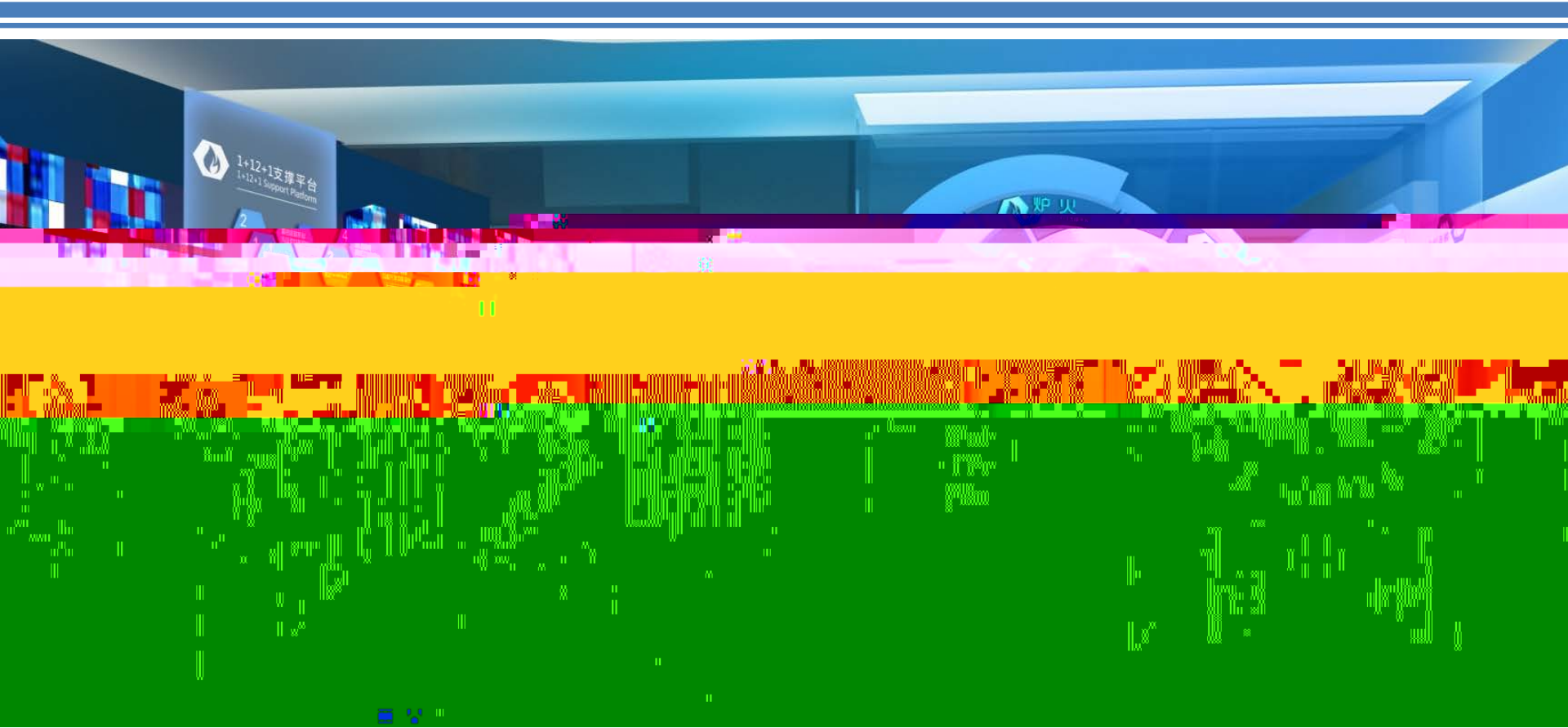


MicroPort 2015 Earning Release

Stock Code: 00853(HK)



March, 2016

2015 2H Company Highlights

Corporate

- MicroPort[®] Science and Technology Innovation Platform Won the State Science and Technology Progress Award
- Four Regulatory Green Channel Granted: Tubridge[™] Vascular Reconstruction Device, Reewarm[™] PTX, Castor, and Columbus

Interventional Cardiology

- DES Revenue Maintain Double Digit Growth
- First Patient Enrolled in MicroPort's European Clinical Study for "Firehawk" in Dec, 2015
- "Firesorb"--- Bioresorbable Stent :Started FIM Clinical Trial in Jan, 2016

Orthopedics

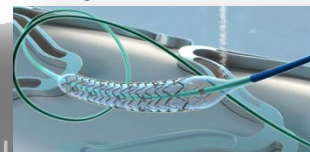
- Global Revenue Turn-around. US and Europe Market Growth.
- China Orthopedics Continues Hyper Growth Driven by SuperPath and Evolution

Electrophysiology

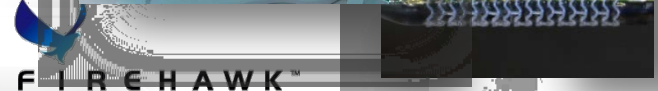
- "Columbus"--- 3D Navigation System: Gained CFDA Approval in March , 2016



- 3rd generation of DES



• Firesorb



F I R E H A W K[™]



Contents

 **2015 Financial Results**

 **Business Update**

*Appendix - Financial Statements

Financial Summary 2015

Highlights

6%

- Non-
- % in constant currency, offset by 5% unfavorable FX

⊕ Gross Margin, declined by 1%

⊕ Operating Expenses declined by 2%, mainly attributable to improved operating efficiency of the Ortho business

⊕ Net Loss significantly improved from \$59.6m to \$11.4m

- Recurring operations breakeven, from \$15.7m loss in 2014, mainly
 - Ortho improved by \$9.5m
 - Non-Ortho continued to grow by \$5.6m
- Other operating costs significant declined by \$30.8m

Key Financial Summary

USD: million	2015	2014	Flux
Revenue	375.8	355.3	6%
Cost	(123.3)	(112.0)	10%
Gross Profit	252.5	243.3	4%
<i>Gross Margin</i>	<i>67%</i>	<i>68%</i>	
Operating Expenses	(253.1)	(259.0)	-2%
Recurring operating Loss	(0.6)	(15.7)	-96%
Other Operating Costs*	(4.9)	(35.7)	-86%
Net Gain from Gov. Grant&Interst Inc.	15.5	12.0	29%
Finance Costs	(14.8)	(13.0)	14%
Share of losses of JV	(3.8)	(1.2)	218%
Loss before taxation	(8.5)	(53.5)	-84%
Net Loss	(11.4)	(59.6)	-81%

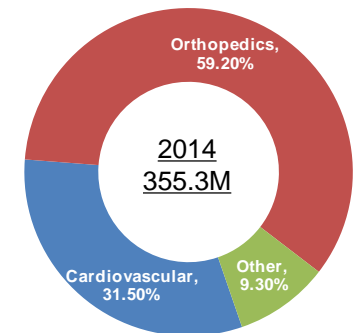
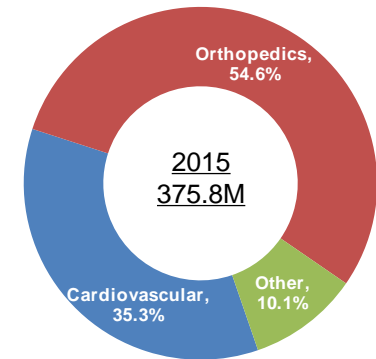
*Other operating costs mainly represents goodwill impairment and transition exp.

Revenue by Segment

Key Takeaways

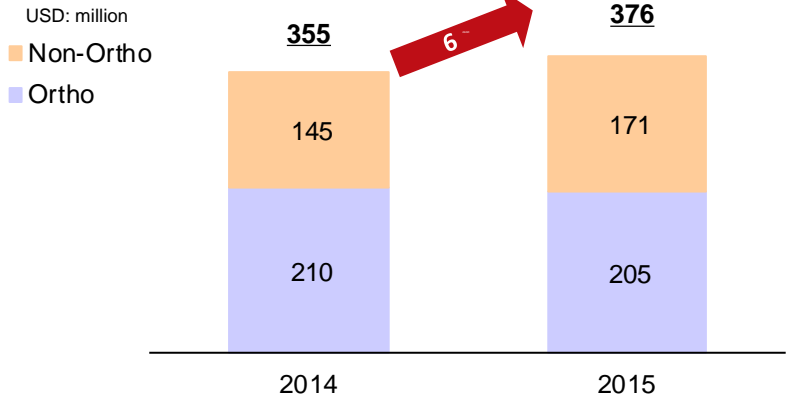
- Excl. FX impact, Group Rev Y/Y ;
- Double digit growth seen in the segments of Cardio, Ortho China, Endo, EP and Neuro;
- All segments and regions show solid growth Y/Y except Orthopedics Japan.

USD million	Financial Year Ended		Percent Change in local in US\$ currency
	2015	2014	
Cardiovascular devices business	132.6		
Orthopedics devices business	205.2		
Endovascular devices business	16.2		
Electrophysiology devices business	5.8		
Neurovascular devices business	7.9		
Surgical devices business	6.1		
Diabetes devices business	2.1		
Total	375.8		



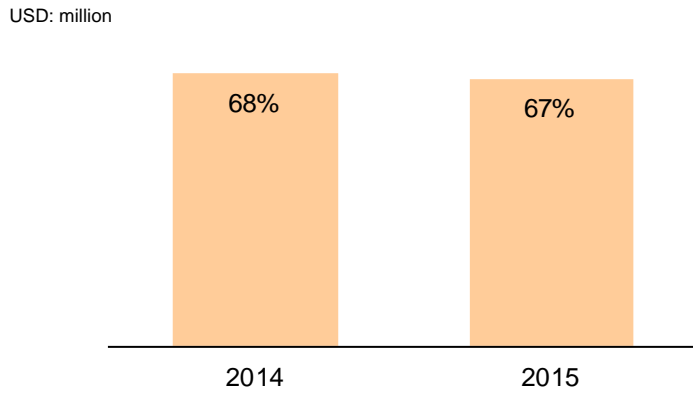
Consolidated Financial Performance

Revenue



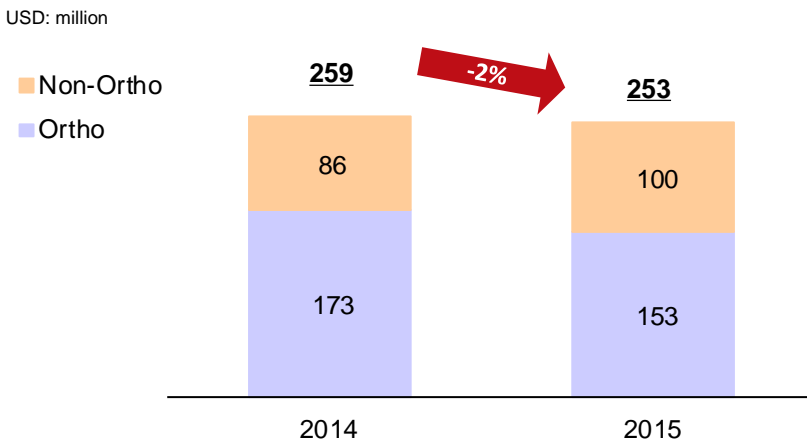
In constant currency, Group' revenue increased by 10%.

Gross Profit Margin



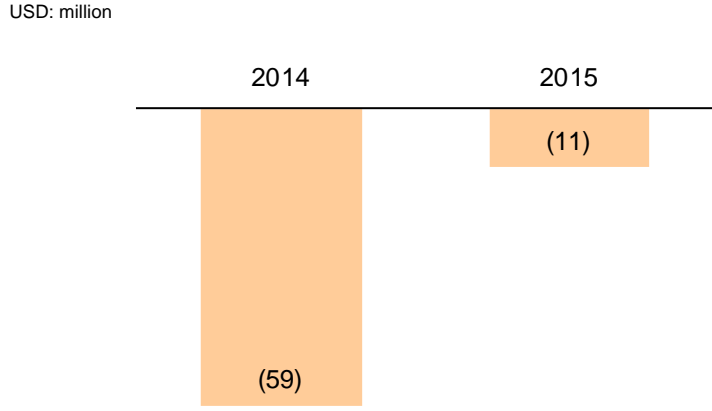
GP margin slightly decreased by 1%.

Operating Expenses



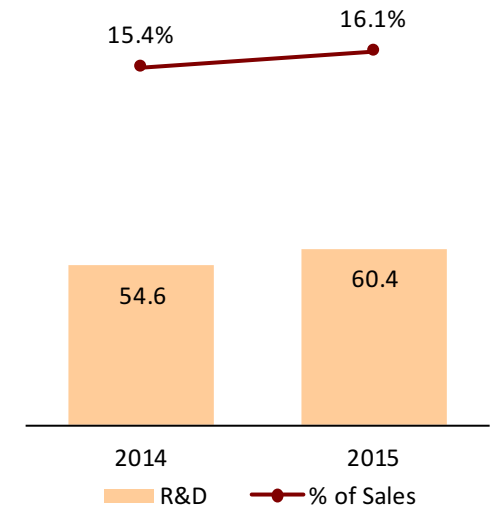
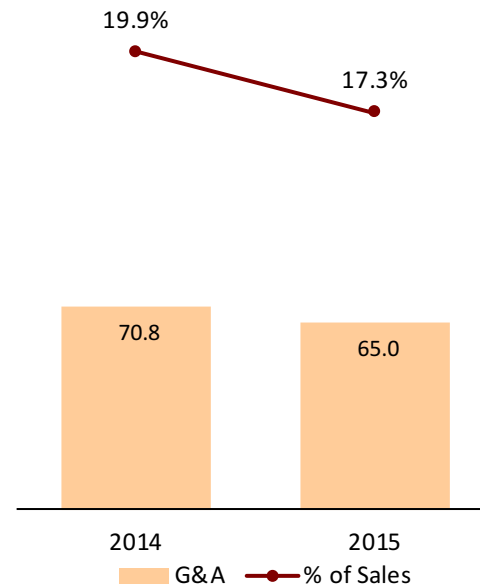
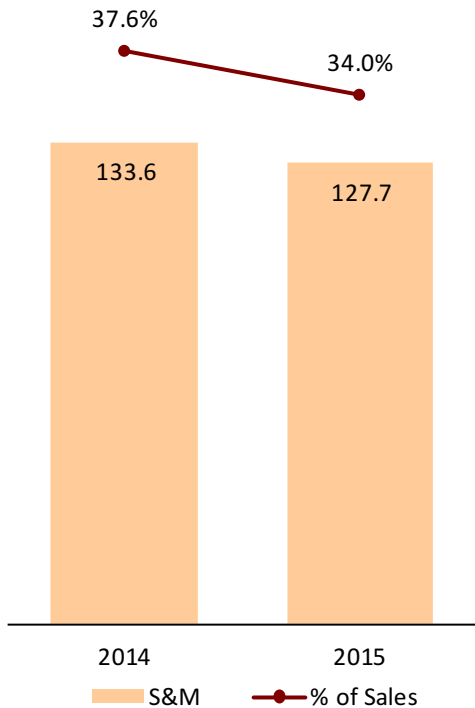
Percentage of sales decline from 73% to 67%.

Net Loss



Net loss significantly improved by 48m.

Operating Expenses



- S&M Y/Y decreased by 5.9M mainly due to
 - Operation efficiency by reorganization;
 - Offset by more input in Cardio market and Int'l market.

- G&A Y/Y decreased by 5.8M mainly due to
 - Ortho Y/Y as a result of Operation efficiency by reorganization;
 - Offset

- R&D Y/Y increased by 5.8M mainly due to
 - Non-Ortho Y/Y
 - Offset by Ortho Y/Y

Business Update by Segment

1

Orthopedics Business

2

Vascular Business

3

Electrophysiology Business

4

MicroPort Sorin CRM (MSC)

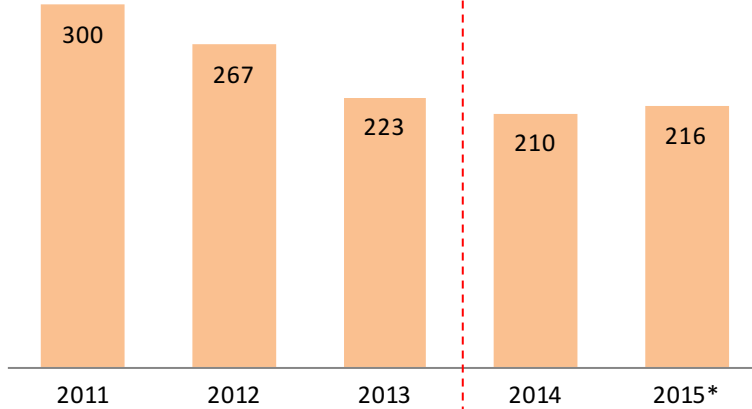
5

Others

1 Orthopedics Business – Global Business

Revenue

(USD million)



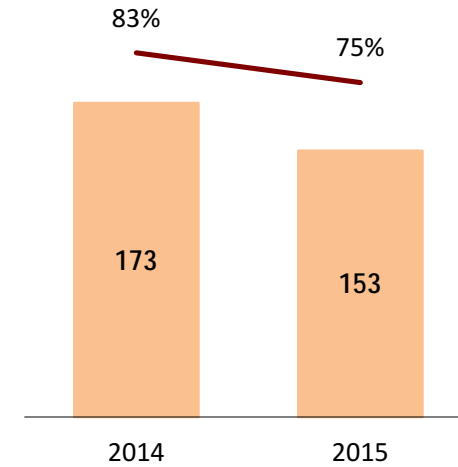
Under Wright

Under Microport

Note*: in Constant Currency

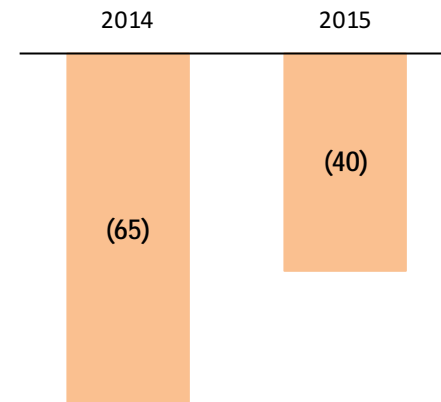
Operating Expense

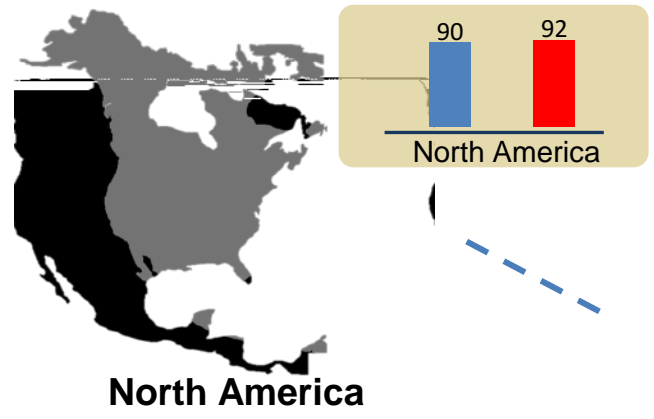
(USD million)



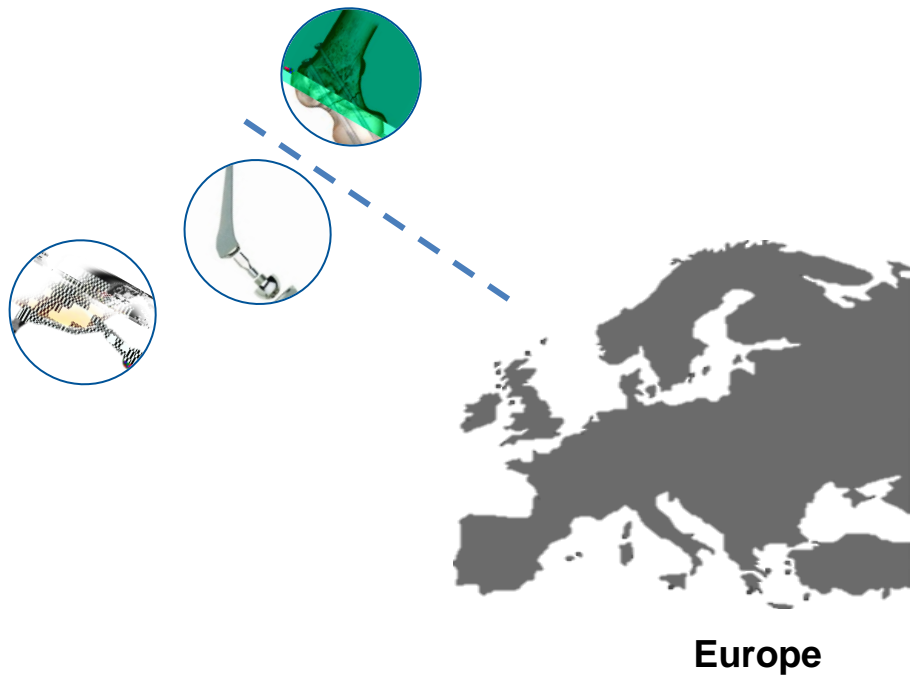
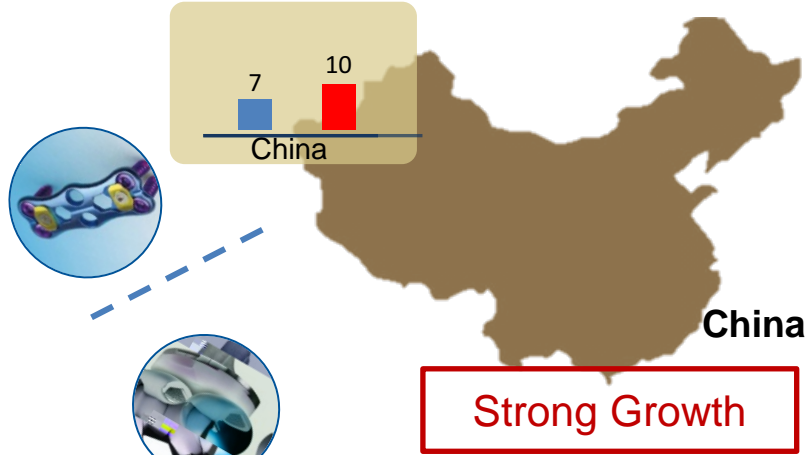
Net Loss

(USD million)

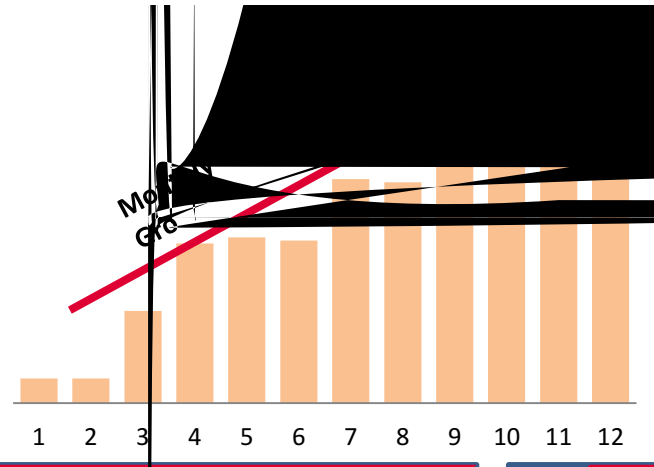
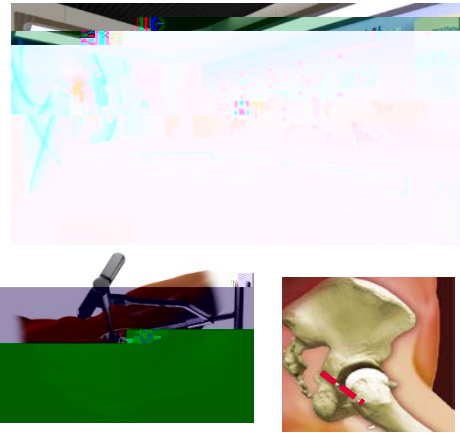




Turn around achieved – Market growth



2015 SuperPath Trend



Evolution



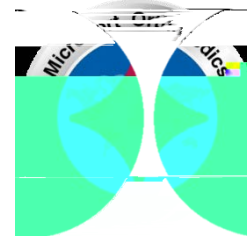
- Gained CFDA Registration Certificate and came into the market on August 29, 2015.
- Started first surgery in Sep 2015. More than 40 surgeries have been performed to date.

China Program

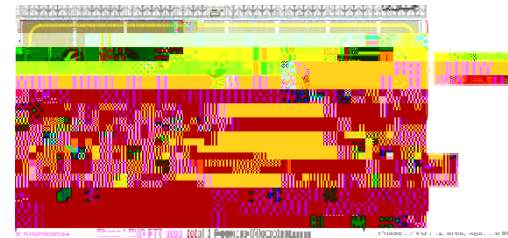


- The construction of Suzhou Orthopedics factory is now in accordance with plan.
- The toolmaking has already started.

GISC

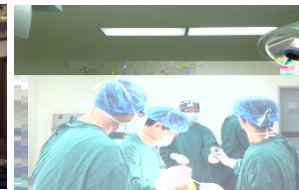
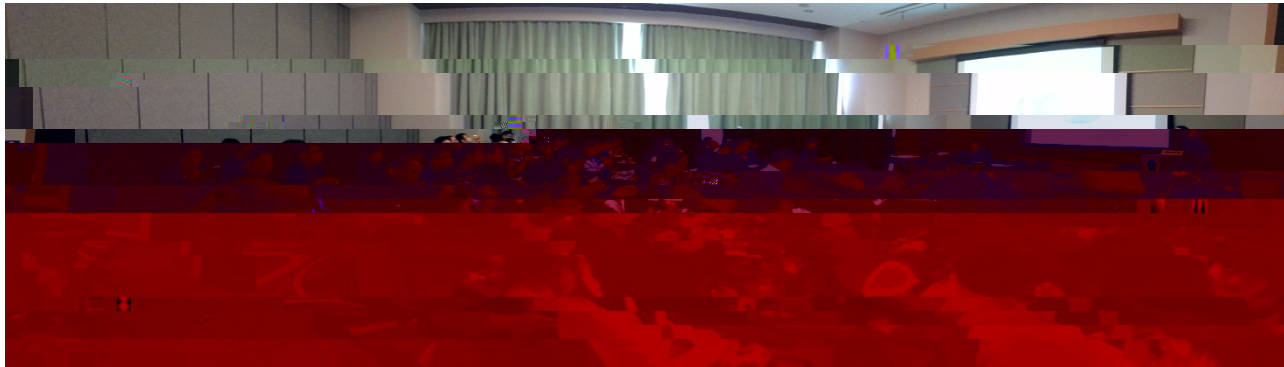


- Launches Global Instruments Supply Center
- Offers good logistics service to internal/external customers
- Keeps the total cost advantage in a leading position



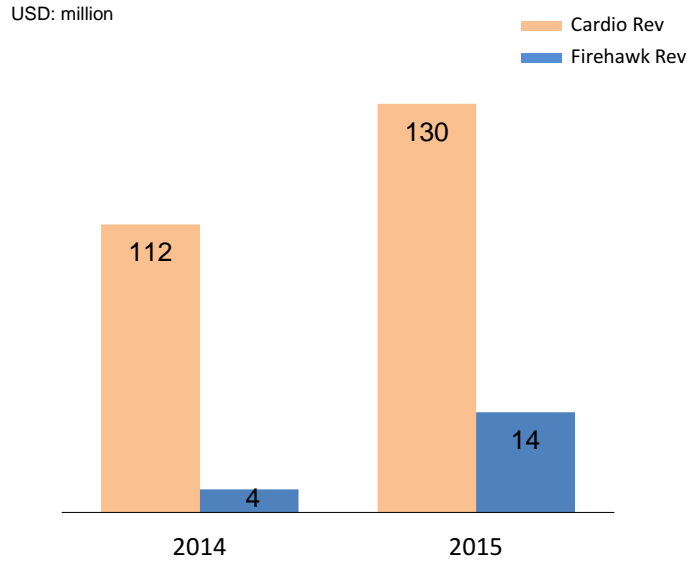
GISC Shanghai FTZ DC

1 Orthopedics Business – Medical Training & Marketing

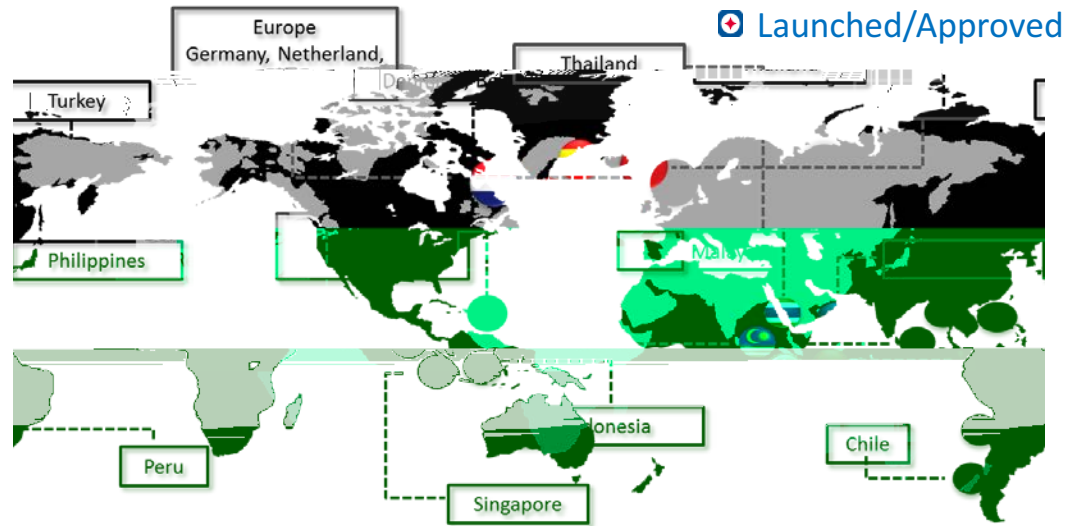


- From September 2 to September 5, MicroPort® Orthopedics attended the 16th Brazilian Hip Congress in the city of Fortaleza, Northeast Brazil.
- From October 8 to October 9, the International MedEd team organized a very successful Instructional Cadaveric Course on SuperPath® in Bristol, United Kingdom
- From November 16 to November 19, MicroPort® Orthopedics Invited Professor Jimmy Chow Come to China to Carry Out SuperPath™ Academic Exchange Activities
- MicroPort® Orthopedics Attend the Tenth Session of the COA International Conference. MicroPort® Orthopedics participated in the conference and held a SuperPath® and EVOLUTION® satellite meeting.
- From January 16 to January 18, 2016, MicroPort Orthopedics launched a training course in Shanghai and Sichuan Province respectively.

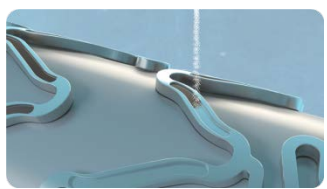
Revenue



Firehawk Fly Over the World

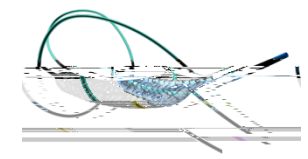


- Lowest drug dosage with the same efficacy
- The largest pre-market clinical study following the most stringent protocol in China.
- Received CE approval in Jan. 2015.

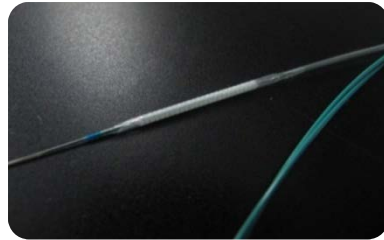
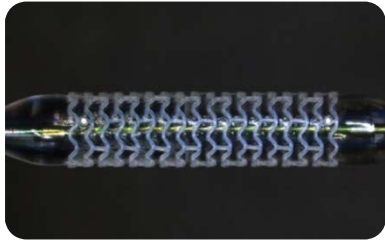


The World's **First and Only** Target Eluting Stent (TES)

- First Patient Enrolled in MicroPort's European Clinical Study for the Rapamycin Target Eluting Coronary Stent System- "Firehawk".
- Firehawk attended TCT 2015, 5 TARGET FIM study results were published



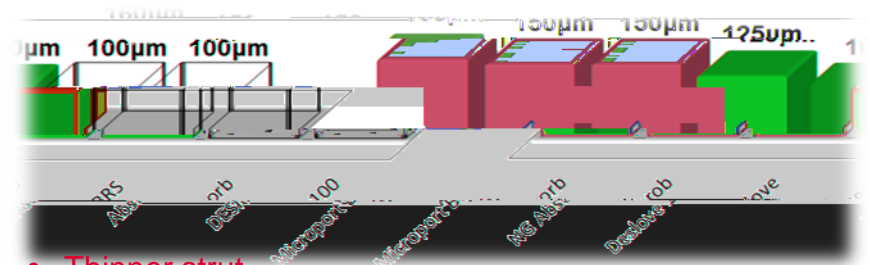
Firesorb —Bioresorbable Rapamycin Target Eluting Coronary Stent System



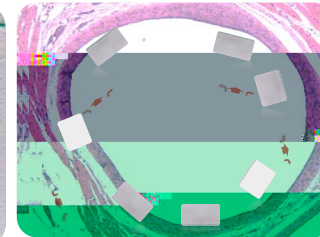
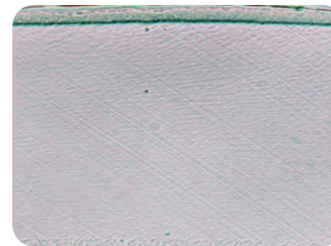
- **Backbone**
- **Strut thickness**
- **Abluminal coating**
- **Coating thickness**
- **Rapamycin dose**
- **RO markers**
- **Storage**
- **Available size**

PLLA
100
PDLLA + Rapamycin
5 m
4 g/mm
At two ends
Room temperature
2.5~4.0mm,13~29mm

The first second generation bioresorbable stent used in human

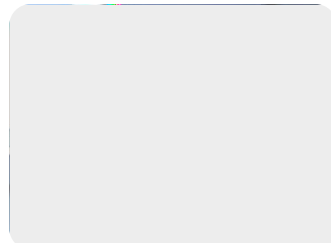


- Thinner strut
- lower crossing profile
- shorter degradation time

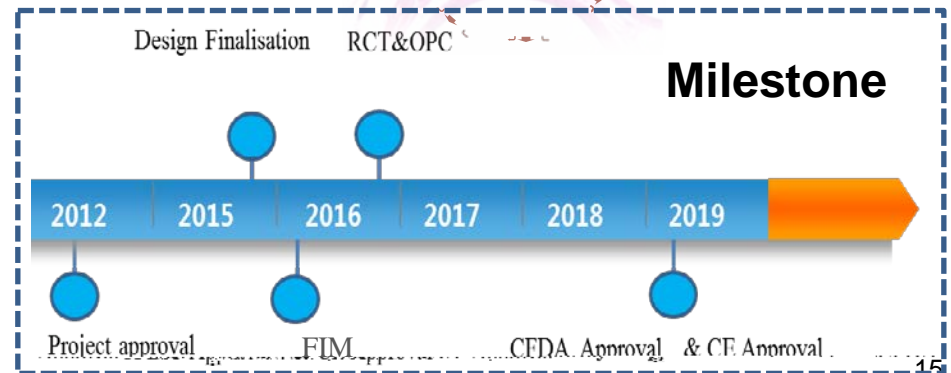


- Abluminal Coating
- Target Eluting, lower dosage of drug

Highlights



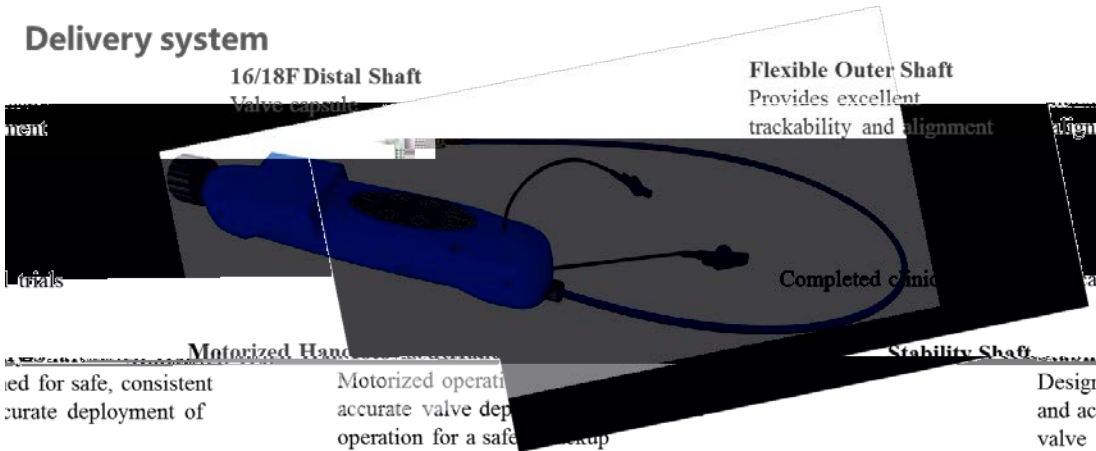
➤ **MicroPort® Firesorb Bioresorbable Rapamycin Target Eluting Coronary Scaffold System Completes First Successful Implantation in the First FIM Clinical Trial**



TAVI

Valve Size	21mm	24mm	27mm	30mm
DS Profile	16F	16F	18F	18F

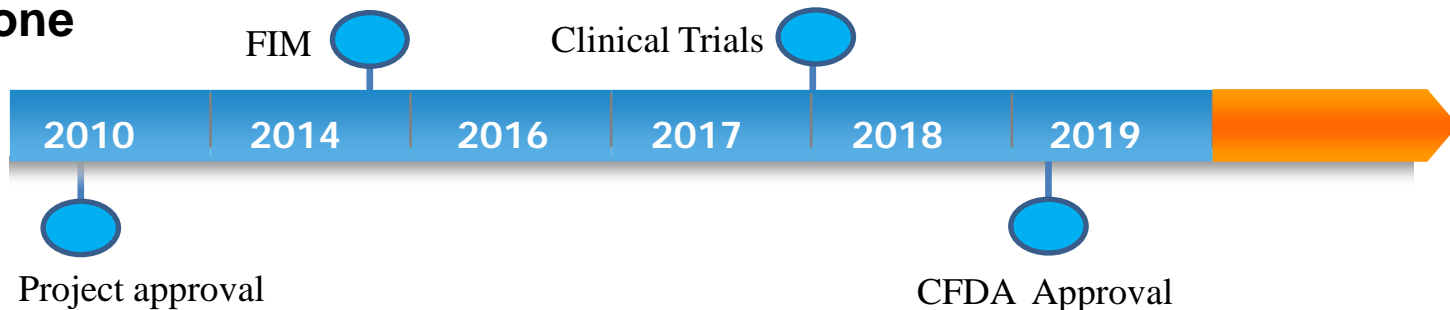
Delivery system



Valve

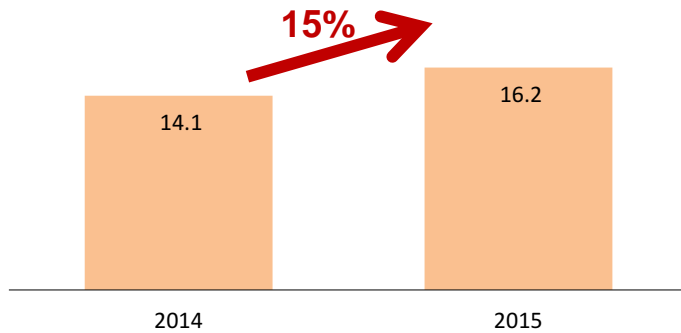
- Self-expanding Nitinol Stent
- Bovine pericardial leaflets with anti-calcification treatment
- PET Skirt

Milestone



Revenue

USD: million



- Driven by 10%-15% domestic market capacity growth.

Highlights

- Reewarm™ PTX Granted Green Channel Status for CFDA Approval recently in 2016
- MicroPort® Endovascular (Shanghai) Co., Ltd recognized as one of Shanghai's the first group of High-tech enterprise
- MicroPort® Endovascular Castor™ Appearance 2015 International Endovascular Conference
- Hercules™ Balloon Dilation Catheter Gains Market Launch Approval in Brazil in 2015.

Product Portfolio and R&D Pipeline

Aortic Endovascular Product



Hercules-LP



Hercules-B



Aegis-B



Castor



Hercules-D

Peripheral Endovascular Product

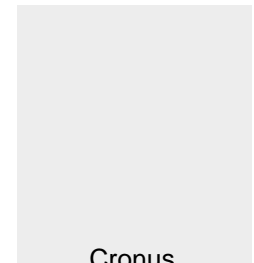


Crownus



Reewarm

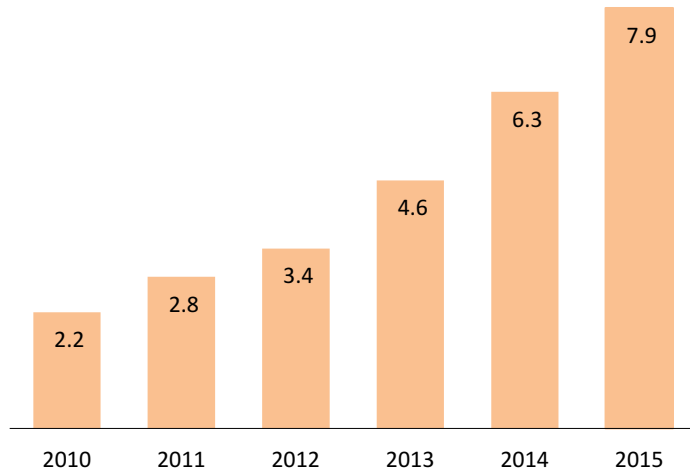
Surgery Product



Cronus

Dramatic Growth of Neuro in Revenue

USD: million



Highlights in 2015

- **Tubridge™ Granted Green Channel Status for CFDA Approval recently in March, 2016.**
- Apollo maintains leadership in sales, market share, and exports.

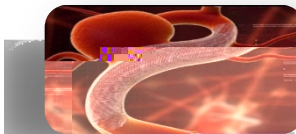
Full Neuro Product Portfolio

-Hemorrhagic



- The only product in Chinese market

Tubridge™



- High-density braided self-expanded stent

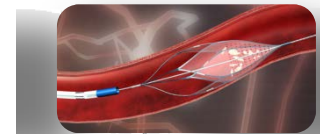
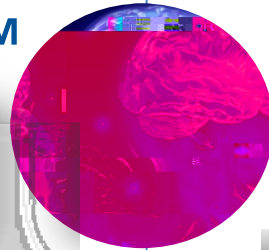
Coil



- The Aneurism improves the success rate of surgery(In R&D) development

-Ischemic

APOLLO



AETHER

- Approved by CFDA in 2006

3 Electrophysiology Business



Dramatic Growth of EP in Revenue

Product Portfolio

■ Radiofrequency



FireMagic

3D

- Saline Infusion Radiofrequency Ablation Catheter

Anchor

- External Reference Patch

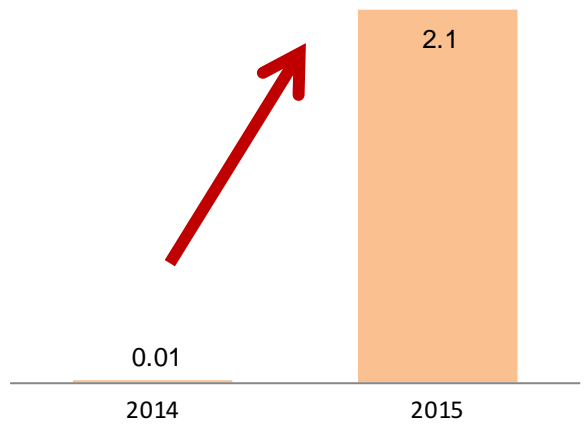
Columbus

- 3D EP Navigation System

4 / MicroPort Sorin CRM (MSC)

Revenue

USD: million



- IPGs
- Leads
- Programmer
- Biz Models
- Others



Innovated in China, for China

- **Launched China's First Domestic Pacemaker Production Line in June, 2015**
- Animal study on-going
- Leveraging MP & Sorin capabilities



Surgical Robot

➤ Product Introduction

Indication

urology, obstetrics,
general thoracic, cardiovascular surgery

Core Function

Master-Slave teleoperation, 3D vision.

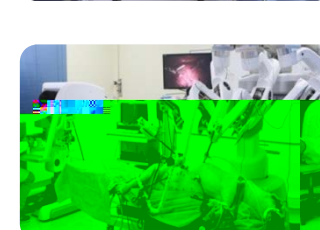
Full dimension motion control, Force feedback.

➤ R&D Progress

Developed the first generation prototype;

Systematical performance testing;

Animal Testing;



Milestone

Appendix I

- Consolidated Income Statement

(USD '000)	2015	2014	Flux %
Revenue	375,844	355,284	6%
Cost of sales	(123,335)	(111,999)	10%
Gross profit	252,509	243,285	4%
Other revenue & net gain	15,525	12,025	29%
Research and development costs	(60,354)	(54,564)	11%
Distribution costs	(127,739)	(133,629)	-4%
Administrative expenses	(65,031)	(70,773)	-8%
Other operating costs	(4,886)	(35,710)	-86%
Operating Profit	10,024	(39,366)	-125%
Finance costs	(14,778)	(12,956)	-14%
Share of losses of a joint venture	(3,788)	(1,192)	
Profit/(loss) before taxation	(8,542)	(53,514)	-84%
Income tax	(2,837)	(6,057)	-53%
Net loss	(11,379)	(59,571)	-81%

Appendix II

- Consolidated Balance Sheet

USD'000	31 Dec 2015	31 Dec 2014
Fixed assets	271,203	286,666
Intangible assets	60,217	60,506
Prepayments for fix assets	2,711	1,678
Goodwill	55,463	56,529
Interest in a joint venture	4,759	3,866
Deferred tax assets	3,711	4,124
Time deposits	-	11,440
Other non-current assets	4,339	6,813
Total non-current assets	402,403	431,622
Inventories	101,840	109,901
Trade and other receivables	126,957	121,930
Time deposits	2,976	60,679
Cash and cash equivalents	99,467	215,602
Total current assets	331,240	508,112
Total assets	733,643	939,734
Trade and other payables	(99,418)	(108,649)
Interest-bearing borrowings	(55,086)	(215,897)
Income tax payable	(1,226)	(1,016)
Deferred income	(5)	(10)
Derivative financial liabilities	(397)	(592)
Obligation under finance leases	(1,209)	(1,868)
Other current liabilities	(7,260)	
Total current liabilities	(164,601)	(328,032)
Interest-bearing borrowings	(129,374)	(132,817)
Convertible bonds	(94,815)	(91,573)
Obligation under finance leases	(33)	(1,894)
Deferred income	(22,086)	(28,989)
Other payables	(1,541)	(1,793)
Other non-current liabilities	-	(7,335)
Deferred tax liabilities	(3,365)	(3,558)
Total liabilities	(415,815)	(595,991)
Share capital	(14)	(14)
Reserves	(312,505)	(342,239)
Non controlling interests	(5,309)	(1,490)
Total equity	(317,828)	(343,743)

Appendix III

***Adjusted net placement million of time deposits with bank over**

(USD '000)	2015	2014
Cash generate from operations	36,132	26,242
Income tax paid	(5,412)	(8,436)
Net cash generated from operating activities	30,720	17,806
Net cash (used in)/from investing activities*	(47,177)	(338,155)
Net cash generated in financing activities	(164,952)	394,008
Net decrease in cash and cash equivalent	(181,409)	73,659
Cash and cash equivalents at 1 January	287,721	216,225
Effect of foreign exchange rate changes	(3,869)	(2,163)
Cash and cash equivalents at 31 December	102,443	287,721

• *This document is for information purposes only and does not constitute or form part of any offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for any securities of MicroPort Scientific Corporation, and no part of it shall form the basis of, or be relied upon in connection with, any agreement, arrangement, contract, commitment or investment decision in relation thereto whatsoever.*

• **FORWARD-LOOKING STATEMENTS**

• *Some information contained on this website contains forward-looking statements. These forward-looking statements include, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe", "intend", "expect", "anticipate", "project", "estimate", "predict", "is confident", "has confidence" and similar expressions are also intended to identify forward-looking statements. Such statements are based upon the current beliefs and expectations of MicroPort's management and are subject to significant risks and uncertainties. MicroPort Scientific Corporation undertakes no obligation to update any of the statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors that could cause actual future results to differ materially from current expectations include, but are not limited to, general industry and economic conditions, PRC governmental policies and regulations relating to the medical device manufacturing industry, competition in the medical device manufacturing industry, our ability to develop new products and stay abreast of market trends and technological advances, our goals and strategies, our ability to execute strategic acquisitions of, investments in or alliances with other companies and businesses, fluctuations in general economic and business conditions in China.*

• **CONFIDENTIALITY**

• *This pres Tc Tc .i-f-m-r TjTjTj Tw na*



Thank You

The Patient Always Comes First

