

Investor Newsletter

Issue **09** 2016



State Council Counselor Xianping Xu Visits MicroPort®

On September 12, State Council Counselor Xianping Xu and his team visited Shanghai MicroPort Medical (Group) Co ("MicroPort®") for research purpose. MicroPort® Chairman and Chief Executive Officer Dr. Zhaohua Chang and other members of MicroPort® management received the team.

This is Mr. Xu's second visit to MicroPort®, during which the team were shown around MicroPort® Self-Experience Center and briefed MicroPort®'s technology innovation, product clinical application, corporate vision and future plan. Mr. Xu highly recognized MicroPort®'s rapid development, and he said that the State Council and other relevant government departments will continue to provide support to MicroPort® and other new and high technology enterprises to drive their innovation and development.



MicroPort® Hosts First EMEA Regional Distributor Summit

From September 22 to September 23, Shanghai MicroPort Medical (Group) Co ("MicroPort®") successfully hosted its first EMEA (Europe, Middle East and Africa) Regional Distributor Summit in Amsterdam. Distributors and potential distributors from 10 countries including Poland, Romania, Sweden, Austria, Greece, Israel and Italy, with Jonathan Chen, MicroPort® Senior Vice President of International Operations and Investor Relations and Dr. Linda Lin, MicroPort® Vice President of International Business, attended the summit.



Jonathan Chen, MicroPort® Senior Vice President of International Operations and Investor Relations, delivered the opening speech for the summit. He introduced to distributors the overview of MicroPort®'s history, business segments and future development plan with emphasis on its globalization strategy and its international business development. Afterwards, Senior Marketing Manager carried out training on its products including Firehawk® Rapamycin Target Eluting Coronary Stent System ("Firehawk®"), Firefighter™ PTCA Balloon Dilatation Catheter, PCI accessories, and electrophysiological devices, to enhance distributors' understanding in MicroPort® products. In addition, managers of regulatory affairs, finance and operation in the EMEA Region organized compliance training for attendees and introduced the procedures of logistics and customer service in the EMEA Region. Meanwhile, distributors shared the market development in their countries or regions and offered suggestions on how to further expand the markets.

MicroPort®'s first EMEA Regional Distributor Summit effectively enhanced the distributors' understanding in MicroPort® products and strengthened their confidence in cooperation with MicroPort®. In the future, MicroPort® will continue to work with the overseas distributors to introduce more innovative products to the international markets and provide more ideal solutions to foreign patients.

Firehawk® Regulatory Approval in Pakistan

On September 8, MicroPort® announced that its in-house developed Firehawk® received approval from the Drug Regulatory Authority of Pakistan (“DRAP”).

Firehawk® is MicroPort®'s third generation drug-eluting stent (“DES”), used for the treatment of coronary artery stenosis and occlusion after Firebird® Rapamycin-Eluting Coronary Stent and Firebird2® Rapamycin-Eluting Coronary CoCr Stent. As the world's lowest drug dosage stent, Firehawk® combines the merits of bare metal stents and DES. It adopts unique in-groove abluminal coating design and target-eluting technique, which allow Firehawk® to achieve the same clinical efficacy with significantly low drug loading, benefiting vascular early healing.

Pakistan is the sixth most populous country in the world. Pakistani population has one of the highest risks of coronary heart disease in the world. In Pakistan, 30 to 40 percent of all deaths can be attributed to cardiovascular diseases. The coronary heart disease death in Pakistan has reached about 200,000 per year. With Firehawk®'s regulatory approval in Pakistan, MicroPort® will offer more ideal solutions to local patients.



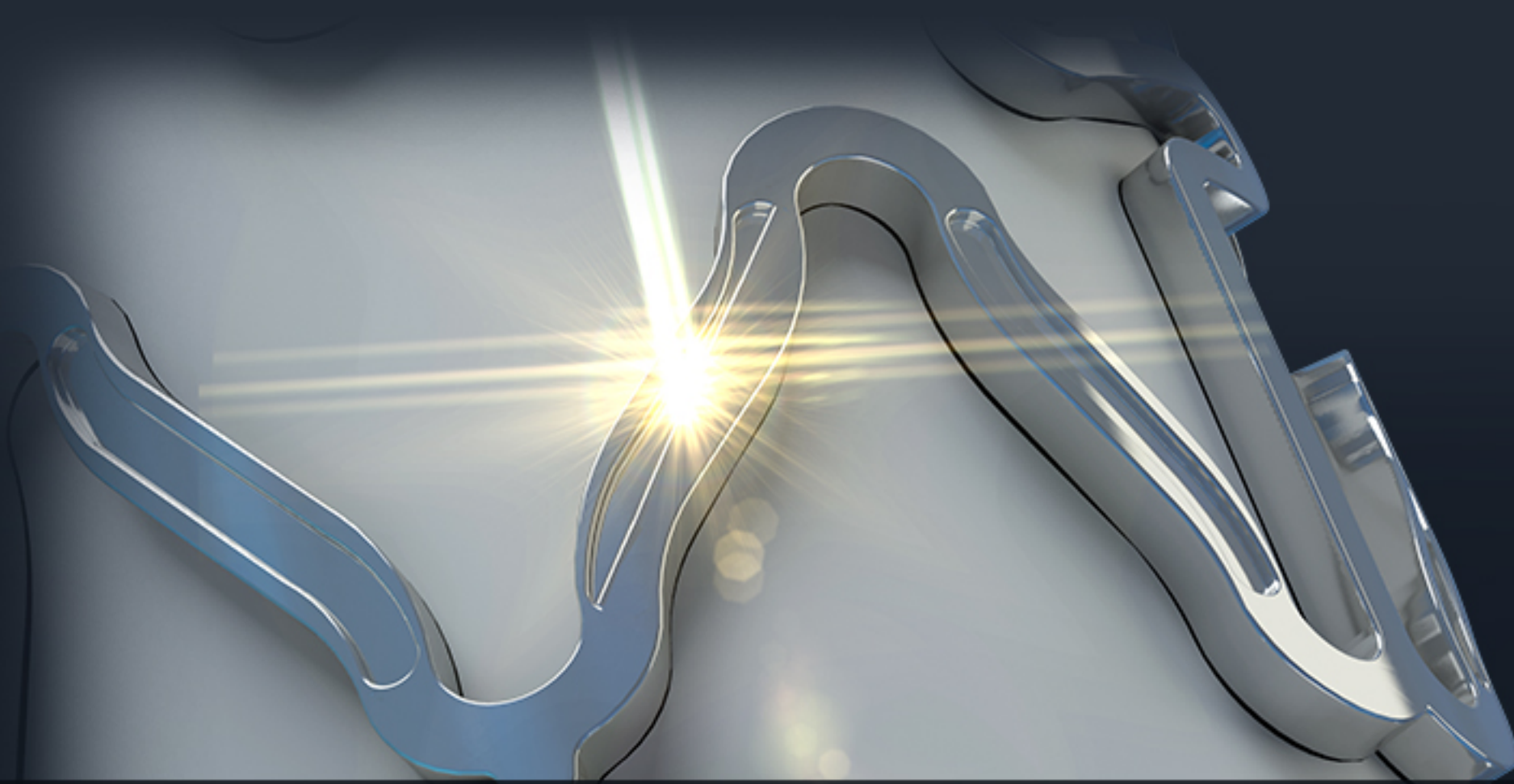
Firehawk®
Rapamycin
Target Eluting
Coronary Stent
System

Firehawk® Implantation in East Europe Completed

The first implantation of Firehawk® in East Europe was recently successfully completed in Emergency Institute for Cardiovascular Diseases "Prof. C. C. Iliescu" in Bucharest, the capital city of Romania. Firehawk® is a target-eluting stent in-house developed by MicroPort®.

The patient is a 48 year-old male with acute myocardial infarction. Professor Adrian Bucsa successfully implanted a Firehawk® stent of 2.75/38 mm in a mid-LAD (left anterior descending coronary artery) of the patient, together with Dr. Marin Postu and Dr. Lucian Zarma. There were no dissections at the stent edges and post-dilation with a 3.0 balloon was easily done. Professor Adrian Bucsa commented that Firehawk® was easily delivered in treating long lesion with good expansion and quick deflation of the balloon, and overall the experience was good in an acute situation.

In the past decade, percutaneous coronary intervention ("PCI") is experiencing rapid development in Romania, with PCI cases increasing year by year from approximately 5,000 cases in 2005 to 15,000 cases in 2014. The successful completion of the first implantation of Firehawk® in East Europe signifies the official entry of the stent in the Romania market and even the East Europe market, to provide ideal treatment solutions to local patients.





MPO Signs Agreement with American Sports Celebrity **Terry Bradshaw** to Endorse Evolution™ Knee

MicroPort Orthopedics Inc. ("MPO") recently signed an agreement with American sports celebrity Mr. Terry Bradshaw to engage him in MPO's Surgeon/Hospital Practice Marketing Program and Evolution™ Medial Pivot Knee ("Evolution™") National Branding/Practice Marketing Program, after the successful implantation of Evolution™ in Mr. Bradshaw. The engagement is expected to greatly increase the awareness of MPO's product and brand.

Mr. Bradshaw, 67 years old, is a four-time Super Bowl champion and Pro Football Hall of Fame quarterback who played in the National Football League for more than 13 years for the Pittsburgh Steelers, and he maintains tremendous popularity today thanks to his Emmy award -winning time as broadcaster for FOX on "Fox NFL Sunday." He is also New York Times best-selling author and popular film and television actor.

John Matthews, MPO VP of Sales & Marketing, said: "Terry Bradshaw is an admired American sports legend with a universal appeal that extends beyond football. Partnering with Mr. Bradshaw provides MPO with an incredible opportunity to reach a broad audience." ▶

BRADSHAW

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Terry Bradshaw

***"This technology is
definitely life changing to me."***

Mr. Bradshaw recently had a Medial Pivot knee implanted by Dr. Lowry Barnes in Little Rock, Arkansas and is extremely pleased with his outcome and believes that his result and MPO's technology is "life changing." "Much to my surprise, I can hardly feel the prosthesis after surgery. It has excellent stability and moves and feels like a normal knee," said Mr. Bradshaw. "This technology is definitely life changing to me."

In the agreement, MPO is allowed to use Mr. Bradshaw's story and photo in MPO's educational events, educational materials, website, Facebook, YouTube and blog, as well as in surgeon/hospital advertising programs related to MPO's practice.

"MPO's cooperation with Mr. Bradshaw is a great opportunity to increase the awareness of our product and brand," said Mr. Aurelio Sahagun, MPO's president. "We believe our product is unique and certainly of considerable benefit over the competition, and Mr. Bradshaw's story will be another convincing message for interested patients, as they may want to use the Knee that Terry Bradshaw has implanted in him."

***It moves
and feels like
a normal
knee!***

MicroPort® OrthoRecon Hosts Second SuperPath™ Online Debate

On September 19, Suzhou MicroPort OrthoRecon Co., Ltd. ("MicroPort® OrthoRecon") hosted the Second SuperPath™ Online Debate in MicroPort® Shanghai headquarters, in which the expert panel, represented by Professor Yunsu Chen from Shanghai Sixth People's Hospital, shared and discussed the surgical procedures of SuperPath™ Micro-posterior Total Hip Arthroplasty ("SuperPath™"). The SuperPath™ Online Debate was live broadcasted on the network service platform "Life Line Live" (www.1o2o.com) of MicroPort Online Medical Technology (Shanghai) Co., Ltd., watched by more than 600 orthopedic surgeons.

The Second SuperPath™ Online Debate was chaired by Professor Yunsu Chen. Professor Zhijun Luo from Zhejiang Quhua Hospital, Professor Baolin Li from Guangzhou Orthopaedic Trauma Hospital, and Professor Shufeng Han from First Hospital of Shanxi Medical University, were invited as lectures to carry out in-depth discussions regarding SuperPath™ surgical procedures including Joint Capsule Incision, Femoral Broaching, Femoral Head Resection and Removal, and Acetabular Reaming. Many domestic orthopedic surgeons watched the debate live on the Internet, and actively interacted with the expert panel.

As one of the activities of 2016 SuperPath™ Micro Forum, the SuperPath™ Online Debate aims to provide a platform for orthopedic experts to exchange ideas and share experience through lectures and case studies related with SuperPath™ techniques to enhance surgeons' understanding in SuperPath™ techniques, and in particular help beginners master key points of SuperPath™ approach, so as to better serve the patients. As a supplement to offline conferences, the online meeting is more flexible for surgeons with no time and region limit to watch.

The First SuperPath™ Online Debate was held in July, 2016, and attracted wide attention. After the meeting, MicroPort® OrthoRecon published a story summarizing the meeting on its official WeChat account, which up to date has notched up over 10,000 hits. Meanwhile, a vote was taken on the WeChat account on the best lecturer in the debate, with around 5,000 people participated.



MicroPort® OrthoRecon Launches the First Course of Integrity in Motion – TKA Surgical Technique with Medial Pivot Knee Application Series

In partnership with the medical education platform allinmd.cn, Suzhou MicroPort OrthoRecon Co., Ltd. ("MicroPort® OrthoRecon") recently live broadcasted an online medical education course: "Who are the Most Qualified to Define the Outcome of a Total Knee Arthroplasty ("TKA") – the Surgeon or the Patient?", which is the first course in the series of "Integrity in Motion – TKA Surgical Technique with Medial Pivot Knee Application."



In the online course, the faculty of Professor Haishan Wu from Shanghai KeyCare Hospital, Professor Yunsu Chen from Shanghai Sixth People's Hospital, and Professor Zhihong Liu from Rui Jin Hospital of Shanghai Jiao Tong University School of Medicine, explained the application of medial pivot knee in TKA in a live debate, with over 600 orthopedic surgeons watched on that day. On one side of the debate is Professor Zhihong Liu who says "the Doctor is the Most Qualified to Define the Outcome of a TKA," and on the other side is Professor Yunsu Chen who says "the Patient is the Most Qualified." They argued for their viewpoint in terms of pain management, postoperative weakness, insufficient muscle strength, surgical incision, prosthesis selection, deep vein thrombosis, and infection risks. Afterwards, Professor Haishan Wu, the host guest in the debate, gave professional reviews of the argument.

In the end of the course, the three professors reached to an agreement in the evaluation criteria of a TKA, and pointed out that with the popularization and development of the TKA techniques and the demands of patients for higher life quality, the level of patient satisfaction has become an increasingly important criterion to evaluate the surgical outcome. They said, patients' highest satisfaction is also what the surgeons are endeavoring to achieve. They hope surgeons to focus on improving patients' postoperative recovery, the range of motion and muscle strength with better prosthesis and surgical techniques, so as to enhance patients' life quality and make China's TKA technique reach international standard.

This online course is the first in the series of "Integrity in Motion – TKA Surgical Technique with Medial Pivot Knee Application," and also the warm-up for the Clinical Follow-up of Medial Pivot Knee System. The Clinical Follow-up is designed to evaluate how knee prosthesis impacts patient satisfaction after surgery through observing their postoperative recovery and life quality, which is expected to be the biggest of its kind in Asia and is estimated to start patient enrollment from 2017 with 30 famous domestic hospitals as the first participants.



MicroPort® OrthoRecon Hosts Satellite Meeting in CAS2016

Suzhou MicroPort OrthoRecon Co., Ltd. ("MicroPort® OrthoRecon") recently attend the 2016 Annual Congress of Chinese Arthroplasty Society ("CAS2016") & the 4th Annual Meeting of Arthroplasty Society in Asia ("ASIA2016") held from September 2 to September 3 in Guangzhou of Guangdong Province. More than 3,000 domestic and international orthopedic experts and surgeons gathered in the congress to discuss the latest progress, innovative techniques, and hot issues in the orthopedic field.

During the congress, MicroPort® OrthoRecon hosted a satellite meeting focused on "Patient Satisfaction: the Application of Medial Pivot Knee," which attracted more than 200 orthopedic surgeons. Professor You Wang of Shanghai Ninth People's Hospital of Shanghai JiaoTong University School of Medicine was invited as the Chairman of the satellite meeting. Professor Jianmin Feng of Ruijin Hospital of Jiao Tong University, and Professor Yuhua Jia of Qilu Hospital of Shandong University were invited as key note speakers with academic lectures of "the Design Concept of Medial Pivot Knee" and "the Surgical Technique of Medial Pivot Knee." ▶

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 almost 20 years of clinical history in the overseas markets. In 2010, EVOLUTION™ Medial-Pivot Knee System ("EVOLUTION™"), the second-generation of MicroPort® Medial Pivot total knee implant, was launched, featuring ball-in-socket articulation which enhances stability and allows the prosthesis to move and feel more like a normal knee, to provide better postoperative experience and improve patient satisfaction. Meanwhile, Professor Yuhua Jia explained the surgical technique of total knee arthroplasty ("TKA") with Medial Pivot Knee, in terms of bone resection skills and soft tissue balance skills.

In the section of "Varus Knee Treatment," Professor You Wang shared his experience in using Medial Pivot Knee to treat varus knee, a disease commonly seen in patients with osteoarthritis, and in the panel discussion of knee implant of the congress, he again explained how to help patients with varus knee by TKA using Medial Pivot Knee. He noted, the medial pivot design is perfect to treat varus knee, as the prosthesis with medial pivot design not only provides stability in the medial compartment but also produces greater range of motion through 15° arch-path located in the lateral compartment, with a femoral rollback profile similar to the natural knee. Professor Wang said, in his 10-year experience in using Medical Pivot Knee, both patient satisfaction and their life quality are improved compared to traditional knees.



EVOLUTION™ was built on over 16 years of excellent clinical history of ADVANCE® Medial-Pivot Knee System ("ADVANCE®"), the first-generation Medial Pivot Knee of MicroPort®, with more prosthesis systems to choose from, which offers ideal solutions to patients with orthopedic diseases. EVOLUTION™ was officially launched in the China market in 2015 and has been carried out clinical applications in several domestic hospitals. MicroPort® OrthoRecon will further diversify our product pipeline to improve patient satisfaction and promote our "Fast Recovery" Business.

MicroPort® EP Attends 5th Longcheng Cardiology Conference

Shanghai MicroPort EP MedTech Co., Ltd. ("MicroPort® EP") recently attended the 5th Longcheng Cardiology Conference held from September 2 to September 4 in Taiyuan of Shanxi Province. The conference offered the latest technology, concept and idea in the cardiovascular field with academic lectures and procedure broadcasting, and invited domestic and international experts to deeply investigate into the current status of cardiovascular diseases.



During the conference, MicroPort® EP was the only company to exhibit equipment, with its Columbus® 3D EP Navigation System ("Columbus®") and FireMagic® Irrigated Ablation Catheter ("FireMagic®") on display. It was the first appearance of the domestically made, magnetic positioning 3D navigation system in Shanxi Province. Many attendees were attracted to visit our booth and inquire for product information. Several experts, including Prof. Xuewen Li, Chairman of the conference and Director of Cardiovascular Department of Shanxi Dayi Hospital of Shanxi Academy of Medical Sciences, also visited MicroPort® EP booth to experience the domestically made 3D navigation system for the first time with great interest, and expressed their expectation to see more domestically made electrophysiological devices to benefit the patients.

Columbus® is the first domestically developed 3D EP navigation system that features real time electromagnetic device tracking with cardiac motion compensation. It is designed for the diagnosis and treatment of complex arrhythmias. With the help of MicroPort® EP's FireMagic® that shows precise location of the catheter curve in the body, Columbus® offers vivid 3D simulation of the catheter deflectable segment and accurate geometric reconstruction of intra cardiac chambers, which provides physicians with a comprehensive solution for the radiofrequency ablation treatment of complex arrhythmias. Both Columbus® and FireMagic® have obtained approval from China Food and Drug Administration and officially entered the China market.

MicroPort® EP Attends First Central and Western China Heart Rhythm Forum

MicroPort® EP recently attended the First Central and Western China Heart Rhythm Forum & the First Liangjiang Academic Annual Meeting of Interventional Therapy of Cardiovascular Disease held in Chongqing from September 2 to September 4. The forum was hosted by Chongqing Medical Association, and organized by the Professional Committee of EP and Pacing of Chongqing Medical Association and the Second Affiliated Hospital of Chongqing Medical University. Many renowned domestic cardiovascular experts were invited to attend this grand event of cardiac arrhythmia in Central and Western China, and carried out in-depth discussion and lectures on the treatment of cardiac arrhythmia from various scopes.



MicroPort® EP attended the forum with a booth. Meanwhile, Dr. Jiahong Tan, Vice President of Catheter R&D and Supply Chain of MicroPort® EP, delivered a speech on the domestically developed Columbus® and FireMagic® – two devices in-house developed by MicroPort® EP - to introduce the main features of the first domestically made 3D EP navigation system with electromagnetic device tracking and full catheter curve display, which attracted many attention from the experts in attendance.

During the meeting, many experts showed great interest in Columbus® that was exhibited in MicroPort® EP booth, and for some of them it was the first time to learn about the system. Professor Fengpeng Jia of the First Affiliated Hospital of Chongqing Medical University visited MicroPort® EP booth and tried using Columbus® to stimulate Real-time Mapping ("RTM") and get CT image integration. Professor Jia spoke highly of its smooth and stable operating, and said he looked forward to cooperating with MicroPort® EP.

On the occasion of the First Central and Western China Heart Rhythm Forum, MicroPort® EP further burnishes the reputation of Columbus® in Central and Western China and enhanced experts' understanding in the domestically made 3D EP navigation system, which lays a great foundation for the company to carry out clinical application and serve patients.

MSC Receives "Best Investment Value Award" in 2016 "Startup Shanghai" Innovation & Entrepreneurship Competition

On September 24, MicroPort Sorin CRM (Shanghai) Co., Ltd. ("MSC"), a joint venture of MicroPort®, received the "Best Investment Value Award" and the "Winning Prize in Enterprise Group" in the 2016 "Startup Shanghai" Innovation & Entrepreneurship Competition which is also the Shanghai Division of Fifth China Innovation & Entrepreneurship Competition. ▶





Officially launched in April, there were more than 9,000 companies and teams signed up for the Shanghai Division Contest, and among them 276 winning enterprises and 11 winning teams were selected in four months. The "Best Investment Value Award," voted by over 600 institutional and individual investors from more than 9,000 programs in terms of their professionalism, standardization and commercialization, is of high authority and credibility and only two programs were granted the award. MSC's "Self- Developed Pacing Lead System" managed to stand out and was selected as one of the two winners with its self- developed technology, the huge potential of the pacemaker market and high expectations of the substitution of imported pacemakers by domestically innovated ones. MSC is also the only medical device company winning this award in the Shanghai Division Contest.

Meanwhile, MSC received the "Winning Prize in Enterprise Group" of this contest, and will participate in the final of the Fifth China Innovation & Entrepreneurship National Competition. Dr. Li Wang, Distinguished Expert of China's Thousand Talent Plan and Chief Executive Officer of MSC, attended the award ceremony held in Shanghai International Convention Center, and received interviews from several media outlets such as Oriental Financial Pudong Channel, East Radio Center and East China Science & Technology Journal.

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