

# Investor Newsletter

Issue 10 2017







## MicroPort® Enters into Binding Letter of Intent to Buy Cardiac Rhythm Management Business Franchise from LivaNova for \$190 Million

November 20, 2017 - MicroPort Scientific Corporation (HK:00853) ("MicroPort®") and LivaNova PLC (NASDAQ:LIVN) ("LivaNova") today announced the companies have entered into a binding Letter of Intent ("LOI") under which MicroPort® will acquire LivaNova's Cardiac Rhythm Management ("CRM") Business Franchise for \$190 million in cash.

The CRM Business Franchise develops, manufactures and markets products for the diagnosis, treatment and management of heart rhythm disorders and heart failures, with more than one million patients implanted globally over nearly four decades. CRM products include high-voltage defibrillators, cardiac resynchronization therapy devices and low-voltage pacemakers. The CRM Business Franchise generated approximately \$249 million in net sales in fiscal year 2016 and has approximately 900 employees with operations chiefly in Clamart, France; Saluggia, Italy; and Santo Domingo, Dominican Republic.

Upon completion of the acquisition, MicroPort® will become the most advanced domestic company in China with CRM know-how in the global CRM market which is estimated to be \$10 billion. With the world's largest treatable patient population as its home market, MicroPort® can accelerate the development of new CRM products to better serve patients suffering from arrhythmias in China, which will further enhance MicroPort®'s competitiveness in the global CRM industry. It is also expected that the acquisition will improve the overall operational efficiency of R&D for MicroPort®'s CRM business in China. The synergy of imported and in-house R&D of CRM products will definitely promote the rapid expansion of MicroPort®'s CRM business in China. Meanwhile, the acquisition will increase MicroPort®'s operational scale in Europe with a predominantly European-based CRM operation. With manufacturing facilities and key commercial offices in France and Italy, the acquisition will provide additional critical mass in two important European markets and the opportunity for MicroPort® to leverage CRM's EU distribution channels with other portfolio products, such as the orthopedic devices, cardiovascular devices, endovascular devices, electrophysiology devices, neurovascular devices, and etc., so as to enhance their sales coverage.

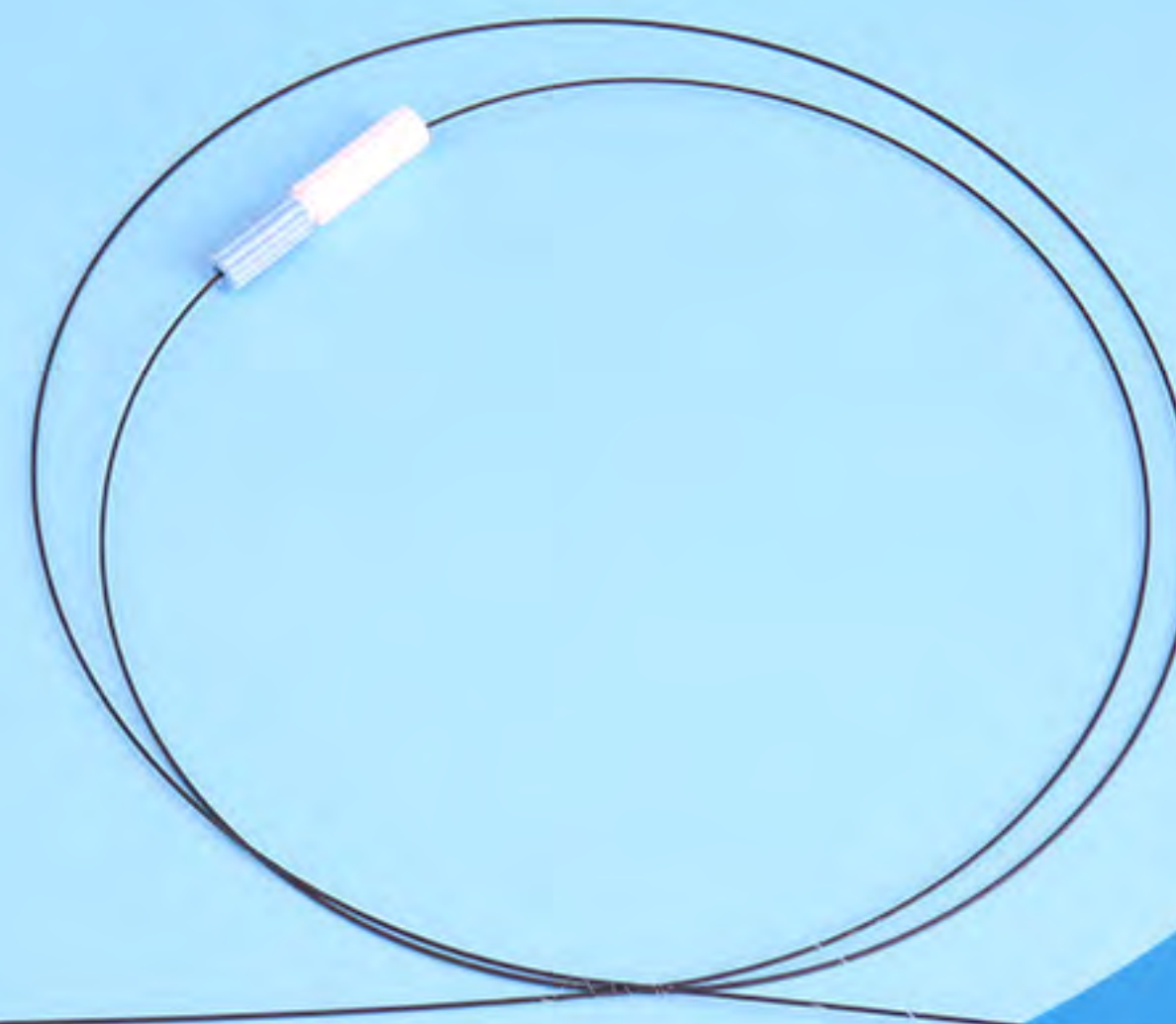


## MicroPort® Angiography Guidewire Obtains CFDA Registration Certificate

Shanghai MicroPort Medical Group Co., Ltd. ("MicroPort") gained a China Food and Drug Administration ("CFDA") registration certificate for its in-house developed Hydrophilic Guide Wire For Peripheral Blood Vessel.

The Hydrophilic Guide Wire For Peripheral Blood Vessel is a sterile disposable surgical accessory, used for diagnosis of peripheral blood vessels or facilitating the insert of guiding catheter in interventional treatment. In Seldinger Technique, the Hydrophilic Guide Wire For Peripheral Blood Vessel is inserted into the vessel through a sheath to guide the catheter to reach the lesion vessel. In the process of introducing the catheter, the soft tip of the Hydrophilic Guide Wire For Peripheral Blood Vessel is always in front of the catheter, so under X-ray observation the physician can confirm the position of the catheter.

Hydrophilic Guide Wire For Peripheral Blood Vessel has hydrophilic coating on its surface. Compared to Super slip/Loach guide wires on the market, MicroPort's Hydrophilic Guide Wire For Peripheral Blood Vessel adopts improved formulation of coating material and coating process to guarantee excellent pushability and crossability of the Hydrophilic Guide Wire while making it easy for the operator to handle to reduce the incidence of complications. The CFDA approval of the Hydrophilic Guide Wire For Peripheral Blood Vessel further diversified MicroPort's product portfolio and expanded the field of application for MicroPort's surgical accessories.





# TARGET SAFE 临床研究 方案 论会



## MicroPort® Hosts Firehawk® SAFE Study Protocol Symposium

On September 27, Talos™ Thoracic Stent Graft System ("Talos™"), self-developed by MicroPort Endovascular (Shanghai) Co., Ltd. ("MicroPort® Endovascular"), was approved to enter the special Green-Path by China Food and Drug Administration ("CFDA"), which is rapid-track of review and approval procedure for innovative medical devices. The Green-Path will significantly expedite the approval time and meanwhile it demonstrated the recognition of Chinese government authorities in Talos™.

CFDA Green-Path on China's Innovative Medical Devices is critically important approach introduced by the government authority to encourage the innovations of medical devices and promote the application of new technologies in the healthcare industry. Innovative medical devices entering Green-Path procedure will receive preferential review process by Food and Drug Administrations to assign special personnel to process the submissions, which will significantly accelerate the approval process and product launch in market. Other than Talos™, three products of MicroPort® Endovascular also entered the CFDA Green-Path, including Castor® Branched Aortic Stent Graft System ("Castor®"), Reewarm® PTX Drug Coated Balloon Dilation Catheter and Minos™ Ultra Low-Profile AAA Stent-Graft System. Among them, Castor® gained CFDA approval in June, 2017.



## MicroPort® Attends Ninth Indonesian Society of Interventional Cardiology Annual Meeting

From October 13 to October 15, MicroPort® attended the Ninth Indonesian Society of Interventional Cardiology Annual Meeting ("ISICAM-InaLive") held in Jakarta, Indonesia, to display its Firehawk®, Firebird2® Rapamycin-Eluting Coronary CoCr Stent System ("Firebird2®") and other cardiovascular products. Focused on "Integrative Strategies in Cardiovascular Intervention", the annual meeting attracted over 700 professionals from Indonesia, Japan, Singapore and etc to attend.

Ischemic cardiovascular diseases are the leading killer of Indonesians, causing 37% of death annually. In recent years, there is growing demand for cardiovascular interventional products in the Indonesia market with the rapid development of the local healthcare market. Currently, several cardiovascular interventional products in-house developed by MicroPort®, including Firehawk®, Firebird2®, and FOXTROT PRO PTCA Balloon Dilatation Catheter, have entered the Indonesia market, and have won high recognition from patients and physicians with their outstanding performance. In January 2014, Indonesia launched its universal healthcare program to provide health insurance to all Indonesian by January 2019. MicroPort® would take this opportunity to further cultivate the market in the "Belt and Road" initiative to provide high-quality and cost-effective medical solutions to local patients with cardiovascular diseases.



## MicroPort® Attends 28th GW-ICC

From October 12 to October 15, MicroPort® attended the 28th Great Wall International Congress of Cardiology ("GW-ICC") held in Beijing.

During the meeting, MicroPort® R&D staff also interviewed several experts regarding the clinical performance of Firefighter® PTCA Balloon Catheter ("Firefighter®") and other coronary stents. Professor Zheng Zhang of the First Hospital of Lanzhou University spoke highly of Firefighter®, saying "it is one of the best balloons in the world." Professor Bo Luan of Liaoning Provincial People's Hospital highly spoke of the crossability, pushability, and traceability of Firefighter® according to his personal clinical experience. Professor Qingsheng Wang of First Hospital of Qinhuangdao and Professor Qiming Wu of Ditan Hospital of Capital Medical University said they are looking forward to the introduction of Firefighter® to their hospitals to benefit more patients. Director Haiyan Wang of Tangdu Hospital and Director Jianjun Jiang of Taizhou Hospital of Zhejiang Province also recognized the performance of MicroPort®'s stent and balloon products, and offered previous suggestions on further improvement.

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## MicroPort® Orthopedics Attends Elite Arthroplasty Course-EAC-ISKAA in India



From October 5 to October 9, MicroPort® Orthopedics and MicroPort® Scientific India attended the Elite Arthroplasty Course-EAC-ISKAA, the largest orthopedic replacement congress in India, and invited Dr. Harbinder Chadha, a renowned orthopedic expert from US-based Scripps Mercy Hospital, to share his clinical experience in SuperPath™ Micro-posterior Total Hip Arthroplasty ("SuperPath™") and knee replacement in roadshow activities.

The successful roadshow of Dr. Chadha along with a very strong presence in prestigious arthroplasty course will further enhance the awareness of MicroPort® Orthopedics brand in the India market. The excellent products and technologies showcased in these activities will build the confidence of KOLs in MicroPort® Orthopedics to lay a solid foundation for the company to promote SuperPath™, Advance® as well as other products and techniques in the local market.



## MicroPort® Endovascular Hosts Product Launch of Castor®

On October 14, MicroPort® Endovascular hosted product launch of Castor® Branched Aortic Stent-Graft System ("Castor®"). Professor Zaiping Jing, President of Endovascology, Chairman of the Specialized Committee of Endovascology of Chinese Medical Doctor Association and Director of Vascular Surgery Department of Changhai Hospital of the Second Military Medical University, Professor Zhong Chen of Anzhen Hospital of Capital Medical University, Bo Peng, MicroPort® Chief Marketing Officer and Chairman of MicroPort® Endovascular, Zhenghua Miao, President of MicroPort® Endovascular, as well as experts participating in Castor®'s pre-market clinical trials, attended the event.

Professor Zhong Chen said, the development and launch of Castor® will exert important impact on China's vascular surgery industry. "Castor® is the fruit of ten years' cooperation between MicroPort® Endovascular and Professor Zaiping Jing's team. As a domestically developed device, Castor® pioneers in China's vascular surgery industry and demonstrates Chinese people's innovation ability."





## **MicroPort® Listed as "2017 China Import & Export High Quality and Credibility Enterprises"**

MicroPort® was listed as "2017 China Import & Export High Quality and Credibility Enterprises" by China Entry & Exit Inspection and Quarantine Association ("CIQA"). According to "High Quality and Credibility Enterprises Management Regulations" and "Quality and Credibility Program Implementation Schemes", there are six selection procedures including application submission, review by local entry & exit inspection and quarantine associations, approval by entry-exit inspection and quarantine bureaus, expert review, and public notification. In the end, a total of 663 companies passed all of these strict selection procedures to become "2017 China Import & Export High Quality and Credibility Enterprises".







## MicroPort® NeuroTech Donates WILLIS® to an Injured in Jiuzhaigou Earthquake

MicroPort NeuroTech (Shanghai) Co., Ltd. ("MicroPort® NeuroTech") recently donated a WILLIS® Intracranial Stent Graft System ("WILLIS®") to a patient injured in the Jiuzhaigou earthquake, which helped save his life with the professional treatment of the medical team of Mianyang Central Hospital and West China Hospital of Sichuan University.



## MicroPort® Hosts Training Course of Medical Device Inspector Training Base

From October 10 to October 11, MicroPort® hosted "Shanghai Municipal Food and Drug Administration Medical Device Inspector Training Base – Training on Technology Assurance of Medical Device Sterility", which kicked off series of activities focused on the importance of quality that will last through the end of October. These series of activities are designed to enhance the quality system within the company in response to the call of the government and President Xi Jinping on quality improvement.





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