

# Investor Newsletter

Issue **07** 2016





## MPSC Announces Profit Turnaround in 1H 2016

MicroPort Scientific Corporation (HK: 853) ("MPSC" or the "Company") announced that it is expected to record a net profit of not less than USD4 million for the six months ended 30 June 2016 as compared with a net loss of USD2.59 million recorded for the six months ended 30 June 2015. The expected increase is primarily attributable to a significant revenue growth from cardiovascular and endovascular segments in the China market, particularly the third-generation coronary stent product Firehawk® Rapamycin Target Eluting Coronary Stent ("Firehawk®"), and favorable foreign exchange impact.

According to the reports issued by research analysts following the announcement, MPSC profit turnaround in the first half of 2016 is beyond market expectation and the high potential orthopedic business coupled with the sound innovative product pipeline will continue to drive MPSC's healthy growth trajectory. Guolian Securities initiates coverage of MPSC with Recommendation Rating as they fundamentally believe that MPSC's diversified portfolio starts to deliver results and the potentials are yet to be reflected in MPSC's market value.

The Company's 2016 Interim Results information contained in this news is a preliminary assessment made by the board of directors based on the latest management accounts which have not been audited or reviewed by the independent auditors of the Company. MPSC is still in the process of preparing and completing the 2016 Interim Results, which is expected to be published before the end of August 2016.







Firehawk™  
Rapamycin  
Target Eluting  
Coronary Stent  
System

## Firehawk® Granted Market Approval in India

On July 14, Firehawk®, in-house developed by Shanghai MicroPort Medical (Group) Co., Ltd. ("MicroPort®"), was granted market approval by India's Central Drugs Standard Control Organization, the national regulatory body for Indian pharmaceuticals and medical devices.

The revolutionary third-generation drug-eluting stent Firehawk® is the result of eight years of research and development of MicroPort® and is the world's first and only target eluting stent ("TES"). As the world's lowest drug dosage stent, Firehawk® combines the merits of bare metal stents and drug-eluting stents ("DES"). It adopts unique laser outer-surface-groove drug-coating technology and target-eluting technique, which allow Firehawk® to achieve the same clinical efficacy with largely lowered drug loadings, beneficial for vascular early healing.

There are about 30 million patients suffering from heart diseases in India, and cardiovascular disease is the leading health killer in this second most populous country of the world. As Firehawk® is permitted for market launch in India, it will provide a more ideal solution for local patients with cardiovascular disease.

Firehawk® received the registration certificate from China Food and Drug Administration ("CFDA") and the CE Mark approval from the European Notified Body, and was approved for market launch in 17 overseas countries including Brazil in South America, and Thailand, the Philippines and Indonesia in Asia. Firehawk®'s market launch in India, one of the largest markets in Asia, will accelerate the development of MicroPort®'s international business, and will increase the impact of MicroPort® brand and products on India's surrounding countries.



## Firefighter™ PTCA Balloon Dilatation Catheter Granted CE Mark

Firefighter™ PTCA Balloon Dilatation Catheter ("Firefighter™"), in-house developed by MicroPort®, received the CE Mark on July 15, marking the official entry of MicroPort®'s new generation coronary balloon dilatation catheter into the European Union ("EU") market.

Firefighter™ is used in percutaneous transluminal coronary angioplasty ("PTCA") for coronary dilatation. It can be used in combination with MicroPort®'s in-house developed Firehawk®. As the new generation of high-end balloon catheter MicroPort® elaborately designed after JIVE™ PTCA and FOXTROT™ PRO PTCA Balloon Dilatation Catheters, Firefighter™ has much smaller balloon crossing profile and softer material compared to competitors' products, allowing the product to repetitiously cross stenotic and tortuous lesions with excellent crossability. Its super-tiny design size makes it possible for two balloon catheters to be accommodated in a 5F guiding catheter, which facilitates doctors to perform complex operations such as kissing. The Firefighter™ that gained the CE Mark this time has a total of 43 specifications, covering 12 diameters (1.0mm-4.0mm), and four lengths (6mm, 10mm, 15mm and 20mm).

As Firefighter™ is permitted to be launched in the EU market, MicroPort® will further diversify our cardiovascular product line, with accelerated product upgrading. With its outstanding performance, Firefighter™ is expected to help MicroPort® further consolidate and expand its coronary products' market share in the overseas market.





## MicroPort® Catheter Sheath Group Products Obtains **CFDA** Registration Certificate

MicroPort® recently obtained the CFDA registration certificate of for its in-house developed catheter sheath group products.

The catheter sheath group products are sterile, single-use accessories of intravascular catheter, mainly used as puncture instruments in angiography and interventional operations, and as channels for catheters and guide wires to go in and out of the blood vessels in post-puncture. The catheter sheath group products are composed of seven components including dilator, catheter sheath, puncture needle, guiding casing pipe, short guide wire, plastic handle scalpel and injector.

With the rapid development of interventional operations, there is huge demand for catheter sheath group products. The CFDA approval of MicroPort®'s catheter sheath group products will expand the company's product line, and meet the maker demand for whole-series accessories of interventional puncture products and diagnostic products.







## MicroPort® Orthopedics Attends Warwick Sports Hip Meeting 2016

MicroPort® Orthopedics recently attended Warwick Sports Hip Meeting 2016 as a key sponsor. MicroPort® Orthopedics was present with a booth location. The SuperPath™ Micro-posterior Total Hip Arthroplasty Technique ("SuperPath™") was introduced to a broad range of consultants, registrars and physiotherapists, all with a keen interest in advancements in hip surgery and enhanced recovery.



## Fourth Orthopedic Academic Meeting of Cross-Strait Medical and Healthcare Exchange



From July 15 to July 17, the Fourth Orthopedic Academic Meeting of Cross-Strait Medical and Healthcare Exchange was held in Xi'an of Shaanxi Province. The meeting, hosted by Cross-Strait Medical and Healthcare Exchange and Chinese Speaking Orthopaedic Society, mainly focused on the latest development of clinic and fundamental researches in the areas of spine, trauma, joint, bone and soft tissue tumors, microscopic and hand surgery, and orthopedic rehabilitation. Around 300 orthopedic surgeons from the mainland, Hong Kong, Taiwan and Macao attended the meeting.

During the conference, Suzhou MicroPort OrthoRecon Co., Ltd. ("MicroPort® OrthoRecon") hosted a satellite meeting focused on Patient Satisfaction and Fast Recovery. Professor Jianmin Feng of Ruijin Hospital of Jiao Tong University and Professor Yunsu Chen of Shanghai Sixth People's Hospital delivered speeches regarding the design concept of Medial-Pivot Knee, and SuperPath™ Surgical Technique and Fast Recovery.

Professor Jianmin Feng introduced in detail the design concept of Medial-Pivot Knee to attendees. He pointed out that MicroPort® Medial-Pivot Knee was launched in 1998 with 20 years of clinical history. In 2010, EVOLUTION™ Medial-Pivot Knee System ("EVOLUTION™"), the second-generation of MicroPort® Medial-Pivot total knee implant, was launched. All Medial-Pivot total knee implants feature ball-in-socket articulation which enhances stability and allows the prosthesis to move and feel more like a normal knee.

Following the satellite meeting, there was a discussion panel on knee prosthesis, in which Professor Haishan Wu, a renowned orthopedic expert, shared the new idea of fast recovery after knee replacement, which focused on muscle rehabilitation and perioperative management. Professor Yong Ding from Xi'an Tangdu Hospital started with mid-flexion instability to explain the surgical treatment principles and the impact of different prosthesis designs.





## TKA Training Course in Queen Mary Hospital of University of Hong Kong

From July 7 to July 8, MicroPort® OrthoRecon successfully launched the first “Queen Mary Hospital of University of Hong Kong Total Knee Arthroplasty (“TKA”) Training Course” in Hong Kong. A total of 11 knee replacement experts from Beijing, Shanghai, Guangdong, Shandong, Chongqing and Fujian came for the two-day training to further study TKA techniques and get a deeper understanding in the design concept and surgical techniques of the Medial-Pivot Knee.

The training course is chaired by Peter KY Chiu from Department of Orthopaedics & Traumatology of the University of Hong Kong, Queen Mary Hospital. Professor Chiu is a renowned orthopedic expert who has been engaged in medical education of knee surgical techniques for mainland doctors since 1998. ▶

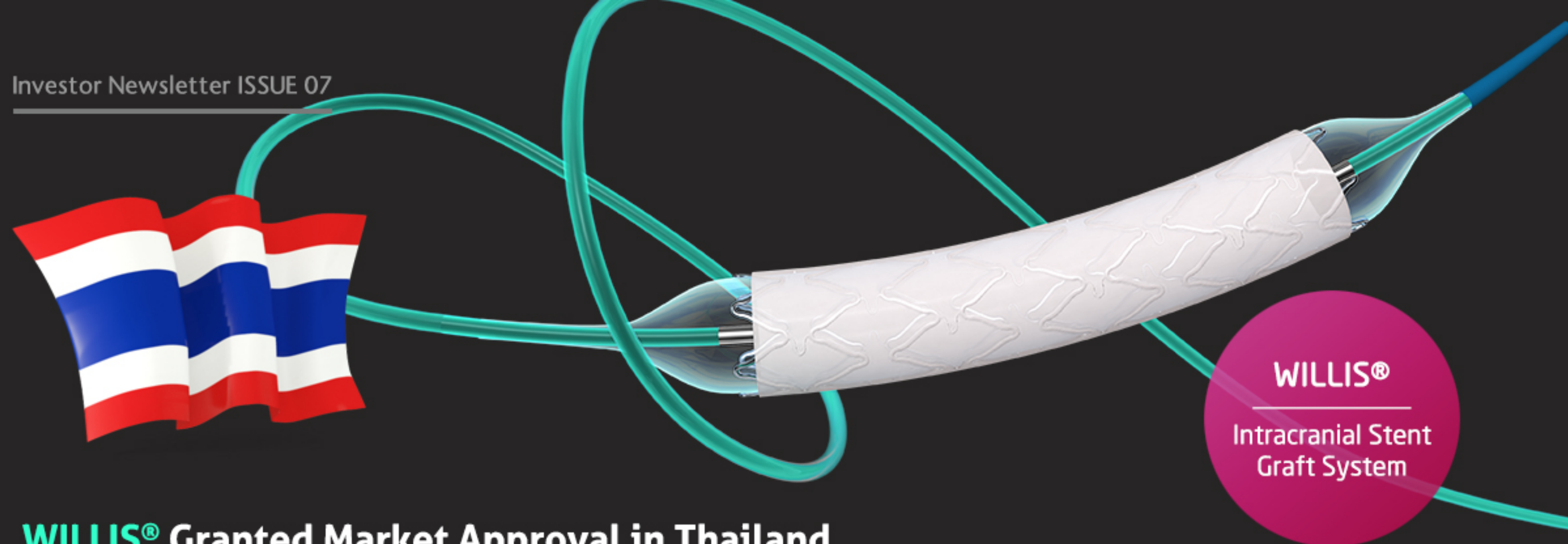




In the morning of the first day, Professor Chiu introduced the basic theories of TKA and the design concept of the Medial-Pivot Knee to trainees. Following the lectures, there were four operation demonstrations in which EVOLUTION™ was used to treat patients with osteoarthritis, enabling the trainees to get hands-on experience with the Medial-Pivot Knee.

In general, this TKA training course provided trainees with a thorough comprehension of Medial-Pivot Knee's design concept as well as its advantages compared to traditional knee joint prostheses. Meanwhile, the EVOLUTION™ surgical techniques that the trainees learnt during the training is expected to lay the foundation for them to carry out EVOLUTION™ surgeries in their local hospitals in the future.





## WILLIS® Granted Market Approval in Thailand

WILLIS® Intracranial Stent Graft System ("WILLIS®"), a neurovascular product in-house developed by MicroPort NeuroTech (Shanghai) Co., Ltd. ("MicroPort® NeuroTech"), was recently granted market approval from Thailand Food and Drug Administration. It is the first registration certificate MicroPort® NeuroTech gained in the overseas market, marking an important step forward in exploring the international markets.

WILLIS® is the first stent graft system launched in China for the treatment of intracranial aneurysms, and is the first product in China that adopts the design of vascular reconstruction. It is composed of the stent and delivery system. With the procedure of vascular reconstruction, WILLIS® achieves complete occlusion of intracranial aneurysms, keeps the parental artery open, and leads to recovery in hemodynamics of the lesion area to achieve vascular reconstruction so as to attain the effect of treating aneurysm.

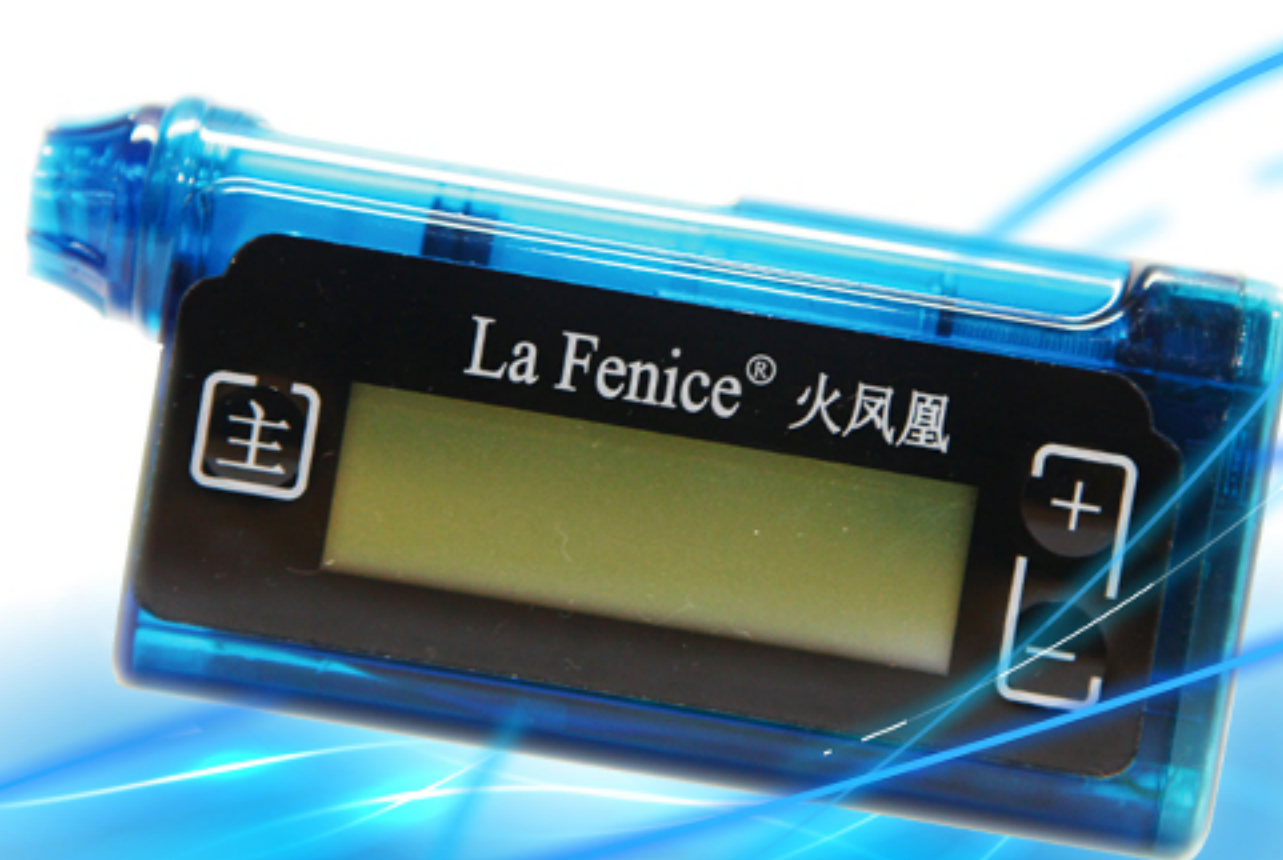
Intracranial aneurysm is a cerebrovascular disorder in which weakness in the wall of a cerebral artery or vein causes a localized dilation or ballooning of the blood vessel. The disease is regarded as a bomb ticking in brain to explode at any time, with incidence as high as 2% to 4% in people aged between 40 and 60. If an intracranial aneurysm ruptures, the fatality is 40% and the disability rate is 33%. Compared with the traditional method of stent-assisted coil embolization treatment, the procedure of vascular reconstruction using WILLIS® features small occupied effect, reduced risk of reoccurrence, and lower treatment cost, as it effectively shunt the blood flow and keep it off of the aneurysm wall, which leads to thrombosis in the Intracranial aneurysm. With WILLIS®, patients suffering from wide-necked, giant, or ruptured aneurysms or pseudoaneurysms can receive better treatment effect.



## MicroPort® Lifesciences Hosts Satellite Meeting in 2016 Annual Academic Meeting of Society of Diabetology & Society of Endocrinology of Guangxi Medical Association

MicroPort Lifesciences (Shanghai) Co., Ltd. ("MicroPort® Lifesciences") recently attended the 2016 Annual Academic Meeting of Society of Diabetology & Society of Endocrinology of Guangxi Medical Association held from June 25 to June 26 in Nanning of Guangxi Province, with around 300 experts and physicians in attendance.

During the meeting, MicroPort® Lifesciences hosted a satellite meeting in which Professor Xueyan Wu, Chief Physician of Endocrinology Department of Peking Union Medical College Hospital, was invited as the key speaker to exchange ideas with attended doctors regarding the Development of Idiopathic Hypogonadotropic Hypogonadism ("IHH") Diagnosis. Professor Wu interpreted the symptoms, causes, pathological mechanisms, diagnosis and treatment of constitutional delay of puberty in a comprehensive and through manner, and noted that gonadotropin-releasing hormone ("GnRH") pump is a good treatment choice for IHH patients whose disease is caused by hypothalamic disorder and whose pituitary is in good function. La Fenice® Hypophyseal Hormone Infusion Pump ("La Fenice®") is a GnRH pump developed by MicroPort® Lifesciences. According to the research results of Peking Union Medical College Hospital, male IHH patients who are treated with La Fenice® have higher sperm production rate compared to those who are treated with HCG/HMG intramuscular injection. Similarly, GnRH pump is also effective in treating female IHH patients. ▶







According to findings of clinical studies, most polycystic ovary syndrome ("PCOS") patients would receive good treatment results after using GnRH pump with constant frequency of infusion of 10 $\mu$ g at 90 minutes intervals. As for the female patients who fail to have obvious changes in either hormone level or physical conditions after the above-mentioned treatment, treatment with variable frequency based on female physiological characteristics may result in better effect.

Due to the abnormal GnRH hormone synthesis, function, or secretion, which leads to different degrees of deficiency of pituitary gonadotropin (LH, FSH) that results in hypogonadism, IHH is one of the important reasons for the delayed puberty and infertility. Jointly developed by the Endocrinology Department of Shanghai Ruijin Hospital and MicroPort® Lifesciences, La Fenice® provides a more ideal GnRH pulse therapy platform for the treatment of IHH, and was granted the National Utility Model Patent. This pump allows patients to personalize the infusion, with micro-dose and precise amount, and the pulse infusion is fast and powerful. In addition, La Fenice® is of high safety, and easy to operate and carry.

After the satellite meeting, many attendees came to visit MicroPort® Lifesciences booth for further inquiry and cooperation. Several endocrinologists showed interests in La Fenice® and said they would attempt to carry out clinical applications to serve more patients.



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For more information, please contact:

**Martin Sun**

Chief Financial Officer

Shanghai MicroPort Medical (Group) Co., Ltd. (HQ)

**Tel:** (86)(21) 38954600

**Email:** [ir@microport.com](mailto:ir@microport.com)

**Leanne Li**

Board Secretary & Senior Director of External Affairs

Shanghai MicroPort Medical (Group) Co., Ltd. (HQ)

**Tel:** (86)(21) 38954600

**Email:** [ir@microport.com](mailto:ir@microport.com)