Investor Newsletter

Issue 12 2016

MicroPort

MPSC and Lombard Medical Announce Strategic Partnership and Investment Agreement

On December 19, MicroPort Scientific Corporation ("MPSC") (HK: 853), a leading medical technology company dedicated to innovation, manufacturing and marketing high-end medical devices globally, and Lombard Medical, Inc. ("Lombard Medical") (NASDAQ: EVAR), a UK based medical device company focused on endovascular aneurysm repair, announced a strategic partnership and a significant infusion of capital into Lombard Medical by MPSC. With the combined product portfolio of MPSC's endovascular business and Lombard Medical's endovascular stent graft, this partnership would create the broadest product portfolio for the endovascular abdominal aortic aneurysm ("AAA") market in China to further consolidate MPSC's leading position in the fast growing China endovascular market, and meanwhile would allow MPSC to develop its endovascular business in international markets that have large growth potential.

Lombard Medical currently owns and markets two key products: Aorfix™ is the only stent graft to hold global approvals to treat AAA with aortic neck angles up to 90 degrees, and Altura® is a highly innovative stent graft with a low profile delivery design that offers clinicians a simple and predictable treatment option for standard AAA anatomy. The agreement provides MPSC with the exclusive marketing rights for Lombard Medical's products Aorfix™ and Altura® AAA stent graft product lines in China, as well as the right to a technology license to manufacture the products for the China market. The two products are expected to gain approval from China Food and Drug Administration by 2019 after completion of clinical trials. Lombard Medical and MPSC will also enter into a component supply manufacturing agreement whereby MPSC will manufacture in its facilities in Shanghai certain components for the Aorfix™ and Altura® product lines. Lastly, MPSC will also have exclusive marketing rights for both Altura® and Aorfix™ in Brazil. In exchange, MPSC and certain investors have invested $15 million in a combination of Lombard Medical common stock and convertible debt.

MicroPort

MPSC and its Relevant Subsidies Sign Equity Transfer Agreements and Capital Increase Agreement in Relation to MicroPort® Endovascular

On December 3, MPSC signed the Equity Transfer Agreements respectively with Shanghai Lianmu Enterprise Management Center (Limited Partnership) and Zhangjiang Science & Technology Venture Capital Co., Ltd. to separately transfer 10% and 2% of the equity interest in its holding subsidiary MicroPort Endovascular (Shanghai) Co., Ltd. ("MicroPort® Endovascular") to the two companies at considerations of RMB181.5 million and RMB36.3 million. On the same day, MicroPort® Endovascular and its original shareholders signed the Capital Increase Agreement with Shanghai Jiushen Private Equity Limited Partnership, pursuant to which Jiushen agreed to subscribe for approximately 1.92% of the enlarged share capital of MicroPort® Endovascular at a consideration of RMB35.55 million. Upon the completion of the Equity Transfer Transactions and the Capital Increase Transaction, the percentage of equity interest in MicroPort® Endovascular that MPSC indirectly holds will be 71.59%.

Through signing the Equity Transfer Agreements, MPSC will be able to optimize the financial structure and support the ongoing development of various business sectors. Meanwhile, signing of the Capital Increase Agreement will enable MicroPort® Endovascular to replenish the operating capitals and increase its investment in research and development to enhance its market competitiveness. These financing agreements brought in strategic investors with professional background for MicroPort® Endovascular, which will further promote its long-term and sustainable development.

MicroPort® Completes Patient Enrollment of VitaFlow™ Pre-market Clinical Trial

Shanghai MicroPort Medical (Group) Co., Ltd. ("MicroPort®") has recently completed the patient enrollment of the pre-market clinical trial of its self-developed VitaFlow™ Transcatheter Aortic Valve and Delivery System ("VitaFlow™"), which is three months prior to the scheduled completion date. The clinical trial is a prospective, multi-center trial, aiming at assessing the safety and efficacyof VitaFlow™ in the treatment of severe aortic stenosis. The clinical trial was organized by Professor Junbo Ge, an academician of Chinese Society of Sciences and a renowned cardiologist. Zhongshan Hospital of Fudan University, led eleven domestic hospitals to complete the clinical trial.

Aortic stenosis is one of the most common and severe valvular heart diseases, and the prevalence rate increases significantly with ages. Transcatheter Aortic Valve Implantation ("TAVI") is a revolutionary procedure to bring better treatment for severe symptomatic aortic stenosis patients who can't afford surgery. Up to now, more than 250,000 patients in more than 65 countries received TAVI treatment, while the amount of TAVI cases reached 71,000 in 2015. With the aging population and expanding indications, TAVI will increase four-fold in the next 10 years. The first TAVI case was introduced to China in 2010 by Professor Junbo Ge, however so far only 650 cases have been performed in clinical studies since there is no transcatheter aortic valve product approved in Chinese market.

MicroPort®'s VitaFlow™ adopts world-class techniques with better coaxiality and stability during valve deployment. Its skirt designs to reduce perivalvular leak and heart block. Meanwhile, motorized handle of the delivery system simplified operation.

MicroPort

MicroPort® Endovascular Received CE Mark Approval for Hercules™ Balloon Dilation Catheter and Reewarm™ Peripheral Balloon Dilation Catheter

On December 13, MicroPort® Endovascular in-house developed Hercules™ Balloon Dilation Catheter and Reewarm™ Peripheral Balloon Dilation Catheter were both granted CE mark approval. It is the first CE mark approvals MicroPort® Endovascular has received, to successfully have its products registered in European Union countries, marking the first solid step to enter the European Union markets.

Hercules™ Balloon Dilation Catheter is indicated for enhancing the vessel wall apositioning after self-expandable graft-stent implantation. It can effectively enhance graft-stent expansion, avoid incomplete vessel wall apositioning, eliminate aneurysm endoleak/migration risk, and ensure precise deployment, to achieve better long-term treatment effect. Hercules™ Balloon Dilation Catheter and the aortic stent graft together provide a comprehensive solution for the endovascular stent treatment of aortic aneurysm, leading to easy and flexible operating for surgeons.

Reewarm™ Peripheral Balloon Dilation Catheter is designed to treat atherosclerosis-caused stenosis and occlusive disease in artery below groin, such as iliac artery, femoral artery, superficial femoral artery, popliteal artery, inferior genicular artery. It provides pre-expansion of the narrowed vascular lumen for future treatment.

MicroPort

MicroPort® Attends CBS2016

From December 1 to December 4, MicroPort® attended the 9th Left Main & Coronary Bifurcation Summit ("CBS 2016") held in Nanjing of Jiangsu Province.

In the summit, live operation demonstrations of MicroPort® in-house developed Firehawk® Rapamycin Target Eluting Coronary Stent System ("Firehawk®") and Firebird2® Rapamycin-Eluting Coronary CoCr Stent System ("Firebird2®") were broadcasted to the attendees.

Taking the opportunity of this summit, two Dutch experts Dr. Heyden and Dr. Agostoni visited MicroPort® and said they were impressed by the environment, equipment of its production plant as well as the earnest manner of the plant workers.

This summit further strengthened and promoted the academic exchange and cooperation between China and other countries, which enabled domestic and international experts of interventional therapy to get a deeper understanding in MicroPort® and its products.

MicroPort® Awarded "2016 National Model Academicians and Experts Workstation"

On December 28, MicroPort® Academicians and Experts Workstation was awarded "2016 Shanghai Outstanding Academicians and Experts Workstation" and selected as "2016 National Model Academicians and Experts Workstation," and received the certificates and a bronze medal during the 2016 Shanghai Academicians and Experts Workstation Conference.

Established on December 2, 2009, MicroPort® Academicians and Experts Workstation is the first of its kind in Pudong of Shanghai, and its members include Academician Weiqi Wang and Academician Kerong Dai of Chinese Academy of Engineering. In 2014, MicroPort® Academicians and Experts Workstation was awarded "Shanghai Outstanding Academicians and Experts Workstation" for the year, and this time it was awarded "2016 National Model Academicians and Experts Workstation," which fully demonstrated the recognition of government and industry in the achievement made by MicroPort® Academicians and Experts Workstation.

Driven by the Academicians and Experts Workstation, MicroPort® closely works with experts and together with them developed several innovative products, such as WILLIS® Intracranial Stent Graft System ("WILLIS®"), which was jointly developed with Professor Minghua Li of Shanghai Sixth People's Hospital, and Tubridge™ Vascular Reconstruction Device ("Tubridge™"), which was jointly developed with Professor Jianmin Liu of Shanghai Changhai Hospital.

MicroPort

MicroPort® was Selected as a Pilot Project of Patent Alliance of Enterprises in Shanghai Zhangjiang National Innovation Demonstration Zone

Recently, MicroPort® was selected as a pilot project of Patent Alliance of Enterprises in Shanghai Zhangjiang National Innovation Demonstration Zone. The project was initiated by the Management Committee of Shanghai Zhangjiang High-tech Industrial Development Zone and Shanghai Intellectual Property Administration to promote the development of the Patent Alliance through government funding. Its aim is to enhance the dynamic technical innovation and competitiveness through the Alliance, foster strengths of each member to form a long-term and stable win-win situation, and accelerate technology application and synergetic innovation.

The pilot project of MicroPort® is under the Patent Alliance of Minimally Invasive Medical Device Enterprises, which consists of companies of minimally invasive medical device industry and other emerging healthcare technologies. Oriented by the market and boosted by intellectual property policies and industrial innovation resources, the Alliance will promote the cooperation and reciprocity between its members, establish the 'patent pool', encourage innovation, help them to commercialize their innovative technologies, provide solutions to the problems related with intellectual property, and reduce costs and enhance efficiency for innovation. Currently, the Alliance is composed of 12 members.

MicroPort® Holds First Roadshow for its Incubator Project

On December 17, MicroPort® held the first roadshow for its Incubator Project in the Shanghai headquarters. In the roadshow, over ten projects were presented and discussed. MicroPort® senior management and experts from University of Shanghai for Science and Technology attended the roadshow.

The projects presented in the roadshow contain various types such as innovative products, auxiliary diagnosis and treatment equipment, surgical techniques, business modes of medical service and the application of new technologies in medical field, covering industries closely related with MicroPort®'s business segments including neurovascular, peripheral vascular, lifesciences, gastroenterology and orthopedics. Followed a detailed presentation of each project, there was a Q&A session for attendees to actively interact with the project manager.

MSC Receives the Second Prize in Biomedical Industry Group of Fifth China Innovation & Entrepreneurship Competition

MicroPort Sorin CRM (Shanghai) Co., Ltd. ("MSC"), a joint venture of MicroPort® and Italy-based Sorin Group, received the second prize in the Biomedical Industry Group of Fifth China Innovation & Entrepreneurship Competition, after the furious final held from November 24 to November 28 in Xiamen of Fujian Province. It is another award MSC was granted in such national contest following the "Best Investment Value Award" and the "Winning Prize in Enterprise Group" it received in the Shanghai Division Contest in September.

A total of 179 enterprises and 35 teams went through to the final. They presented their projects to the judges, experts, investors, and entrepreneurs, which were fully assessed by their technology values, market potentials, and investment values. MSC's "Self-Developed and Domestically Made BonaFire® Pacing Lead System" managed to stand out and won the second prize in the Biomedical Industry Group of Fifth China Innovation & Entrepreneurship Competition 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. Such award shows the judges' full recognition on MSC's teamwork and is also a strong encouragement to the company.

First Evolution™ Total Knee Replacement Completed in Heilongjiang Province

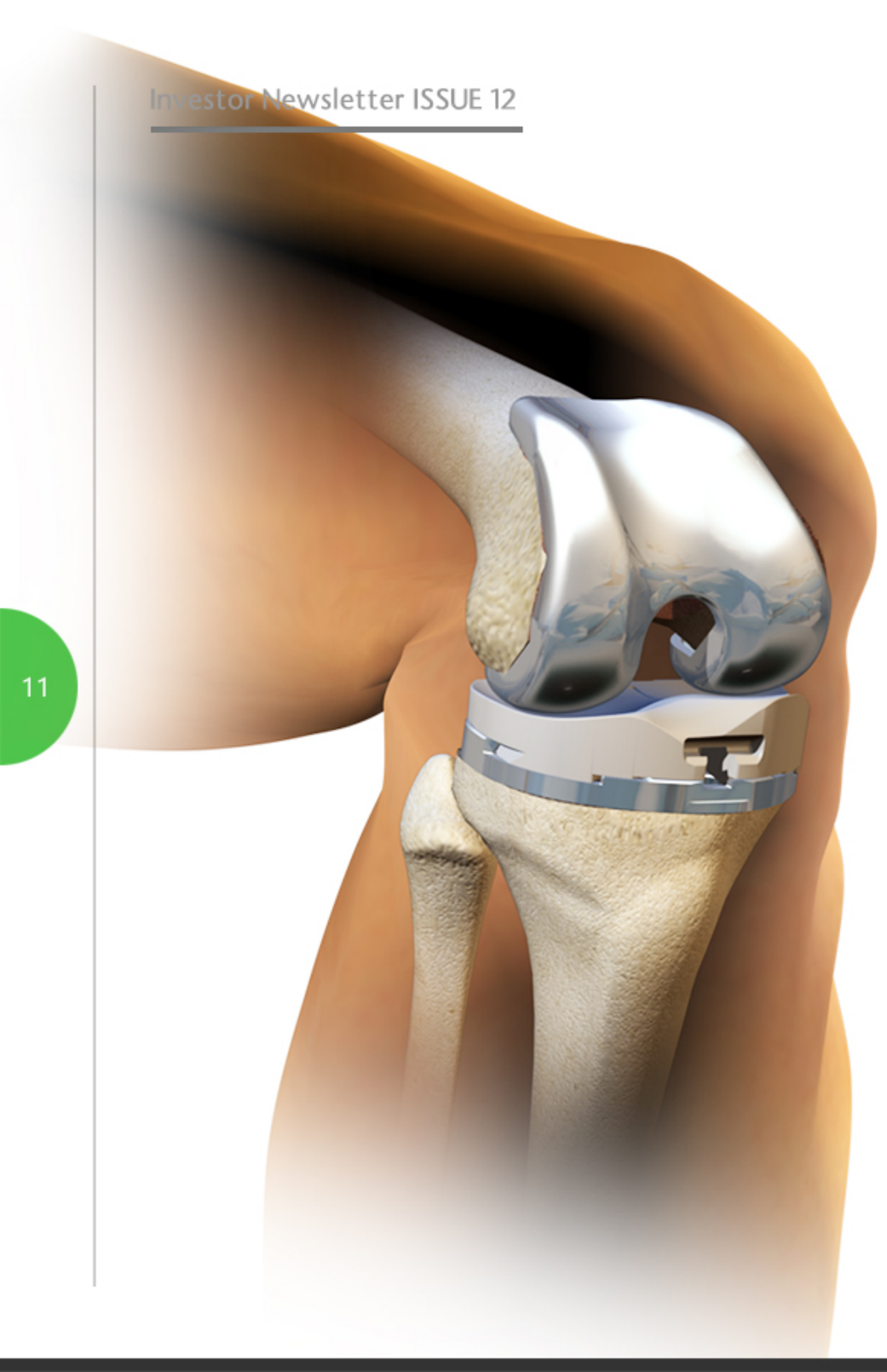
On December 19, a surgery using MicroPort® Orthopedics' second-generation total knee replacement system Evolution™ Medial-Pivot Knee System ("Evolution™") was completed in the First Affiliated Hospital of Harbin Medical University of Heilongjiang Province, which marked the first implantation of Evolution™ in Heilongjiang.

The female patient, 59, suffered from osteoarthritis in her right knee. The surgery was performed by Professor Weiliang Yang who finished the prosthesis fitting in 30 minutes. Professor Yang spoke highly of Evolution™'s stable performance and its sizing profile. He also noted, its matching tools are easy to use and provide great help for surgeons during the operation. Professor Yang said he looks forward to seeing Evolution™ benefit more Chinese patients.

Postoperative stability is an important indicator to determine the outcome of a knee replacement surgery as well as the patient's motion and experience after the surgery. Evolution™ features medial pivot design, ball-in-socket articulation, and slideway in lateral side, which enhances stability and allows the prosthesis to move and feel more like a normal knee. Evolution™ aims to provide an implant that delivers low bone cut, wear limiting design, flexion stability, and high patient satisfaction. In addition, it facilitates faster return to function as it protects the muscle strength of quadriceps femoris.

As the second-generation medial pivot knee of MicroPort® Orthopedics, Evolution™ imitates the natural motion of the knee by incorporating a patented ball-in-socket feature on the medial side, which enhances stability and allows the prosthesis to move and feel more like a normal knee. Such design is in line with the latest development trend of knee prosthesis. At the same time, Evolution™ provides better flexion to meet the needs of daily life for most Asian patients, making it easier for them to go upstairs, kneel, and sit on heels. In this way, the system answers the traditional implant limitations to better balance stability and mobility.

MicroPort



MicroPort® Orthopedics Completes First Evolution™ Total Knee Replacement in Jinhua City

Recently, a surgery using MicroPort® Orthopedics' second-generation total knee replacement system Evolution™ was completed in a hospital in Jinhua of Zhejiang Province, which marked the first implantation of Evolution™ in Jinhua.

The female patient, 56, has been suffering from osteoarthritis in both knees for three years with stiffness. She received the total knee replacement with Evolution™. The surgery lasted for one hour and the patient had less blood loss during it. After the surgery, the patient recovered from restricted movement in her legs and is performing postoperative rehabilitation. The surgeon who performed the surgery said that compared to traditional knee prosthesis Evolution™ provides better post-operative experience as its unique design facilitates faster return to function. The surgeon was satisfied with the operative outcome and the performance of Evolution™, and he expressed interest in continuing using Evolution™ in the future. He also spoke highly of MicroPort® Orthopedics' instrument for their outstanding performance.

MicroPort

MicroPort® Orthopedics Holds TKA Training Course in Hong Kong

Shanghai MicroPort Orthopedics Co., Ltd. ("MicroPort® Orthopedics") organized a training course regarding total knee arthroplasty ("TKA") surgical technique in Hong Kong in December. Since July, MicroPort® Orthopedics had launched two TKA surgical technique training courses, which attracted knee replacement experts from Shanghai, Guangdong, Shandong and Fujian to attend and get a deeper understanding in the design concept and surgical techniques of the medial-pivot knee.

The training course was chaired by Peter KY Chiu from the Department of Orthopaedics & Traumatology of the University of Hong Kong, Queen Mary Hospital. Professor Chiu is a renowned orthopedic expert who is a life member of the Hong Kong Orthopaedic Association ("HKOA") and the former Chairman of Adult Joint Recon under HKOA. Professor Chiu has been engaged in providing medical education of knee surgical techniques to the Chinese mainland surgeons since 1998. From 2001, approximately 1,600 mainland orthopedic surgeons have come to Hong Kong for the surgical training.

This training course focused on how to apply TKA theories to practice. On December 8, Professor Chun-Hoi Yan, current Chairman of Adult Joint Recon of HKOA, introduced the basic theories of primary TKA, following the highlights of the design concept of the medial-pivot knee.

After learning about the medial-pivot knee theoretically, the trainees were divided into four groups for operation demonstrations. Meanwhile, Professor Peter KY Chiu and his team explained to them key surgical skills from approach selection and soft tissue balance skills, to bone cut, alignment management, and sizer management, which was well received both by trainees directly assisting the operations and those who watched live.

This training course provided a thorough comprehension of the design concept of the medial pivot knee as well as its advantages compared to traditional knee prostheses. Meanwhile, it is expected that the EVOLUTION™ surgical techniques the trainees learnt from the course would lay the foundation for them to carry out EVOLUTION™ surgeries in their local hospitals in the future.

MicroPort® Endovascular Attends Sixth China Shenzhen International Cardiovascular Disease Forum & China Cardiovascular Surgery Technique and Engineering Conference

From December 16 to December 18, MicroPort® Endovascular attended the Sixth China Shenzhen International Cardiovascular Disease Forum & China Cardiovascular Surgery Technique and Engineering Conference in Shenzhen to display CRONUS™ Surgical Stent-Graft System ("CRONUS™") and other innovative products.

During the session of Interventional Treatment and Open Surgery for Aortic Disease held on December 18, Professor Weiguo Ma of Beijing Anzhen Hospital delivered a speech on "Surgical Stent for Elephant Trunk Procedure: Innovative Stent and Application Outcome," in which he compared several kinds of stent products used in the elephant trunk procedure.

According to statistics, as of December 2016, over 23,000 CRONUS™ have been implanted worldwide, far more than any product of its kind. Professor Weiguo Ma pointed out, an ideal surgical stent for the elephant trunk procedure should have the following features: wide scope of indications, easy operation, no need of perspective and guide wire, excellent match with aortic wall, outstanding flexibility, stent graft with tapered size and good biocompatibility. As China's only stent-graft used in the elephant trunk procedure, CRONUS™ offers simpler treatment by combining traditional open surgery and advanced interventional approaches, which significantly reduces the surgical trauma and risk, alleviate suffering for patients and improves surgical success rate.

In addition, MicroPort® Endovascular displayed its innovative products including CRONUS™, Hercules™-T Low Profile Stent Graft System, and Castor™ Branched Aortic Stent Graft System, and meanwhile fully demonstrated their features, advantages and application procedures.

MicroPort® EP Attends Dunhuang Cardiovascular Disease Forum

From December 2 to December 3, Shanghai MicroPort EP MedTech Co., Ltd. (“MicroPort® EP”) attended "2016 Dunhuang Cardiovascular Disease Forum – the Application of 3D Navigation Technology in the Treatment of Complex Cardiac Arrhythmias" that was held in the First Hospital of Lanzhou University in Lanzhou of Gansu Province. In the forum, MicroPort® EP live broadcasted procedures using Columbus® 3D EP Navigation System ("Columbus®"). The forum attracted many renowned domestic and international electrophysiologists to exchange ideas on the latest advancement, new concepts, and hot topics in the field of electrophysiology.

MicroPort® NeuroTech Attends CINS 2016

From December 9 to December 11, MicroPort NeuroTech (Shanghai) Co., Ltd. ("MicroPort® NeuroTech") attended the 2nd Annual Conference of Chinese Interventional Neuroradiology Society of Chinese Stroke Association ("CINS 2016") to display APOLLO Intracranial Stent System ("APOLLO").

In the academic symposium of the CINS 2016, Professor Kangning Chen of the Southwest Hospital of the Third Military Medical University released the follow-up result of VAOS stent implantation in the report regarding the long-term follow-up results of multi-center studies of stent treatment of vertebral artery stenosis. Professor Chen also shared the mid-term outcome of the pre-market clinical trial of the vertebral artery drug stent in-house developed by MicroPort® NeuroTech, which was well received by attendees.

Professor Ning Ma of Beijing Tian Tan Hospital of Capital Medical University released the preliminary one-year follow-up result of "AIRE-China" - a clinical study in China of evaluating APOLLO in treating symptomatic intracranial stenosis, in the report of the long-term follow-up results of multi-center studies of stent treatment of intracranial arterial stenosis.

Independently designed and developed by MicroPort® NeuroTech, APOLLO was launched in the China market in 2005. It is China's first intracranial vascular stent for the treatment of ischemic cerebrovascular disease. It was awarded the second prize of Shanghai Scientific Progress Award in 2009 and was listed in the National Key New Products Scheme in 2011.

MicroPort

Investor Newsletter

Issue 12 2016

MicroPort

For more information, please contact:

Martin Sun
Chief Financial Officer
MicroPort Scientific Corporation
Tel: (86)(21) 38954600
Email: ir@microport.com

Leanne Li
Board Secretary & Senior Director of External Affairs
MicroPort Scientific Corporation
Tel: (86)(21) 38954600
Email: ir@microport.com