

Investor Newsletter

Issue **03** 2019



MicroPort® Announces **Annual Results** for 2018

MicroPort Scientific Corporation (the "Company", or "MicroPort®", Stock code: 00853) is pleased to announce the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended December 31, 2018 (the "reporting period"). In the year of 2018, which marked the 20th anniversary of MicroPort®, the Group achieved further expansion in business scale and continued growth in innovation capability due to the effective promotion of a globalization and diversification strategy.

During the reporting period, the Group recorded a revenue of US\$669.5 million, representing a year-over-year growth of 50.7% or a year-over-year growth of 48.6% (excluding the foreign exchange impact). The Group's Cardiac Rhythm Management ("CRM") business contributed a revenue of US\$158.4 million during the reporting period. Meanwhile, the segments of cardiovascular devices, endovascular devices, neurovascular devices and electrophysiology devices recorded rapid revenue increases of 22.0%, 39.6%, 36.5% and 34.5% respectively (excluding the foreign exchange impact). Owing to a significant revenue growth from the major business segments and core products in the PRC market, the Group recorded a profit attributable to equity shareholders of US\$23.9 million, with a year-over-year increase of 27.0%.

In view of the above achieved results, the Board of Directors of the Company proposed a final dividend for the year ended 31 December 2018 of HK2.9 cents per ordinary share.

MicroPort® Chairman and Chief Executive Officer Dr. Zhaohua Chang said: "In 2018, the Chinese government introduced a series of reform measures to further improve the national policies with positive significance on encouraging medical device innovation, accelerating the pace of the domestic-manufacturing process of medical devices, and regulating industry order. Benefiting from these policies, all of the Group's domestic business segments maintained strong growths. Outside of China, we have successfully expanded into the overseas CRM business. The newly added business not only contributes to the Group's revenue, but also helps the Group enhance competitiveness and attain sustainable development in the long run. In the future, the Group will relentlessly innovate in all its business segments to commercialize the best and affordable therapeutic solutions, so as to save and transform or improve patients' lives."



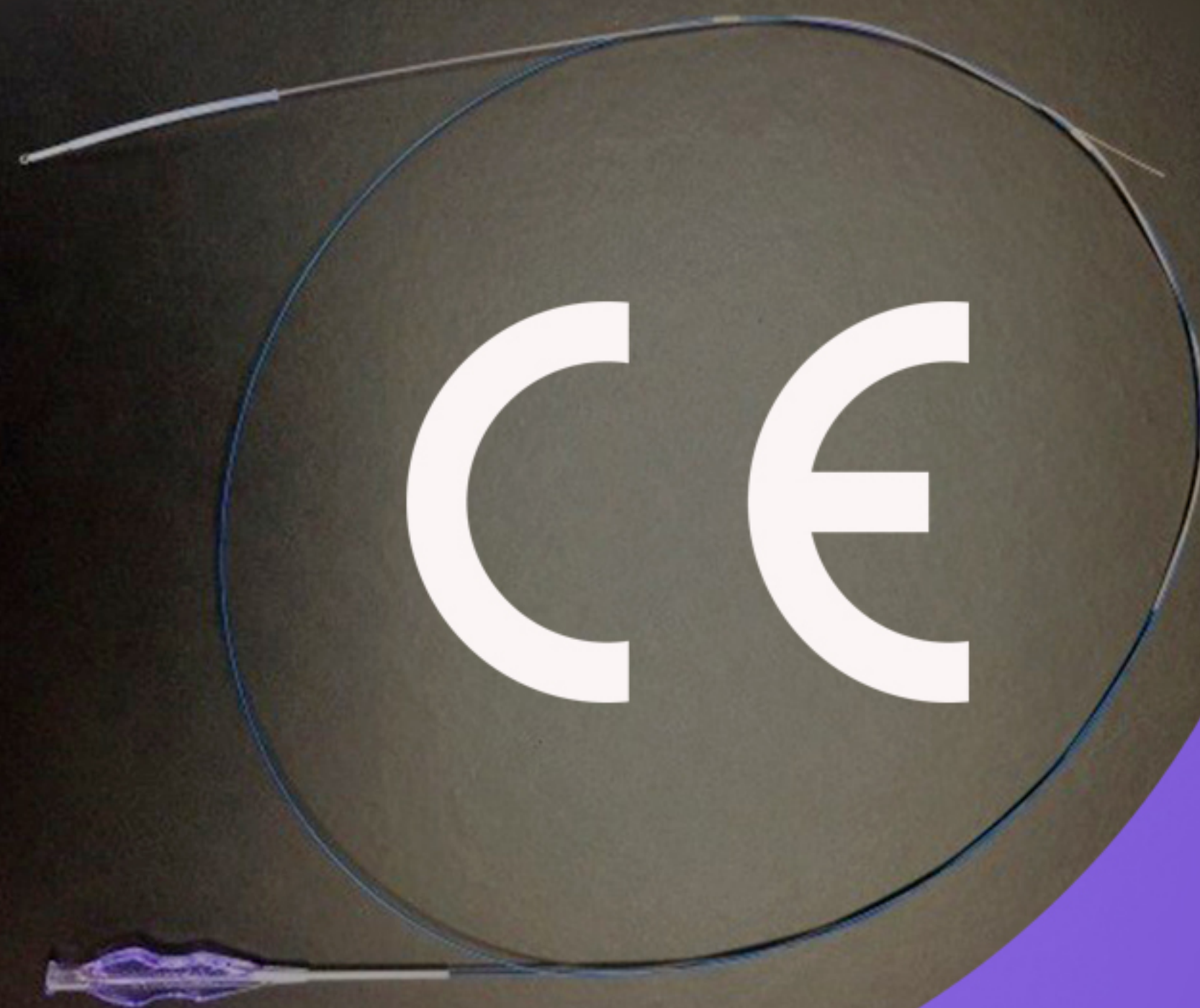
MicroPort® Receives CE Mark for Firehawk Liberty™, a New Generation Rapamycin Target Eluting Coronary Stent System

Shanghai MicroPort Medical (Group) Co., Ltd. ("MicroPort®") is pleased to announce that its new generation Rapamycin Target Eluting Coronary Stent System Firehawk Liberty™ has received CE Mark on March 22, 2019.

The revolutionary third-generation drug eluting stent Firehawk® Rapamycin Target Eluting Coronary Stent System ("Firehawk®") is a result of eight-year R&D of MicroPort®, and it is a drug-eluting stent featuring strut in-groove coating and precision target drug-releasing patent technology.

The new generation Rapamycin Target Eluting Coronary Stent System Firehawk Liberty™ introduces an improvement for its delivery system. It continues to feature the target drug eluting and adopts an innovative balloon technique to improve its dilation performance, which can further elevate the crossability, trackability and pushability of the product to make the stent more crossable with better vessel wall apposition after deployment.

Prior to Firehawk Liberty™, Firehawk® was granted the CE Mark in 2015. The approval for Firehawk Liberty™ in the European Union is set to help MicroPort® provide the physicians with more options in the field of PCI treatment. MicroPort® will continue to be committed to introducing more high-quality, innovative and high-end medical device products to the overseas markets, so as to provide patients with more comprehensive therapeutic solutions.



MicroPort® **Aspiration™** and **SoSuperior™** Total Knee Replacement Systems Obtain Approvals in China, Overcoming the Persistent and Challenging Dilemma Between Stability and Flexibility and Unveiling a New Age for Chinese-made “Medial-Pivot Knee”

Suzhou MicroPort Joint MedTech Co., Ltd, which is a subsidiary of Shanghai MicroPort®, obtained the registration certificates for the implants of Aspiration™ and SoSuperior™ Medial-Stabilized Total Knee Replacement Systems from National Medical Products Administration of China (NMPA) recently. These are the first Chinese-made Medial-Stabilized total knee replacement systems that have obtained such approvals with independent intellectual property. The products are set to bring a more comprehensive total knee replacement solution to the Chinese patients suffering from degenerative knee diseases, which will clear the persistent and challenging dilemma between stability and flexibility for knee arthroplasties and provide the surgeons with a wider range of product options.

The Aspiration™ and SoSuperior™ Medial-Stabilized Total Knee Replacement Systems adopt the unique and innovative highly bionic medial stabilized ball-in-socket design of MicroPort® Orthopedics, with the implant's metal parts (the distal femoral component and tibial base) using cobalt-chromium-molybdenum alloy and the highly-bionic inserts using ultra-high-molecular-weight polyethylene. The safety of the design has been proved after decades of clinical practice, as the raw materials have become mainstream in the knee implant market. The Medial-Stabilized Total Knee Replacement System not only provides a wider range of joint motion and more reliable wear resistance, but also restores the kinematics of normal knees and maintains their stability in motion, which makes the post-operative kinematic features and patients' gaits more natural to achieve 'forgotten knees' and further elevate the patients' satisfaction.

In order to accompany the approved Chinese-made Medial-Stabilized Total Knee Replacement system, the R&D team of the MicroPort® Orthopedics China has also designed a set of instrument with fully independent intellectual property. The instrument set has undergone technical innovation and design improvement in accordance with the clinical practice in China, so as to better suit the surgical custom of Chinese doctors, bring more convenience, and make the procedure smoother.



MicroPort® Orthopedics Attends 2019 American Academy of Orthopaedic Surgeons (AAOS) Annual Meeting

The 2019 American Academy of Orthopaedic Surgeons (AAOS) Annual Meeting took place recently. As the world's most authoritative and influential orthopedic event, this year's AAOS gathered in Las Vegas nearly 30,000 orthopedic surgeons from across the world to share cutting-edge scientific information and discuss different academic views. MicroPort® Orthopedics presented its major hip and knee products at the event and showcased the products' outstanding clinical performance and scientific outcome through innovation symposium and instrument demonstration.

At the annual meeting, Jimmy Chow M.D. from Abrazo Scottsdale Campus, who is one of those inventing the popular minimally invasive hip arthroplasty technique of SuperPATH® Supercapsular Percutaneously Assisted Total Hip Arthroplasty ("SuperPATH®"), presented the technical key points of the SuperPATH® procedure with the help of vivid animation demonstration and surgery video clips in a speech "Superior Results: SuperPATH® Technique for Total Hip Arthroplasty".

David Scott M.D. from Orthopaedic Specialty Clinic of Spokane in the US released the latest results of a research on Medial-Pivot Knee Implant ("Medial-Pivot Knee"). The research initiated a follow-up study on 100 post-stabilized implant cases and 101 Medial-Pivot implant cases. The results showed that the Medial-Pivot implant significantly outperformed post-stabilized implants in terms of post-operative flexion, pain/range of motion scores in Knee Society Score (KSS), and Forgotten Joint Score.

During the annual meeting, a new member of the MicroPort® Orthopedics Medial-Pivot Knee family, the most recently developed Evolution Revision System, officially debuted. MicroPort® Orthopedics also presented the technical rationale and respective advantages of SuperPATH® and DAA and introduced to the healthcare professionals in attendance the design characteristics and application methods of the relevant instruments for SuperPATH®, drawing the attention of many an international healthcare professional.

AAOS 2019 Annual Meeting

March 13 – 15, Las Vegas, Nevada

AAOS

AMERICAN ACADEMY OF
ORTHOPAEDIC SURGEONS

MicroPort® Orthopedics Attends the 7th Annual Meeting of Chinese Hip Society (CHS)

The 7th Annual Meeting of Chinese Hip Society (CHS) took place in Zhengzhou, MicroPort® Orthopedics presented key hip and knee products at the event and drew wide attraction.

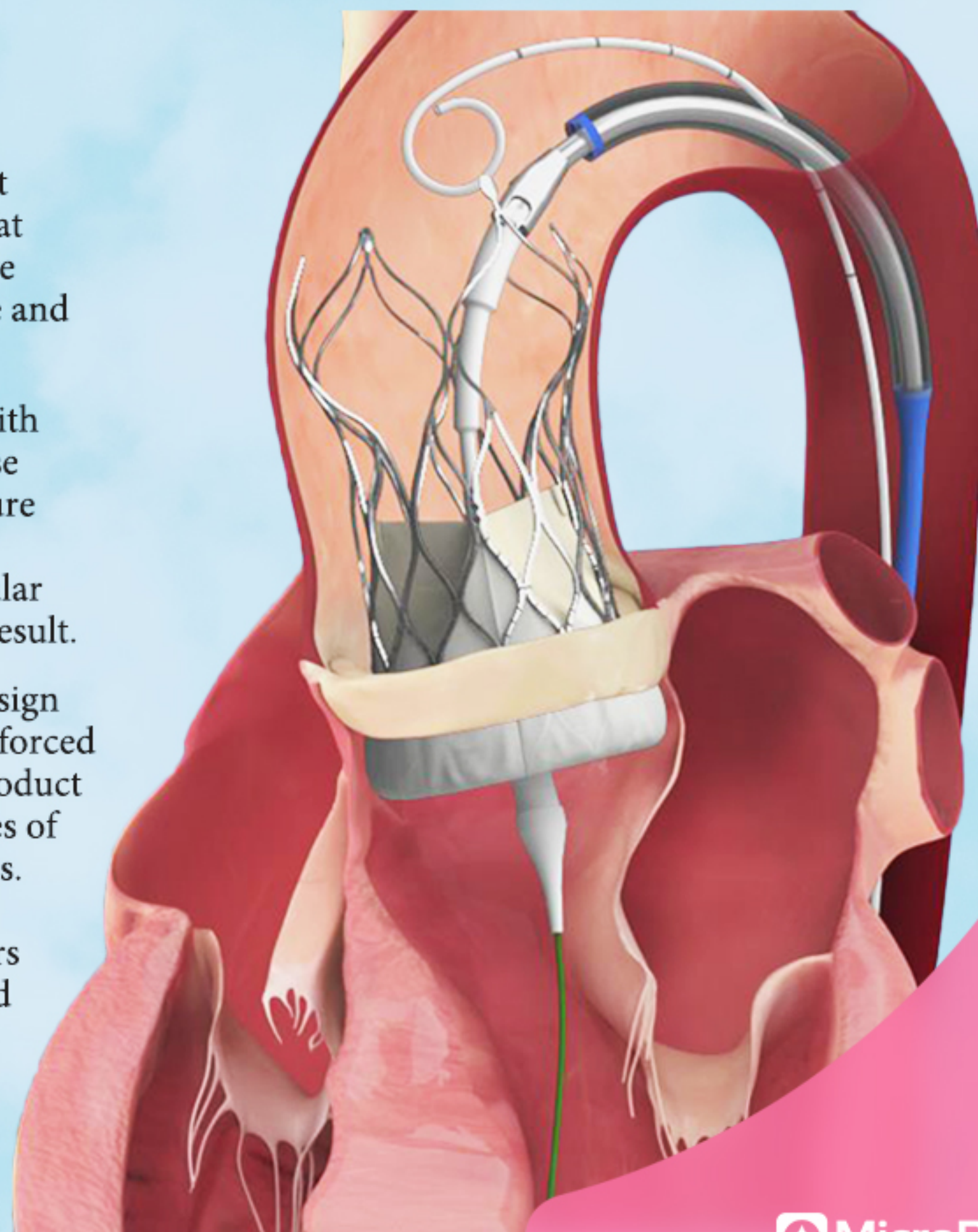
At the annual meeting, Prof. Chuan He, an orthopedic healthcare professional from Shanghai Ruijin Hospital, hosted a satellite meeting lecture under the theme of the Protection and Reconstruction of Hip Soft Tissue Cuff in Total Hip Arthroplasty. By comparing in detail different procedures with each other, Prof. He presented the outstanding performance of the buzz-creating Superior Percutaneously Assisted Total Hip technique ("SuperPATH®") in respect of the protection of hip soft tissues (short external rotators and capsular), and post-operative scores including blood loss and pain, as well as the time to walk with weight bearing and mobility function. The audience was impressed with the unique charm of SuperPATH®.

MicroPort® CardioFlow Attends CSI Asia-Pacific 2019

The CSI Asia-Pacific 2019 congress took place in Guangzhou, China. MicroPort Shanghai CardioFlow Medtech Co., Ltd. ("MicroPort® CardioFlow") presented at the congress the independently developed VitaFlow® Transcatheter Aortic Valve and Delivery System ("VitaFlow®") and VitaFlow® II Transcatheter Aortic Valve and Recapturable Delivery System ("VitaFlow® II"), which drew huge attention.

On February 23 afternoon, MicroPort® CardioFlow presented in cooperation with the TAVR team of Zhongshan Hospital Affiliated to Fudan University a live case using VitaFlow® II. A TAV27 valve was chosen for this patient, and the procedure went quite successfully. After the valve deployment, the echocardiography and angiography showed that pressure gradient was 0mmHg with was no paravalvular leak and no aortic regurgitation. The procedure delivered outstanding clinical result.

MicroPort® CardioFlow's VitaFlow® II inherits the unique motorized handle design of VitaFlow®. It can be completely recaptured before 75% deployment. The reinforced inner and outer shafts still retain flexibility and can be bent 360 degrees. The product also innovatively introduces the integrated sheath to widen the range of the sizes of access artery and effectively reduces the incidence rate of vascular complications. In addition, VitaFlow® II is accompanied with balloon dilation catheter and introducer set to provide the patients suffering severe aortic stenosis and doctors with a comprehensive integrated therapeutic solution. As a result, the safety and efficacy of the procedure are increased. Thus far, the product has successfully applied for and entered the special review and approval procedure for innovative medical devices with the National Medical Products Administration (NMPA), known as the Green Path.



The First Edition of MicroPort® Master Course Complex PCI Cross-Regional Program Ends Successfully

The Master Course Complex PCI Cross-Regional Program ("the Master Course") - Cross-Strait Academic Exchange Session ("the Session"), which was hosted by Shanghai MicroPort Medical (Group) Co., Ltd. ("MicroPort®"), took place in Tianjin and Yantai of China. The Session, which was the first edition of the Master Course, invited Prof. Tien-Ping Tsao, who is a renowned interventional cardiologist in Taiwan, China, to demonstrate live surgeries and give instructions.

Prof. Tien-Ping Tsao is currently head of the Cardiac Intensive Care Center of Cheng Hsin General Hospital in Taiwan and also sits on the Education Committee and Structural Heart Diseases Committee of Taiwan Society of Cardiovascular Interventions (TSCI). He is a very experienced cardiovascular interventionalist with deep insight into PCI treatment, especially excelling at the PCI treatment of coronary chronic total occlusion. In addition, he has taken part in several scientific exchanges both on the mainland and in Taiwan.

From February 20 to 21, the Session was unveiled at Tianjin Medical University General Hospital. Prof. Tien-Ping Tsao worked with the PCI team from the Cardiology Department of the hospital to demonstrate live surgeries for the PCI treatment of complex lesions such as chronic total occlusion (CTO) and left main bifurcation. From February 22 to 23, the Session moved to Yantai, where he demonstrated live surgeries and gave surgical instructions to the Cardiology Department of Yantai Yuhuangding Hospital and the PCI team from the Cardiology Department of Yantai Yantaishan Hospital respectively, and successfully completed the PCI treatment for coronary CTO and bifurcation lesions. During the surgeries, the local physicians and Prof. Tien-Ping Tsao had heated exchanges and discussions about surgical details.

The Master Course is a new branded academic exchange that MicroPort® introduces in 2019. It is aimed to promote the scientific exchanges on PCI between different Chinese regions, cross-strait regions and the Asia-Pacific countries and regions with a series of Cross-Regional programs.



MicroPort® Orthopedics Announces **Executive Change**

MicroPort® Orthopedics Inc., the orthopedics business division of MicroPort Scientific Corporation, announced that its President, Mr. Aurelio J. Sahagun, will depart the company effective on March 31, 2019. MicroPort® Orthopedics and Mr. Sahagun have reached an agreement through which Mr. Sahagun will work with MicroPort® Orthopedics to ensure a smooth and seamless transition of his operating responsibilities. We would like to thank Mr. Sahagun for his contributions and dedication to leading the turnaround for MicroPort® Orthopedics and wish him the best of luck in his future endeavors.

MicroPort Scientific Corporation will immediately initiate a national search for the position of President of MicroPort® Orthopedics with a goal of completing the search by Q3 2019.

In the interim, Mr. Sahagun's executive responsibilities will be shared by Ms. Glendy Wang, Chief Operating Officer of MicroPort Scientific Corporation, and MicroPort Scientific Corporation's Intercontinental Orthopedics Committee ("IOC").

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