

Investor Newsletter

Issue **11** 2015



MicroPort® Orthopedics Invited Professor Jimmy Chow Come to China to Carry Out SuperPath™ Academic Exchange Activities

From November 16 to November 19, invited by Shanghai MicroPort Orthopedics Co ("MicroPort® Orthopedics"), Professor Jimmy Chow, Director of orthopedic department, the Phoenix City St. Luke's Medical Center, came to China to carry out academic exchange activities. He presented the operation guidance for SuperPath™ surgical technique (SuperPath™) in three hospitals, Shanghai Zhongshan Hospital, the Third Hospital of Shijiazhuang city and Chongqing Southwest Hospital.

As a vigorous promoter of SuperPath™, Professor Jimmy Chow has completed 1309 surgeries applying SuperPath™, and he also published three papers based on the clinical data of SuperPath™.

At the first stop of the event, the SuperPath™ surgical guidance in Shanghai Zhongshan Hospital was broadcasted live by "MicroPort® Online" to MicroPort® Group headquarters' "Zhile" lecture hall through the 4G wireless network. This is MicroPort® Orthopedics' first attempt to broadcast SuperPath™ operation live.

The live surgical image was very clear, enabling face to face talk with operation experts from remote. The broadcast was achieved using advanced 4G wireless equipment and technology, allowing live broadcasting from anywhere of the world, and this time is a great example.

After the surgery, Professor Zhenjun Yao from Shanghai Zhongshan Hospital said, "this kind of live broadcasting can allow more doctors to get the chance to observe surgeries. Especially for SuperPath™ technology, the broadcast also can enable more clear observation. It's a good way to promote the academic exchanges." Professor Feng Li, President of the Third Hospital of Shijiazhuang city and Professor Liu Yang from Chongqing Southwest Hospital said, "Shijiazhuang and Chongqing are still new to SuperPath™ technology, and the academic exchange activities give more cutting-edge information to the local experts." Through communicating with Professor Chow, local experts have better understanding of the problems that may be encountered in the operation and the surgery solutions, which bring a stronger confidence to them. ▶

On November 16, Professor Chow also attended the Journal Club of Shanghai Joint Surgery Group to have academic exchanges regarding SuperPath™ surgical technique and clinical results. Professor Xianlong Zhang, the Chairman of the Chinese Medicine Hip Joint Working Committee, pointed out that the learning curve of SuperPath™ indicates a safer process compared with other minimally invasive surgery. It is the current trend of development. He encouraged more young physicians to try SuperPath™, and he also hoped that surgeons can apply fast track concept to clinical management, creating better conditions for patients' rapid rehabilitation.

Professor Chow said academic exchanges can help surgeons to understand the development trend of North America SuperPath™ and other minimally invasive surgical techniques. MicroPort® Orthopedics will continue to create professional education platform to meet the demand of physician, and to promote the development of minimally invasive surgical techniques and the concept of rapid rehabilitation.



COA Hip Joint

Jimmy Chow, Director of Hip & Joint Surgery Department of Phoenix St. Luke's Medical Center, gave his lecture on Modified In-Situ Approach for Total Hip Arthroplasty with Percutaneous Assistance SuperPath™--Learning Curve & 7-year Follow-up at the 10th International Congress of Chinese Orthopedic Association for both hip instructional course and recon satellite meeting on November 19. Over 400 orthopedic surgeons attended the course and meeting, exchanging their ideas on SuperPath™ surgical technique and clinical advantages with Dr. Chow.



Dr. Chow has accomplished 1300 cases (including revision case) since 2008, with 1% post-operative complication, average 1.39 day length of stay in hospital, over 60% patient walking 4 hours after the surgery. According to Dr. Chow, he has all his patients operated with SuperPath™, and average BMI is 28.3 +/- 5.8 (heaviest 53). Thus, he considers that SuperPath™ applies widest indication in patient selection among all contemporary hip MIS technique. Through 1 day, 1 week and 1 month follow-up after surgery on pain perception, they found that 70% of the patient percept their pain level as Zero by only taking oral pain management medicine, and without any medicines via analgesia pump or intravenous injection. This fact reveals that SuperPath™ lowers patient pain perception after surgery by inter-operative protection of capsular, muscle and soft-tissue, so that patient may start physical therapy and speed up their joint functional recovery ASAP. When comparing advantage of SuperPath™ with DAA, Dr. Chow expressed that DAA is very “expensive” not only for its special operation table but also for a longer surgeon learning curve and higher complication rate which may frustrate the surgeon and his/her hospital. While SuperPath™ is safe even for surgeons still in his/her learning curve because of its interchangeability to traditional approach during surgery, which facilitates SuperPath™ as a technique for almost all hip surgeons.

To further deepen and enhance Dr. Chow's interaction with Chinese SuperPath™ surgeons, MicroPort Orthopedics held a SuperPath™ dinner symposium on night of November 20. Mr. Hongbin Sun, Chief Financial Officer & Executive Director of Microport Orthopedic, attended the symposium. During the symposium, Dr. Chow replied clinical questions rose from the attended surgeons. The 30 attended surgeons are all satisfied with the symposium arrangement, and thought such face-to-face event is not only effective to solve their clinical problems but also help them to setup connection with Dr. Chow – one of the inventors of SuperPath™ technique.



MicroPort® Orthopedics Medial Pivot Knee Roadshow China Tour-2015 COA

A MicroPort® Orthopedics Medial Pivot Knee Roadshow China Tour was accomplished from November 15 to November 19. MicroPort® Orthopedics invited Dr. Bae Dae Kyung from South Korea as the leading faculty to share Medial Pivot Knee design rationale, surgical technique, and mid-long term clinical result. During the China tour, two surgery demonstrations by Prof. Bae is done to reveal the principle of TKA, and osteotomy and soft tissue balance with medial pivot knee.

Being former chairman of Korean Orthopedic Society, founder of Korean Knee Society and Trauma Society, Prof. Bae from Kyung Hee University Hospital has accumulated over 6000 knee surgery cases with adequate TKA experience, and is mostly influential clinical expert for medial pivot knee.

The roadshow covered Zhongda Hospital Southeast University, Dongyang People's Hospital, Fo Shan Hospital of TCM, and Guangzhou Orthopedic Hospital. Prof. Bae had his surgery demonstration at Dongyang and Foshan, and joined events held by Shanghai Joint Society Journal Club. Prof. Bae shared his content including medial pivot knee design rationale, how the prosthesis restore natural knee kinematics with its medial ball-in-socket for rotation and lateral path for sliding and roll-back. Meanwhile, the difference between medial pivot knee and traditional PS Knee are emphasized, especially the function and advantage of the medial pivot design without post-cam mechanism work to reduce poly ware and enhance knee stability. Prof. Bae demonstrated step-by-step the medial pivot knee surgical technique, including sequence of osteotomy and soft tissue balance, deformity correction and soft tissue balance for varus and valgus knee with flexion contracture patient and analysis of mid-long term clinical result from local center and multi-center study. According to Prof. Bae, medial pivot knee has been implanted in 1146 knee cases by 8 study centers, and result shows the survivorship reaches 97% after nine years follow-up. Prof. Bae emphasized several times that the goal of TKA is to restore fine joint function, range of motion and precise axial alignment. Such a goal requires a stable and wear resistant prosthesis. Medial pivot knee, with its socket articulation design and adequate tibia coverage (medial 97%, lateral 89%), has natural stability, less osteotomy and less wear, which lays the foundation of a successful TKA surgery. ▶

Chinese surgeons from local hospital actively rose questions after every speech of Prof. Bae, and medial pivot knee design became a hot topic including, surgical technique medial pivot Vs. PS knee, patella treatment for medial pivot knee, difference and technique when keeping and dissecting cruciate ligament, sever varus and valgus, pain management and hemostasis, and physical therapy. Prof. Bae replied every question with great satisfaction from the audience.



Through the MicroPort™ Orthopedics Medial Pivot Knee Roadshow China Tour, not only the medial pivot knee design rationale but also trend of knee implant design is introduced. In the same time, concerns and problems from Chinese surgeon during their TKA surgeries are addressed and replied, which clearly reflects the significance of such academic events. MicroPort™ Orthopedics will focus and continue to offer such events to promote the development of TKA in China, and offer our best clinical solution for patients and surgeons.

From November 20 to November 21, during MicroPort™ Orthopedic Satellite meeting and COA courses, Prof. Bae gave his lecture on EVOLUTION™ medial pivot knee design rationale and clinical result. (GLQ)

MicroPort® Joint Participated in the 35th Annual Orthopedics Conference of Hongkong

Recently, the 35th Annual Orthopedics Conference of Hongkong was held in Hongkong Convention and Exhibition Center. It was the 50 anniversary of Hongkong Orthopedics Medical Association. Many orthopedics experts participated in this conference. MicroPort Joint (Suzhou) MedTech Co ("MicroPort® Joint") invited Professor Zhenkai Xin from Hongkong Queen Mary Hospital and Professor Yunsu Chen from Shanghai the Sixth People's Hospital to host the mid-day satellite meeting, and presented reports about Evolution™ Medial-Pivot Knee System ("Evolution™") and SuperPath™ Surgical Technique ("SuperPath™").

First, Professor Xin shared the design principle and clinical experience of Evolution™, to enhance the understanding of the design principle of this kind of product. From his experience to 26 surgery cases, Professor Xin described how to apply Evolution™ to rebuild a high stable and high active knee joint. Then, Professor Yunsu Chen introduced to Hongkong's surgeons SuperPath™, a new hip joint minimally invasive surgical technique.

In a fast-paced city like Hongkong, which has a big senior population, the joint surgeons have been very concerned about the rapid recovery of patients after surgery. As a minimally invasive surgical technique that can full retain the joint capsule and the external rotation muscles and so can help patients to recover quickly, SuperPath™ technology has intrigued strong interest from the participating Hongkong joint surgeons.

In the question and answer session after the theme report, surgeons from Hongkong's major public and private hospitals communicated with Professor Chen about his related clinical experience, including the surgical techniques of Evolution™ and SuperPath™, the types of disease that these techniques can be applied for and the selection of prosthesis. Professor Chen and other surgeons exchanged thoughts and had deep discussions.



The sharing from two professors was well received by the participating professionals. The brand of MicroPort® left a deep impression on the experts, who believed it to be professional and highly innovative. MicroPort® Joint will continue to make efforts to provide innovative solutions for Hongkong's doctors and patients.

The Registration Has Been Approved in Philippines for WALTZ™ Cobalt Alloy Stent System

Recently, the WALTZ™ Cobalt Alloy Stent System, which was produced by Shanghai MicroPort Medical (Group) Co., Ltd. ("MicroPort® ") based on its independent R & D, had been approved for registration in Philippines with its first effort.

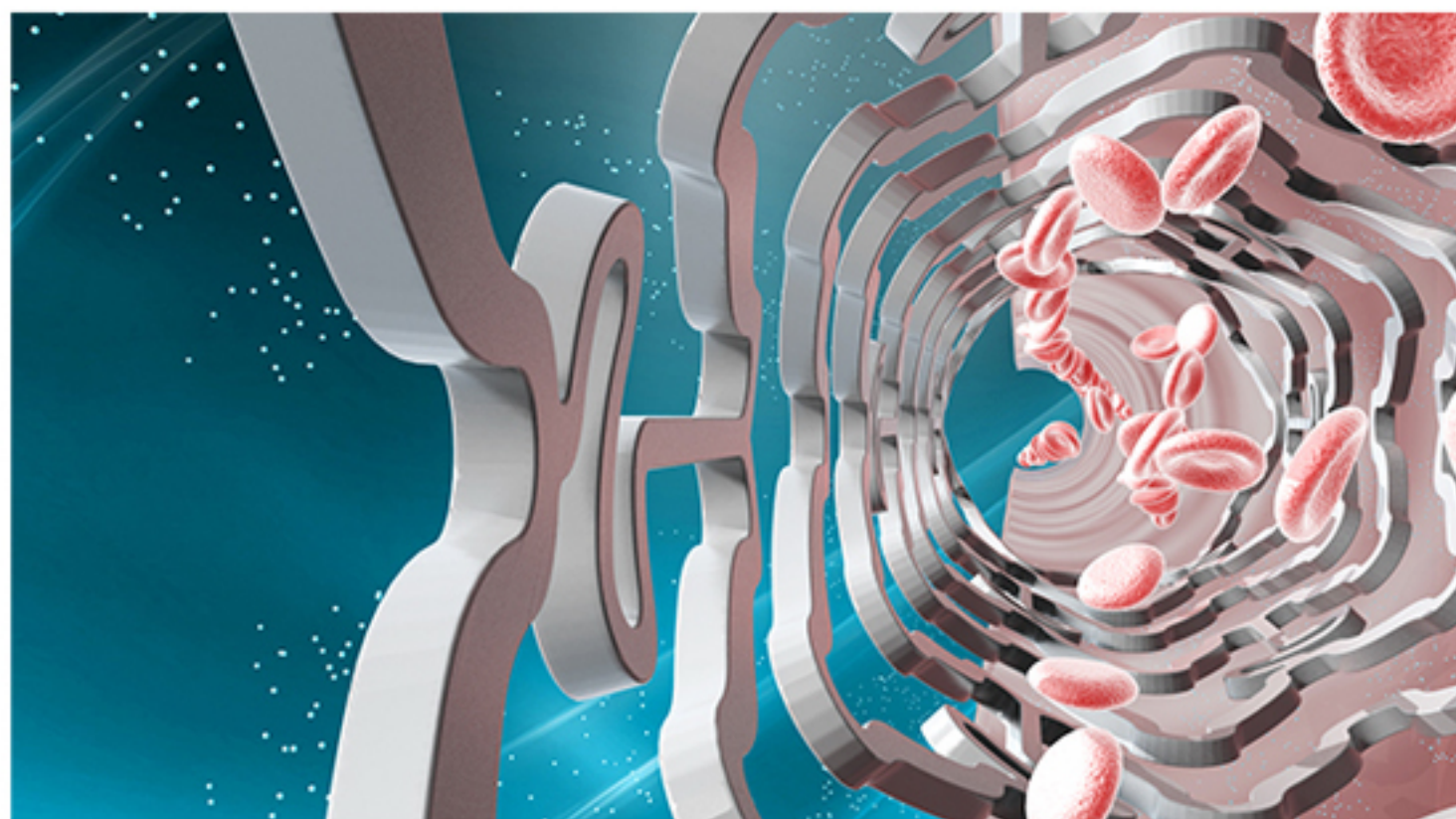
WALTZ™ Cobalt Alloy Stent System is composed of L605 cobalt alloy stent and a conveying system, mainly for the treatment of coronary artery stenosis or occlusion lesions. It is the third generation metal stents, following the Mustang™ and Tango™, produced by MicroPort® with its independent R & D. WALTZ™ gained its CE certification in 2014 and obtained registration approval in Brazil, Argentina, Peru and other countries. Its approval of registration in Philippines this time will enrich the local coronary product line of MicroPort® and accelerate the update of new products.



Kai Ma, Member of The Political Bureau of the CPC Central Committee, Vice Premier of the State Council, Came to Visit MPSC

On November 1, Kai Ma, Member of the Political Bureau of the CPC Central Committee and the State Council Deputy Prime Minister, came to visit Microport Scientific Corporation ("MPSC") Shanghai headquarter with other leaders of the nation, Shanghai and Pudong District. Dr. Zhaohua Chang, chairman and chief executive officer of MPSC, and executive members Mr. Bo Peng, Dr. Qiyi Luo, Mr. Junder Chiang, Mr. Kongrong Pan, and Ms. Qinyi Bian, senior vice president of corporate affairs and public relations, Dr. Chengyun Yue, vice president of planning and project management, and Ms. Ye Zhang, office director and company spokeswoman attended the reception event.

Deputy Prime Minister Kai Ma listened carefully about the enterprise development history, the main business segments, diversification and internationalization of the situation and the future development of MPSC. The delegation visited company's exhibition area "MicroPort® innovation of science and technology", "innovation demonstration of modern science and technology" and "MicroPort® Medical Training College". They focus on these new technology and products -- SuperPath™ Micro-posterior Total Hip Arthroplasty Surgical Technology, Firehawk® Rapamycin Target Eluting Coronary Stent System, WILLIS® Intracranial Stent Graft System, personal medical treatment technology, which was presented by the company's management leaders in details.



Finally, Minister Ma and his delegation visited the remote medical global command center, had a personal experience of the technology and listened attentively about the planning of the remote medical service mode and industry application prospects reported by MPSC.

MicroPort® Invited Chinese Experts to Attend the Pakistan Cardiology Academic Conference for the first time

Recently, the 45th Pakistan Cardiology Academic Conference was held in Lahore, Pakistan. The conference was hosted by Pakistan Cardiology Association and Punjab Institute of Cardiology. This is the largest academic event of Cardiology in Pakistan, attracting nearly 2000 people in the industry to participate. Invited by Shanghai MicroPort Medical (Group) Co., Ltd. (MicroPort®), Professor Shaoliang Chen, a famous cardiology interventional expert and vice president of Nanjing First Hospital, attended the conference. This was the first time that Chinese experts attended Pakistan Cardiology Academic Conference.

As the first participated Chinese expert, Professor Chen completed one surgery for the case of LAD-D1 bifurcation lesion in Punjab Institute of Cardiology together with the local doctors. For Bifurcation lesions in coronary artery bifurcation, the previous operational success rate was very low, and the long-term result of treatment was not very well. It is always challenging worldwide. ►



The operation applied the style of DK crush, which was invented by Professor Chen, and implanted 3 pieces of Firebird2™ Rapamycin-Eluting Coronary CoCr Stent System. The postoperative intravascular ultrasound (IVUS) result showed that the operation was successful. Professor Chen introduced the application methods for DK crush technique in complex bifurcation lesions to the Pakistani doctors. Such technique was praised with the advanced technology.

Subsequently, Professor Chen made a speech on the topic of applying double bracket technology for the treatment of bifurcation lesions. Based on his many years' experience of clinical treatment and research, he presented this unique treatment method. In addition, with the local doctors, he shared the clinical trial of the Firehawk® Rapamycin Target Eluting Coronary Stent System (Firehawk®), which was independent researched and developed by MicroPort®. The clinical trials results prove that the Firehawk® is safe and effective. The wonderful speech of Professor Chen enabled local doctors to have new understanding of complex bifurcation lesion treatment method, and to also have full confidence in and high expectations on the industry's first target eluting stent of MicroPort®.



In the exchange, Professor Chen also presented his unique view on how to promote the cooperation for the clinical research of complex diseases and primary doctors training. MicroPort® invitation of Professor Chen to Pakistan for academic exchanges laid a solid foundation for the friendly cooperation between China and Pakistan in the field of interventional, effectively enhanced the academic exchanges between Chinese and Pakistani doctors, and will continue to promote the follow-up deeper cooperation in the field of cardiac intervention between two countries.

MicroPort® NeuroTech Generous Donation

On November 14, it is a very special day for Ameti, an ordinary farmer in Aksu Prefecture, Xinjiang. Professor Donghai Wang, Supporting experts in Xinjiang, vice president of the Xinjiang People's Hospital led the neurosurgical team completing successfully the intracranial covered stent graft implantation surgery for this cerebrovascular disease patient, applying the WILLIS® Intracranial Stent Graft System (WILLIS®). MicroPort NeuroTech (Shanghai) Co., Ltd.(MicroPort®NeuroTech) donated the WILLIS® stent to the patient, which brought a new life to him.

According to Professor Wang, Ameti encountered a car accident this April, causing brain traumatic intracranial hematoma. In June, his right eye appeared serious swelling with pain, and on October 10, he came to Xinjiang People's Hospital for treatment. It was decided, after experts had consultation meeting, that WILLIS®, MicroPort®NeuroTech's product that was researched and developed independently by the company, would be used as the treatment method. Professor Wang explained, "When I was in Xinjiang, I operated many intracranial covered stent implantation surgeries applying WILLIS®. The postoperative effect were very good, and also it's suitable for Ameti's illness, so I made a customized surgical plan for him."

However, after the several treatments, Ameti's family has spent all the savings. He said: "who wouldn't want to live a life on, but I am just an ordinary farmer, my economic condition is not very well, and we need to raise children. I have to go out to borrow money from whoever possible." But half a month later, there is still a big gap for the treatment fee. Professor Wang recalled, "Although he is only suffering from benign vascular disease, but if not treated in time, it will lead to decreased vision, blindness, and even the emergence of intracranial hemorrhage which is life-threatening. His desperate eyes and helpless look often appeared in my mind, and his disease cannot wait, or it will miss the best timing for surgery."

MicroPort®NeuroTech decided to donate the WILLIS® to Ameti's surgery when they know the family's condition from Professor Wang. On November 14, after careful preparation before surgery, Professor Wang completed the operation very successfully. Before discharge, the patient sent a thank-you board to the hands of the surgeries, he said excitedly: ***"Thank you all to save my life, also save my family. Thank you!"***

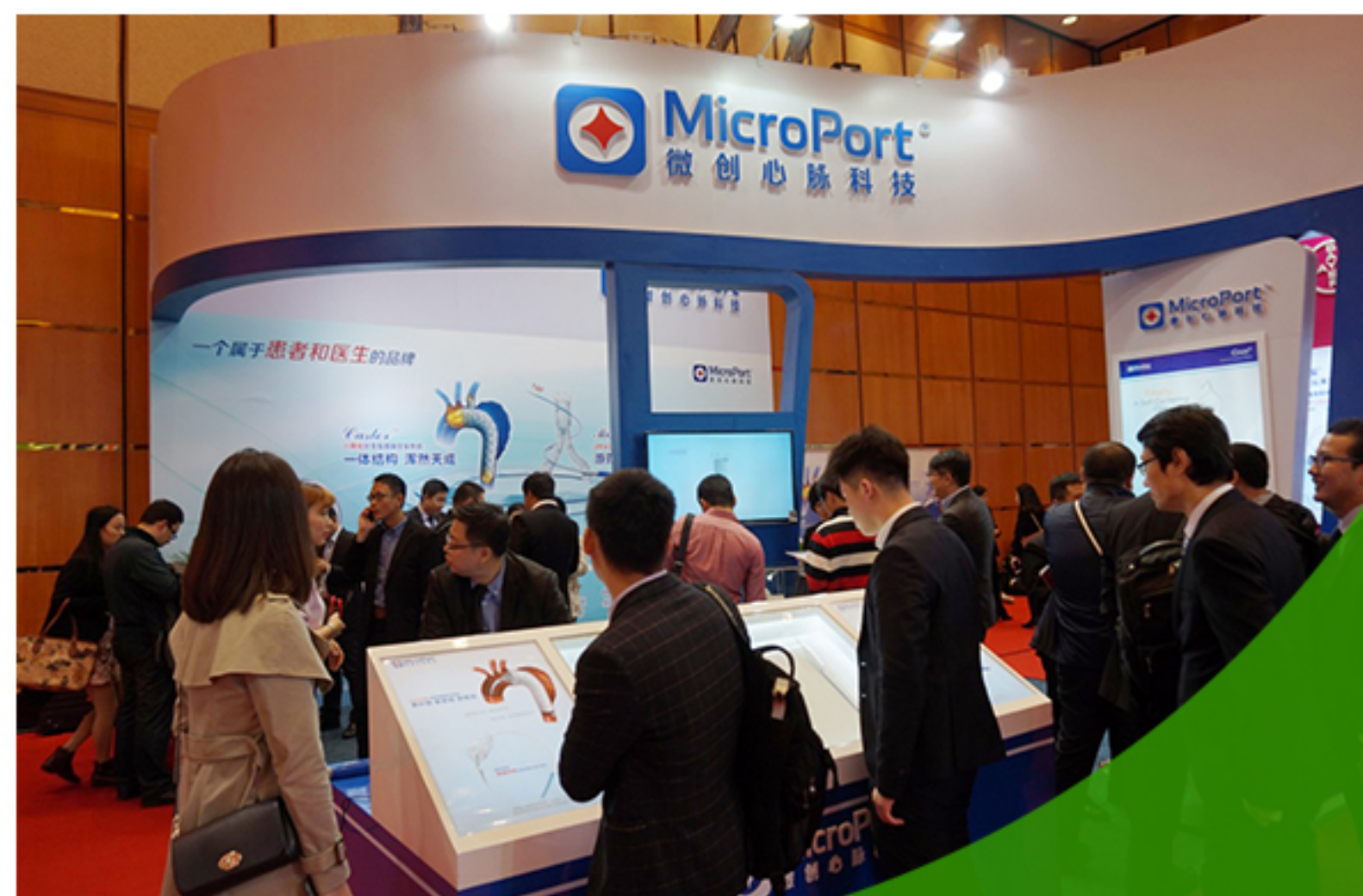
For Professor Wang, such kind of treatment is not the first time in the period of his supporting duty. He said, "It has not only brought advanced medical technology to the Xinjiang, but also established a deep national friendship in here." As a national enterprise with the sense of social responsibility, MicroPort®NeuroTech has always adhered to fulfill the social responsibility, focus on public welfare charity, contributing to the saving of lives and to the improvement of medical standard for the national minority area.

MicroPort® Endovascular Participated in the 8th China Vascular Forum & 2015 China Endovascular Course

From November 5 to November 8, the 8th China Vascular Forum & 2015 China Endovascular Course (CEC 2015) was held in Shanghai International Conference center. Thousands of surgeons and famous vascular disease experts participated in the conference.

In the format of basic courses, expert lectures, broadcast surgery video and satellite surgery, technology innovation and clinical applications of vascular surgery and endovascular were comprehensively demonstrated in the conference. MicroPort Endovascular (Shanghai) Co ("MicroPort® Endovascular") set booth, held thematic satellite meeting, and carried out academic exchange activities during the conference.

On November 7, MicroPort® Endovascular's breakfast satellite meeting was held as scheduled. The meeting invited Professor Weiguo Fu (2015 CEC executive chairman, from Zhongshan Hospital Affiliated to Fudan University), Professor Yinghua Zou (from the First Hospital of Peking University), and Professor Xiwei Zhang (from People's Hospital of Jiangsu Province) as Chairmen. The meeting invited Professor Jue Yang (from Zhongshan Hospital Affiliated to Fudan University), Professor Xiangchen Dai (from the General Hospital Affiliated to Tianjin Medical University), Professor Junjie Zou (from People's Hospital of Jiangsu Province), Professor Min Yang (the First Hospital of Peking University), Professor Zhidong Ye (from Beijing China-Japan Friendship Hospital) as guest speakers, sharing the pre-market clinical research summary and clinical experience of MicroPort® Endovascular's Minos™ Ultra Low Profile and the Reewarm peripheral balloon catheter. The experts expressed their recognition for the continuous innovation ability of MicroPort® Endovascular, as well as the advantages of these products. ►



During the session of "Medical-industrial zero distance dialogue " of the satellite meeting, the participating experts gave some suggestions for the design of stent, and presented some new clinical needs, providing the reference and direction for MicroPort® Endovascular future product development.

CEC 2015 played the surgery video operated by Professor Wei Guo from the General Hospital of Chinese People's Liberation Army (301 Hospital), for which he applied MicroPort® Endovascular's Minos™ Ultra Low Profile as the surgery stent. In addition, Professor Bing Chen (from the Second Hospital Affiliated of Zhejiang University School of Medicine), shared the unique advantages and features of MicroPort® Endovascular's stent through studying the classic cases with attendees. The two professors both had a high recognition to MicroPort® Endovascular's stent products.

During the conference, MicroPort® Endovascular's booth set up sample display area, the simulator experience area, and video play area. We exhibited the Aegis™ system and Hercules™ system, and simulate the whole operation process by using real transportation system. Our booth attracted many participants coming to visit us and to obtain the MicroPort® Endovascular's products information.

Professor Weiguo Fu, Professor Wei Guo, Professor Zhong Chen from Beijing Anzhen Hospital Affiliated of Capital Medical University also visited MicroPort® Endovascular's booth, communicated with MicroPort® Endovascular's President Zhenghua Miao to exchange ideas about products.



Since 2008, CEC has been successfully held for eight years. The purpose of CEC is to service doctors and to track major researches. It also focuses on displaying the latest technology in the field of vascular disease and the latest clinical diagnosis, and demonstrating scientific research results to the professionals. CEC now has become a great academic event in the field of vascular disease and has attracted global attention.

Two Subsidiaries of MicroPort® Recognized as One of Shanghai's the First Group of High-tech Enterprise

Shanghai, China-- recently, the Shanghai Municipal Office of Accreditation For Shanghai's High-tech Enterprises published a list of Shanghai's first batch of high-tech enterprises for year 2015. Two subsidiaries of Shanghai MicroPort Medical (Group) Co., Ltd. (MicroPort®), Shanghai MicroPort EP MedTech Co ("MicroPort® EP") and MicroPort Endovascular (Shanghai) Co ("MicroPort® Endovascular") were selected in the list, won the "high-tech enterprise" certificate, and will enjoy the benefit of the preferential policy that will deduct the income tax, equal to about 15% corporate income during the next three years. This recognition was jointly determined by the Shanghai Municipal Science and Technology Commission, Shanghai Municipal Finance Bureau, Shanghai Municipal State Tax Bureau and the Shanghai Municipal Bureau of Local Taxation, and announced to the public by the Shanghai Municipal High-tech Enterprises Identified Office.

As local science and technology enterprises in Shanghai, MicroPort® EP and MicroPort® Endovascular were established in 2010 and 2012. The companies' products are widely used in the domestic tertiary hospitals, and also exported to many countries and regions. MicroPort®'s CTO Dr. Qiyi Luo commented: "MicroPort® always focuses on the concept of independent innovation, is fully committed to the research and development of new products and new technologies. Through the good platform and the benefits of the brand as high-tech enterprises, MicroPort® EP and MicroPort® Endovascular will keep increasing scientific and technological innovation, increasing the key scientific research project business development, to enable these two enterprises to achieve rapid development. Such qualification shows that Shanghai government authorities highly recognized the achievement of science and technology innovations of us for so many years."

Related Links

"Hi-tech Enterprise" is the kind of company that has to be in the Hi-tech field, focuses on the R&D and technological achievements, has independent intellectual property rights, is based on mainland China (not including Hong Kong, Macao and Taiwan regions), registered more than one year ago, which will gain strong support from the nation. The city's project of qualifying and recognizing high-tech enterprises in Shanghai has a purpose of supporting and encouraging the growth of the high-tech enterprises. The process includes verifying number of employees, status of intellectual property, financial status, research and development expenses during the last three years, the annual income from high-tech products (services), and the status of initiating scientific research project and etc. Based on the result of such verifications, those enterprises that are qualified will be awarded to be High-tech Enterprises of Shanghai.

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