System ("Columbus™").

On July 11, MicroPort® EP hosted a satellite meeting titled Columbus™ Clinical Project Report, which attracted more than 100 attendees. The meeting was co-chaired by professors from the First Affiliated Hospital of Dalian Medical University, Peking University First Hospital, and the General Hospital of Shenyang Military.

During the satellite meeting, a professor from Capital Medical University Affiliated Beijing Anzhen Hospital explained the clinical trial results of Columbus™ and noted that its one-year follow-up success rate of curing persistent atrial fibrillation with single ablation stood at 67.1%, which was better than the 22.8% success rate of anti-arrhythmic drugs and has reached world-class level. A professor from Zhujiang Hospital of Southern Medical University introduced Columbus™ in general and presented its advantages, such as stable performance during procedure, real-time observation and analysis of electrical signal change in the process of atrial fibrillation ablation, and incorporating multi-channel EP recording functions. A professor from Renmin Hospital of Wuhan University and a professor from the General Hospital of Shenyang Military also shared their experience in using Columbus™. Many experts spoke highly of Columbus™ and expected its market launch in China.

Aside from Columbus™, MicroPort® EP also displayed some other new products including PathBuilder™ Transseptal Introducer and Needle and Steerable Bi-directional Introducer in its booth, which attracted a lot of attention from experts in attendance.

MicroPort® Lifesciences Attends Diabetes and Gonadal Disorders Meeting to Promote La Fenice®

Shanghai MicroPort Lifesciences Co ("MicroPort® Lifesciences") recently attended the Fifth Academic Meeting of Diabetes and Gonadal Disorders of Chinese Medical Association, held from July 2 to July 4 in Chengdu of Sichuan Province. The meeting provides a platform for experts of diabetes and gonadal disorders to share the latest developments in the two areas. MicroPort® Lifesciences was present with a booth and released reports to promote our endocrinal management device La Fenice® Hypophyseal Hormone Infusion Pump ("La Fenice®").

La Fenice® Hypophyseal Hormone Infusion Pump

In-house developed by MicroPort® Lifesciences, La Fenice® is designed for the treatment of Idiopathic Hypogonadotropic Hypogonadism ("IHH") which is also known as Kallmann Syndrome and is the first domestically developed gonadotropin-releasing hormone ("GnRH") pulse pump. In China, the incidence of IHH is 1/2000 in men and 1/10000 in women.

During the meeting, a professor from Chinese PLA General Hospital was invited to interpret the report "IHH Treatment Expert Consensus" which is compiled by professionals of the Gonad Research Group of Chinese Medical Association to the more than 600 doctors in attendance. This report is expected to enhance endocrinologists' understandings in IHH diagnosis and treatment, as well as provide guidelines on La Fenice®'s application.

Meanwhile, MicroPort® Lifesciences organized a discussion among several endocrinologists from famous domestic hospitals including Chinese PLA General Hospital, Peking Union Medical College Hospital and the First Affiliated Hospital of Zhengzhou University. During the discussion, a professor from Peking Union Medical College Hospital shared his hospital's experience in treating IHH with La Fenice®. He compared the effects and influence factors of improving sperm-producing when male patients are respectively treated with La Fenice® and HCG/HMG intramuscular injection, as well as the effects and influence factors of increasing ovulation when female patients are treated with La Fenice® and HCG/HMG intramuscular injection respectively, and reached the conclusion that La Fenice® can awake the pituitary function but HCG/HMG intramuscular injection produced no effect.

La Fenice® works as an artificial hypothalamus – La Fenice® stimulates hypophysis to excrete follicle-stimulating hormone ("FSH") and luteinizing hormone ("LH") by simulating pulse excretion of human GnRH. In this way, it helps the development of the patient's secondary sex characters and enables him/her to regain sexuality and fertility.

Mediterranean Meeting

On June 26 and June 27 in Verona, MicroPort® Orthopedics Italy held the first ever Mediterranean Meeting.

The aim of this new format meeting is to gather surgeons from all the Mediterranean area and beyond: we had more than 80 delegates coming from Italy, Spain, France, Morocco, Tunisia, Egypt, Lebanon, Greece, UAE and Russia.

The meeting was held at Verona University Aula Magna. Outside the meeting room the workshop was really appreciated by all the delegates as they had the possibility to touch and see MicroPort® implants and instruments.

The meeting started on June 26 afternoon with the hip session: presentations were given by experts from France, Spain, and Italy. On June 27 morning the knee session presentations were given by Professors from France, Greece, and Italy. Both the sessions were highly interactive and the feedback is very positive. All the delegates enjoyed the gala dinner on June 26 evening with a beautiful panorama of the city of Romeo and Juliet.

Medial Pivot Meeting UK

MicroPort® UK held another successful Medial Pivot didactic educational meeting in central Birmingham on the evening of the July 2.

As part of the UK's 2015 "4 pillars Meeting Program" an invited group of surgeon delegates from Birmingham and Central England met at the Hyatt Hotel. The delegates were led in presentation and discussion by a representative (of London & Windsor) who detailed the intrinsic design benefits of Advance® & Evolution™ medial pivot philosophy knees. A representative of the Royal Orthopaedic Hospital Birmingham broadened the discussions further, presenting on improved patient outcomes with medial pivot philosophy and shared with the gathered delegates how using Advance® medical pivot philosophy knee and more recently Evolution™ medical pivot philosophy knee has improved his patient outcomes.

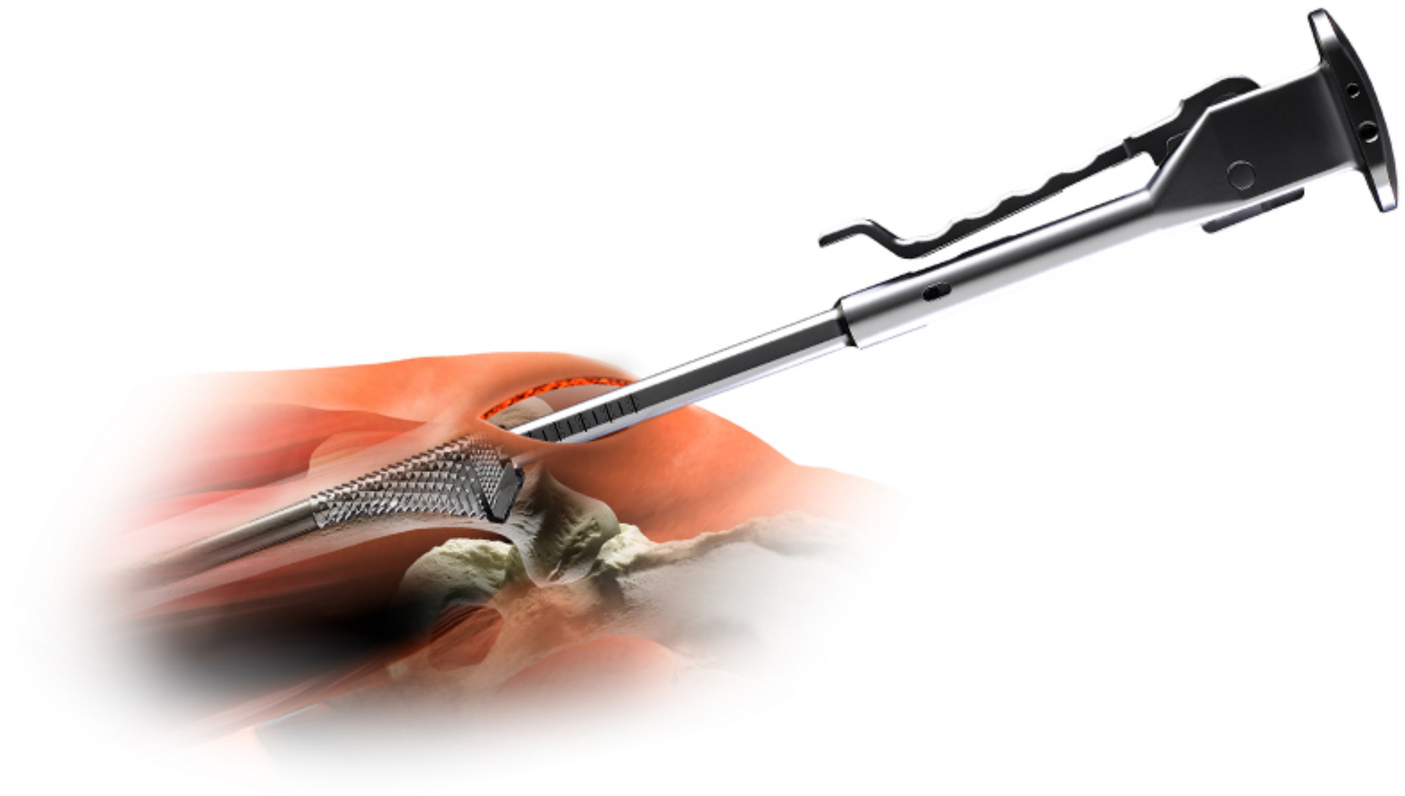
These local, focused and impactful meetings have been highly effective in demonstrating design related benefits to our delegates and helps promote directly to the surgeon invitee the patient related design benefits our medial pivot philosophy knees can offer their patients.

MicroPort

MicroPort® Orthopedics Establishes SuperPath™ Training Center

On June 28, MicroPort® Orthopedics established the Training Center of SuperPath™ Micro-posterior Total Hip Arthroplasty ("THA") Surgical Technique in Zhejiang People's Hospital located in Hangzhou, Zhejiang Province. The center, headed by experts of Orthopedics of Zhejiang People's Hospital, is dedicated to promoting training and education of SuperPath™ surgical techniques.

On the same day, MicroPort® Orthopedics hosted a workshop on SuperPath™ and more than 150 local orthopedic surgeons participated. During the workshop, we demonstrated SuperPath™ surgical techniques and introduced its fast-recovery effect to people in attendance.



MicroPort

National Joint Surgery Development and Trend Summit

From July 3 to July 4, National Joint Surgery Development and Trend Summit was held in Shanghai.

During the meeting, experts in attendance reviewed the developments of joint surgery in China in the past three decades and discussed its future trends in the next ten years in terms of academic theories and surgical skills, such as establishing clinical large databases, improving therapeutic efficacy and cutting down resource consumption.

One of the hot topics was "Fast Recovery." As China's medical resource is in short supply – in 2014, the total volume of diagnosis and treatment increased 42%, however the number of medical personnel only went up 38% - it is of great significance to shorten hospital stays and save medical resources and that's why surgeries and products with "Fast Recovery" philosophy are encouraged and promoted by the government and are expected to lead the market. As a "Fast Recovery" surgical technique, SuprePath™ was mentioned several times by surgeons during the summit.

MicroPort Satellite Meeting

During the summit, MicroPort® Orthopedics hosted a satellite meeting, chaired by surgeons from Shanghai Changzheng Hospital. A surgeon of Shanghai Changzheng Hospital delivered a speech on "New Concept—Fast Recovery", and surgeons of Nanjing Drum Tower Hospital gave a speech on SuperPath™ surgical technique and clinical result, which were well received by participants. In the group discussion session held afterwards, the experts showed great interest in trying SuperPath™ technique and Fast Recovery concept.

MicroPort® Orthopedics Attends CKS

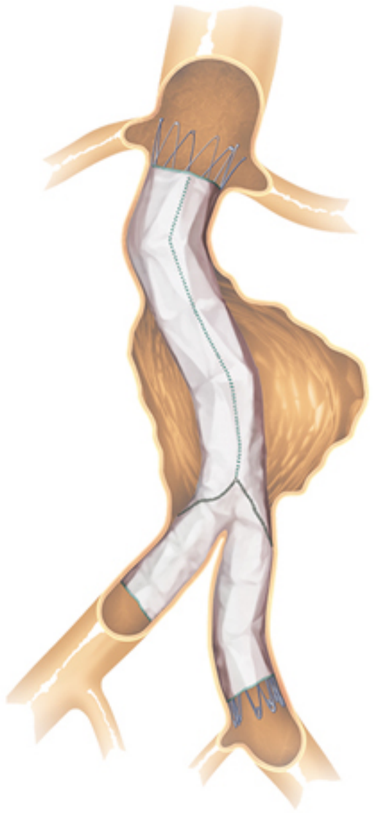
From June 26 to June 28, the Third China Knee Summit ("CKS") was held in Changsha, Hunan Province. As one of the most influential knee surgery congresses, the CKS attracted more than 1,000 attendees, many of which are orthopedic experts. MicroPort® Orthopedics attended the congress and hosted a satellite meeting. Our ADVANCE® Total Knee Arthroplasty System and PROPHECY™ Pre-Operative Navigation Guides attracted a lot of attention.

MicroPort® Endovascular Attends SPEAC

From June 26 to June 28, 2015 Shanghai Peripheral Endovascular Course （"SPEAC"） was held in Shanghai. MicroPort® Endovascular attended with a booth to display our endovascular products such as Castor Branched Aortic Stent Graft System and Aegis™ Bifurcated Stent-Graft System.

MicroPort® Endovascular Promotes Products in Vascular Surgery Forum

From June 26 to June 28, the Second Sichuan Vascular Surgery Forum was held in Luzhou, Sichuan Province. MicroPort® Endovascular invited surgeons of Vascular Surgery Department of Sichuan Medical University, to lecture on the advantages of Aegis™ Bifurcated Stent-Graft System, and we also demonstrated the implantation process of Hercules Low Profile Stent-Graft System during the forum.

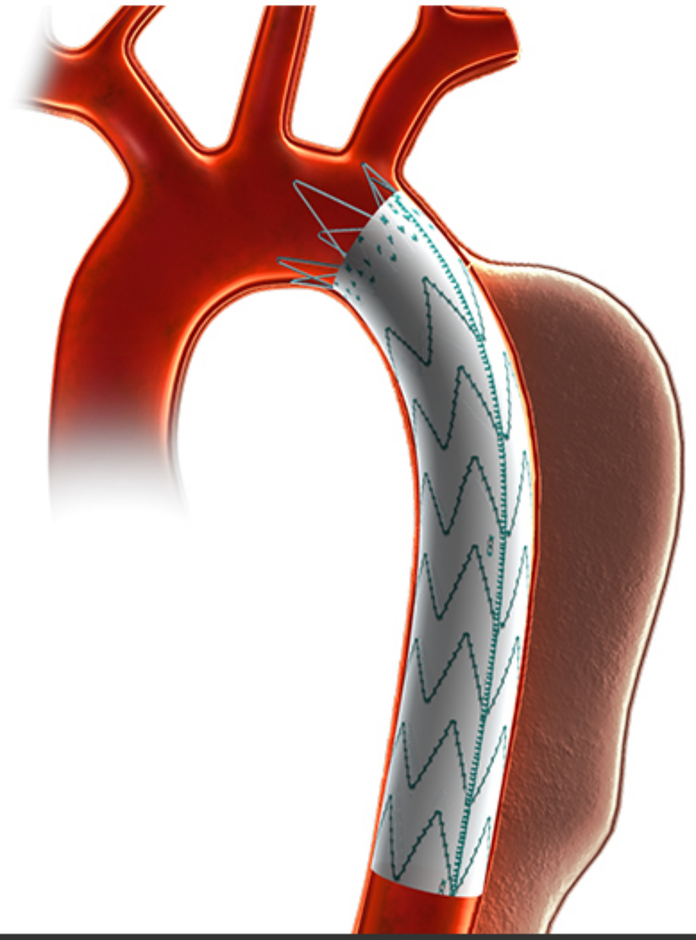


MicroPort® Endovascular Attends Vascular Congresses

From July 9 to July 12, seven vascular congresses and forums were held together in Changsha, Hunan Province to provide a platform for surgeons and industry experts to exchange the latest development in the vascular surgery industry. MicroPort® Endovascular attended the event and many attendees came to our booth and inquire about our Aegis™ Bifurcated Stent-Graft System. Meanwhile, professors from Central South University Affiliated Xiangya Hospital and the First Affiliated Hospital of Gannan Medical University introduced the advantages and features of MicroPort® Endovascular stents, which was well received by participants.

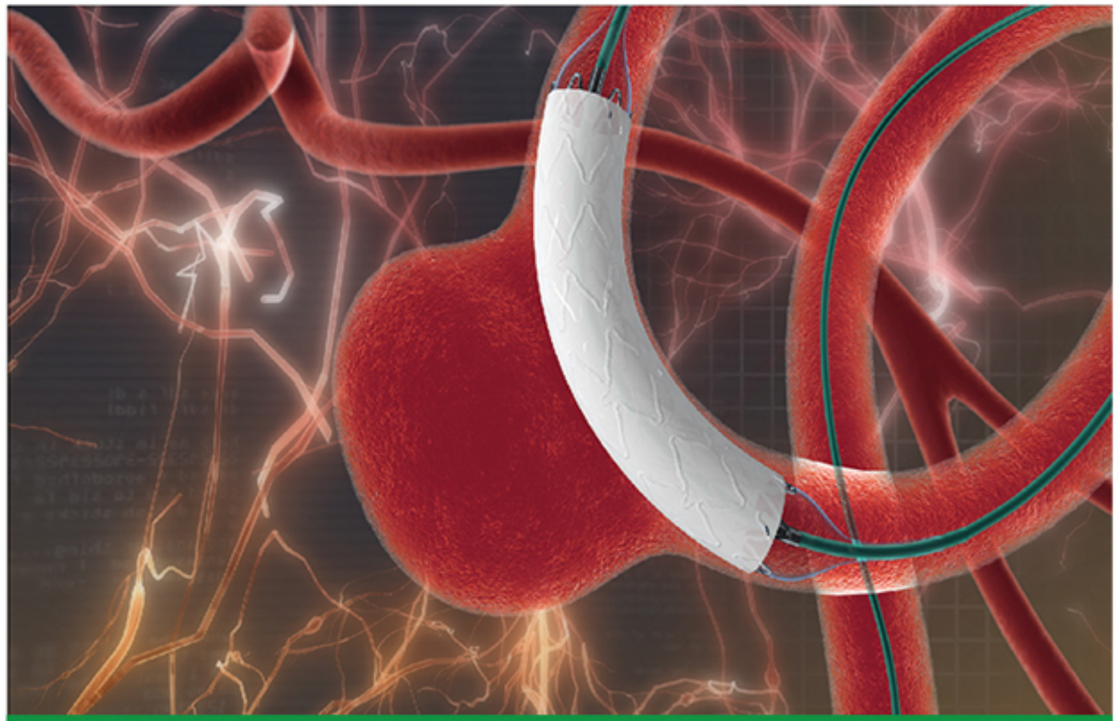
Mini Lecture in Guangzhou

On July 11, MicroPort® Endovascular hosted a Mini Lecture in Guangzhou, Guangdong Province. Experts from Guangdong General Hospital, Beijing Anzhen Hospital and Shenzhen People's Hospital were invited to share their experience in using Hercules Low Profile Stent Graft through case studies. Meanwhile, we displayed Hercules Low Profile product simulator and samples of Aegis™ Bifurcated Stent-Graft System and Delivery System, which attracted a lot of attention from experts in attendance.



MicroPort® NeuroTech Attends Neurovascular Forum for Young Surgeon

From July 17 to July 18, the 2015 Neurovascular Forum for Young Surgeon was held in Zhengzhou, Henan Province. About 70 surgeons from local hospitals' departments of Neurosurgery, Internal Medicine and Intervention Therapy, attended the forum to share surgical experience and learn the latest trends of the industry. During the event, MicroPort NeuroTech (Shanghai) Co interacted with some experts to promote our WILLIS® Intracranial Stent Graft System and APOLLO Intracranial Stent System.



WILLIS® Intracranial Stent Graft System

MicroPort

MicroPort® Lifesciences Attends CEA Annual Meeting

From July 17 to July 18, the Annual Meeting of Chinese Endocrinologist Association ("CEA") was held in Suzhou, Jiangsu Province. MicroPort® Lifesciences attended the meeting and hosted a satellite meeting. Experts from Shanghai Ruijin Hospital were invited to share the knowledge about Isolated Hypogonadotropic Hypogonadism ("IHH") treatment. Endocrinologists from the Third Affiliated Hospital of Southern Medical University showed interest in using La Fenice® Hypophyseal Hormone Infusion Pump to treat IHH.

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