

The Reasons to Choose Taiwan: UBI Asia in partnership with UBI,

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I will now share with you our story of how UBI Asia came to be in partnership with UBI, and the advantages for a high tech enterprise of being in Taiwan.

UBI is an international biopharmaceutical firm with cutting edge technology with headquarters located on Long Island, New York. We at UBI are committed to treating and preventing diseases by directing the immune system.

Our operational divisions are UBI-China in Beijing and Shanghai. UBI Asia in Taiwan serves as our R&D center for Asia, and also provides cGMP manufacturing facilities, both of which position us for growth in Asian and global markets.

At UBI, we have combined elements of genomics and protein modeling information with our expertise in immunology, synthetic chemistry, vaccine formulation, and antibody engineering, to create our proprietary platform technologies in functional antigenics. The company has used these proprietary technologies to develop a new class of peptide-based immunotherapeutics, antibodies, and diagnostic products for both human and animal health.

We have used our unique technologies to develop a pipeline of blockbuster products for Alzheimer's Disease, Prostate Cancer, AIDS, and Allergy with over 120 patents issued in the US and worldwide, and over 40 scientific publications, and established product development and commercialization collaboration through government sponsorship and global business alliances.

With co-investment from the development fund of Executive Yuan and the Ministry of Economic Affairs (MOEA) of the Taiwan government, UBI was able to establish a Taiwan-based company, UBI-Asia, on October 1, 1998. In 1999 and 2001, UBI-Asia acquired two international cGMP pharmaceutical manufacturing plants in Taiwan from Roche and GSK, as its base for operations. With the cGMP systems and framework these already world class facilities provide, UBI Asia is able to break through the barriers of process development, manufacturing, QC, and other product development related activities. These acquisitions accelerate what otherwise would have been a prolonged process in obtaining regulatory agency approvals for the commercial production of pharmaceuticals and our proprietary biopharma products. For example, by already having an internationally oriented corporate culture, we are able to rapidly set up for production of specialty injectable drugs under US FDA standards. Marketing of the products in North America will generate additional near term sales with significant bottom line revenue, to sustain the **growth*** of a fully integrated company and fuel the development of our proprietary block buster products derived from our platform technologies. These are the type of **synergies** UBI and UBI Asia are constantly striving for.

These advantages allow UBI and UBI-Asia to operate with lower costs, and more rapid time to market, as well as creating stable revenue opportunities for both UBI Asia and UBI. Another example illustrating the cost effectiveness of our operations: with UBI and UBI Asia's management know-how in US FDA requirements for Biologics manufacturing, such as documentation and validation systems, and the manufacturing and engineering expertise that is abundant in Taiwan, we were able to build a * pilot multi-kilogram peptide manufacturing plant and a pilot monoclonal antibody manufacturing plant for the production of our key biological ingredients. This was done at a fraction of the cost it would have taken to build in the Western world. Also, as our companies grow, UBI-Asia's engineering and manufacturing teams stands ready to assist in the establishment of even more facilities as needs dictate.

From an R&D point of view, the BioR&D team we built at UBI Asia, together with the up-to-date institutions and facilities that are to be found on Taiwan, demonstrates world class capabilities. UBI-Asia received several exclusive product licenses from UBI that have great market potential in this part of the world. These include foot-and-mouth disease and LHRH vaccines for swine. These products have recently received regulatory approvals for marketing in China. China, with 450 million pigs, is the world's largest market for swine healthcare. The pivotal swine studies for the development of UBI's vaccine for foot-and-mouth disease were conducted by UBI-Asia in collaboration with the Animal Technology Institute Taiwan or ATIT, and Taiwan's National Animal Health Research Institute. Follow-up studies with these two institutes have led to the first ever commercialization of a peptide-based vaccine for FMD with a goal to replace the decades old viral lysate based vaccines in five years.

Our state-of-the-art FMDV diagnostic tests, capable of differentiating infected from vaccinated animals, have been validated extensively through the collaboration between UBI Asia, and the two above mentioned institutes. Taiwan leads the world in the use of such advanced technology tests to survey its pig population for FMDV status in the island. The scientific data generated through the close UBI Asia/Ministry of Agriculture collaboration has lead to Taiwan being declared as the first country in the world to be an FMD free country in the presence of FMDV vaccination.

Again I want to emphasize that this revolutionary change in international disease control was the result of the friendly atmosphere for high tech that is fostered by the Taiwan government.

UBI-Asia also has been the beneficiary of support and grants from Taiwan government programs such as the Industrial Technology Development Program of MOEA. A major Industrial Technology Development Program grant has enabled UBI Asia to setup the first GMP production plant in Taiwan dedicated to the manufacture of engineered therapeutic monoclonal antibodies. This facility will allow UBI-Asia to commercialize its platform technology for human therapeutic monoclonal antibodies, based on antibody deimmunization, with a product already under the sponsorship of the Division of AIDS, US NIH for clinical trials.

The young scientists of UBI Asia's BioR&D team are the foundation for this success. It was they who successfully established the technology platform for development and manufacturing of deimmunized therapeutic monoclonal antibodies, with performance ahead of schedule and beyond expectation.

With superb world class production facilities, a highly qualified R&D team, and an experienced management team, we expect UBI-Asia to become a premier provider of innovative biologics and pharmaceuticals in Asia. With its international relationships, UBI-Asia's unique products will be expanding into global markets. UBI-Asia has become the strategic center in Asia for the UBI group.

Aided by easy access to information technologies during this age of "business at the speed of thought," we have benefited from the 12 hour time difference between New York and Taipei. It has given us a highly efficient around-the-clock mode of operations.

- Despite all this, you may still be asking "Why Taiwan?" While searching for an Asian base of operation for UBI, my native Taiwan was a natural choice. However, I had to convince our Board of Directors and shareholders of the rationale for such a choice.
- Taiwan's up- and down-stream industrial chain is compact, complete, and connected to an excellent electronic communications network.
- Taiwan's ability to commercialize R&D breakthroughs is strong;
- As experienced global competitors, Taiwan's enterprises are keenly attuned to the latest trends in world markets.
- Already in place in Taiwan are research institutes and biotech companies to carry out all stages of biotech/pharma product development activities which makes it a great place to accelerate product development efforts.
- The Taiwan government provides co-investment incentives, R&D grants, and established "one stop shopping" organization to promote the industry.

The term "Made in Taiwan" is the United States' most common recognition of Taiwan. The country is synonymous with high technology goods. The Taiwanese people, however, are not defined by what they make, but rather what they have been made from.

We're all too familiar with the history of Taiwan. However, it took a strong spirit and perseverance to bring Taiwan to its current economic state. Taiwan's economic structure changes instituted in the 1950's has led to consistent rapid growth which continues now, some 50 years later.

Taiwan has a dynamic capitalist economy, continually pursuing privatization of national corporations with an incredibly stable foundation, an export based trade surplus funding industrialization, a healthy edge regarding high-technology/capital intensive goods, a stable political infrastructure that includes strong democratic institutions, well-enforced commercial laws and regulations, and a high value placed on its long history of friendship with the United States.

Taiwan's greatest investment may be its investment in human capital through education which created a strong foundation of a workforce that is highly educated, diligent, and

committed to hard work and quality. Taiwan's highly educated workers produce high-technology goods, and, in turn, high Taiwanese profits. Taiwan's almost monopolistic hold on semiconductor production is just an illustration of a firm base producing huge accomplishments; a common trend in Taiwan's success, independent of any one product or industry.

Taiwan's "cash crop" still remains its people. And the country's investment in highly educated people ensures that Taiwan should enjoy continued economic growth. At UBI-Asia, we have been able to enjoy the fruits of the best and the brightest Taiwan has to offer.

In summary, Taiwan is the place to establish BioPharma firms with international links, to create synergistic alliances and to achieve win-win business relationships. The paradigm shift from Silicon Valley to ShinJu Valley occurred more than a decade ago for electronics and IT, and it may happen again for BioTech and Pharma.

Taiwan has government policies to promote biotech and Pharma industry. It also has diligent, entrepreneurial, and well educated human resources and strong democratic and legal institutions. Operations can be cost effective. It is a place where fast breaking first hand business information can be easily accessed. It offers access to the huge China market due to similarity in language and culture background, and to markets worldwide due to its extensive connections to the western world.

Join us, and welcome to Taiwan!