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ScinoPharm Taiwan, Ltd.

H1 2018 On-Line Investor Meeting

August 2, 2018

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Overall Updates of ScinoPharm

ScinoPharm at a Glance

- ScinoPharm specializes in high potency (steroid/cytotoxic) APIs and injectable provider, serving customers worldwide
- Facility & offices established in Taiwan and expanding in China with a new GMP plant in Changshu & marketing base in Shanghai
- 71 generic APIs in current portfolio with 26 APIs launched; 57 US DMFs filed (776 DMFs WW), 34 US DMFs in oncology APIs. 100+ NCE CRAM projects, with 6 NDAs launched and 5 in phase III
- Fully compliant with world-class cGMPs and international regulatory requirements; Certified by US FDA, EMA, EDQM, Australia TGA, Japan PMDA, Korea KFDA, Mexico COFEPRIS and Germany regulatory Authority

Driving Long Term Growth by Dual Profits

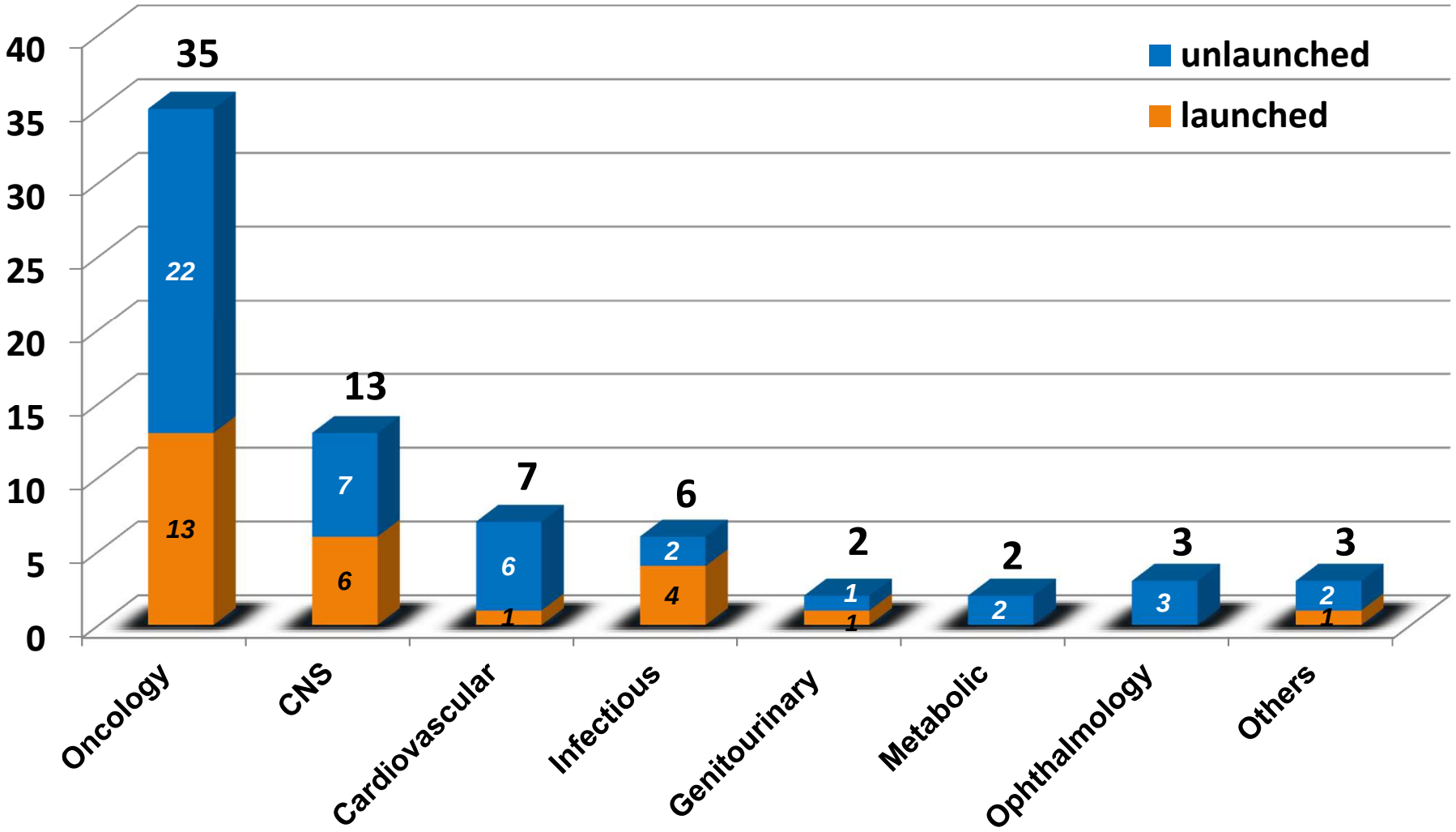
Self-Developed Products

- ✓ Target difficult-to-make (peptide)API in our portfolio
- ✓ Tap into drug product related to our API core competencies
- ✓ Target 505(b)(2) and Paragraph IV drug product via strategic alliances

Contract Services

- ✓ Provide CRO/CMO for APIs
- ✓ Offer integrated service from API to formulation for niche injectables
- ✓ Provide biologics fill & finish CMO services

Strong API Portfolio for Generic Product



Note: Others (Women's Health, Respiratory and Immunology)

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Recap of Performances and Major Events

- Reported the consolidated revenues for H1 2018 were NT$1.847 billion, net profits after-tax were NT$ 267 million, gross margin was 41%, EPS was NT$0.34
- Financial performances were mainly benefited from the favorable sales volumes for colorectal cancer product of generics plus the increase of intermediates shipment for Phase III diabetes project
- The 1st ANDA approved by US FDA, an oncological product and co-developed with Sagent
- Passed Japanese PMDA site inspections both in Taiwan and Changshu
- Rated top 5% in the Corporate Governance Evaluation by TWSE
- Issued 2017 corporate responsibility report verified by an independent third party

Business Updates

Strategic Alliance Highlights

* launched

Partner	Product	Indications	Region	Launch Year(E)	Remarks
Genovate	Entecavir	Hepatitis B Virus	Taiwan	2013*	1st co-developed formulation product launch
Sagent	Oncology Injectable	Myeloid Leukemia	US	2018*	1st US ANDA filing, triggering US FDA inspection in Changshu, China site. Approved by US FDA in March 2018
Foresee	Leuprolide	Prostate cancer	US	2019	505(b)(2) NDA CRAM + Equity
Lee's Pharma	Fondaparinux	Anti-thrombotic	China	2022	Co-development collaboration
	Travoprost &Bimatoprost	Glaucoma	China	2022	
Nanjing King Friend	Regadenoson	Stress agent for heart scan	China	2021	Co-developed formulation in China. Submitted ANDA in October 2017
US partner	Project A	Non-small cell lung cancer	US	2018	US NDA 505(b)(2) /Estimated launch year is subject to litigation results
US & China partners	Project B	Imaging agent	US	2021	ANDA with Paragraph IV filing / Estimated launch year is subject to litigation results
Baxter	5 niche injectables	Anti-cancer & antinauseant	US/EU	2020& continuing thereafter	Baxter has the right to add up to 15 additional injectable products for collaboration
Indian Int'l partner	Fondaparinux	Anti-thrombotic	US/EU	2018	1st self-developed US ANDA submitted . Executive right for marketing & sales

CRO Phase III Products Portfolio

NDA Filing Year (E)	Indication	Region	Remarks
2018	Type I Diabetes	US/ EU	Intermediate project made both in Changshu & Taiwan. Type I anticipated launch in 2019.Type II expected submission in 2019. Expected revenue of several million USD per year after approval
2019	Type II Diabetes		
2018	Advanced Hepatocellular Carcinoma, Myelofibrosis, Autoimmune disease	CN	API project made in Changshu site. CFDA granted accelerated review under its category 1.1 innovative drug. Anticipated launch in 2019 with demand in tons
2018	Prostate Cancer	US / EU	Started process validation. Anticipated launch in 2019 and revenue of several million USD per year after approval
2019	Familial Adenomatous Polysis	US / EU	API project made both in Taiwan & Changshu sites. Anticipated launch in 2020 with demand in tons to tens tons after approval
2019 or 2020	Recurrent Anaplastic Astrocytoma	US / EU	Demand in tons after approval

2018 CPhI China Observations

- Fewer Western exhibitors in CPhI Trade Show this year
- New drug flourishing as new guidelines make China a more drug-friendly market
- As government is cracking down on noncompliance with environmental rules, API producers were buffeted by raw material and intermediate factory closures, suffered from supply chain disruption and volatility in chemicals pricing
- New inspection regimen, tightened environment laws and high standard drug license approval process pushing out low-quality API suppliers

H1 2018 TOP 5 Products

Ranking	API Product	Indication
1	Paclitaxel	Breast, Ovarian and Lung Cancer
2	Irinotecan HCl	Colorectal Cancer
3	Intermediates for CRAM project	Diabetes
4	Gemcitabine Hydrochloride	Pancreatic, Non-Small-Cell Lung Cancer
5	Docetaxel Anhydrous	Breast, Non-Small-Cell Lung Cancer

2018 Product Launch Plan

	Type	Product	Region	Indication	Brand Marketer	Regional Sales	WW Sales
✔	Generic API	Tamsulosin HCl	CN	Benign Prostatic Hyperplasia (BPH)	Boehringer Ingelheim	US$97MM	US$1,731m
	Generic API	Flumazenil	JP	Reversal of Conscious Sedation and General Anesthesia	Roche	US$13.5MM	US$78.4m
	Generic API	Capecitabine	JP	Antineoplastic	Roche	US$122MM	US$797.4m
✔	Generic Drug	Oncology Injectable	US	Myeloid Leukemia	MDS	US$172.2m	US$305m
	Generic Drug	Fondaparinux	US	Anti-thrombotic	Mylan	US$69.6m	US$191.2m

✔ Launched

Source: IMS Data 2017

Financial & Operating Results
H1, 2018

Quarterly P&L - Consolidated

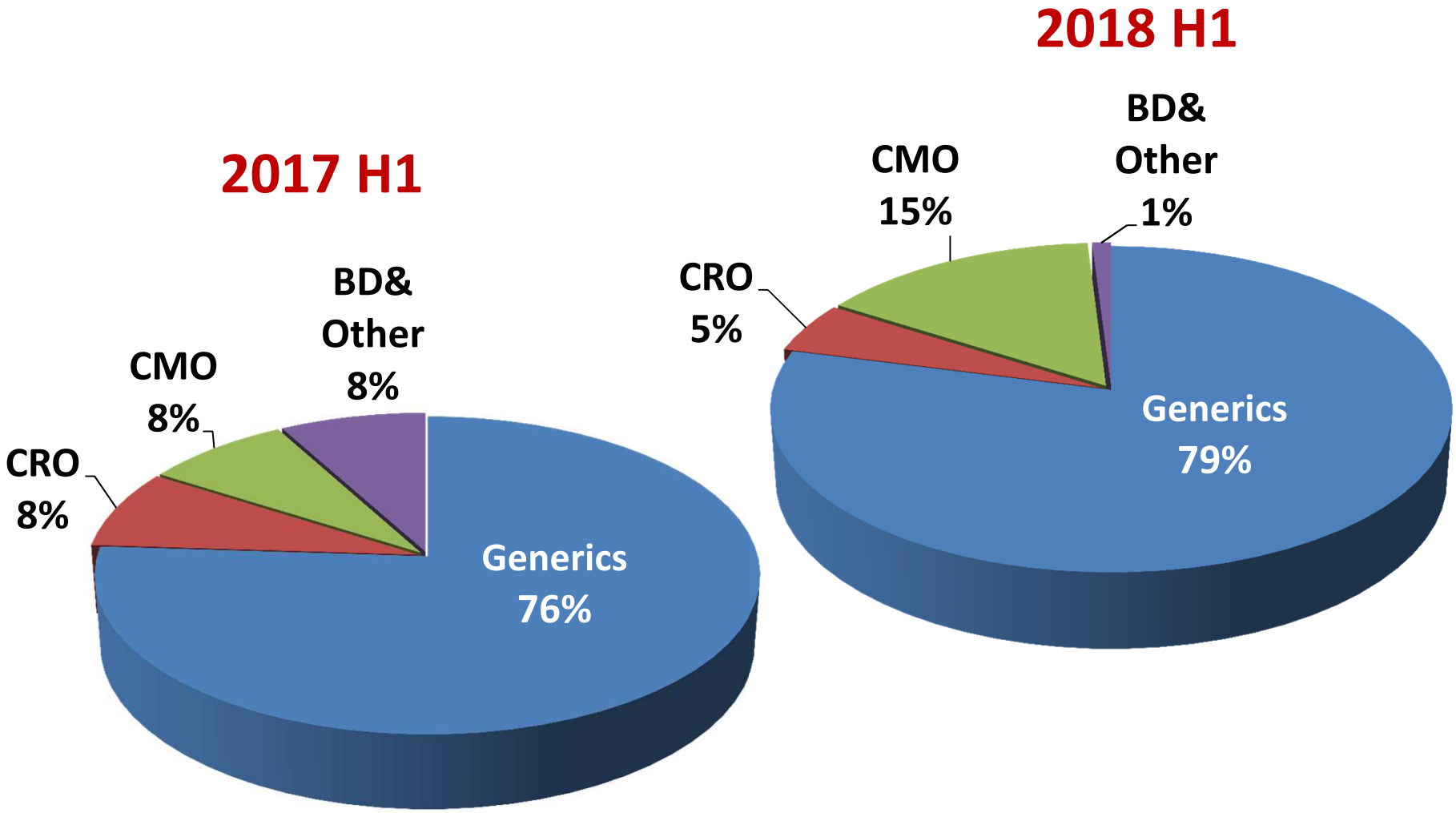
In NT$ million, except for EPS	Q2 2018 (Reviewed)		Q1 2018 (Reviewed)		QoQ	Q2 2017 (Reviewed)		YoY
Revenue	**986**	**100%**	**861**	**100%**	**14%**	**853**	**100%**	**16%**
Cost of Goods Sold	(565)	-57%	(527)	-61%	-7%	(527)	-62%	-7%
Gross Profit	**421**	**43%**	**335**	**39%**	**26%**	**326**	**38%**	**29%**
Operating Expense	(261)	-26%	(213)	-25%	-22%	(239)	-28%	-9%
Operating Income	**160**	**16%**	**121**	**14%**	**32%**	**86**	**10%**	**85%**
Non-operating Income, Net	(2)	0%	(31)	-3%	94%	(7)	-1%	74%
Income before Tax	**158**	**16%**	**90**	**11%**	**75%**	**79**	**9%**	**100%**
Net Income	**131**	**13%**	**136**	**16%**	**-3%**	**84**	**10%**	**55%**
EPS (NT$)	**0.17**		**0.17**			**0.11**		

Profit & Loss - Consolidated

In NT$ million, except for EPS	H1 2018 (Reviewed)		H1 2017 (Reviewed)		YoY	
Revenue	**1,847**	**100%**	**1,773**	**100%**	**4%**	(note)
Cost of Goods Sold	(1,092)	-59%	(977)	-55%	-12%	
Gross Profit	**755**	**41%**	**796**	**45%**	**-5%**	
Operating Expense	(474)	-26%	(488)	-28%	3%	
Operating Income	**281**	**15%**	**308**	**17%**	**-9%**	
Non-operating Income, Net	(33)	-2%	(36)	-2%	9%	
Income before Tax	**248**	**13%**	**272**	**15%**	**-9%**	
Net Income	**267**	**14%**	**255**	**14%**	**5%**	
EPS (NT$)	**0.34**		**0.32**			
EBITDA	**498**	**27%**	**523**	**29%**	**-5%**	

Note: 2018H1 vs 2017H1: 3.2% NTD appreciation against USD YoY

Sales by Business



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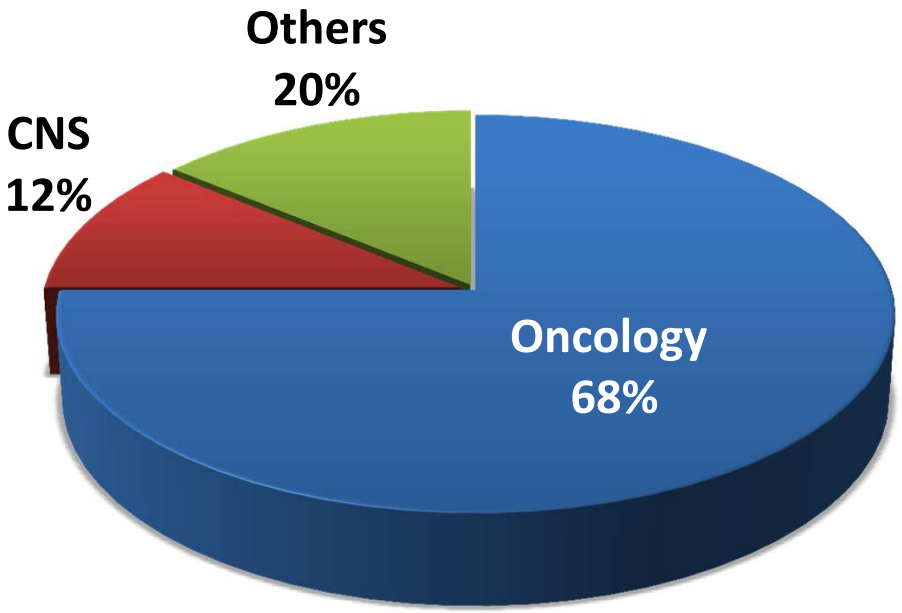
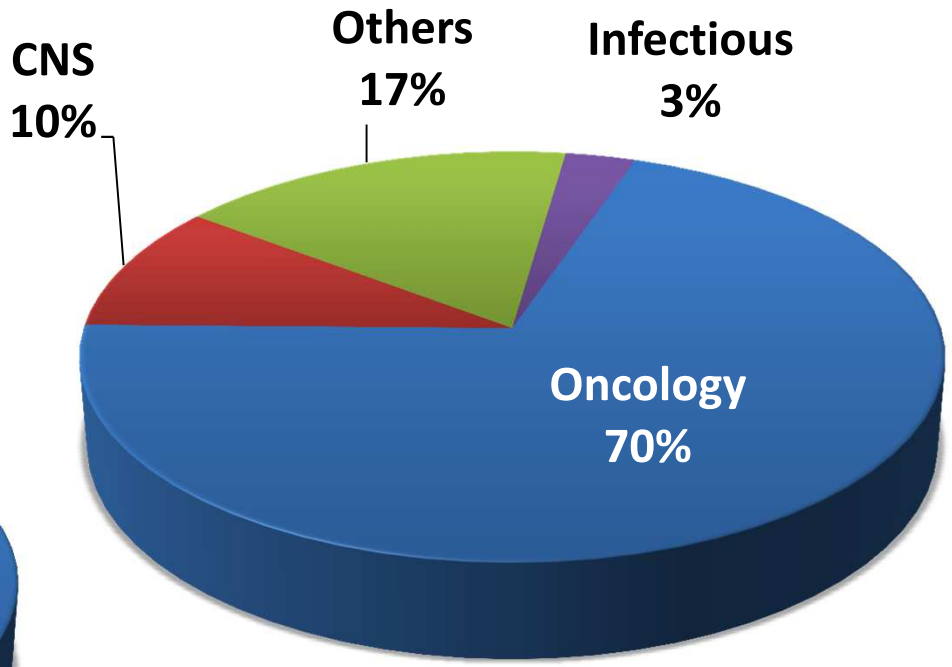
Sales by Indications

2017 H1



2018 H1



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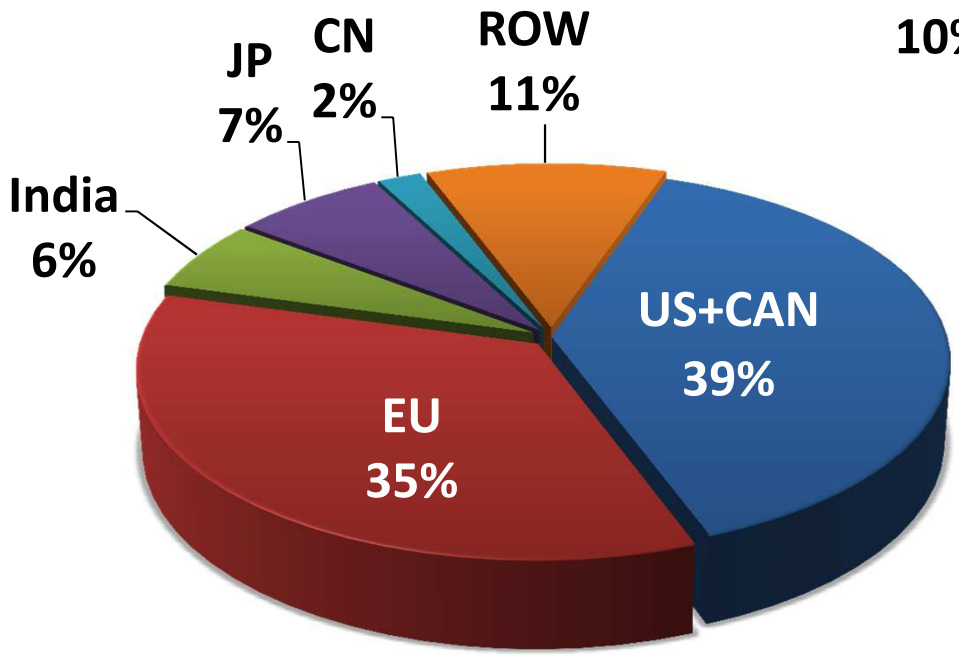
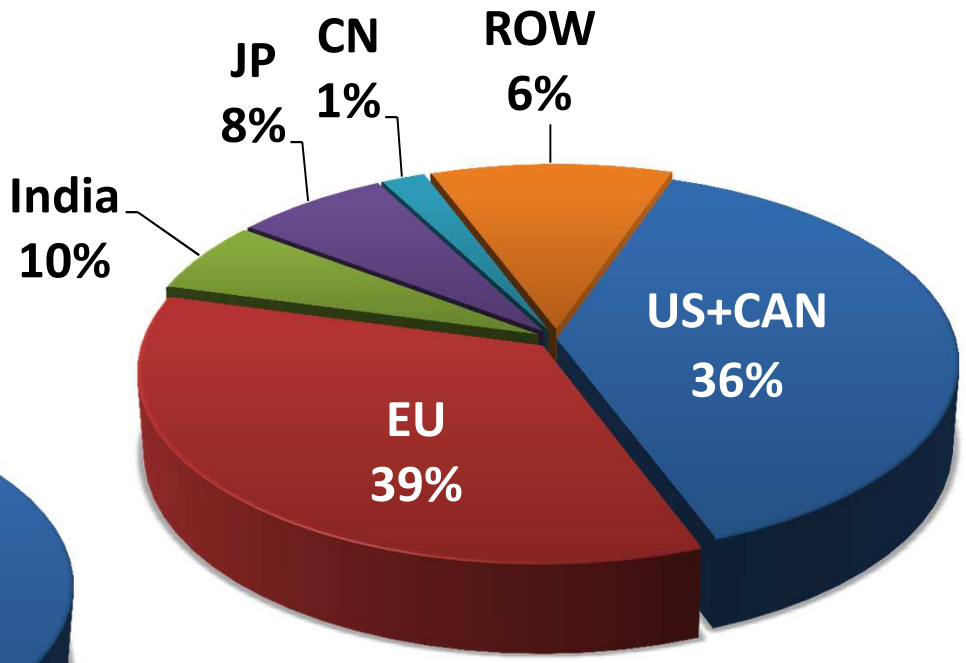
Sales by Region

2017 H1



2018 H1



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Balance Sheet- Consolidated

(In NT$ million)	2018/06/30 (Reviewed)		2017/06/30 (Reviewed)	
Cash and Cash Equivalents	4,017	30%	3,721	29%
Financial asset measured at amortised cost	275	2%	-	0%
Accounts Receivable	709	5%	726	6%
Inventories	1,517	11%	1,802	14%
Financial asset measured at fair value through other comprehensive income	606	5%	-	0%
Financial assets carried at cost	-	0%	391	3%
Property, Plant & Equipment	4,957	37%	5,136	40%
Other Current/Non-Current Assets	1,174	10%	1,105	8%
Total Assets	**13,255**	**100%**	**12,881**	**100%**
Current Liabilities	2,654	20%	1,365	11%
Long-Term & Other Liabilities	71	1%	1,284	10%
Total Liabilities	**2,725**	**21%**	**2,649**	**21%**
Total Shareholders' Equities	**10,530**	**79%**	**10,232**	**79%**
Key Indices				
A/R Turnover (Days)	***63.1***		***70.2***	
Inventory Turnover (Days)	***372.4***		***456.3***	
Current Ratio (x)	***2.6***		***4.8***	
ROE (%)	***2.6***		***2.5***	

Cash Flows- Consolidated

(In NT$ million)	**H1 2018** (Reviewed)	**H1 2017** (Reviewed)
From Operating Actavities	**370**	**353**
Profit before tax	248	272
Depreciation & Amortisation	208	221
Net change in working capital	(86)	(140)
From Investing Actavities	**(350)**	**(351)**
Financial asset measured at amortised cost	(275)	-
Capital expenditure	(67)	(321)
From Financing Actavities	**76**	**43**
Short-term loans	65	(477)
Long-term loans	11	540
Net Change in Cash	**106**	**14**
Beginning Balance	**3,911**	**3,707**
Ending Balance	**4,017**	**3,721**
Free Cash Flow	*303*	*32*

Brand Quality with Asian Advantages

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