# Investor Newsletter

Issue 08 2019

MicroPort

# MicroPort® Announces Interim Results for the Six Months Ended June 30, 2019

MicroPort Scientific Corporation (the "Company", or "MicroPort®", Stock code: 00853) is pleased to announce the interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended June 30, 2019 (the "reporting period"). Benefitting from the further effective implementation of a globalization and diversification strategy, the Group achieved continuous and stable expansion in business scale and strong growths in key business segments and core products, with the Group's innovation capability continuing to build a solid foundation for sustainable development.

During the reporting period, the Group recorded a revenue of US$392.6 million, representing a year-over-year growth of 26.7% or a year-over-year growth of 33.9% (excluding the foreign exchange impact). The Group's Cardiac Rhythm Management ("CRM") business contributed a revenue of US$106.6 million during the reporting period, representing a year-over-year growth of 162.5% (excluding the foreign exchange impact). Meanwhile, the segments of cardiovascular devices, endovascular and peripheral vascular devices, and neurovascular devices recorded rapid revenue increases of 27.8%, 41.6%, and 57.9% respectively (excluding the foreign exchange impact). Primarily owing to the significant revenue growth from the cardiovascular as well as endovascular and peripheral vascular segments in the PRC market, and one-off gain on disposal of partial equity interests in Shanghai MicroPort EP MedTech Co., Ltd., the Group recorded a profit attributable to equity shareholders of US$65.5 million, with a year-over-year increase of 175.5%.

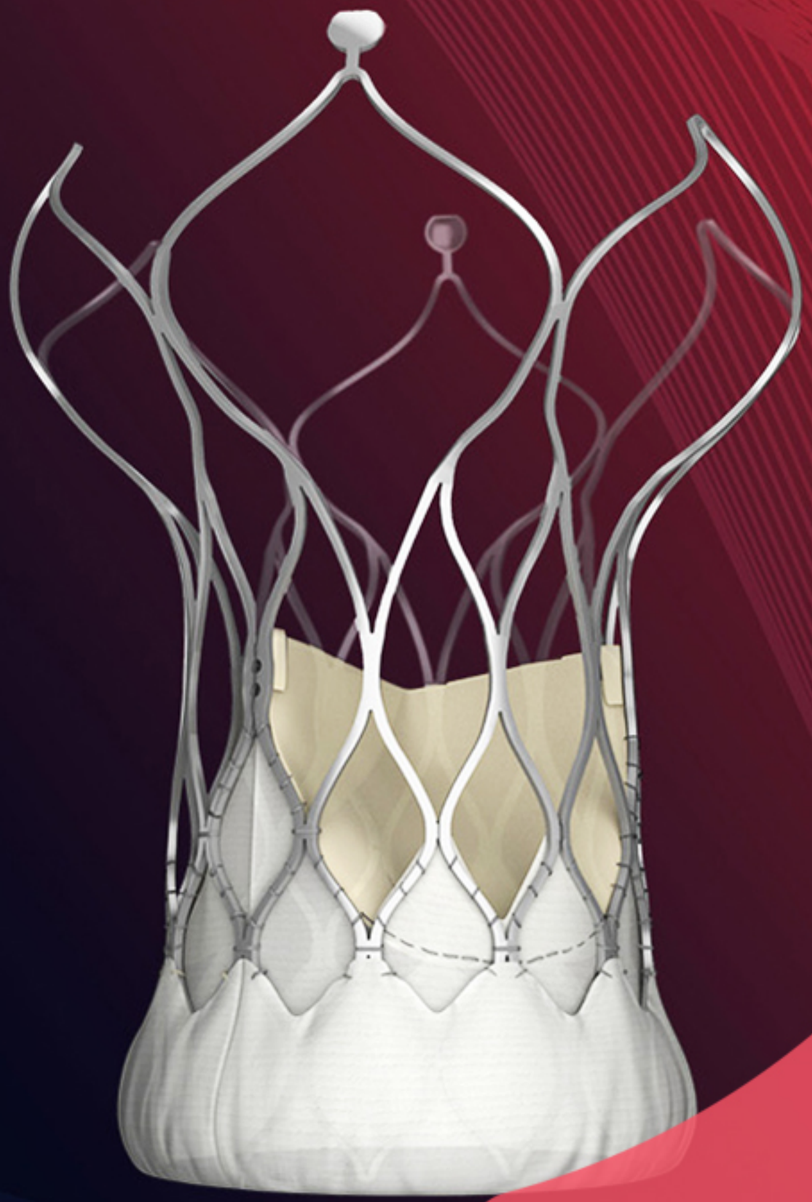
As of 30 June 2019, seven of the Group's products had gained approvals from National Medical Products Administration ("NMPA"). In addition, the Group has multiple products that have obtained certificate in the international market. Regarding the Green Path, the Group's self-developed 3D Electronic Laparoscope was granted to enter the Green Path, becoming the Group's sixteenth product to achieve the entry.

# First Implantation for VitaFlow® after Receiving NMPA Approval

On August 28, Shanghai MicroPort CardioFlow Medtech Co., Ltd. ("MicroPort® CardioFlow"), which is a subsidiary of Shanghai MicroPort Medical (Group) Co., Ltd. ("MicroPort®"), completed the first implantation of the independently developed VitaFlow® Transcatheter Aortic Valve and Delivery System ("VitaFlow®") after receiving the registration certificate for the device from National Medical Products Administration of China (NMPA). The surgery was successfully performed by Academician Junbo Ge from the Chinese Academy of Sciences on a 70-year-old male patient at the Zhongshan Hospital Affiliated to Fudan University in Shanghai, China. Academician Junbo Ge is also head of the Department of Cardiology at the Zhongshan Hospital.

The patients suffering from severe aortic valve stenosis amount to approximately more than 2.8 million in China. Although the interventional treatment of valve diseases started late in China, it has recorded very rapid growth. As of end of 2018, nearly 2,000 TAVR cases have been performed at over 100 hospitals in more than 20 Chinese provinces. The clinical needs for the TAVR devices are huge in China.

MicroPort® launched the independent R&D of VitaFlow® in 2010. On September 24, 2014, the first implantation in the clinical trial for VitaFlow® was performed by Academician Junbo Ge at the Zhongshan Hospital. The patient, currently aged 83, is still in stable physical conditions. On July 10, MicroPort® CardioFlow received the registration certificate for VitaFlow® from NMPA.





MicroPort

# MicroPort Orthopedics Achieves Clinical Application for First Batch of Chinese-made Knees

The "Focus on Patient Satisfaction and Fast Recovery – 2019 Course of Xi'an MicroPort Joint Replacement Technique Training Center", which was organized by Shaanxi Province Bone and Joint Society and hosted by the Second Affiliated Hospital of Xi'an Jiaotong University, the Joint Surgery Center of Xi'an Jiaotong University Health Science Center and Suzhou MicroPort Orthopedics (Group) Co., Ltd. ("Suzhou MicroPort Orthopedics"), took place in Xi'an recently. During the event, Prof. Kunzheng Wang, who is Director of the Bone and Joint Surgery Department of the Second Affiliated Hospital of Xi'an Jiaotong University, as well as chairman-elect of the Committee of Chinese Orthopaedic Association and head of the association's Joint Surgery Group, used the SoSuperior™ Medial-Stabilized Total Knee Replacement System ("SoSuperior™") to completed the first SoSuperior™ total knee arthroplasty in Shaanxi Province for a patient with severe knee degeneration.


In the wake of the case in Xi'an, the Aspiration™ and SoSuperior™ Medial-Stabilized Total Knee Replacement implants produced by Suzhou MicroPort Orthopedics were used in the arthroplasties performed in the provinces of Shandong, Zhejiang, Henan and Hebei, marking that the Chinese-made knee products of MicroPort Orthopedics have officially entered into clinical application.



# MicroPort® NeuroTech Receives NMPA Approval for the Fastrack Microcatheter

Shanghai, China - MicroPort NeuroTech (Shanghai) Co., Ltd. ("MicroPort® NeuroTech") recently received a registration certificate from the National Medical Products Administration of China (NMPA) for its independently developed Fastrack Microcatheter System. It is the first device of MicroPort® NeuroTech to be granted the approval in the segment of neural pathway (neuro-intervention pathway products).

The Fastrack Microcatheter System is composed of a microcatheter and a shaping mandrel, and can be used to deliver therapeutic devices in the interventional treatment of neurovascular diseases. The device features a semi-rigid proximal shaft and a highly flexible distal shaft, with its catheter tip with X-ray radiopaque marker and shaping capability, enabling the device to smoothly deliver therapeutic devices to the target positions and precisely release them. The Fastrack Microcatheter System can be applied along with other independently developed neurovascular intervention products of MicroPort® NeuroTech to treat various kinds of neurovascular diseases.


# MicroPort® Attends the 2019 Congress of Latin American Society of Interventional Cardiology (SOLACI 2019)

The 2019 Congress of Latin American Society of Interventional Cardiology (SOLACI 2019) was held in Brazil on August 1-3, 2019. As the largest scientific conference for cardiology in Latin America, SOLACI 2019 brought together about 3,000 interventional cardiologists from inside and outside of the region. MicroPort® and its subsidiary of MicroPort® CardioFlow attended SOLACI 2019 and presented the innovative products of independently developed Firehawk® Rapamycin Target Eluting Coronary Stent System ("Firehawk®") and VitaFlow® II Transcatheter Aortic Valve and Retrievable Delivery System ("VitaFlow® II"). MicroPort® and MicroPort® CardioFlow also demonstrated live cases of Firehawk1 and VitaFlow® II.

During the SOLACI 2019, the cutting-edge cardiovascular intervention and transcatheter aortic valve replacement (TAVR) solutions showcased by MicroPort® attracted the attention of a great number of visitors, who came to the MicroPort® booth and had in-depth exchanges with the MicroPort® employees. The outstanding clinical performance demonstrated by the innovative Firehawk® and VitaFlow® II at the congress laid solid groundwork for MicroPort® to further explore the Latin American market and serve more overseas patients and doctors.

# MicroPort® Attends the 16th Edition of Cardiac Imaging & Cardiac Intervention Summit (CICI 2019) and the 21th Edition of Conference of Cardiology of PLA

The 16th Edition of Cardiac Imaging & Cardiac Intervention Summit (CICI 2019) and the 21th Edition of Conference of Cardiology of PLA took place in Beijing, China, recently. Revolving around the theme of "Cooperation, Innovation, Concentration and Intelligence", CICI 2019 focused on the devices and technological innovation in the areas of cardiac imaging and cardiac intervention, and committed to broadening the application of imaging technologies in clinical diagnosis, treatment and basic studies of cardiovascular diseases, as well as promoting the advanced rationale of precise medicine. MicroPort® attended CICI 2019 and sponsored a case competition named "Yimai Langya List" during the conference.


During the conference, Academician Runlin Gao said that the TARGET-series studies explored the clinical safety and efficacy of Firehawk® Rapamycin Target Eluting Coronary Stent System ("Firehawk®"). The studies' results showed no statistically significant differences in late lumen loss and target lesion failure (TLF) rate at three years between Xience and Firehawk® family stents. The TARGET ALL COMMERS study conducted in the Europe included more comprehensive patient patterns, with the outcome showing no significant differences in TLF rate between Xience and Firehawk® family stents. On the basis of adequate clinical studies and evidences, Firehawk1 is currently recognized globally. As to biodegradable drug-eluting stents, he said that the second generation biodegradable drug-eluting stent of Firesorb® Bioresorbable Rapamycin Target Eluting Coronary Scaffold System ("Firesorb®") has even thinner stent walls. The polymer coating covers only the abluminal side, which greatly reduces drug dosage. The FIM study has achieved excellent results. Firesorb® is currently undergoing a randomized controlled trial against the Xience stent, with half of the enrollment completed and the current results falling within ideal ranges.

# MicroPort® Makes the List of Asia's 500 Most Influential Brands, Becoming the First Chinese Company from the Medical Device Industry since 14 Years Ago

Hong Kong, China – The 2019 Asia Brand Summit under the theme of "Opportunities and Challenges for Asia Brands: Globalization and Cultural Differences" was held in Hong Kong on August 27, 2019. The World Brand Lab released the 2019 Asia's 500 Most Influential Brands at the summit. MicroPort Scientific Corporation ("MicroPort") became the first ever Chinese company from the medical device industry to make the list since its inception 14 years ago. Prof. Stephen Woolgar from Saïd Business School University of Oxford and Prof. Jean-Claude Larreche, who is Emeritus Professor at INSEAD, awarded the certificates to the representatives of the companies on the list.


World Brand Lab is the world's leading independent brand-valuation and -research firm. It is headquartered in New York, US and chaired by Professor Robert Mundell from Columbia University, who is 1999's Nobel laureate in economics. Its experts and advisors come from the world's top universities and colleges such as Harvard University, Yale University, MIT, Oxford University, Cambridge University and INSEAD. Its research results have been important basis for the valuation of many companies' intangible assets.

As a leading provider of high-end and innovative therapeutic solutions, MicroPort was founded the Shanghai Zhangjiang Science City in 1998 and is focused in covering 10 major areas including cardiovascular intervention and structural heart, cardiac rhythm management and electrophysiology, orthopedics, endovascular and peripheral vascular intervention, and neurovascular intervention and brain science. MicroPort adheres to independent innovation and evidence-based medicine. The Group officially implemented its globalization strategy in 2013.
Over 300 MicroPort® devices are currently approved for use in nearly 10,000 hospitals in over 80 countries and regions.

# MicroPort® Attends Shanghai Municipality Quality Work Conference and Receives 2018 Shanghai Municipality Quality Gold Prize

On August 28, 2019, the 2019 Shanghai Municipality Quality Work Conference took place at the Shanghai Municipality People's Government. During the conference, MicroPort® received the 2018 Shanghai Municipality Quality Gold Prize, becoming the only winner of the honor from the medical device sector since the establishment of the prize. Mr. Kunlin Xu, who is deputy mayor of Shanghai, and Mr. Xuejun Chen, who is head of Shanghai Municipal Administration for Market Regulation, awarded the prize, with Mr. Yong Li, who is Vice President, Quality Assurance, of MicroPort®, receiving the medal of Shanghai Municipality Quality Gold Prize on behalf of the company.

MicroPort® has placed Quality on the top of all the eight company core values and actively pressed ahead with the building of a corporate culture based on quality, so as to make a common value concept take shape among the employees. The MicroPort® employees deeply understand that our products are directly related to each patient's life and their family's happiness. Even the minute miscalculation from us can cause irrevocable consequence to our patients. Because of this belief, we ask each of our members to be enthusiastic about our work, putting every effort into ensuring the perfect quality of our products. MicroPort® puts product quality management at the first place and fuses different countries' regulations on medical devices with ISO9001 and ISO13485 as the basic framework to form the company's unique quality management system adaptable to globalization. Moreover, MicroPort® has established an overall "Quality Process Tracking System", which covers raw materials, semi-finished products, finished products and end users and is able to track the quality process both upstream and downstream.

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