ScinoPharm Taiwan, Ltd.

TWSE 1789

ScinoPharm Management Presentation

Third Quarter 2015 On-Line Investor Conference

November 9, 2015

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Table of Content

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Overview of ScinoPharm

- An API + ANDA Company

Active Pharmaceutical Ingredients

Abbreviated New Drug Application

Business Overview

- Established in 1997 in Taiwan, listed on TWSE in 2011, and honored as the top 5% TWSE issuer in information disclosure & corporate governance
- Specializes in high potency (steroid/cytotoxic) APIs and expands to injectable formulations
- Facility & organization built in Taiwan and expanding in China with a new GMP plant in Changshu & marketing base in Shanghai
- 70 generic APIs developed with 27 APIs launched; 52 US DMFs filed (719 DMFs WW), 25 US DMFs in oncological APIs. 80+ NCE CRAM projects, with 5 launched and 9 in phase III for NDA filing in 2-3 years
- Fully Complied with world-class cGMP and regulatory requirements; Certified by US FDA, EMA, Australian TGA, Japanese PMDA, etc.

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Long Term Strategies

Transforming to a full-scope pharma company per our core competency of R&D and cGMP manufacturing in high-technical barrier APIs

- **Vertical Integration to Generic Formulations: Developing dossiers per our difficult-to-make APIs to increase value proposition in the supply chain**
- **Innovative Delivery Formulations: Targeted delivery & extended release of proven APIs via 505(b)2 fast track**
- **Brand New Chemical Entities (New Drugs): Collaborating with academic research institutes, focusing on un-met oncological medical needs of high prevalence in Asia**

Keys to Generic Formulation Business

- Expanding formulation portfolio
- Building on-site injectable facility and forming a complete supply chain of drug products
- Promoting our formulations via strategic alliance, especially in China and US
- Acquiring critical resources via M&A

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China Site Completed US FDA Inspection

Changshu Site Completed FDA Inspection

- **Successfully completed a GMP inspection by US FDA, with ZERO 483 observations**
- **A 5-day on-site inspection to evaluate quality system, facilities, storage, manufacturing, packaging, and labs**
- **With this satisfactory inspection, Changshu site adds to its current record of favorable cGMP inspections by the US FDA and the Mexican APIF**
- **Multiple ways to accelerate growth via license-in products, self-development, technology transfer, joint development and strategic alliance**

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Policy Reforms to Expedite Drug Approvals

- Re-define new drugs and generics in China
- Elevate the overall quality and efficacy requirements of submissions
- Encourage innovative drugs via fast track approval
- Allow new drug developers to own drug licenses without manufacturing sites
- Clear the application backlog by discouraging redundant filings and fee raises
- Impose severe penalties on fraudulent data/activities on research & trials

This reform will significantly lift the cost structure & entry barrier to Chinese market, with a heavy focus on quality and innovation

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Selected List of CRAM Projects at SPC

No	Customer	Project Type	Product Indication	Product Type	Remarks/Market
1	Top 3 major big pharma	CMO	Approved antidepressant drug in US	GMP Intermediate	Passed Mexican authority (APIF) GMP inspection
2	Top 5 major big pharma	CMO	Approved African sleeping disease drug	API	Site transfer from SPT
3	US NASDAQ listed Pharma	CRO	Phase III clinical trial for opioid-induced constipation	Crude API	US
4	Lee's Pharma	CRO	Phase II/III clinical trial for cancer	API	China
5	China Pharm Company (A)	CRO	Phase II/ III clinical trial for cancer	API	China
6	China Pharm Company (B)	CRO	Phase IIb for Age-related Macular Degeneration	API	US/China
7	Taigen Biotech	CRO	Phase II clinical trial for myocardial infarction	API	China/Taiwan
8	US-based new drug company (C)	CRO	Phase II clinical trial for prevention of HIV infection	API	US
9	Alsan Pharmaceuticals	CRO	Phase II clinical trial for cancer	API	China/Global
10	US-based new drug company(D)	CRO	Phase II clinical trial for diabetes	Intermediate	US

Financial & Operating Results

Cumulative P&L - Consolidated

In NT$ million, except for EPS	1Q~3Q,'15 (Reviewed)	1Q~3Q,'14 (Reviewed)	YoY
Net Sales	2,925	3,248	*-10%*
Gross Profit	1,162	1,306	*-11%*
Gross margin	*39%*	*40%*	
Operating Expenses	(676)	(797)	*-15%*
Operating Income	486	509	*-5%*
Operating margin	*16%*	*16%*	
Other Rev.(Exp.)	85	19	*347%*
Net Income before Tax	571	528	*8%*
Net Income after Tax	440	479	*-8%*
Net margin after tax	*15%*	*15%*	
EPS (after tax)	0.60	0.66	*-9%*

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Balance Sheet- Consolidated

In NT$ million	2015/09/30 (Reviewed)		2014/09/30 (Reviewed)	
Cash and Cash Equivalents	1,846	*15%*	1,303	*11%*
Accounts Receivable	648	*5%*	866	*8%*
Inventories	2,289	*19%*	2,669	*24%*
Long-Term Investments	339	*3%*	251	*2%*
Property, plant and equipment	5,143	*43%*	4,884	*44%*
Other Current/Non-Current Assets	1,730	*15%*	1,268	*11%*
Total Assets	11,995	*100%*	11,241	*100%*
Current Liabilities	2,199	*18%*	1,849	*16%*
L-T Liabilities and Others	95	*1%*	67	*1%*
Stockholders' Equities	9,701	*81%*	9,325	*83%*

Cash Flows- Consolidated

In NT$ million	1Q~3Q 2015 (Reviewed)	1Q~3Q 2014 (Reviewed)
Cash and cash equivalents at beginning of period	1,928	2,289
Cash flows from operating activities	764	278
CAPEX	(582)	(897)
Short-term borrowings	402	433
Cash Dividends	(141)	(811)
Others	(525)	11
Cash and cash equivalents at end of period	1,846	1,303

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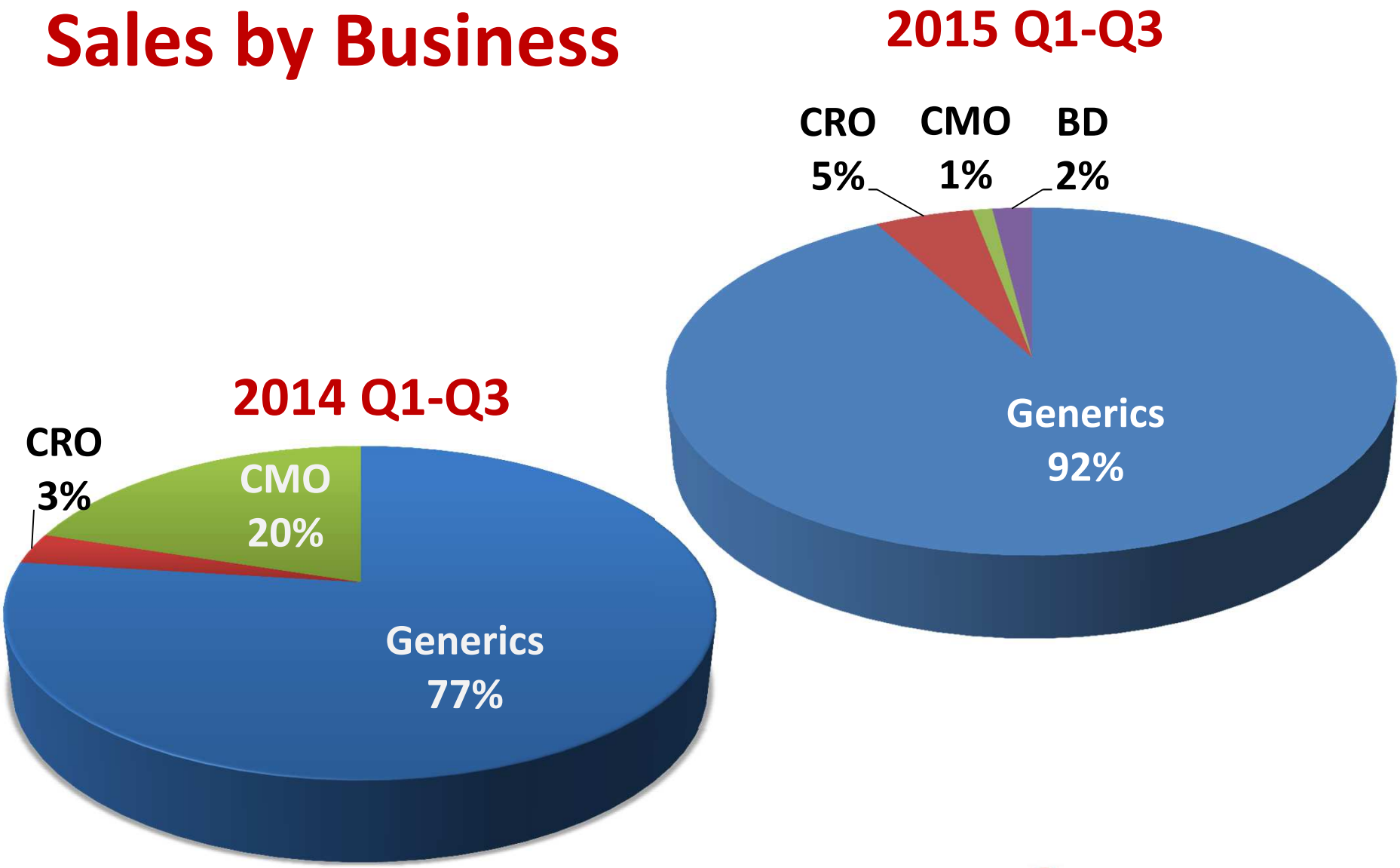
Sales by Business



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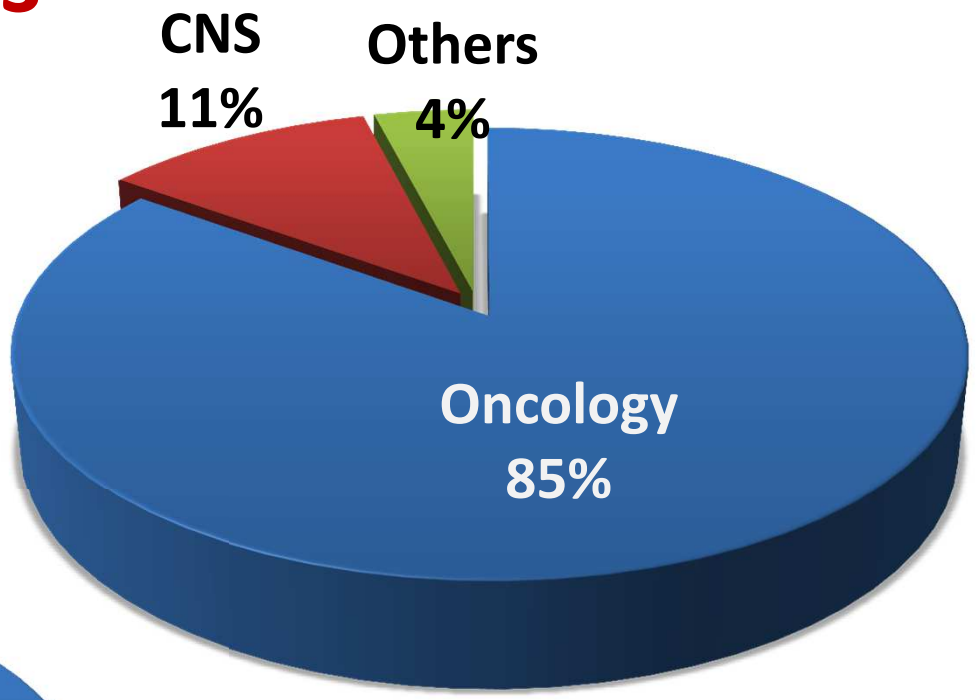
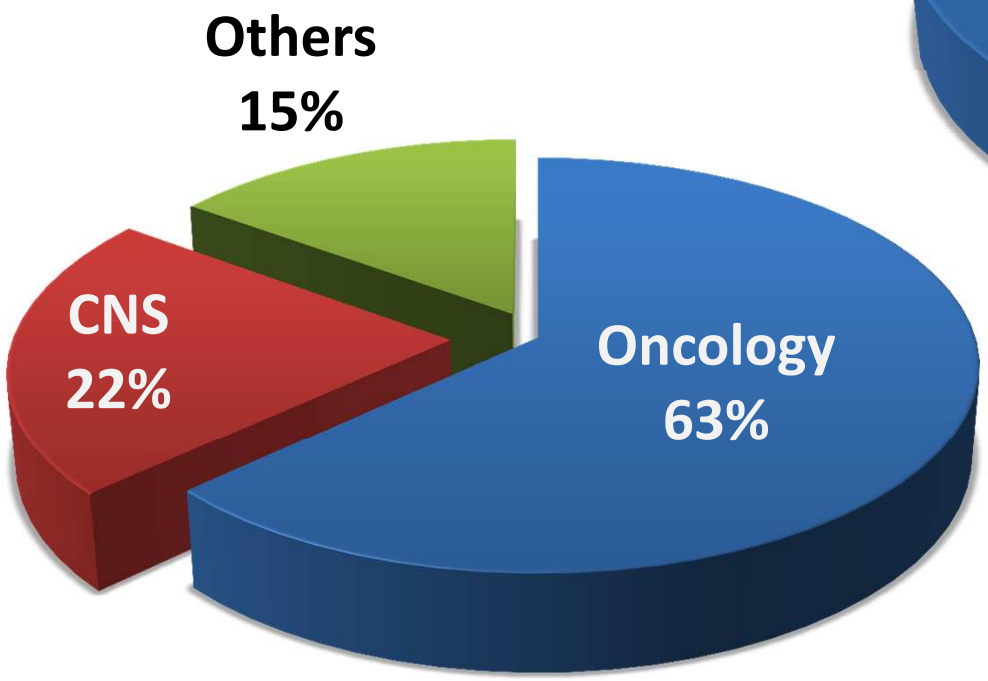
Sales by Indications

2015 Q1-Q3



2014 Q1-Q3



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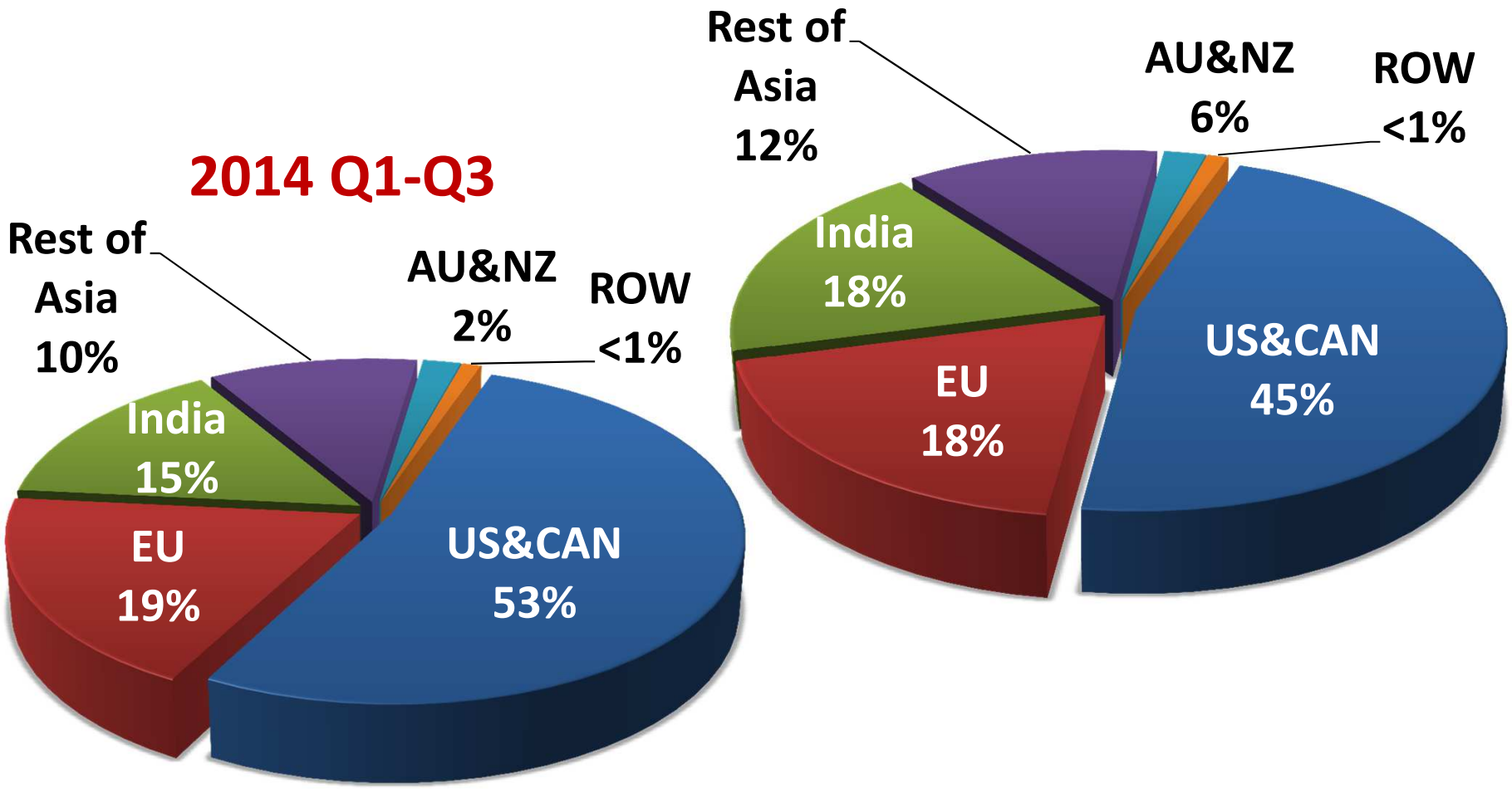
Sales by Region



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Business Updates

2015 CPhI WW Trend Observations

- Prosperous pharma M&A wave
  → ScinoPharm reaching out new business along with customer M&A
- Customer concentration increases. Big pharmas focus on core business via downsizing and outsourcing
  → More demands for CRO & CMO services
- South America, Russia & China are emerging and migrating into regulated markets by tightening their GMP rules
  → ScinoPharm applying its successful experiences in US/EU to penetrate into emerging markets
- High-end APIs outsourced to India/China have gradually reflux to US/EU due to GMP compliance risks
  → ScinoPharm's proven track record of high quality timely captures the high-end API business

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Product Development Project - 1

- ScinoPharm teams up with an US/Nasdaq listed partner on the first-line chemotherapy drug for non-small cell lung cancer with less side effect than the traditional drugs
- ScinoPharm provides API exclusively. The partner bears the cost of API development, produces formulation and leads the filing of drug license application & marketing after launch. ScinoPharm receives royalty from drug sales
- US DMF filed in Sep. 2015; The partner to apply US NDA via 505(b)2 fast track targeting Paragraph IV in late 2016
- Per Global Data, this product's US sales expected to reach USD 1 billion in 2018

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Product Development Project - 2

- ScinoPharm formed a strategic alliance with an US/Nasdaq listed partner and a Chinese partner on an imaging agent
- ScinoPharm provides API exclusively, the Chinese partner produces drug product, and the US partner will file drug license and market. Three parties share the end profit
- Targeting for Paragraph IV challenge in late 2016
- Per Datamonitor, this product's US sales expected to reach USD340 million in 2018

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2015 Product Launch Plan

API	Region	Indications	Brand Marketer	Regional Sales	WW Sales
Azacitidine	US	MDS Oncology	Celgene	US$323MM*	US$815MM*
✓ Benazepril	CN	Hypertension, CV	Novartis	US$65MM**	US$480MM*
Desmopressin	US	Polyuria	Ferring	US$131MM*	US$395MM*
✓ Letrozole	JP	Breast Cancer	Novartis	US$51MM**	US$581MM*
Tamsulosin	US	Benign prostatic hyperplasia (BPH)	Boehringer Ingelheim	US$335MM*	US$1,829MM*

✓ Launched

Source: * IMS Data (2013Q3-2014Q2) ** In-house research

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Questions

&

Answers

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Brand Quality with Asian Advantages

www.scinopharm.com

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