

Investor Newsletter

Issue **11** 2016



MicroPort® Listed Among "2016 National Technology Innovation Model Enterprises"

On November 14, Shanghai MicroPort Medical (Group) Co., Ltd. ("MicroPort®") received another national award - it was listed among the "2016 National Technology Innovation Model Enterprises" by China's Ministry of Industry and Information Technology and Ministry of Finance, further demonstrating its sustainable innovation capability and industry leading innovation achievements.



Since 2010, the Ministry of Industry and Information Technology and the Ministry of Finance annually name several enterprises that stand out for their innovation capability and achievements. The nominated enterprises were assessed in aspects of their core competitiveness, leading position, sustainable innovation capability, research and development ("R&D") input, industry leadership, independent brand, ability of new technology application, and innovation and development strategy. In 2016, a total of 69 enterprises were granted the certification and MicroPort® was among the nine medical enterprises that received the award.

MicroPort® always keeps in mind that innovation is the driver of future growth. In recent years, the company continuously increases investment in R&D to promote the development of independent brands, and focused on creating a sound environment for innovation and an efficient mechanism to cultivate innovative talents. MicroPort® has built a solid foundation for innovation and achieved fruitful results with several technologies pioneering in China and even the whole world. Up to date, MicroPort® has applied for 1,768 patents, and obtained 767 patents of them. In recent years, MicroPort® was granted several awards for its innovation, such as Key High Technology Enterprise of the National Torch Plan, Key Field Innovation Team of 2013 Ministry of Science and Technology Innovative Talent Training Plan, Shanghai High- and New-Technology Enterprise, Shanghai Science and Technology Little Giant Enterprise. In early 2016, the project "Key Technologies and Industrialization Platform of Minimally Invasive Interventional and Implantable Medical Devices" won the second prize of State Science and Technology Progress Award, which was the third time for MicroPort® to receive such honor in the past eight years.

MicroPort® Attends Symposium on **China-Africa Partnership** in Improving Access to Health and Medical Products

On November 22, MicroPort® was invited to attend the Symposium on China-Africa Partnership in Improving Access to Health and Medical Products, held in Shanghai by Center for International Exchanges and Cooperation of China's National Health and Family Planning Commission. Around 300 people attended the symposium, including senior officials of health ministries and representatives from national health authorities, medical institutions, pharmaceutical enterprises, and related international organizations in China and 19 African countries such as Egypt, Angola and Congo.

The symposium highlighted Africa's demands and China's inventions. During the exhibition of Chinese and African medical achievements, Director Bin Li of China's National Health and Family Planning Commission and several officials of health ministries of African countries visited MicroPort® booth, and they were briefed the overview of MicroPort®'s history and product portfolio with the emphasis on its international business development by Dr. Linda Lin, Vice President of MicroPort® International Business. In the parallel session of "the Comparative Advantages of China's Health Industry," MicroPort® staff introduced the company's current situation of globalized development, and demonstrated several products that fit the needs of African markets. Currently, MicroPort® products have been approved for use in over 5,000 hospitals worldwide, covering major markets in the Asia-Pacific, Europe and America.



The Symposium will facilitate the effective implantation of agreements achieved in the Johannesburg Summit of the Forum on China-Africa Cooperation, further strengthen South-South Cooperation, improve access to medical and healthcare products in African countries, and promote the cooperation and exchange between Chinese and African pharmaceutical industries. MicroPort® will continuously stick to innovation and keep developing innovative technologies, products and management skills to help drive the development of African medical and healthcare industries, so as to provide ideal and cost-effective solutions for patients in China, Africa and the whole world, and contribute to the advancement of the healthcare industries in China and Africa.

Delegation of Malawi Ministry of Health Visits MicroPort®

On November 23, Minister of Health of Republic of Malawi Mr. Peter Kampalume, leading a delegation of six people from Malawi's Ministry of Health, medical companies and government authorities, visited MicroPort® following the Symposium on China-Africa Partnership in Improving Access to Health and Medical Products that just wrapped up on November 22. MicroPort® management team, including Chief Human Resources Officer Junder Chiang, MicroPort® Vice President of International Business Dr. Linda Lin and MicroPort® Vice President of Strategy and Planning Dr. Chengyun Yue, received the delegation.

The delegation visited MicroPort®'s production line of cardiovascular devices and learnt about detailed production process of drug eluting stents. Mr. Peter Kampalume said he was impressed by MicroPort®'s outstanding production workshop and quality control. Afterwards, they visited MicroPort® Self-Experience Center and was briefed the overview of its history, main business segments, globalized and diversified strategies and future development plans. MicroPort® representatives and the delegation later had a symposium in which Mr. Peter Kampalume introduced the current situation of Malawi's healthcare service, highlighting the cardiovascular and orthopedic fields that MicroPort® focuses on, and discussed the possibilities of future cooperation.



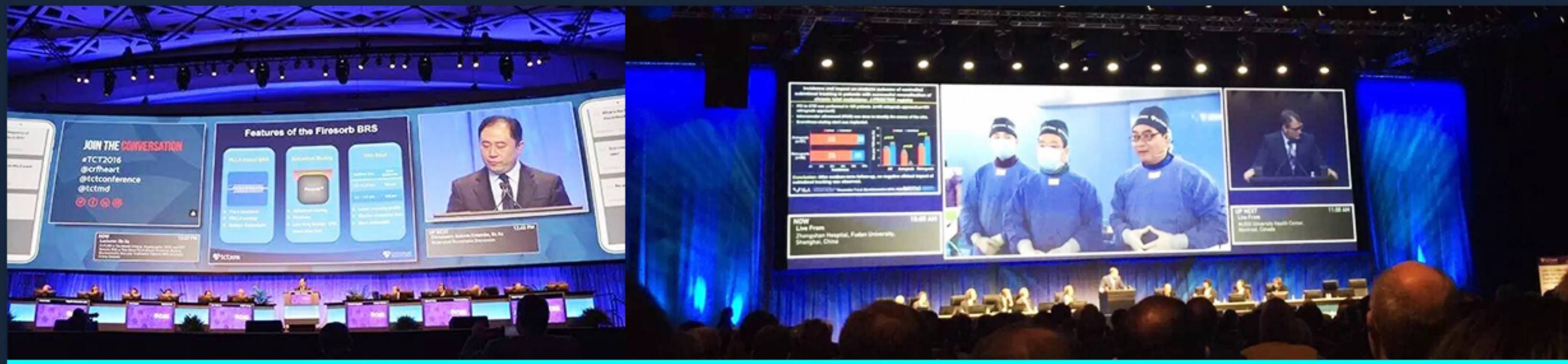
MPSC Announces a Strategic Partnership with MinInvasive in the Shoulder Rotator Cuff Repair Sports Medicine Market for China

MicroPort Scientific Corporation (HKSE: 0853) ("MPSC") announced today that it has entered into a strategic partnership with Israeli based MinInvasive Ltd. which manufactures a next generation, minimally invasive shoulder rotator cuff repair device called OmniCuff™. MPSC will be granted exclusive rights to manufacture and distribute OmniCuff™ for the China market and will leverage its Global Sourcing Center to source device components for MinInvasive to reduce manufacturing costs for OmniCuff™.

The field of shoulder rotator cuff repair is a fast growing market segment within the sports medicine market. According to industry research, there are over one million shoulder rotator cuff repair procedures performed annually globally with an expected annual growth rate of 7%, and in emerging markets such as China the yearly compound growth rate reached over 20%. Today, the majority of Rotator Cuff Repair procedures are performed arthroscopically using suture anchors. The shift from open surgery to less invasive arthroscopic Rotator Cuff Repair has driven the current market need for suture anchors adding increased cost and potential complications in clinical outcomes. However, transosseous suture repair remains the gold standard in terms of footprint reconstruction leading to excellent and secure rotator cuff repair. MinInvasive has developed the OmniCuff™ System - a needle-based, arthroscopic repair technology that allows surgeons to easily place sutures through the bone to re-attach and compress the tendon without suture anchors. With OmniCuff™, both patients undergoing surgery and surgeons performing rotator cuff repair will benefit from the clinical advantages of minimally invasive surgery, the biomechanical advantages of a transosseous repair, and a reduction in overall procedure cost.

Currently, OmniCuff™ is available in the US where MinInvasive recently completed a successful post-market, multi-center clinical study in leading U.S. orthopedic hospitals. OmniCuff™ is not CFDA approved and will have to be registered with and approved by the CFDA prior to being commercially available in China.





MicroPort® Firesorb™ and Firehawk® Star in TCT 2016

From October 29 to November 2, MicroPort® attended the 2016 Transcatheter Cardiovascular Therapeutics ("TCT 2016") held in Walter E. Washington Convention Center in the US. In the world's premier educational meeting that promotes and leads cutting-edge technologies in interventional cardiovascular medicine, MicroPort® impressed the attendees with its in-house developed innovative products Firesorb™ Bioresorbable Rapamycin Target Eluting Coronary Scaffold System ("Firesorb™") and Firehawk® Rapamycin Target Eluting Coronary Stent ("Firehawk®"). In particular, live cases of Firesorb™ and Firehawk® were the first events in the main arena of TCT 2016, the first time the TCT opens with live cases performed in Chinese hospitals.

MicroPort® Endovascular Receives "Outstanding Contribution to Performance Improvement Award" of ISPI-China

On October 27, MicroPort Endovascular (Shanghai) Co., Ltd. ("MicroPort® Endovascular") was granted the "Outstanding Contribution to Performance Improvement Award" and its project "PLUS" (Portfolio Life-cycle United Stimulation) was granted the "Best Practice of Performance Improvement Award" by the International Society for Performance Improvement – China ("ISPI-China") in the 6th China Performance Improvement Forum held in Beijing. The forum aims to distribute the latest updates related with performance improvement and provides a platform for companies that stand out for performance improvement to share their experience and development stories.

"PLUS" is the performance improvement project MicroPort® Endovascular has been developing and practicing since 2012 with the purpose to inspire the motivation and creativity of its R&D staff, and to guide them to accelerate the R&D process and deliver more high-tech and high-added-value products with lower cost. "PLUS" is designed for multiple medical device projects covering the whole life-cycle of a medical device from the formation of the initial concept to the phase-out of the product. "PLUS" manages the performance within one project or between multiple projects. It will improve the overall performance of the portfolio, and will enhance awareness of long-term cooperation between team members as well as their identity with the project management.





Two MicroPort® Subsidiaries Selected as "2016 Shanghai Science and Technology Little Giant Enterprise (for Cultivation)"

On November 17, MicroPort® announced that its subsidiaries MicroPort® Endovascular and Shanghai MicroPort EP MedTech Co., Ltd. ("MicroPort® EP") were listed as "2016 Shanghai Science and Technology Little Giant Enterprise (for Cultivation)" by Science and Technology Commission of Shanghai Municipality and Shanghai Municipal Commission of Economy and Informatization. The selected companies will gain funding from city or district (county) governments based on the companies' independent innovation plans.

Founded in 2010 and 2013 in Shanghai, MicroPort® EP and MicroPort® Endovascular primarily focus on the development, manufacture, and marketing of the interventional medical devices respectively for the treatment of electrophysiological diseases, and peripheral-vascular- and endovascular-related diseases. Their devices are widely used in China's top hospitals and have been exported to many overseas countries and regions. MicroPort® EP and MicroPort® Endovascular were both selected as 2015 Shanghai High- and New-Technology Enterprises.



MicroPort® Hosts 2016 Technical Innovation and Interactive Suppliers Congress

From October 24 to October 26, MicroPort® hosted the 2016 Technical Innovation and Interactive Suppliers Conference in its headquarters. The conference aims to promote the strategic cooperation between MicroPort® and the suppliers while enhancing mutual communications on technical innovation. More than 200 people from about 100 suppliers attended the meeting to seek for marketing opportunities and win-win strategies.



MicroPort® Orthopedics Attends 11th International Congress of COA

From November 17 to November 20, Shanghai MicroPort Orthopedics Co., Ltd. ("MicroPort® Orthopedics") attended the 18th Chinese Orthopaedic Association ("COA") Annual Meeting and the 11th International Congress of COA in Beijing to display its innovative products and host a symposium.

On November 18, MicroPort® Orthopedics hosted a symposium themed "Fast Recovery and Patient Satisfaction," in which domestic and international orthopedic experts were invited to exchange ideas about the operative experience of SuperPath™ Micro-posterior Total Hip Arthroplasty ("SuperPath™") and the design concept of Medial Pivot Knee.



MicroPort® Orthopedics Attends the 36th Annual Congress of HKOA

From November 5 to November 6, MicroPort® Orthopedics attended the 36th Annual Congress of the Hong Kong Orthopaedic Association ("HKOA 2016") held in Hong Kong Convention and Exhibition Center, and hosted a satellite meeting. The annual congress of HKOA is an international meeting that attracts nearly 1,000 orthopedic surgeons from the US, the Europe, Southeast Asia, and China, to exchange ideas on hot issues in the orthopedic field.

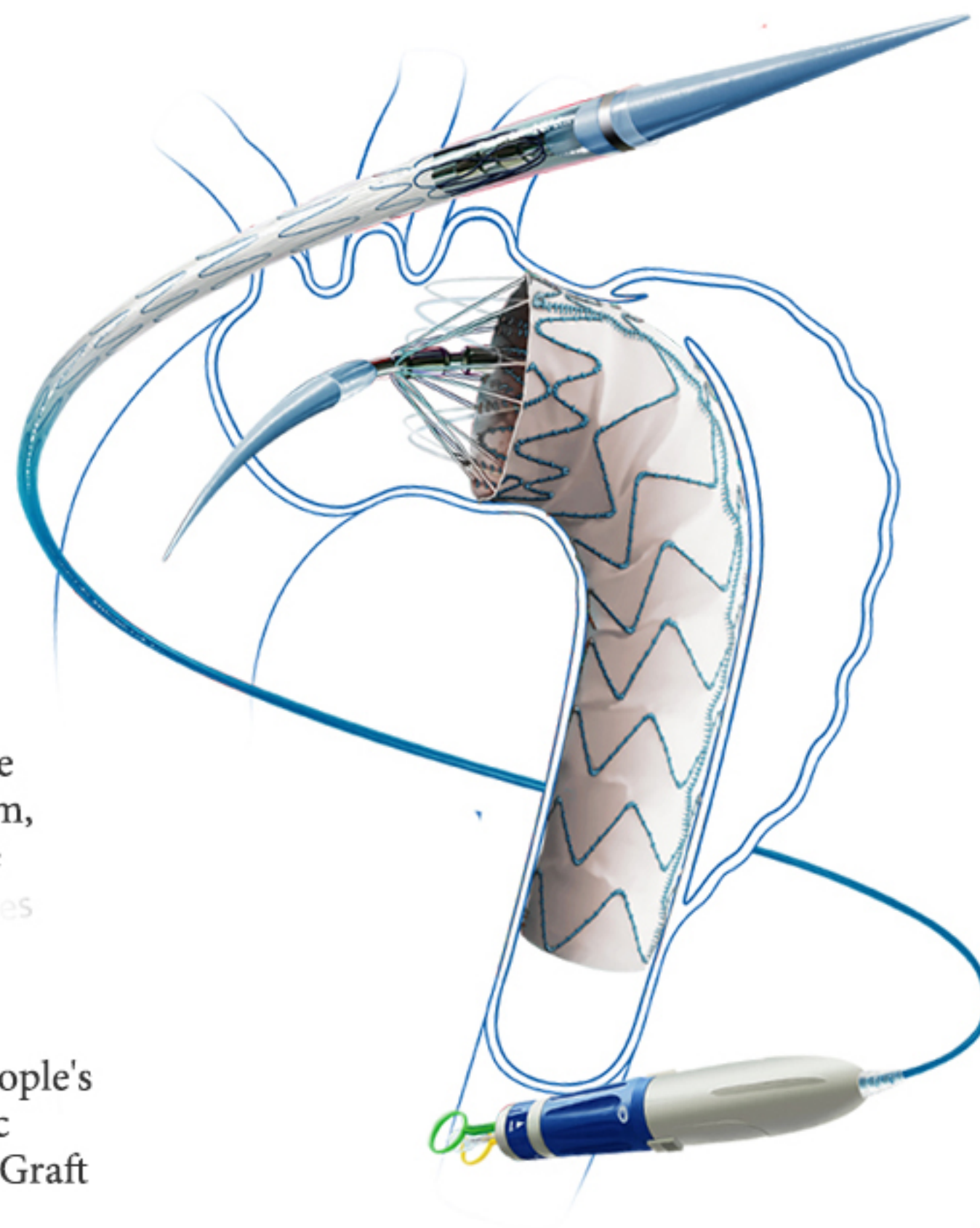
On November 5, MicroPort® Orthopedics hosted a satellite meeting. Professor You Wang of Shanghai Ninth Hospital of Shanghai Jiao Tong University School of Medicine, and Professor Chun-hoi Yan of Queen Mary Hospital of Hong Kong University were invited as keynote speakers, and they shared their experience in using the medial pivot knee prosthesis to the attended surgeons with the focus of patient satisfaction.

MicroPort® Endovascular Attends the Ninth China Endovascular Course & 2016 National Continuing Education Program for Vascular Surgeons

From November 3 to November 6, MicroPort® Endovascular attended the Ninth China Endovascular Course & 2016 National Continuing Education Program for Vascular Surgeons ("CEC 2016") that was held in the Beijing National Convention Center.

During the forum, MicroPort® Endovascular displayed several innovative products such as HT-LP and Castor™ Thoracic Branch Stent-Graft System, and many attendees were attracted to get the hands-on experience in the features and operating techniques of MicroPort® Endovascular products with product simulation.

Meanwhile, MicroPort® Endovascular hosted two symposiums in which Professors Xiaoming Zhang and Xuemin Zhang of Peking University People's Hospital were invited to share the latest clinical experience and academic viewpoints respectively on the Clinical Application of Low Profile Stent-Graft System and the Clinical Application of Uni-body Design in the Aortic Endovascular Treatment.





MicroPort® NeuroTech Attends 2016 CCVF

From November 18 to November 20, MicroPort NeuroTech (Shanghai) Co., Ltd. ("MicroPort® NeuroTech") attended the Second China Cerebral Vascular Forum ("2016 CCVF") in Zhengzhou, Henan Province.

In the forum, MicroPort® NeuroTech hosted a satellite meeting of "the Clinical Application of WILLIS® Intracranial Stent Graft System ("WILLIS®")." Professor Li Li of Henan Provincial People's Hospital was invited as the guest speaker to introduce his experience in clinical application of WILLIS®. Professor Tianxiao Li of Henan Provincial People's Hospital and Professor Chun Fang of Tongji Hospital of Tongji University were invited to chair the satellite meeting. Professor Li Li introduced the main features of WILLIS® and demonstrated its indications through case studies. In the arterial aneurysm session of the forum, Professor Chun Fang highlighted the clinical application of WILLIS® in endovascular repair, which was well received by the attendees.



MicroPort® NeuroTech Attends OCIN 2016

From October 27 to October 30, MicroPort® NeuroTech attended the 16th Oriental Conference of Interventional Neuroradiology ("OCIN 2016") in Shanghai to display Apollo Intracranial Stent System ("Apollo") and WILLIS® Intracranial Stent Graft System ("WILLIS®"). As one of the most influential international congresses in the field of neurovascular intervention in China, the OCIN 2016 attracted many renowned neurovascular intervention experts from US, France, the Netherlands and Germany, as well as leading neurovascular intervention teams in China and around 2,000 domestic neurovascular intervention professionals to join in meeting for academic exchange.

During the OCIN 2016, a surgery by Shanghai-based Changhai Hospital to treat intracranial stenosis with MicroPort® NeuroTech's Apollo was live broadcasted on October 28. The surgery achieved successful outcome, and the excellent performance of Apollo was highly recognized by experts in attendance.

In OCIN 2016, many experts visited MicroPort® NeuroTech booth and exchanged ideas with MicroPort® NeuroTech R&D staff regarding product design, clinical affairs, as well as new development and new trend in the field of neurovascular intervention.

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