



PRESS RELEASE

Issued by: ScinoPharm, Lee's Pharmaceutical

Issue date: May 9, 2014

ScinoPharm and Lee's Pharmaceutical Jointly Develop a Number of Drug Products for the Chinese Market

May 9, 2014—ScinoPharm Taiwan, Ltd. (TWSE:1789), a specialty Active Pharmaceutical ingredient (API) company, and Lee's Pharmaceutical Holdings Limited (950.HK) announced the execution of two collaboration agreements today. The two parties will jointly develop and produce *Fondaparinux*, an anti-thrombotic agent and *Travoprost* and *Bimatoprost*, two prostaglandin derivative drugs for treating glaucoma. Capitalizing on the strengths and expertise of the two companies, the products are expected to offer competitive advantages upon entering into the Chinese high-end generic drug market.

These drugs have extremely high technical entry barriers in process development and manufacturing. This collaboration takes the advantages of the two sides, i.e., the R&D strengths of ScinoPharm in the development and manufacturing of highly potent APIs, coupled with Lee's wealth of experience in developing and manufacturing ophthalmic products plus its outstanding marketing channels in China.

Dr. Jo Shen, President and CEO of ScinoPharm said, "It is our privilege to work with Lee's Pharmaceutical to penetrate into the Chinese market actively for niche drugs. This collaboration signifies ScinoPharm's strategic growth strategies in China by aggressively expanding our "Double A Strategy", i.e., developing ANDA (Abbreviated New Drug Applications) for in-house developed APIs. It will be also helpful in triggering a formal on-site inspection by the China Food and Drug Administration (CFDA) of ScinoPharm's new manufacturing and R&D Center in Changshu, Jiangsu. This will allow products produced at ScinoPharm Changshu plant to enter the Chinese market thus opening up a wide range of business opportunities related to high-end generic drugs."

"We are very excited for the alliance with ScinoPharm. The competitive advantage of ScinoPharm in development and manufacturing of API and the strength of Lee's Pharmaceutical in development, manufacturing and marketing of pharmaceuticals will complement one another and creating tremendous synergy. This strategic partnership will enhance the pace of Lee's Pharmaceutical in development of drugs, increase the market coverage of products and generate new stream of revenue income," said Dr. Benjamin Li, CEO of Lee's Pharmaceutical.



Fondaparinux, the API and formulation developed by ScinoPharm and licensed to Lee's, is an anticoagulant that helps prevent the formation of blood clots caused by orthopedic surgery of the lower limbs. The chemical reactions associated with this type of carbohydrate-based drug synthesis technology are extremely complicated, consisting of more than 50 chemical steps. ScinoPharm is one of the few companies in the world with a complete technical and scaled-up material supply chain for this API. ScinoPharm will provide the API as well as the formulation technology to Lee's exclusively and then authorizes Lee's for the manufacture of the formulated product in China. Lee's will submit an application at CFDA for drug certification and expects it to become commercially available in 2018. The market value of this drug in China exceeded RMB 500 million (US\$ 80 million) in 2013.

Two new generation prostaglandin derivatives, *Travoprost* and *Bimatoprost*, for glaucoma have shown good clinical results in terms of IOP-lowering effect, which can effectively prevent the deterioration of the condition. ScinoPharm Changshu produces the APIs for these two drugs, which will be exclusively supplied to Lee's for the development and production of formulations in China. Lee's will also file their drug license applications with CFDA. *Travoprost* and *Bimatoprost* under this collaboration are expected to become commercially available in China by 2019. According to the market intelligence of Lee's Pharmaceutical, the Chinese market of glaucoma therapeutics and prostaglandin derivatives products may reach RMB 10 billion (US\$ 1.6 billion) and RMB5 billion (US\$ 800 million), respectively, by 2018. Glaucoma is the number 2 cause of blindness in the world. China has the highest population with Glaucoma, numbering nearly 10 million people. That number is estimated to increase dramatically over the next 10 years as the population ages.

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About ScinoPharm

ScinoPharm Taiwan, Ltd. is a leading process R&D and API manufacturing service provider to the global Pharmaceutical industry. With research and manufacturing facilities in both Taiwan and China, ScinoPharm offers a wide portfolio of services ranging from custom synthesis for early phase Pharmaceutical activities to contract services for brand companies as well as APIs for the generic industry. For more information, please visit the Company's website at www.scinopharm.com



About Lee's Pharmaceutical

Lee's Pharmaceutical Holdings Limited is a research-based Hong Kong biopharmaceutical company with over 20 years of operation in China's Pharmaceutical industry. It is fully integrated company with strong capabilities in drug development, manufacturing, sales and marketing. It has established extensive partnerships with over 20 international companies and currently has 14 products in the market place. The company focuses on several key disease areas including cardiovascular, oncology, gynecology, dermatology and ophthalmology. Lee's development program is well recognized with 30 products stemming from both internal R&D efforts and collaborations with US, European and Japanese companies and aspiring to combat diseases such as liver cancer and pulmonary hypertension. The mission of Lee's is to become a successful biopharmaceutical group in Asia providing innovative products to fight diseases and improve health and quality of life. Additional information about Lee's Pharmaceutical is available at www.leespharm.com

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