

FINANCIAL ANALYSIS

1. OrbiMed Asia Partners III, LP Fund is a private equity fund established to make equity and equity-linked investments in a portfolio of health care companies primarily in the People's Republic of China (PRC) and India. The fund will target private investment opportunities in companies across the health care industry, e.g., pharmaceuticals, biotechnology, medical devices, health care services, and digital health.

A. Fund Performance

2. **Overview.** OrbiMed is the world's leading investment firm dedicated to health care with more than \$14 billion in net assets under management as of 31 March 2017. OrbiMed's private equity funds have invested more than \$3 billion in 242 private investments across a wide range of health care segments and company stages. These investments have resulted in 134 full or partial realizations. Table 1 and table 2 summarize the financial performance of OrbiMed's United States and Asia funds respectively.

3. The two Asia funds have been invested or reserved across a portfolio of 36 companies. OrbiMed Asia Partners I, LP Fund (OAP I) invested \$169 million in 17 portfolio companies (Table 3), while OrbiMed Asia Partners II, LP Fund (OAP II) invested \$284 million across 19 portfolio companies (Table 4).

4. As of 31 March 2017, OAP I has achieved 7 partial or complete exits, yielding a gross realized multiple on invested capital (MOIC) of 2.4x. Overall, the OAP I portfolio is tracking MOIC of 2.2x.

5. OrbiMed's second Asia fund, OAP II, is a recent vintage having started investing in 2014. It has an average holding period of less than 2 years and did not have any realizations as of 31 March 2017.

Table 1: Investment Performance of OrbiMed Private Equity Fund in the United States

Amounts in \$ million	Fund Size	No. of Deals	Equity Invested	Realized Value	Remaining Value	Total Value	Return Multiple	Gross IRR	Net IRR
US Pre-Fund I (1993)									
Realized or partially realized		31	121.9	260.1	0.0	260.1	2.1x	36.4%	
Unrealized		0	0.0	N/A	0.0	0.0	N/A	N/A	
Total Pre-Fund I	122	31	121.9	260.1	0.0	260.1	2.1x	36.4%	31.4%
US Fund I (2000)									
Realized or partially realized		27	169.4	319.9	0.0	319.9	1.9x	16.8%	
Unrealized		0	0	N/A	0.0	0.0	N/A	N/A	
Total Fund I	186	27	169.4	319.9	0.0	319.9	1.9x	16.8%	12.2%
US Fund II (2003)									
Realized or partially realized		22	271.2	536.7	1.0	537.7	2.0x	21.1%	
Unrealized		1	32.8	N/A	36.0	36.0	1.1x	1.4%	
Total Fund II	277	23	304.0	536.7	37.0	573.7	1.9x	19.5%	15.1%
US Fund III (2006)									
Realized or partially realized		19	436.0	1,201.4	287.8	1,489.2	3.4x	33.9%	
Unrealized		9	227.8	N/A	156.7	156.7	0.7x	(8.2%)	
Total Fund III	530	28	663.9	1,201.4	444.5	1,645.9	2.5x	26.7%	19.5%
US Fund IV (2010)									
Realized or partially realized		18	293.3	934.2	313.9	1,248.2	4.3x	60.1%	
Unrealized		16	326.6	N/A	533.4	533.4	1.6x	19.5%	
Total Fund IV	567	34	619.0	934.2	847.3	1,781.5	2.9x	47.5%	36.4%
US Fund V (2013)									
Realized or partially realized		9	103.4	511.9	287.2	799.0	7.7x	230.1%	
Unrealized		29	508.4	N/A	597.8	597.8	1.2x	11.2%	
Total Fund V	735	38	611.8	511.9	885.0	1,396.8	2.3x	80.2%	63.4%
US Fund VI (2015)									
Realized or partially realized		1	5.7	0.7	0.6	1.3	0.2x	(79.5%)	
Unrealized		24	189.3	N/A	197.4	197.4	1.0x	8.2%	
Total Fund VI	975	25	195.1	0.7	198.0	198.7	1.0x	3.5%	N/M

() = negative, IRR = internal rate of return, N/A = not applicable, N/M = not meaningful, US = United States.

Note: Data as of 30 December 2016. Unless otherwise specified, IRRs above are annual figures gross of fees and expenses. Net IRRs are calculated net of management fees and carried interest—for the unrealized portion, all such investments were treated as if they had been realized and the applicable performance fee was charged.

Source: OrbiMed Group.

Table 2: Investment Performance of OrbiMed Private Equity Funds in Asia

Amounts in \$ million	Fund Size	No. of Deals	Equity Invested	Realized Value	Remaining Value	Total Value	Return Multiple
OAP Fund I (2008)							
Realized or partially realized		7 ^a	71.0	164.2	9.6	173.7	2.4x
Unrealized		10	98.1	1.0	196.2	197.3	2.0x
Total Asia Fund I	182	17	169.1	165.2	205.8	371.0	2.2x
OAP Fund II (2013)							
Realized or partially realized		0	N/A	N/A	N/A	N/A	N/A
Unrealized		19	284.2	0.5 ^b	334.9	335.4	1.2x
Total Asia Fund II	325	19	284.2	0.5	334.9	335.4	1.2x

N/A = not applicable OAP = OrbiMed Asia Partners.

^a KIMS India and KIMS GCC are counted as one deal only.

^b Dividends

Note: Data as of 31 March 2017.

Source: OrbiMed Group.

Table 3: OrbiMed Asia Partners I, LP Fund Investments

	Company	Date of Initial Investment	Equity Invested (\$ mil)	Realized Value (\$ mil)	Remaining Value (\$ mil)	Total Value (\$ mil)	Total Gain/(Loss) (\$ mil)	Gross MOIC
Realized or Partially Realized Investments								
1	ForteBio, Inc.	Sep 2008	7.5	29.9	-	29.9	22.4	4.0x
2	Manipal Acunova Ltd.	Nov 2009	7.3	5.1	-	5.1	(2.2)	0.7x
3	EA Inc.	Mar 2010	7.2	23.3	-	23.3	16.1	3.2x
4	Realton-Applied Harmonics Corp.	Apr 2010	4.1	4.1	-	4.1	-	1.0x
5	Kun Run Biotechnology Inc.	May 2010	8.0	8.1	-	8.1	0.1	1.0x
6	KIMS	Dec 2011	27.0	68.2	-	68.2	41.2	2.5x
7	Shasun Pharmaceuticals Limited	Mar 2012	9.9	25.4	9.6	35.0	25.1	3.5x
	Total realized		71.1	164.2	9.6	173.7	102.7	2.4x
Unrealized Investments								
8	Pharmabcine Inc.	Aug 2009	2.0	-	5.3	5.3	3.3	2.7x
9	Bharat Serum and Vaccines Ltd.	Mar 2010	14.0	0.2	25.6	25.8	11.8	1.8x
10	Eddingpharm Inc.	Aug 2010	14.7	0.8	49.3	50.1	35.4	3.4x
11	Response Biomedical Corp.	Aug 2010	5.8	-	1.8	1.8	(4.0)	0.3x
12	Bonovo Orthopedics Inc.	Nov 2010	4.8	-	6.4	6.4	1.6	1.3x
13	Crown Bioscience Inc.	Apr 2011	14.0	-	26.0	26.0	12.0	1.9x
14	Beijing Whale Tech Co.	May 2012	8.5	-	18.0	18.0	9.5	2.1x
15	Waterstone Pharmaceuticals Inc.	Jun 2013	3.6	-	3.3	3.3	(0.3)	0.9x
16	Surya Children Medicare Private Limited	Jul 2013	9.4	-	18.2	18.2	8.8	1.9x
17	China Diagnostics Medical Corp.	Aug 2013	21.2	-	42.4	42.4	21.2	2.0x
	Total unrealized		98.1	1.1	196.2	197.3	99.2	2.0x
	Total OAP I Investments		169.1	165.2	205.7	371.0	201.9	2.2x

() = negative, mil = million, MOIC = multiple on invested capital, OAP = OrbiMed Asia Partners.

Source: OrbiMed Group as of 31 March 2017.

Table 4: OrbiMed Asia Partners II, LP Fund Investments

	Company	Date of Initial Investment	Equity Invested (\$ mil)	Realized Value (\$ mil)	Remaining Value (\$ mil)	Total Value (\$ mil)	Total Gain/(Loss) (\$ mil)	Gross MOIC
Unrealized Investments								
1	Blue Sapphires Healthcare Ltd.	Jan 2014	16.2	-	25.4	25.4	9.2	1.6x
2	GC-Rise Pharmaceutical Ltd.	Jul 2014	15.0	-	10.7	10.7	(4.3)	0.7x
3	MID Labs Ltd.	Oct 2014	20.0	-	20.0	20.0	-	1.0x
4	Amoy Diagnostics Ltd.	Jan 2015	15.9	-	31.9	31.9	16.0	2.0x
5	Laxmi Dental Ltd.	Jan 2015	10.2	-	12.1	12.1	1.9	1.2x
6	Echosens SAS	Apr 2015	6.6	-	6.4	6.4	(0.2)	1.0x
7	Aige Eye Hospital Group	Jun 2015	15.0	-	18.1	18.1	3.1	1.2x
8	AK Medical Ltd.	Sep 2015	21.6	0.5	32.3	32.8	11.2	1.5x
9	Vitalic Health Private Limited	Oct 2015	8.6	-	8.6	8.6	-	1.0x
10	Upper Biotech Pharm Co Ltd.	Nov 2015	12.2	-	12.2	12.2	-	1.0x
11	DIH International Limited	Nov 2015	27.5	-	27.5	27.5	-	1.0x
12	Genewiz Inc.	Jan 2016	20.0	-	24.0	24.0	4.0	1.2x
13	Zai Labs	Jan 2016	7.0	-	13.8	13.8	6.8	2.0x
14	Eurolife Healthcare Private Limited	Jul 2016	14.9	-	15.4	15.4	0.5	1.0x
15	CB Therapeutics Inc.	Jul 2016	3.6	-	4.6	4.6	1.0	1.3x
16	Bharat Serum and Vaccines Ltd.	Aug 2016	26.9	-	27.7	27.7	0.8	1.0x
17	Suraksha Diagnostics Private Ltd.	Dec 2016	24.1	-	25.3	25.3	1.2	1.1x
18	Chengdu Kangyimingren Medical Co.	Mar 2017	6.5	-	6.5	6.5	-	1.0x
19	Sichuan Credit Pharmaceutical Co.	Mar 2017	12.3	-	12.3	12.3	-	1.0x
	Total OAP II Investments		284.2	0.5	334.9	335.4	51.2	1.2x

() = negative, mil = million, MOIC = multiple on invested capital, OAP = OrbiMed Asia Partners.

Source: OrbiMed Group as of 31 March 2017