LOTUS

BUILDING A PAN-REGIONAL LEADER

September 2016

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Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this presentation are forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. These forward looking statements are not based on historical facts but rather on management’s expectations regarding future growth, results of operations, performance, future capital and other expenditures, competitive advantages, business prospects and opportunities. Statements in this presentation about our future plans and intentions, results, level of activities, performance, goals or achievements or other future events constitute forward looking statements. Wherever possible, words such as “anticipate”, “believe”, “expect”, “may”, “could”, “will”, “potential”, “intend”, “estimate”, “should”, “plan”, “predict”, or the negative or other variations of statements reflect management’s current beliefs and assumptions and are based on the information currently available to our management**. Investors are cautioned not to place undue reliance on these forward looking statements, which are made as of the date of this presentation** and we assume no obligation to update or revise any forward looking statements.

COMPANY OVERVIEW

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Market Leader in the Highly Attractive Asia Pacific Generic Pharmaceutical Industry with Access to Other Advanced Markets

Investment Highlights

- Industry leading footprints: A fast growing, pan-regional, generic and specialty pharma company with direct access to advanced markets including US
- Manufacturing excellence: 1 **US FDA, EU EMA, Japan PMDA and TFDA PIC/S approved manufacturing facility** focusing on high potency, cytotoxic and softgel products, 2 KGMP approved manufacturing facilities and R&D centers
- Strong management team: Founded by industry experts in Taiwan and is now 63.4% owned by Alvogen, a specialty pharmaceutical company with delivered a CAGR of 79% since 2009 with global footprints in over 30 countries.
- Leading market share: **#1** in Korea in terms of sales from **anti-obesity drug**, and strong presence in **Taiwan** for **oncology and CNS** drugs

Strong Pipeline

- Robust international pipeline through integrated RD platform:
  - **6 products approved** and 3 products filed ANDA for US
  - 4 products/CDMO projects for Japan in pipeline
  - 6 products filed and 1 product approved in China
  - 5+ products for EU Asia scope in pipeline
  - Distribution rights of 2 biosimilars under development by Alvotech

Strong Growth and Margin

(NT$m)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
Rev	1,294	1,337	1,417	1,473	1,425	1,594
GP	745	760	873	850	779	946
GM	*57.6%*	*56.8%*	*61.6%*	*57.7%*	*54.7%*	*59.3%*
EBIT	70	91	162	126	148	204
EBIT %	*5.4%*	*6.8%*	*11.4%*	*8.6%*	*10.4%*	*12.8%*
Net profits	(21)	125	17	41	91	54
EPS (NTD)	(0.13)	0.37	0.06	0.12	0.27	0.07
Cash EPS (NTD)	0.43	0.87	1.46	1.76	1.07	1.57

[1] *Cash EPS = Cash flows from operating activities / number of outstanding shares*

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Progress in ‘16YTD

- **Continues to strengthen product portfolio**
  - ✓ Final approval of Paricalcitol Capsules for chronic kidney diseases by US FDA received in Feb’16
  - ✓ ANDA of Temozolomide Capsules for brain cancer has been officially approved by US FDA in Apr’16
    - Lotus’ first cancer drug approved by US FDA and its comprehensive product offering with all dosage 5mg, 20mg, 100mg, 140mg, 180mg, and 250mg creates a competitive edge for better market awareness in the US
  - ✓ ANDA of Levetiracetam ER Tablets for CNS has been officially approved by US FDA in Jun’16
  - ✓ ANDA of Calcium Acetate Capsule 667mg for renal diseases has been officially approved by US FDA in July’16
  - ✓ Rosuvastatin/Ezetimibe has been successfully launched in Mar’16 〔TOP 15 PRODUCTS〕
  - ✓ Desogestrel/EE has been successfully launched in May’16 〔TOP 15 PRODUCTS〕
- **Continues to improve profitability**
  - ✓ Operating margin expanded to double digit
  - ✓ YTD EPS reached NT$0.34, + approximately 36% YoY

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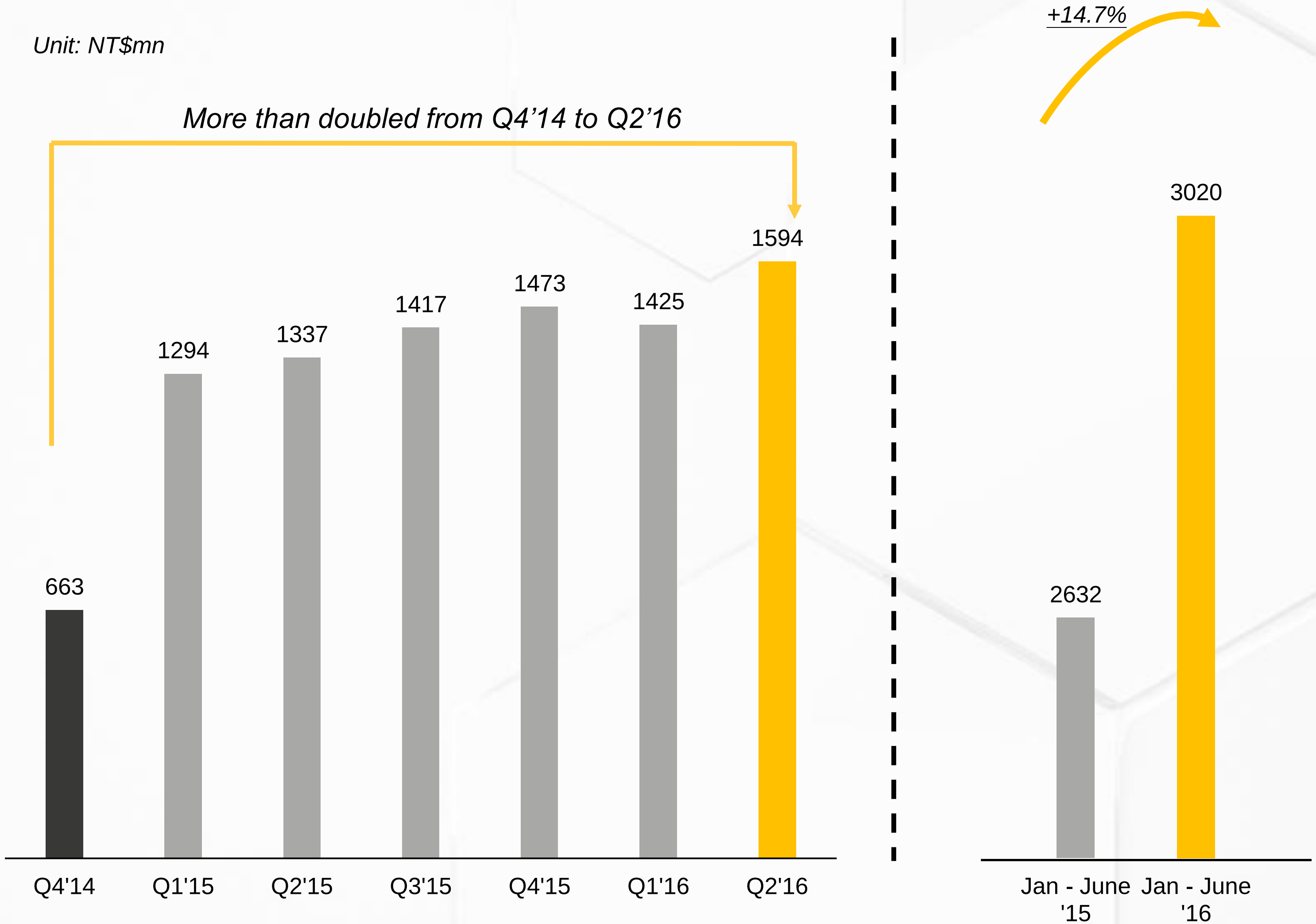
Robust Growth Momentum with Consecutive QoQ Growth



Improving Profitability Quarter over Quarter...

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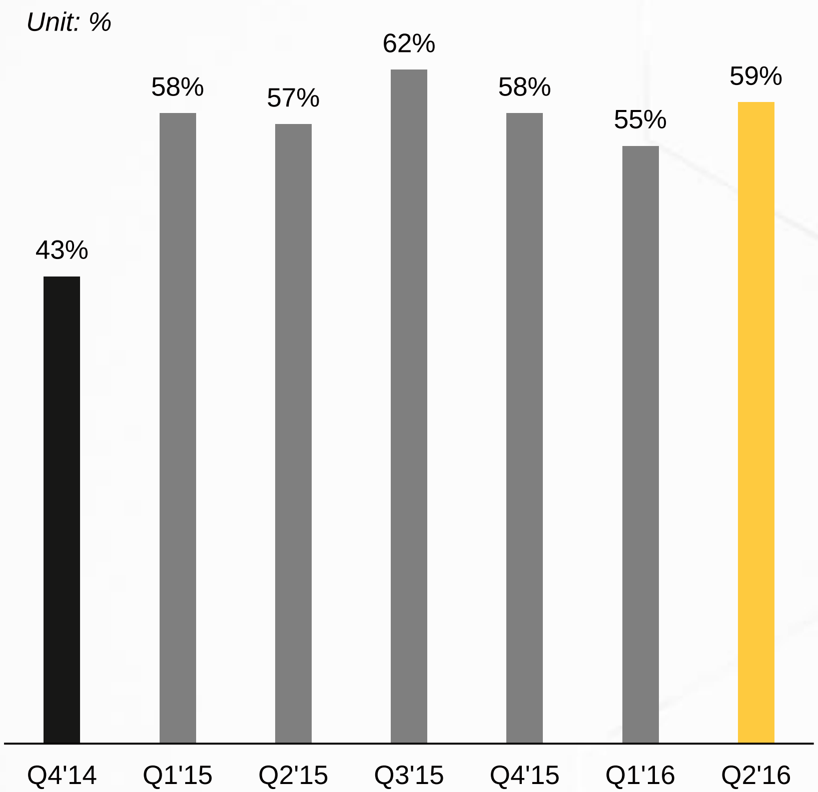
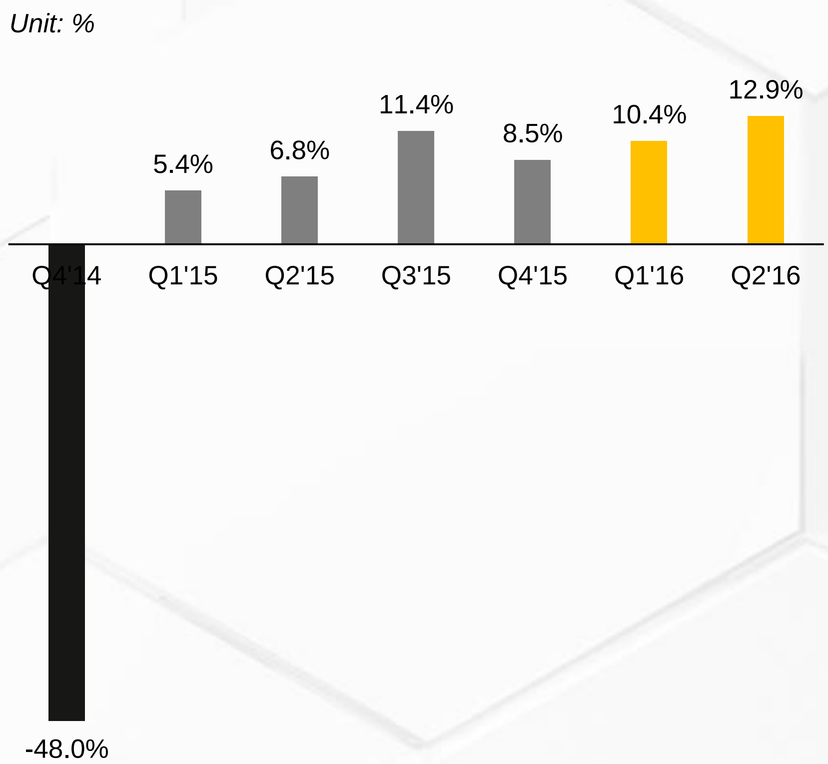


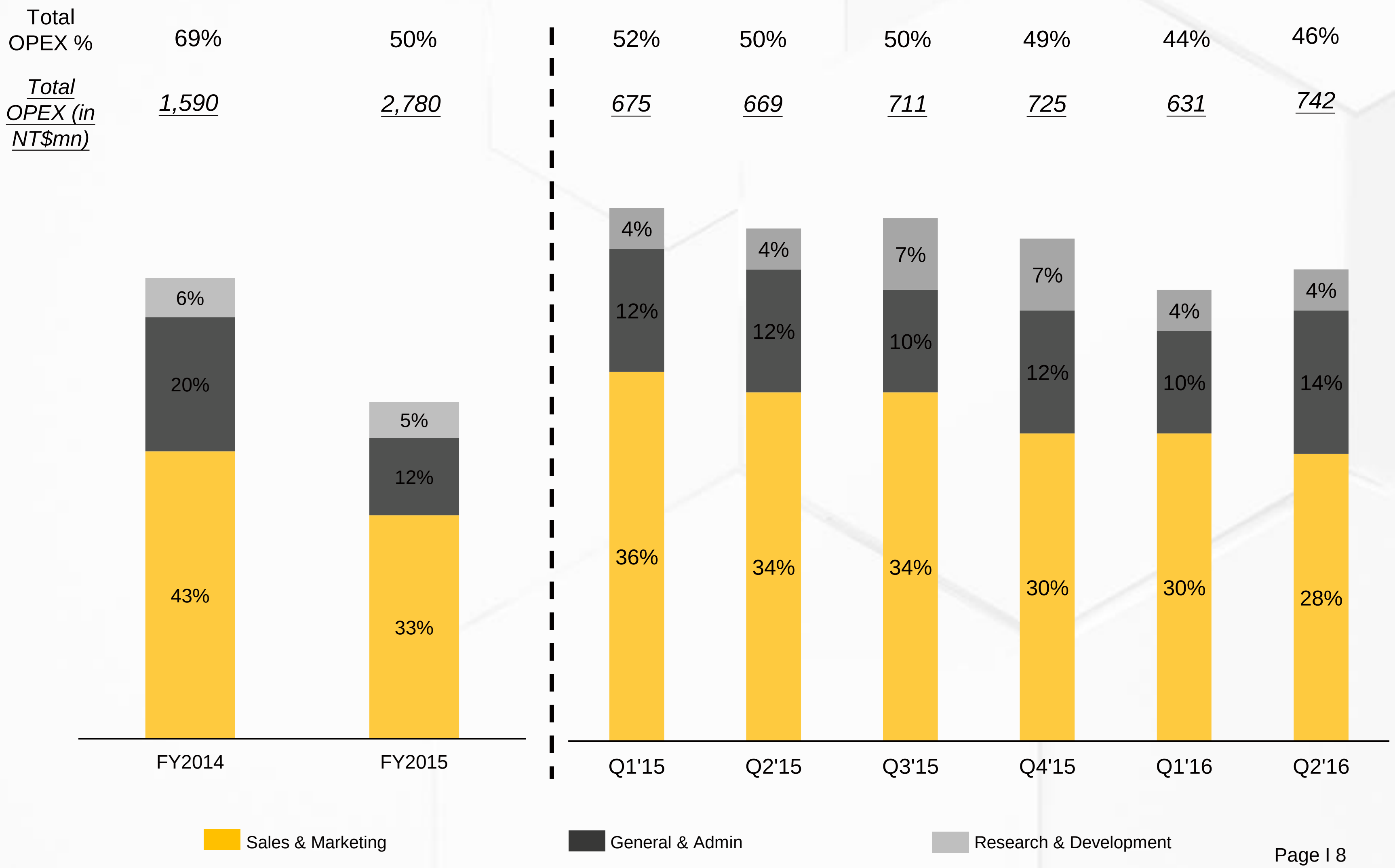
- Improved significantly from 43.4% as of Q4'14 to over 55% throughout 2015 and maintained at high level

Operating Margin



- Turned positive immediately after the completion of Dream Pharma merger in Q1 and further expanded OPM to double digit
- Operating margin hit new high in Q2'16

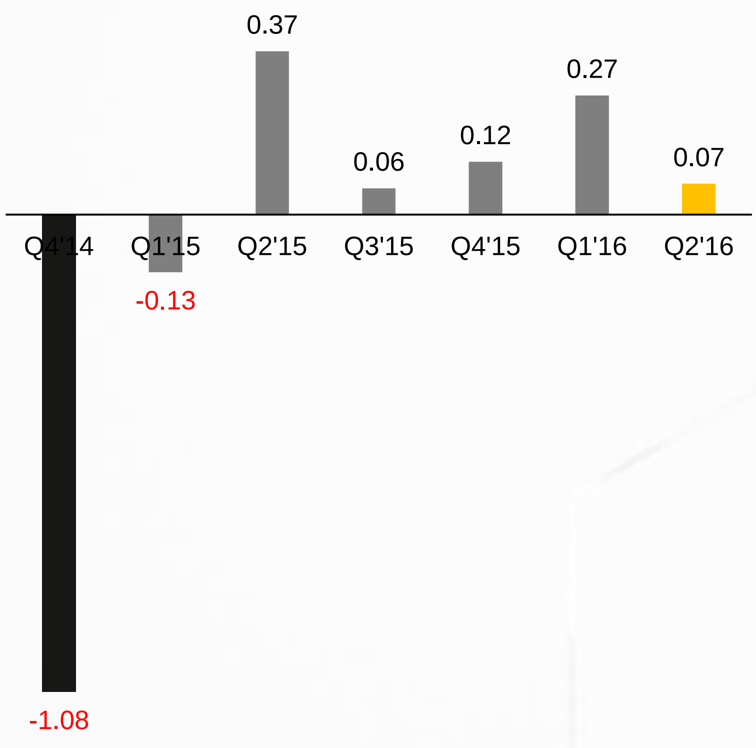
OPEX % as of Total Sales



EPS v.s. Cash EPS

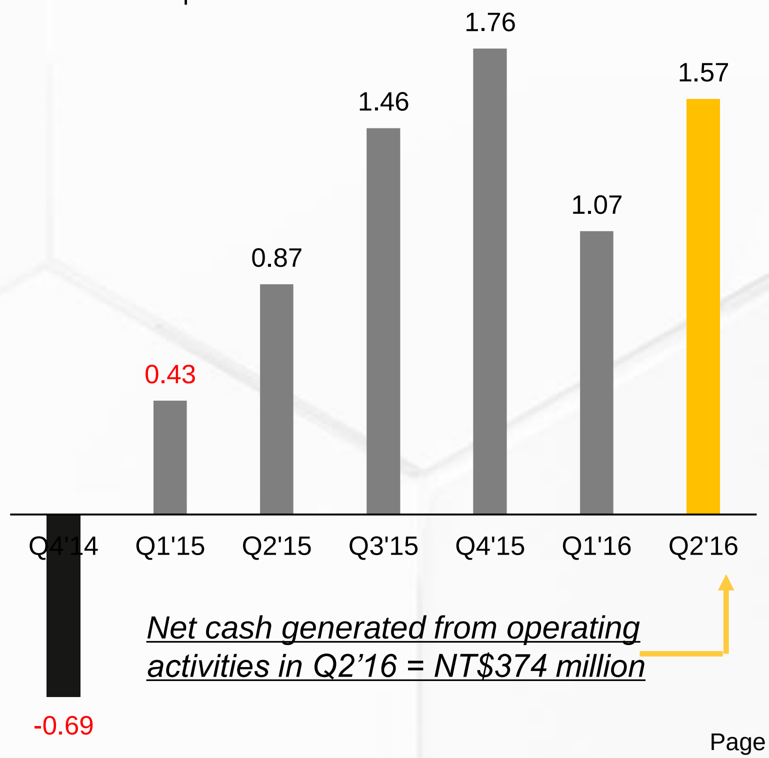
EPS (NT$)

- EPS = Net Income / # of Outstanding Shares



Cash EPS (NT$)

- Cash EPS = Cash flows from operating activities / # of Outstanding Shares
- Better indicator as it represents real cash earned from daily operations
- More cash EPS also illustrates a better financial shape for further expansion



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… Continues to Strengthen Product Portfolio

2016YTD MA recevied

	Generic Name	Indication	Country	Approval Date	Remarks
1	Diosmin 500mg	Metabolism 靜脈疾病	TW	Jan'16	In license
2	Olanzapine 5mg, 10mg	Schizophrenia 精神分裂症	TW	Jan'16	In license
3	Paricalcitol 1mcg, 2mcg, 4mcg	Nephrology 慢性腎臟病	US	Feb'16	Own development; Preparing for launch
4	Temozolomide 5mg, 20mg, 100mg, 140mg, 180mg, 250mg	Brain cancer 腦癌	US	Apr'16	Own development; Preparing for launch
5	Capecitabine 150mg	Cancer 癌症	KR	May'16	In license
6	Desogestrel/EE Tablet 0.15mg/0.02mg	Oral contraception 避孕	KR	May'16	Acquired
7	Levetiracetam ER Tablets	CNS 抗癲癇	US	Jun'16	Own development; Preparing for launch
8	Calcium Acetate Capsule 667mg	Nephrology 腎臟病	US	July'17	Own development; Preparing for launch

Note: as of June 2016

PRODUCTS & PIPELINE UPDATES

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Top 15 Products Of The Quarter

	Product	Indication	Q2’16 $ (NT$mn)	QoQ (%)	YoY (%)	Remarks
1	Sarpogrelate	Anticoagulant 抗凝血	135.9	+62%	+388%	Dosage improved to 1/day
2	Phentermine	Anti-obesity 減肥	92.1	+7%	-2%	
3	Calcium Polystyrene Sulfonate	Nephrology 腎臟病	87.0	+0%	+8%	
4	Seroquel (Quetiapine)	Schizophrenia 精神分裂症	86.1	-11%	+100%	Exclusive marketing alliance with AstraZeneca Korea
5	Orlistat	Anti-obesity 減肥	72.7	+16%	+0%	
6	Rosuvastatin/Ezetimibe	Cardiovascular 降血脂與膽固醇	69.6	+240%	+100%	New combination; Launched in 1Q16
7	Phendimetrazine	Anti-obesity 抑制食慾	68.5	+8%	-3%	
8	Desogestrel/EE	Oral contraceptive 口服避孕藥	46.9	-	-	Acquired from Bayer Mercilon in May’16
9	Topiramate	CNS 抗癲癇	32.7	+1%	-8%	
10	Recombinant human erythropoietin	Nephrology & Cancer 腎臟病與癌症患者用紅血球生成素	27.1	+30%	-20%	
11	Ibandronate-Vitamin D3	Osteoporosis 骨質疏鬆症	25.7	+83%	+81%	
12	Ephedrine/Acetaminophen/ Caffeine	Pain killer 止痛	24.5	+9%	+5%	
13	Rosuvastatin Calcium	Cardiovascular 降血脂	21.7	-22%	-21%	
14	Methylprednisolone	Corticosteroid 減緩發炎的皮質類固醇	19.1	-4%	-8%	
15	Diltiazem	Cardiovascular 降血壓	19.1	-10%	+19%	

Strong And Broad Pipeline Targeting US & EU markets

To be launched in 2016 - 2019

	Generic Name	Indication	Target Market (US$mn)	Formulation	BE & CT	Submission	Approval	Launch	Remarks
1	Not Disclosed	CNS 抗癲癇	US: 700						PIV; formulation for different dosage strengths also initiated
2	Budesonide ER	GI 結腸潰瘍	US: 140						PIV; filing acceptance received Jan 2015; sued on only 3 out of the 6 patents listed in Orange Book
3	Buprenorphine / Naloxone	Addiction 戒毒	US: 2,000						PIV; filing acceptance received Apr 2015; sued
4	Not Disclosed	Cancer 血癌	US: 1,000						Few competitors expected
5	Not Disclosed	Cancer 癌症	US: 300		NO BE				No patent in Orange Book
6	Gefitnib	Non-small-cell lung cancer 非小細胞肺癌	EU: 350						
7	Vinorelbine	Breast cancer 乳癌	EU: 130						Softgel oral drug for breast cancer; few competitors expected; will file in TW, KR & EU

Note: Target market numbers are latest 12 months sales as of Sep'15 from IMS data

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Continuous IMD Pipeline Expansion For Korea Market

To be launched in 2016 - 2018

	Generic Name	Indication	Target Market (US$mn)	Formulation	BE & CY	Submission	Approval	Launch	Remarks
1	DP-R211	Anti-obesity 減肥	14						
2	Rosuvastatin/ Candesartan	Cardiovasular 降血壓、降血脂	146						New combination
3	DP-R213	Osteoporosis 骨質疏鬆	20						
4	DP-R212	Cardiovascular 降血壓、降血脂	235						New combination

- Korea IMD ("Incrementally Modified Drug") procedure is similar to US 505(b)2, which requires phase I and phase III study while enjoying premium on NHI price; it usually takes 6 to 12 months for regulatory approval

Note: Target market numbers are latest 12 months sales as of Sep'15 from IMS data

Beyond 2020

Biosimilars

- Alvogen/Alvotech aims to create a leading presence in biosimilars
  - US$500 million is being invested in a new state-of-the-art biotech plant and pipeline
- Lotus and Alvogen/Alvotech signed distribution agreements for **two key biosimilars** currently under development by Alvotech

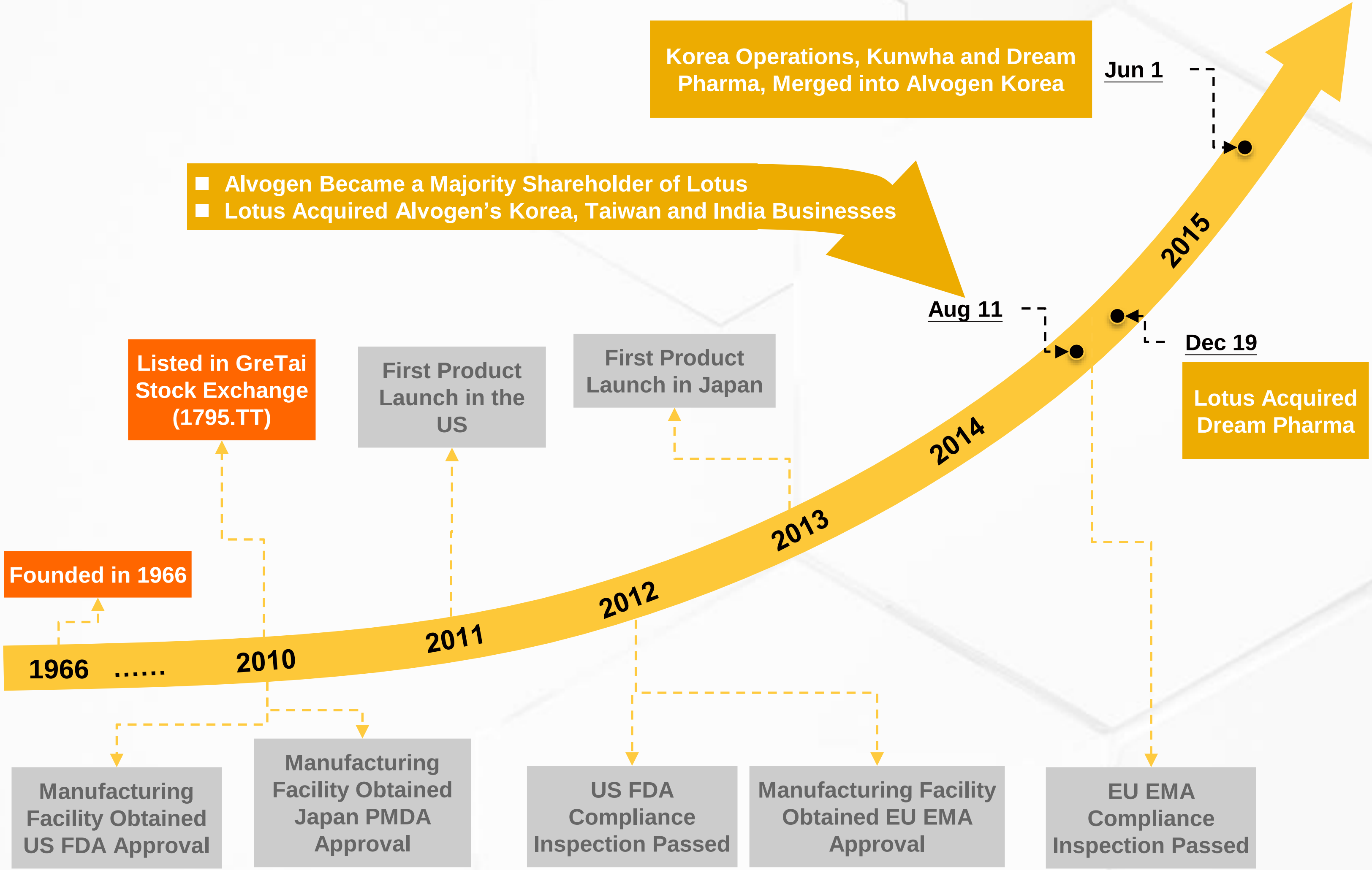
Molecule	Indication	Target Market (US$)	Expected launch timing
Not Disclosed	Cancer	154mn	2021
Not Disclosed	Rheumatoid arthritis; Psoriasis	90mn	2021

- Lotus will market and distribute these biosimilars in the following APAC markets: Taiwan, China, Vietnam, South Korea, Thailand, Hong Kong, Philippines, Malaysia, Indonesia, Singapore and Myanmar

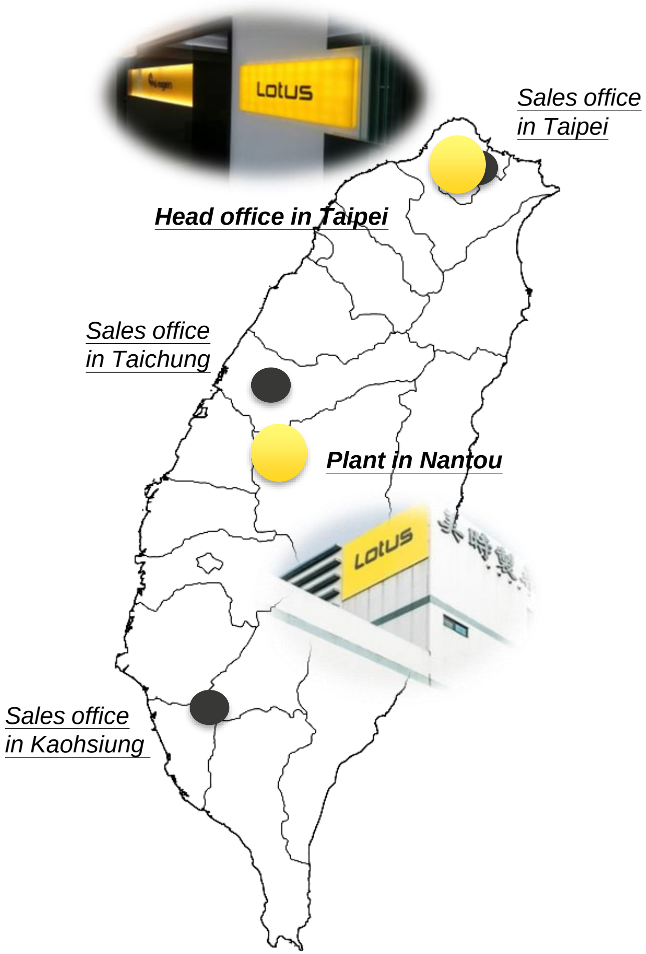
Note: Target market numbers are FY2014 market sales from IMS data

APPENDIX

LOTUS HISTORY AND KEY MILESTONES



Strong Presence in Taiwan



Key Milestone	• Founded in 1966 and has been listed in Taiwan GreTai market since 2010 • Strategic partnered with Alvogen in 2014 • Among the **Top 3** of pharma companies in Taiwan by revenue on consolidated basis
Product Mix	• Specialized in CNS, oncology, and hormonal drugs • Also covering general care, including pain, CV, and others
R&D	• **Strong R&D center** with a special focus on US, Japan and other APAC market • Leading R&D personnel: 65% with a postgraduate degree and extensive pharmaceutical career experience
Production	• **US FDA, EU EMA, Japan PMDA, and TFDA PIC/S** approved production facilities focusing on high potency and cytotoxic products
Sales Network	• 3 sales offices national wide • c. 3,400 clinics and c. 480 general hospitals in Taiwan
Employee	• 325 employees in total as of June 2016 – G&A (50), R&D (66), S&M (67), Plant (142)

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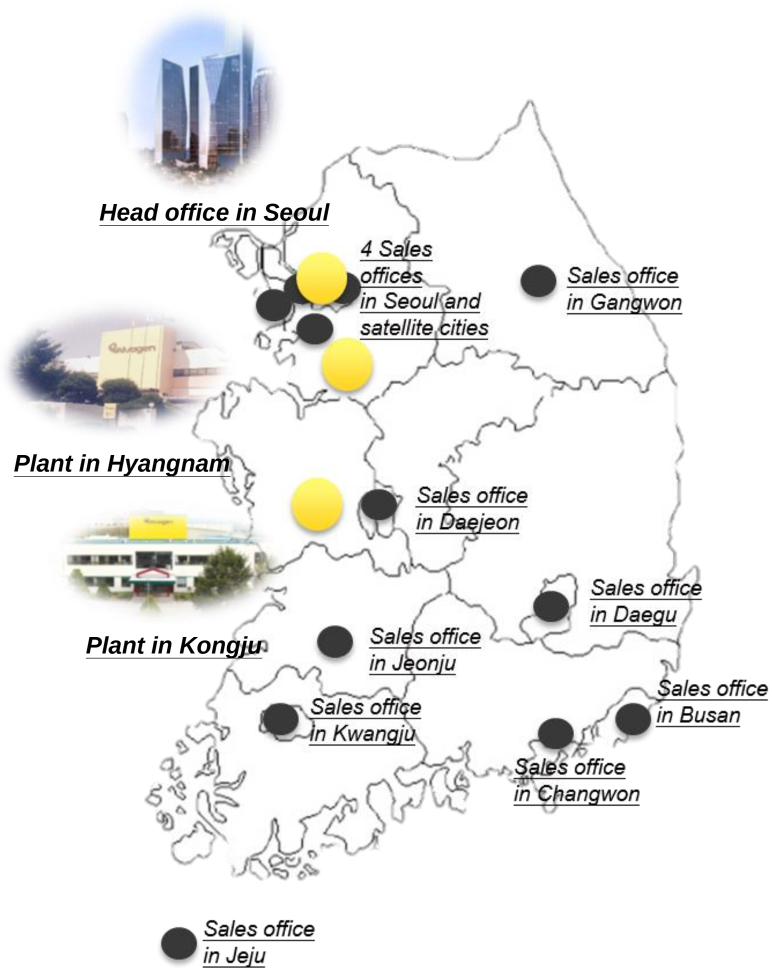
Comprehensive Footprints in Korea



Key Milestone	• Kunwha was founded in 1958 and acquired by Alvogen in October 2012 • Dream Pharma was established as the pharmaceutical division of Hanwha Corporation in 1996 and acquired by Kunwha in December 2014 • **Kunwha and Dream Pharma has merged and become Alvogen Korea in June 2015**
Product Mix	• Anti-obesity drugs: #1 player in Korea with 30+% market share • Other prescription (“Rx”) drugs: competitive advantages in nephrology, cardiology, urology, gastroenterology, and metabolic disease treatment
R&D	• Leading R&D personnel: 74% with postgraduate degree, 49% with pharmaceutical career experience over 10 years • **Secured Korea’s New Drug Development Technical Award for Bonviva Plus** (Dream Pharma in February 2014)
Production	• Two production facilities compliant with KGMP (Korea Good Manufacturing Practice)
Sales Network	• 12 sales offices national wide: 4 in Seoul and satellite cities and 8 in other areas • Accounts in network: ~6,000 clinics and ~630 general & community hospitals in Korea
Employee	• 563 employees in total as of June 2016 – G&A (72), R&D (40), S&M (261), Plant (190)

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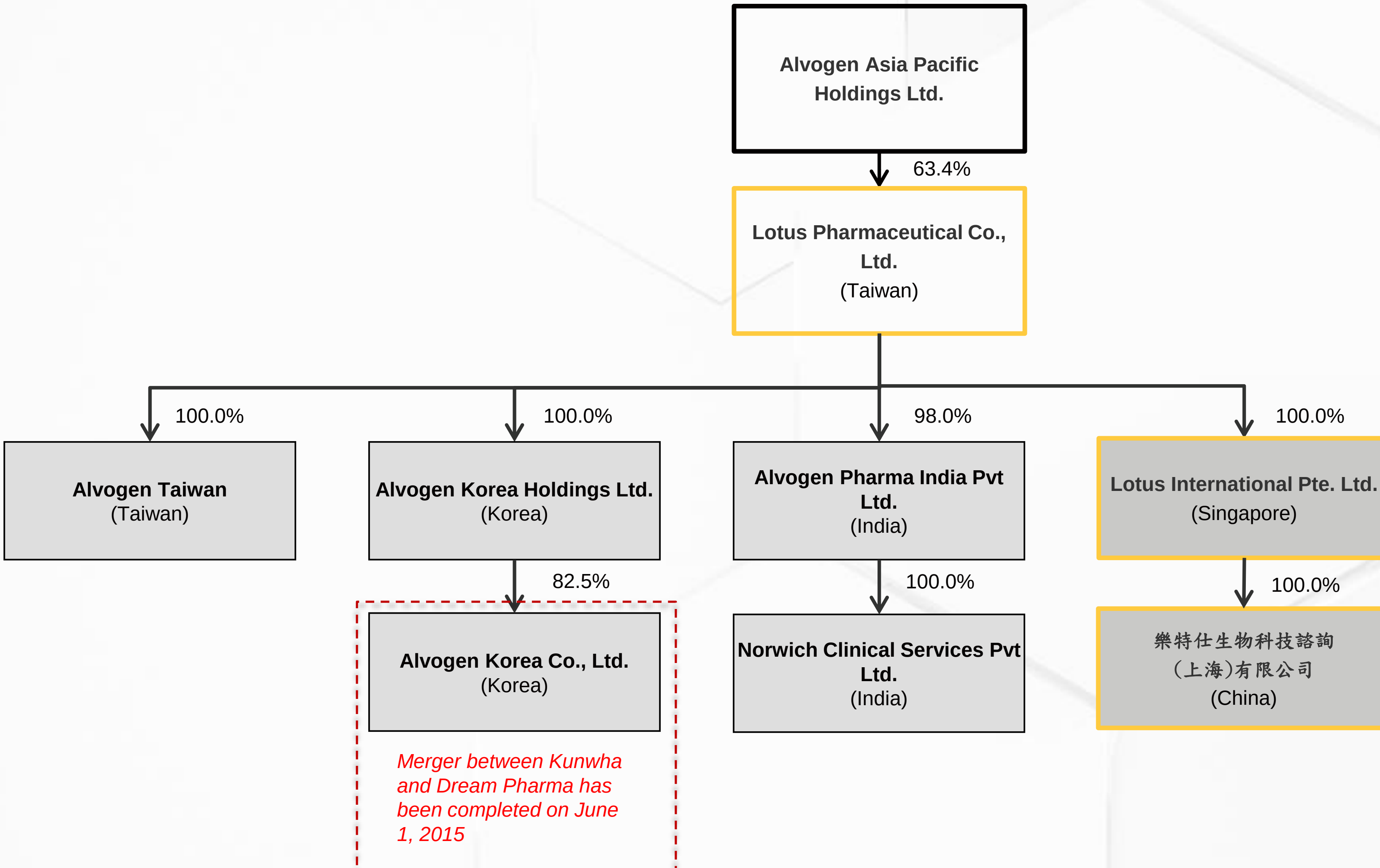
Strong CRO Capabilities Support to Lotus/Alvogen

Norwich Clinical Services provides **Biostudy, Clinical and pharmacovigilance services** to Lotus/Alvogen and 3rd party customers

- **Clinical Area: 17,000 sq.ft**
  - ✓ Located within a multi-specialty hospital
  - ✓ 72 bed facility
  - ✓ Medical and surgical IC units
  - ✓ Emergency unit
  - ✓ Oncology center
  - ✓ Well equipped laboratory and pharmacy

- **Office/Lab: 30,000 sq.ft**
  - ✓ Corporate offices
  - ✓ Pharmacovigilance
  - ✓ Bio-analytical
  - ✓ PK, Biostats, and Medical writing
  - ✓ Clinical Data management
  - ✓ QA

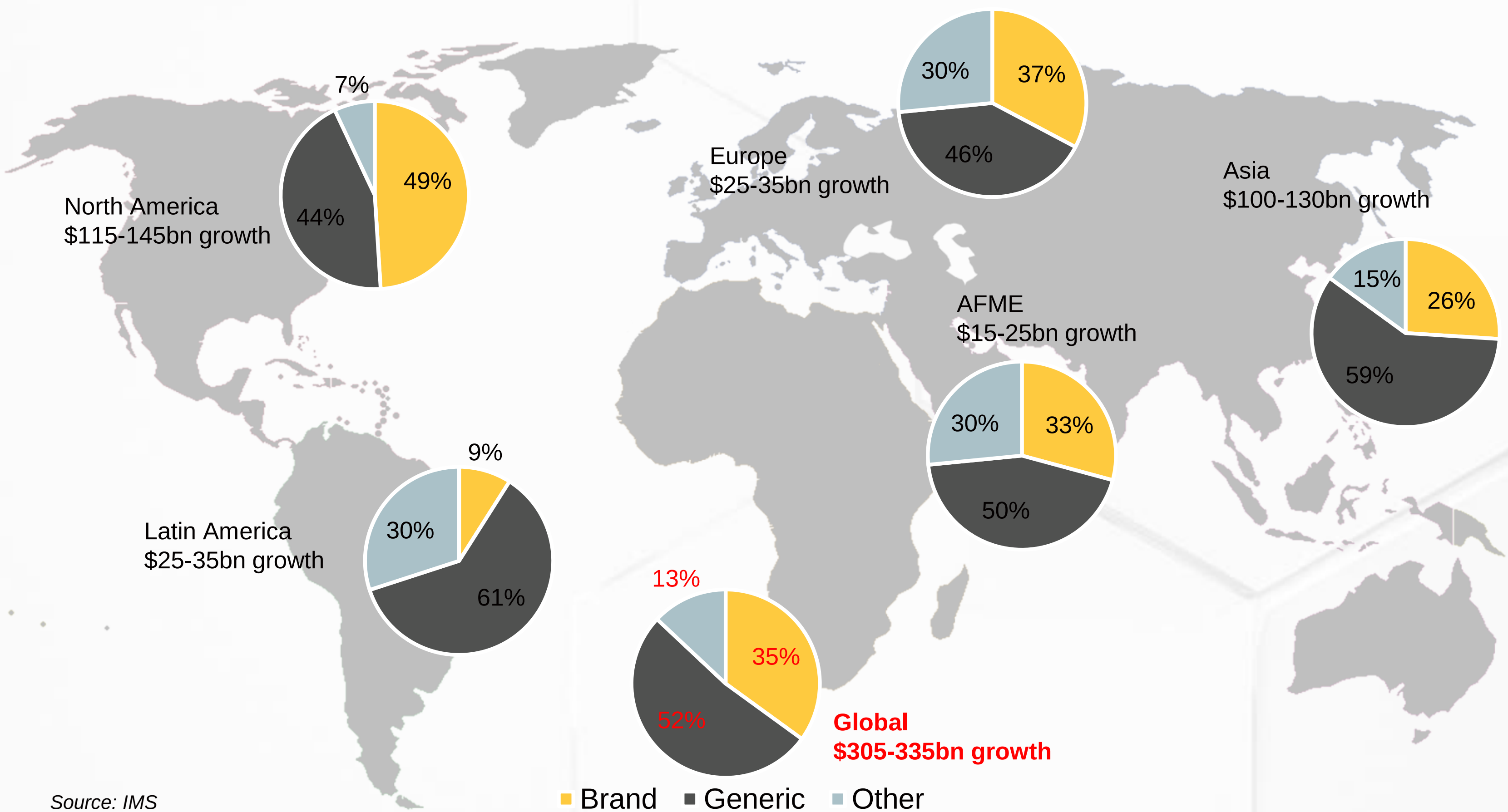
Shareholding Structure



Note: as of March 31, 2016

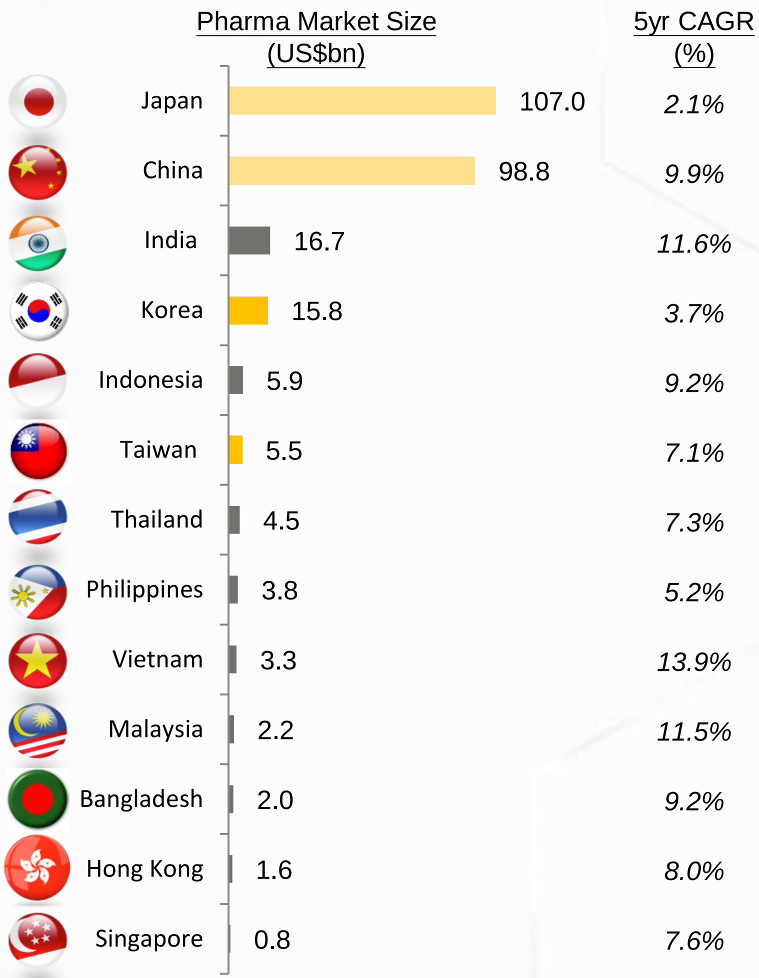
Global Spending On Medicines 2014 - 2020

Generics continue to drive growth globally



Source: IMS

Well-positioned in Highly Attractive and Fast Growth Markets in Asia…



Source: BMI Research

Strong Presence in Korea and Taiwan

- Well-established presence in key markets of North Asia where strong growing economies, fast aging populations, high cultural and other entry barriers for multinational firms
  - Strong market leadership in Korea and Taiwan
    - #1 in Korea in terms of sales from anti-obesity drug
    - Solid track record in Taiwan for oncology and CNS generics

Well-positioned to tap into other Asian markets

- Well-planned strategies for access to Japan and China
  - 8 products for Japan in pipeline
  - 9 products filed in China
- Leveraging existing production capabilities and commercial network through Alvogen's platforms to further penetrate fast growing markets in South East Asia
- Aiming to tap into complementary markets in terms of product portfolio where mostly self-pay to fuel future growth

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Recap of FY2015

- **Successful integration by the combined efforts**

  ✓ Kunwha and Dream Pharma in Korea have officially merged into one legal entity and renamed as Alvogen Korea effective June 1st

  - The combined entity successfully launched Sarpogrelate XR and gained significant market share in Korea and further enhanced its product portfolio by successfully launching Seroquel (Quetiapine) to establish a solid foothold in Korean CNS market

- **Further expand Lotus' export business by launching more products in the US**

  ✓ ANDA of Levonorgestrel has been officially approved by US FDA in June

  - Officially launched with the first shipment to the US market in September

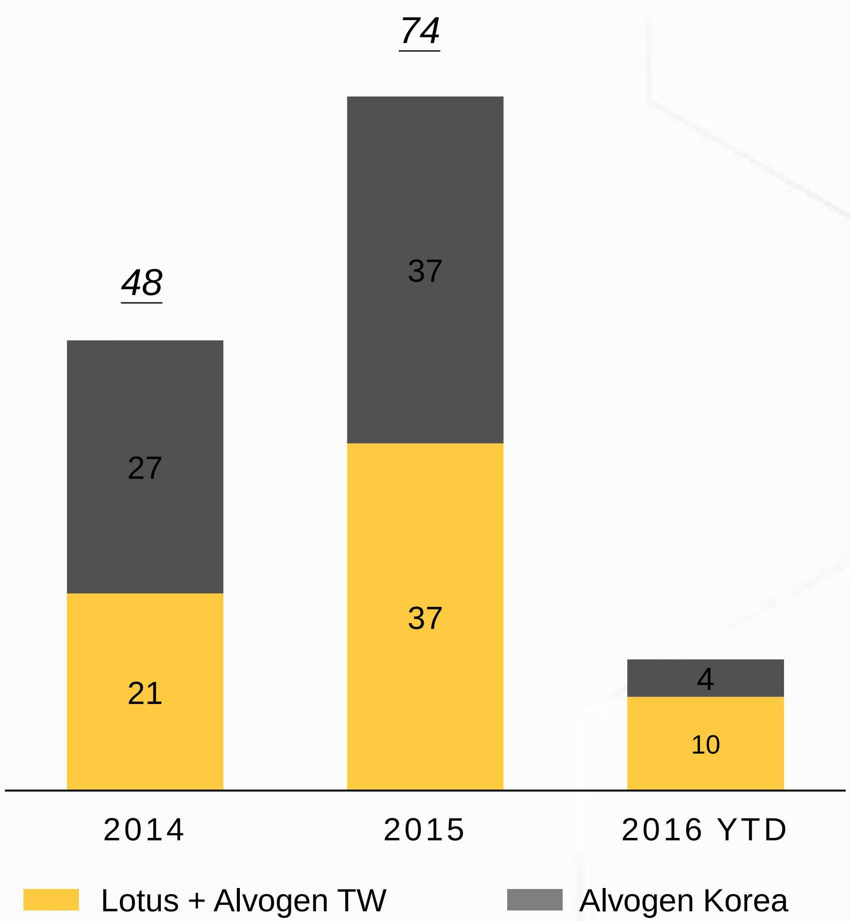
  ✓ Tentative approval for ANDA of Paricalcitol Capsules from US FDA was granted in July

  - Final approval was received in February 2016; to be launched in the near future

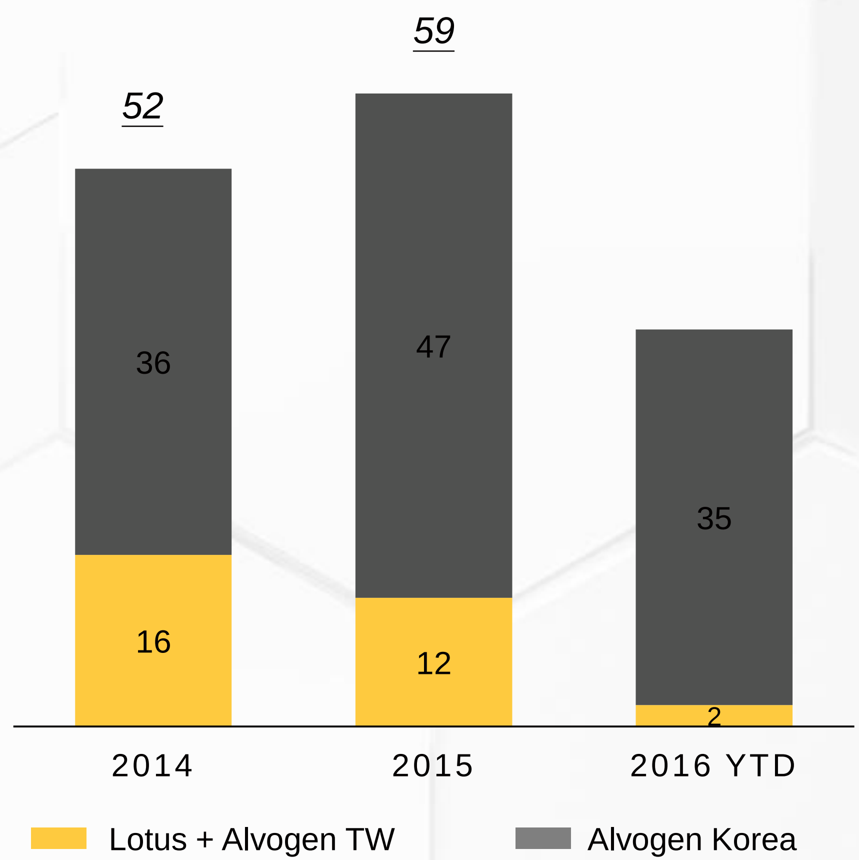
- **Achieve solid profit and positive EPS**

With Strong Pipeline Support and Product Launches…

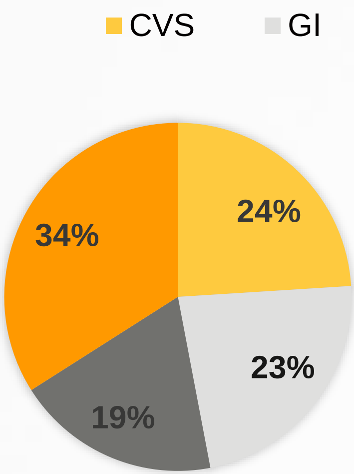
Number of MA Received



Number of Product Launches (By SKU)



YTD SALES BREAKDOWN BY THERAPEUTIC AREA



Product Snapshot					
Therapeutic Area	Market			YTD YoY	Key Products
	Taiwan	Korea	Export		
CVS	V	V	-	+29.8%	Sarpogrelate, Rosuvastatin/Ezetimibe
GI	V	V	Japan	+7.0%	Phentermine, Orlistat
CNS	V	V	China	+4.3%	Seroquel (Quetiapine), Phendimetrazine, Trazodone, Buprenorphine/Naloxone, Levetiracetam
Others	V	V	US	+15.5%	Desogestrel/EE, Levonogestral, Ibandronate-Vitamin D3, Mefenamic Acid, Temozolomide, Benzonatate

Note: Others include oncology, respiratory system , pain killers, women healthcare, and so on

For Japan market

	Generic Name	Indication	Target Market (US$mn)	For-mulation	Clinical/ BE Study	Sub-mission	Approval	Launch	Remarks
1	Not Disclosed	Allergy 抗組織胺	340						
2	Not Disclosed	Contraceptive 避孕藥	100						
3	Gefitinib	Non-small-cell lung cancer 非小細胞肺癌	130						
4	Capecitabine	Cancer 癌症	100						

- For Japan market, we strategically work on CDMO projects for partners to further penetrate into the local market

Note: Target market numbers are latest 12 months sales as of Sep'15 from IMS data

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For China market

	Generic Name	Indication	Target Market (US$mn)	CTP[1] sub-mission	Clinical/ BE Study	IDL[2] sub-mission	Launch	Remarks
1	Levonorgestrel	Contraception 避孕	13					CTP submitted in Q2'10
2	Divalproex sodium	Anti-epilepsy 抗癲癇	100					CTP submitted in Q4'08
3	Lidocaine	Local analgesic 局部麻醉	50					CTP submitted in Q1'10
4	Acarbose	Antidiabetic 糖尿病	400					CTP submitted in Q4'11
5	Levetiracetam	Anti-epilepsy 抗癲癇	45					CTP submitted in Q4'12
6	Temozolomide	Brain cancer 腦癌	100					CTP submitted in Q1'13
7	Memantine	Anti-dementia 老人癡呆	18					CTP submitted in Q2'13

- All the filings in China are the approved products in Taiwan, so no duplicate formulation is required
- For all the imported products, there are two applications needed – Clinical Trial Permit ("CTP") submission goes first and then Imported Drug License ("IDL") submission is required once clinical/BE study is done

Note: Target market numbers are latest 12 months sales as of Sep'15 from IMS data

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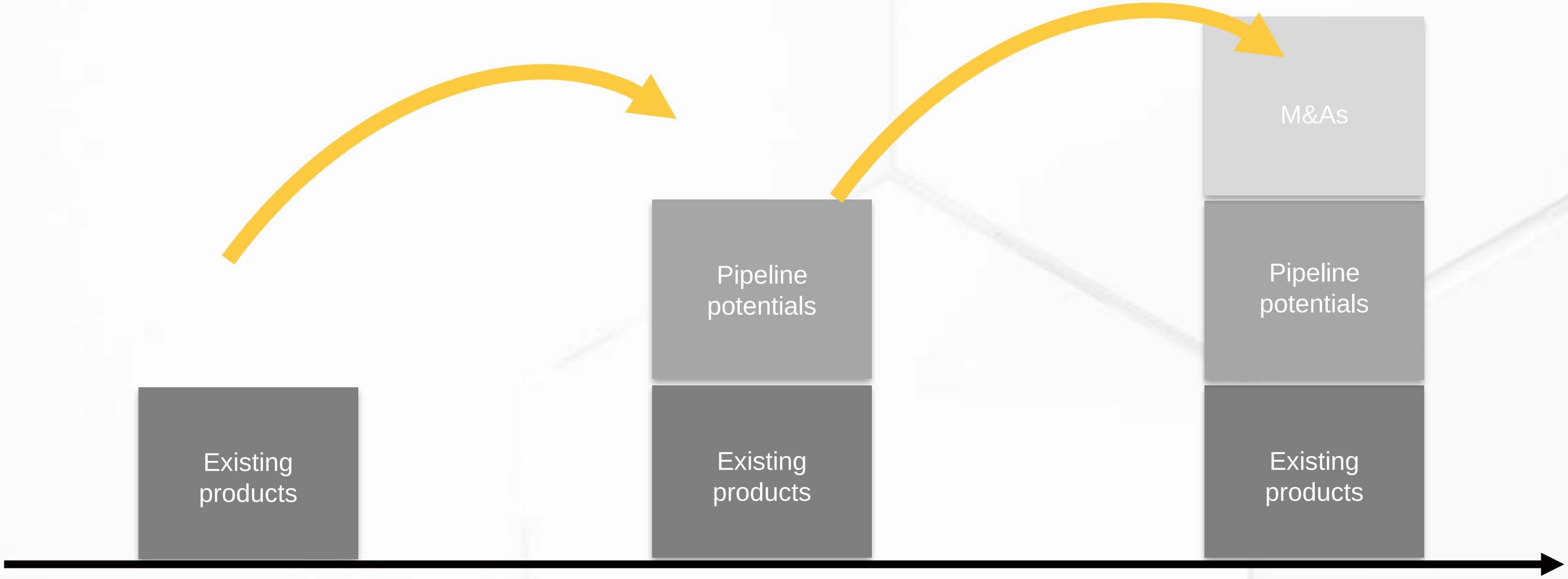
High Growth via Organic Growth and Strategic M&As

Organic Growth	M&A Strategies
• **Robust portfolio of existing products** with additional potentials from **board pipeline to gain further market share** in existing and new markets • Aggressive product launches across the APAC region – **26 products selected and roll out started into Korea and other Asian markets**	• Supports from Alvogen to capture opportunities **ahead of industry consolidation in the region** • Strengthen product portfolio in **focused therapeutic area** • **Complementary/minimal overlap** with existing product portfolio or pipeline



FINANCIAL STATEMENTS

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Results of Q2'16 – Income Statement

Unit: NT$mn unless otherwise stated

	16Q2 YTD		15Q2 YTD		Change	
Net revenues	3,020	100%	2,632	100%	388	15%
Cost of goods sold	1,293	43%	1,127	43%	167	15%
Gross profit	1,726	57%	1,505	57%	221	15%
Operating expenses:						
Selling and marketing	876	29%	922	35%	(45)	-5%
General and administrative	368	12%	317	12%	51	16%
Research and development	129	4%	106	4%	24	22%
Total operating expenses	1,373	45%	1,344	51%	29	2%
Operating income (loss)	353	12%	161	6%	192	119%
Non-operating income (expenses)						
Other income	43	1%	122	5%	(79)	-65%
Other gains and losses	(17)	-1%	51	2%	(67)	-133%
Finance costs	(140)	-5%	(192)	-7%	52	-27%
Share of profit (loss) in an associate	(0)	0%	(0)	0%	(0)	12%
Total non-operating income (expenses)	(114)	-4%	(19)	-1%	(95)	490%
Income (loss) before income tax	239	8%	142	5%	98	69%
Income tax benefit (expense)	(95)	-3%	(38)	-1%	(57)	151%
Net income (loss)	**145**	5%	**104**	4%	**41**	39%
Net income (loss) attributable to:						
Owner of the Company	81	3%	59	2%	22	36%
Non-controlling interests	64	2%	45	2%	19	43%
Basic EPS	**NT$ 0.34**		**NT$ 0.25**			

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Results of Q2'16 – Balance Sheet

Unit: NT$mn

ASSETS	30-Jun-16		31-Dec-15		Change	
Current Assets						
Cash and cash equivalents	1,932	12%	1,578	10%	354	22%
Notes and trade receivables (incl. RP)	1,421	9%	1,462	9%	(41)	-3%
Other receivables from RP	149	1%	143	1%	6	4%
Inventories	987	6%	904	6%	83	9%
Other current assets	107	1%	169	1%	(62)	-37%
	4,596	29%	4,257	27%	339	8%
Non-current Assets						
PP&E	2,009	13%	2,075	13%	(66)	-3%
Goodwill and other intangible assets	8,350	52%	8,031	52%	318	4%
Other non-current Assets	1,016	6%	1,139	7%	(123)	-11%
	11,374	71%	11,245	73%	129	1%
TOTAL ASSETS	**15,971**	100%	**15,502**	100%	**469**	3%
LIABILITIES AND EQUITY						
Current Liabilities						
Loans and borrowings	480	3%	442	3%	38	9%
Notes and trade payables (incl. RP)	516	3%	397	3%	119	30%
Other payables to RP	344	2%	335	2%	9	3%
Other current liabilities	701	4%	589	4%	112	19%
	2,041	13%	1,763	11%	278	16%
Non-current Liabilities						
Loans and borrowings	4,088	26%	4,112	27%	(24)	-1%
Other non-current liabilities	1,007	6%	896	6%	111	12%
	5,095	32%	5,008	32%	87	2%
Total liabilities	7,136	45%	6,771	44%	364	5%
Equity						
Equity attributable to owners	7,850	49%	7,803	50%	46	1%
Non-controlling interests	985	6%	927	6%	58	6%
Total equity	8,835	55%	8,731	56%	104	1%
TOTAL LIABILITIES AND EQUITY	**15,971**	100%	**15,502**	100%	**469**	3%

Results of Q2'16 – Cash Flow Statement

Unit: NT$mn

	For the Six Months		
	2016	2015	Change
Income before income tax	239	142	98
Total non-cash adjustments	380	381	(1)
Net change in operating assets and liabilities	88	(25)	112
Interest and taxes received (paid)	(79)	(133)	55
CASH FLOWS FROM OPERATING ACTIVITIES	629	328	264
CASH FLOWS FROM INVESTING ACTIVITIES	(280)	33	(277)
CASH FLOWS FROM FINANCING ACTIVITIES	7	(139)	146
EFFECTS OF EXCHANGE RATE CHANGES	(2)	(21)	20
NET INCREASE (DECREASE) IN CASH	354	201	153
CASH AT THE BEGINNING	1,578	1,096	483
CASH AT THE END	1,932	1,296	636