SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety, including our financial statements and the accompanying notes, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a leading developer, manufacturer and marketer of medical devices in China in terms of the number of stents implanted, focusing primarily on minimally invasive interventional products for the treatment of vascular diseases and disorders. According to a report prepared by Frost & Sullivan in June 2010, we had the leading market share, in terms of the number of stents implanted, of approximately 26.6%, 28.7% and 28.9% of all coronary stents implanted in China in 2007, 2008 and 2009, respectively. As of the Latest Practicable Date, we offered 18 products including cardiovascular and other vascular devices, as well as an EP and a diabetes device. Our principal product is Firebird 2, our second generation drug-eluting cobalt-chromium stent, which is thinner, stronger and more flexible than its predecessor, Firebird, which is made of stainless steel, and as a result Firebird 2 provides higher efficacy. Both Firebird 2 and its predecessor, Firebird, have been the leading drug-eluting stents in China in terms of the number of stents implanted in 2007, 2008 and 2009. We have demonstrated a history of innovation being the first China-based manufacturer of interventional cardiology products and developing the first drug-eluting stent commercially produced in China, in addition to having a large intellectual property portfolio.

China's healthcare system is undergoing fundamental changes as a result of the significant expansion of financial support for the healthcare system as part of the PRC government's new healthcare reform initiative. We expect that this increased governmental spending will lead to increased diagnosis and treatment of chronic ailments which are becoming more common in China, such as vascular diseases and disorders and diabetes. In particular, cardiovascular disease is currently one of the leading causes of death in China. According to an article citing the China Chronic Heart Disease 2006 Annual Report, nearly 50% of all deaths annually are due to cardiovascular disease, and the prevalence of cardiovascular disease has steadily increased each year in China. Frost & Sullivan estimates that the coronary stent market in China was approximately RMB3.76 billion in 2007, and is expected to grow to approximately RMB16.92 billion in 2014, representing a CAGR of 24.0%.

As a result of the success of Firebird and Firebird 2 drug-eluting stents, we enjoy strong brand recognition among the interventional cardiology community in China. In addition to our Firebird line of products, we offer a range of other vascular stents to treat vascular diseases and disorders in other parts of the body. For example, we offer increasingly utilized lines of TAA and AAA stents, called Hercules and Aegis, which are metal stents covered with non-porous film or fiber to create an artificial vessel wall to relieve pressure caused by an aneurysm. We also sell intracranial stents which are extremely small, flexible stents used to facilitate blood flow in blood vessels in the brain, as well as stent grafts for use in surgical operations.

Leveraging our experienced research and development team, which had 170 employees as of March 31, 2010, we have internally developed and commercialized all of our cardiovascular and other vascular devices and an EP ablation catheter, and, as of the Latest Practicable Date, had an additional 28 products in various stages of development. As a result of our commitment to research and development, we have amassed a large intellectual property portfolio. As of the Latest Practicable Date, we had received a total of 52 patents in China, including 13 invention patents, 38 utility model patents and one design patent, and two patents in the European Union. In addition, as of the Latest Practicable Date, we had 83 patent applications pending in China and 11 patent applications pending in the United States, the European Union and Japan.

Our research and development initiatives focus on developing both next-generation stents and medical devices for the treatment of other types of chronic ailments which enable us to leverage our core strengths in presently growing, but currently underserved, markets in China. For example, we received SFDA approval for, and recently commercially launched, our new EP catheter product, FireMagic, which corrects a common type of arrhythmia. We are also developing additional EP products and initiating research into the development of pacemakers. Furthermore, to address the rapid increase in diabetes in China resulting from changing living standards and lifestyles and an aging population, we acquired, made improvements to and recently commenced sales of our insulin pump, La Fenice, and are in the process of developing a series of additional diabetes-related products. Finally, we are working on a range of orthopedic devices which are designed to immobilize and/or stabilize vertebrae in the spine, which may be needed following an injury or as a result of aging.

Due to our early entry into the minimally invasive interventional device market in China, we have built an established network with many key opinion leaders in the Chinese medical community, including physicians, researchers and hospital administrators. During the Track Record Period, our products have been used in over 1,100 hospitals across China. We use a combination of our own sales and marketing teams and a network of independent distributors to market and sell our products in China. Our highly trained sales and marketing teams, totaling 132 employees as of March 31, 2010, market our medical devices directly to hospitals through regular visits to interventional cardiologists, radiologists, vascular surgeons and other medical professionals, sponsorship of conferences, seminars and physician education programs, and other activities including regular training for newer products. These direct marketing activities and our joint research and development projects with hospitals help enhance awareness of our products, raise our profile and promote our brand recognition. We also had 125 independent distributors as of March 31, 2010 which, together with our own sales and marketing teams, provide us with nationwide coverage of the China market. Nevertheless, we sold a minimal amount of TAA/AAA stent grafts directly to hospitals in 2007 which accounted for 0.2% of our revenue for that year. In addition, we export our products outside of China through our network of over 20 overseas distributors to more than 20 countries in the Asia Pacific region (excluding China), South America and Europe. International sales accounted for 10.2%, 10.7%, 10.6% and 7.0% of our revenue for the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, respectively.

We have established advanced manufacturing facilities, covering all key aspects of the design, development and manufacturing of our medical devices. As we had the leading market share in terms of the number of stents implanted in 2007, 2008 and 2009 according to Frost & Sullivan, we believe our facilities are among the largest of the interventional medical device companies in China. In addition, we have commenced construction of a new, significantly larger facility into which we plan to consolidate most of our production upon its completion, which is scheduled for 2012. Our integrated production processes increase our production efficiency and reduce our dependence on third-party suppliers, which distinguishes us from our domestic competitors. We have a quality and regulatory affairs department which monitors every stage of our manufacturing processes and ensures consistent product quality that meets our quality management standards and policies.

In addition to drug-eluting stents, bare-metal stents (i.e., stents without a drug coating) and PTCA balloon catheters are the most common minimally invasive methods to treat vascular diseases and disorders. PTCA balloon catheters can be used either by themselves to expand and compress the plaque lining a blood vessel wall or as a method to expand a vessel and insert a drug-eluting or bare-metal stent (substantially all PTCA procedures in China in 2009 involved the use of a stent). According to Frost & Sullivan, drug-eluting stents were used in 95.7% of all coronary stent procedures in China in 2009, with the remaining 4.3% using bare-metal stents.

For the years ended December 31, 2007, 2008 and 2009, we had revenue of RMB421.3 million, RMB485.2 million and RMB560.7 million, respectively, representing an increase of 15.2% from 2007 to 2008

and an increase of 15.6% from 2008 to 2009. For the three months ended March 31, 2009 and 2010, we had revenue of RMB137.6 million and RMB176.7 million, respectively, representing an increase of 28.5%.

The following table sets forth the breakdown of our revenue and gross profit margin by business segments for the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2009 and 2010. We did not generate any revenue from our orthopedic device business during the Track Record Period as that business has been, and remains currently, in the research and development stage.

	Year ended December 31,									Three months ended March 31,					
	2007			2008			2009			2009			2010		
	RMB'000	% of Revenue	Gross profit margin	RMB'000	% of Revenue	Gross profit margin	RMB'000	% of Revenue	Gross profit margin	RMB'000	% of Revenue	Gross profit margin	RMB'000	% of Revenue	Gross profit margin
										(unaudited)					
Vascular device business	421,263	100.0	86%	484,531	99.9	82%	557,056	99.3	86%	137,268	99.8	87.6%	175,923	99.5	87.2%
Diabetes device business	—	0.0	—	711	0.1	38%	3,670	0.7	49%	302	0.2	27.6%	804	0.5	77.1%
	421,263	100.0	—	485,242	100.0	—	560,726	100.0	—	137,570	100.0	—	176,727	100.0	—

The following table sets forth the breakdown of our revenue by products for the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2009 and 2010.

	Year ended December 31,						Three months ended March 31,			
	2007		2008		2009		2009		2010	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
							(unaudited)			
Drug-eluting stents	376,620	89.4	421,748	86.9	484,096	86.3	122,591	89.1	153,545	86.9
TAA/AAA stent grafts	18,199	4.3	23,075	4.8	28,864	5.2	7,391	5.4	12,843	7.3
Bare-metal stents	15,032	3.6	18,217	3.7	20,288	3.6	2,389	1.7	3,261	1.8
Other products	11,412	2.7	22,202	4.6	27,478	4.9	5,199	3.8	7,078	4.0
	421,263	100.0	485,242	100.0	560,726	100.0	137,570	100.0	176,727	100.0

COMPETITIVE STRENGTHS

We believe that our principal competitive strengths include the following:

- Established market leadership and strong brand recognition.
- Strong sales, marketing and distribution capabilities in China.
- Proven research and development capabilities, robust product pipeline and strong intellectual property portfolio.
- Extensive experience in pre- and post-launch clinical trials and commercialization of products.
- High quality, cost-effective manufacturing platform.
- Experienced management team.

STRATEGIES

Our objective is to strengthen our position as a leader in developing, manufacturing and marketing medical devices in China and over time in select international markets. We intend to achieve our objective by implementing the following strategies:

- Continue to enhance our brand name and market position in China.
- Broaden our portfolio of innovative devices for vascular diseases.
- Develop new technologies and enter complementary medical device markets.
- Capitalize on opportunities created by China's ongoing healthcare reforms.
- Further expand brand awareness and sales internationally.
- Pursue product and technology purchase opportunities, strategic acquisitions and alliances.

RISK FACTORS

Risks related to our Company

- We have been substantially dependent on sales of our proprietary drug-eluting stents during the Track Record Period. Our business, financial condition and results of operation would be materially and adversely affected if sales of these products were to decline.
- Our future growth is dependent upon our ability to develop new products, which requires significant research and development efforts, clinical trials and regulatory approvals, and our investment in new products may not result in any commercially viable products.
- We might have engaged in activities that violated PRC laws or are harmful to our reputation, and these events or any non-compliance by us with applicable laws could have a material adverse impact on our business, financial condition and results of operation.
- If we fail to maintain effective internal controls, we may not be able to accurately report our financial results or prevent fraud, and our business, financial condition, results of operation and reputation could be materially and adversely affected.
- We have received, and may continue to receive, anonymous letters alleging misconduct by our Company or agents. Any such complaints may lead to the discovery of illegal conduct, and even if the allegations are determined to be meritless, the investigation of those allegations can be costly and significantly divert our management's attention from the operation of our business.
- Our business, prospects and brand may be harmed by actions taken by our distributors.
- We depend on a limited number of distributors for a significant portion of our revenue. If we lose one or more of these distributors and are unable to replace them quickly, we may be unable to effectively market and sell our products, which could materially and adversely affect our business, financial condition and results of operation.
- If we do not manage our growth effectively, our business, financial condition and results of operation may be materially and adversely affected.

- Future acquisitions of businesses, products, technologies or know-how could materially and adversely affect our business, financial condition and results of operation if we fail to integrate the acquired businesses, products or technologies successfully into our existing operations or if we discover previously undisclosed liabilities.

- Our limited operating history may make it difficult to evaluate our business, financial performance or prospects.

- Our historical average inventory turnover days have been relatively long.

- If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and financial penalties and may have to redesign or discontinue selling the affected product.

- If our patents and other intellectual property rights do not adequately protect our products, we may lose market share to our competitors and be unable to operate our business profitably.

- We manufacture our principal products at our headquarters and package our products primarily in our other facilities. Any disruption in these manufacturing facilities, or in our planned move to a new facility which is currently under construction, could cause us to suffer losses and materially and adversely affect our business, financial condition and results of operation.

- We are exposed to potential product liability claims, and our insurance coverage may be inadequate to protect us from all liabilities we may incur.

- Any product recall would damage our brand name and could have a material adverse effect on our reputation, business, financial condition and results of operation.

- If we are unable to recruit, hire and retain skilled and experienced personnel, our ability to effectively manage our operations and meet our strategic objectives will be harmed.

- We may require additional capital in the future, which may not be available on terms acceptable to us, or at all.

- If physicians do not recommend our products, our sales may decline.

Risks related to our industry

- As part of its regulation of the medical industry, the PRC government has imposed reductions in the retail prices of our products periodically in the past and is expected to continue to do so. Ongoing decreases in the retail prices of our products or limitations on the profit margins we earn could materially and adversely affect our business, financial condition and results of operation.

- Our sales depend to a large extent on the level of insurance reimbursement patients receive for treatments using our products.

- The impact of the ongoing healthcare reform in China on our business remains uncertain.

- Our competitors may have substantially greater resources than we do and may be able to develop more effective products or offer their products at lower prices than we can, which could materially and adversely impact our business, financial condition and results of operation.

- The medical device industry in China is rapidly evolving, and we may be unable to maintain or enhance our market share in this industry for a variety of reasons.

- Our products and facilities are subject to extensive regulation, which may subject us to high compliance costs and expose us to penalties for non-compliance. We may not be able to obtain required regulatory approvals for our products in a cost-effective manner or at all.

Risks related to doing business in China

- The recent global market fluctuations, economic downturn and decline in the availability of credit could materially and adversely affect our business, financial condition and results of operation.

- Changes in political or economic policies, and a slowdown in the economy of the PRC may have a material adverse impact on our business, financial condition and results of operation.

- Changes and uncertainties in the PRC legal system may have a material adverse impact on our business, financial condition and results of operation.

- PRC regulations, particularly SAFE Circular No. 75 relating to acquisitions of PRC companies by foreign entities, may limit our ability to acquire PRC companies and adversely affect the implementation of our strategy as well as our business and prospects.

- Failure to comply with PRC regulations in respect of the registration of our PRC citizen employees' share options may subject such employees or us to fines and legal or administrative sanctions.

- Restriction of payment of dividends under PRC law and the tax exemptions on dividends received by our Company and our Shareholders may be affected by the Corporate Income Tax Law.

- Dividends payable by us to our investors and gains on the sale of our Shares may become subject to withholding taxes under PRC tax laws.

- Our PRC subsidiaries, including MP Shanghai, are subject to existing restrictions on paying dividends or making other distributions to us, and changes in foreign exchange regulations may materially and adversely affect our business, financial condition and results of operation.

- Any change in the preferential tax treatment we currently enjoy in the PRC may have a material adverse impact on our business, financial condition and results of operation.

- Fluctuations in the value of the Renminbi may have a material adverse effect on your investment.

- PRC regulation of direct investment and loans by offshore holdings companies to PRC entities may delay or limit us from using the proceeds of the Global Offering to make additional contribution or loans to our PRC subsidiaries.

- The enforcement of the Labor Contract Law and other labor-related regulations in the PRC may materially and adversely affect our business, financial condition and results of operation.

- We are subject to a wide variety of environmental regulations, and any failure to comply with these regulations or to control the associated costs could harm our business.

- It may be difficult to effect service of process upon us or our Directors or senior management who reside in the PRC or to enforce against us or them judgments obtained from non-PRC courts.

- We may be subject to acts of God, acts of war and epidemics which are beyond our control and which may cause damage, loss or disruption to our business.

Risks related to the Global Offering

- There has been no previous public market for our Shares, and an active trading market may not develop.
- Future sales by our existing Shareholders of a substantial number of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares.
- Future sales or a major divestment of Shares by our current significant Shareholders could adversely affect our Share price.
- The interests of our Controlling Shareholder may differ from those of other Shareholders.
- Investors will experience dilution in net tangible assets value because the Offer Price is higher than our net tangible assets value per Share.
- The trading volume and share price of our Shares may fluctuate.
- Investors may face difficulties in protecting their interests because we are incorporated under Cayman Islands law, and Cayman Islands law may provide different remedies to minority shareholders when compared with the laws of Hong Kong and other jurisdictions.
- Investors should not place undue reliance on industry and market information and statistics derived from official government publications, market data providers and other independent third party sources contained in this prospectus.
- Forward-looking statements contained in this prospectus are subject to risks and uncertainties.
- Due to a gap of up to five business days between pricing and trading of the Offer Shares, investors may not be able to sell or otherwise deal in our Offer Shares during such period, and the initial trading price of the Offer Shares could be lower than the Offer Price.
- We strongly caution investors not to place any reliance on any information contained in press articles or other media regarding our Group and the Global Offering.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth, for the periods indicated, our summary consolidated financial information derived from the Accountants' Report in Appendix I to this prospectus. The summary consolidated financial information should be read together with, and is qualified in its entirety by reference to, the Accountants' Report, including the notes thereto.

Consolidated income statements

	Year ended December 31,			Three months ended March 31,	
	2007	2008	2009	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	421,263	485,242	560,726	137,570	176,727
Cost of sales	(60,171)	(87,703)	(78,037)	(17,290)	(22,684)
Gross profit	361,092	397,539	482,689	120,280	154,043
Other revenue	16,637	20,559	22,519	3,059	1,119
Other net (loss) / income	(2,122)	(3,231)	(1,867)	363	665
Research and development costs	(54,192)	(59,391)	(86,384)	(15,090)	(25,310)
Sales and marketing costs	(81,350)	(66,244)	(98,177)	(18,851)	(19,545)
Administrative expenses	(54,946)	(48,068)	(50,850)	(9,952)	(13,184)
Other operating costs	(27,264)	(3,036)	(1,022)	(383)	(100)
Profit from operations	157,855	238,128	266,908	79,426	97,688
Finance costs	(44,200)	(9,875)	(17,153)	(5,827)	(2,990)
Profit before taxation	113,655	228,253	249,755	73,599	94,698
Income tax	(11,424)	(49,405)	(63,382)	(19,212)	(14,643)
Profit for the year/period	102,231	178,848	186,373	54,387	80,055
Historical earnings per share					
Basic (RMB)	0.90	1.58	1.65	0.48	0.71
Diluted (RMB)	0.90	1.58	1.63	0.48	0.70

On September 3, 2010, our Company conditionally adopted a 10-for-1 share split of our ordinary shares, as detailed under "Statutory and General Information — Changes in share capital of our Group" in Appendix VI to this prospectus. The historical earnings per share for all periods presented have not been adjusted to reflect the conditional share split. Our unaudited pro forma earnings per share information, taking into account the conditional 10-for-1 share split, is set out in note 11(c) to the "Accountants' Report" in Appendix I to this prospectus.

Consolidated balance sheets

	As of December 31,			As of March 31,
	2007	2008	2009	2010
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Fixed assets				
— Property, plant and equipment	92,630	129,088	156,802	160,764
— Interests in leasehold land held for own use under operating leases	4,619	4,517	37,548	37,353
	97,249	133,605	194,350	198,117
Intangible assets	—	10,442	10,023	9,839
Prepayments for fixed assets	27,432	38,928	14,412	29,742
Goodwill	—	2,105	2,105	2,105
Deferred tax assets	766	3,454	6,667	6,763
	125,447	188,534	227,557	246,566
Current assets				
Inventories	47,714	48,476	56,695	64,698
Trade and other receivables	137,512	114,636	143,817	196,517
Income tax recoverable	—	358	—	—
Deposits with banks	2,940	207,569	193,595	177,595
Cash and cash equivalents	309,852	66,461	90,194	101,983
	498,018	437,500	484,301	540,793
Current liabilities				
Trade and other payables	156,814	68,945	152,260	54,990
Short term loans	8,681	20,235	—	100,000
Long term loans (current portion)	12,070	434	448	452
Redeemable convertible preference shares	70,070	72,078	82,262	83,976
Income tax payable	1,662	11,523	26,299	16,130
Deferred income	839	920	142	138
	250,136	174,135	261,411	255,686
Net current assets	247,882	263,365	222,890	285,107
Total assets less current liabilities	373,329	451,899	450,447	531,673
Non-current liabilities				
Long term loans	5,013	4,579	4,131	4,162
Deferred income	7,377	16,212	23,740	23,758
Deferred tax liabilities	—	23,505	34,883	34,843
	12,390	44,296	62,754	62,763
NET ASSETS	360,939	407,603	387,693	468,910
CAPITAL AND RESERVES				
Share capital	89	89	89	89
Reserves	360,850	407,514	387,604	468,821
TOTAL EQUITY	360,939	407,603	387,693	468,910

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK$4.60	Based on an Offer Price of HK$6.10
Market capitalization of the Shares upon completion of the Global Offering[1]	HK$6,458.9 million	HK$8,565.1 million
Unaudited pro forma adjusted net tangible assets value per Share[2]	HK$1.13 (RMB0.99)	HK$1.39 (RMB1.21)

Notes:

(1) The calculation of market capitalization is based on 252,740,000 Shares, assuming no exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Schemes.

(2) The unaudited pro forma adjusted consolidated net tangible asset value per Share is calculated after making the adjustments referred to in "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus and on the basis of a total of 1,404,112,340 Shares expected to be in issue following the completion of the Global Offering (including the effect of the conditional 10-for-1 share split and the automatic conversion of preference shares). This calculation assumes an Offer Price of HK$4.60 or HK$6.10 per Share and that the Over-allotment Option and the options granted under the Pre-IPO Share Option Schemes will not be exercised.

PROFIT ESTIMATE

Our Directors estimate that, in the absence of unforeseen circumstances and on the bases set out in "Profit Estimate" in Appendix III to this prospectus, our Group's profit after taxation for the six months ended June 30, 2010 is unlikely to be less than RMB140 million. The profit estimate for the six months ended June 30, 2010 is the best estimate of our Directors and prepared by us based on our consolidated financial statements for the three months ended March 31, 2010, included in the Accountants' Report as set out in Appendix I to this prospectus, and our unaudited consolidated management accounts for the three months ended June 30, 2010. We have undertaken to the Hong Kong Stock Exchange that our interim financial report for the six months ended June 30, 2010 will be audited pursuant to Rule 11.18 of the Listing Rules.

On a pro forma basis and on the assumption that our Group had been listed since January 1, 2010 and a total of 1,404,112,340 Shares were issued and outstanding during the entire six months ended June 30, 2010 (taking no account of any Shares which may be issued upon exercise of the Pre-IPO Share Option Schemes and the Over-allotment Option), the estimated earnings per Share for the six months ended June 30, 2010 is unlikely to be less than RMB0.10.

DIVIDEND POLICY

During the Track Record Period, our Board has declared and distributed dividends from time to time. We declared dividends to holders of our Shares in the amount of RMB226.1 million, RMB136.6 million and RMB215.7 million in 2007, 2008 and 2009, respectively, all of which have been fully settled. For the same periods, we also declared dividends of RMB13.8 million, RMB5.8 million and RMB5.6 million to Otsuka Pharmaceutical as holder of our preference shares which were recorded as finance costs, all of which have been fully settled. No interim dividends were declared during the three months ended March 31, 2010. In July 2010, our Board declared dividends of RMB171.2 million and RMB4.9 million to holders of our Shares and Otsuka Pharmaceutical as holder of our preference shares, respectively, all of which have been fully settled. For the avoidance of doubt, holders of Offer Shares will not be entitled to any of these dividends.

Our historical dividend distributions are not indicative of our future dividend policy. Our Board may declare dividends in the future after taking into account our operations, earnings, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Cayman

Companies Law. Our Shareholders in general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board. In addition, our Directors may from time to time pay such interim dividends as appear to our Board to be justified by our profits, or special dividends of such amounts and on such dates as they think fit. No dividends shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declaration of dividends and will be at the absolute discretion of our Board.

Future dividend payments will also depend upon the availability of dividends received from our PRC subsidiaries. PRC laws require that dividends be paid only out of the net profit calculated according to PRC GAAP, which differ in certain aspects from HKFRS. PRC laws also require a wholly owned foreign enterprise, such as our PRC operating subsidiaries, to transfer at least 10% of its net profit (after offsetting the prior year's losses) to a statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to its reserve must be made before distribution of dividends to its equity holders. Distribution from our PRC operating subsidiaries may also be restricted if they incur losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our PRC operating subsidiaries may enter into in the future. The statutory reserve of MP Shanghai has already reached 50% of its registered capital.

USE OF PROCEEDS OF THE GLOBAL OFFERING

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$5.35 per Share, being the mid-point of the indicative Offer Price range) will be approximately HK$1,246.9 million, assuming the Over-allotment Option is not exercised. We currently intend to apply such net proceeds in the following manner:

- approximately 50%, or HK$623.4 million, to expand our product offerings, including enhancing our research and development (including conducting clinical trials and obtaining both domestic and international regulatory approvals), with a particular focus on new product lines to diversify our business, as well as acquiring businesses or acquiring or licensing products and technologies that we believe could complement our existing capabilities; in this regard, we expect to invest approximately HK$100 million to finance the ongoing clinical trials of our third generation drug-eluting stent, Firehawk, and ongoing research of our fourth generation drug-eluting stent as well as several other cardiovascular and other vascular products. As of the Latest Practicable Date, our Directors confirm that our Company has not entered into any agreement nor do we have any definite plans at present in relation to any potential acquisitions of businesses or potential acquisitions or licensing of products and technologies;

- approximately 25%, or HK$311.7 million, to expand our production facilities, including approximately HK$250.0 million for completion of a new office complex for our headquarters and principal manufacturing facilities which is expected to be completed in 2012 and have an estimated annual production capacity of approximately 700,000 to 1,000,000 units of stents and catheters, and purchase of production and testing equipment;

- approximately 20%, or HK$249.4 million, to expand our sales, marketing and distribution activities in China and worldwide in particular the Asia Pacific region (excluding China) and Europe, including expanding and enhancing our sales, marketing and distribution network by adding more staff and hiring more distributors and performing multi-center post-launch clinical studies on our principal products such as drug-eluting stents, enhancing our brand name and market position and increasing training and education of physicians regarding our products by establishing training and education centers in China and other activities such as promoting public awareness and early detection of chronic diseases and post-procedure patient care and services; and

- approximately 5%, or HK$62.3 million, to fund working capital and for other general corporate purposes.

To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If the Over-allotment Option is exercised in full, the additional net proceeds of approximately HK$194.1 million, assuming an Offer Price of HK$5.35 per Share, being the mid-point of the indicative Offer Price range, will be applied in the manner and the proportions stated above.

Pending use of the net proceeds, we intend to invest our net proceeds in short-term, interest-bearing debt instruments or bank deposits.

SPECIAL INCIDENTS AND INTERNAL CONTROLS

We might have engaged in the past in activities that violated PRC laws or are harmful to our reputation. In July 2005, the former director of the Division of Medical Devices of SFDA, Mr. Hao Heping, was arrested in the PRC for asking for and receiving improper gifts and payments from several medical device manufacturers in China, including from us. In accordance with SFDA's procedures, Mr. Hao's signature was a required part of the approval process in respect of the issuance of a registration certificate for medical devices, and a few of our products, including Firebird, were initially approved by SFDA when Mr. Hao was in office. According to one of our former senior executives, he was approached by Mr. Hao in 2003 to assist in paying for certain personal expenses of Mr. Hao. This former senior executive subsequently communicated the request of Mr. Hao to Dr. Zhaohua Chang, our founder and Director and chairman of our Company, for our Company to pay for such expenses. Dr. Zhaohua Chang indirectly provided RMB220,000 in cash from his personal funds for such purpose. In addition, this former senior executive also provided to Mr. Hao RMB40,000 in 2005, which was reimbursed by us. In November 2006, Mr. Hao was found guilty of, among other things, requesting and accepting bribes and was sentenced to 15 years in prison. Mr. Hao filed an appeal which was dismissed in March 2007 and the original ruling was affirmed. In addition, we received in 2007, and may continue to receive, anonymous letters alleging misconduct by our Company or agents. We have implemented various measures to address these issues.

For further information, see "Risk Factors — Risks related to our Company — We might have engaged in activities that violated PRC laws or are harmful to our reputation, and these events or any non-compliance by us with applicable laws could have a material adverse impact on our business, financial condition and results of operation.", "Risk Factors — Risks related to our Company — We have received, and may continue to receive, anonymous letters alleging misconduct by our Company or agents. Any such complaints may lead to the discovery of illegal conduct, and even if the allegations are determined to be meritless, the investigation of those allegations can be costly and significantly divert our management's attention from the operation of our business.", "Regulations — Anti-corruption laws in China," "Business — Legal proceedings and compliance," and "Business — Corporate governance and internal controls" in this prospectus.