



ScinoPharm Management Presentation

TWSE 1789

February 14, 2014



Disclaimer

This material has been prepared by ScinoPharm Taiwan, Ltd. (“ScinoPharm”).

Any opinions expressed in this material are subject to change without notice as a result of using different assumptions. ScinoPharm is under no obligation to update or keep current the information contained herein. The **information contained** in this presentation is ScinoPharm’s **confidential** information.

Any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it is prohibited and may be unlawful.

No representation or warranty, express or implied, is or **will be made** in or in relation to, and no responsibility or liability is or will be accepted by the Company **as to**, the **accuracy or completeness** of this material and any liability therefore is hereby expressly disclaimed.

Statements made in this material include forward-looking statements, which include, without limitation, statements about the issues, plans and expectations of ScinoPharm. Without limiting the foregoing, statements including the words “believes”, “anticipates”, “plans”, “expects” and similar expressions are also forward-looking statements. Forward-looking statements reflect, among other things, management’s plans and objectives for future operations, current views with respect to future events and future economic performances and projections of various financial items. **These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those implied** by such forward-looking statements.



Table of Content

Overview of ScinoPharm

Financial & Operating Results

SPC Phase II Opening Video

China Operations Update

Business Outlook

Overview of ScinoPharm

- An API + ANDA Company

Active Pharmaceutical Ingredients
Abbreviated New Drug Application

Background

- Established in 1997 in Taiwan by founders from Syntex, listed on TWSE, current market cap ~ US\$ 2.0 billion
- Major shareholders include Uni-President Group, Government's Development Fund, Taiwan Sugar, etc.
- Facility & organization designed & built in Taiwan by experienced Syntex team, received multiple regulatory inspections from US FDA, Australia, EU, Japan, etc.
- Specializes in high potency (steroid, cytotoxic) & injectable APIs
- Expanding in China with a new plant in Changshu & sales/marketing base in Shanghai



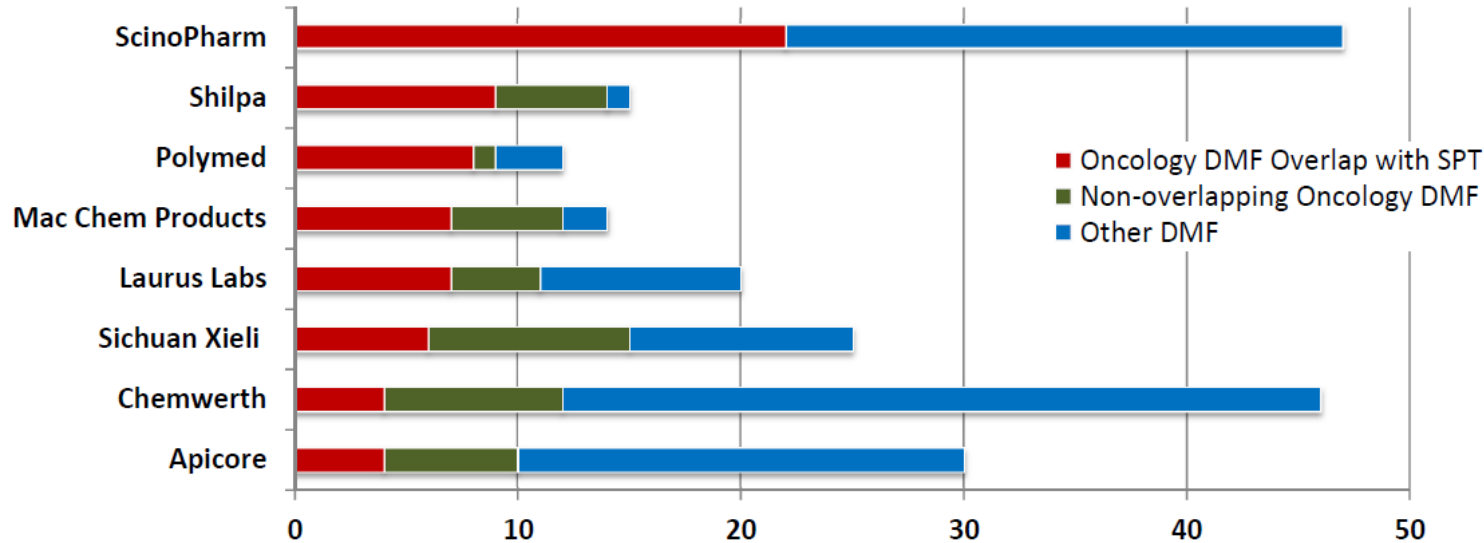
Business Overview

- Maintain dominant position in Specialty APIs for generic market. Strong customer base (320+) in US/EU/Japan, some through Indian generics. Aggressively developing Japan and China markets
- Developed ~70 generic APIs with 23 launched. Filed 47 DMFs in US (663 DMFs WW), leader in supplying oncology injectable APIs with 22 US DMFs
- 80+ NCE CRAMs projects, with 6 in phase III for NDA filing in 2-3 years & 5 projects already launched. The only company in Asia supplying APIs for multiple commercial NCEs

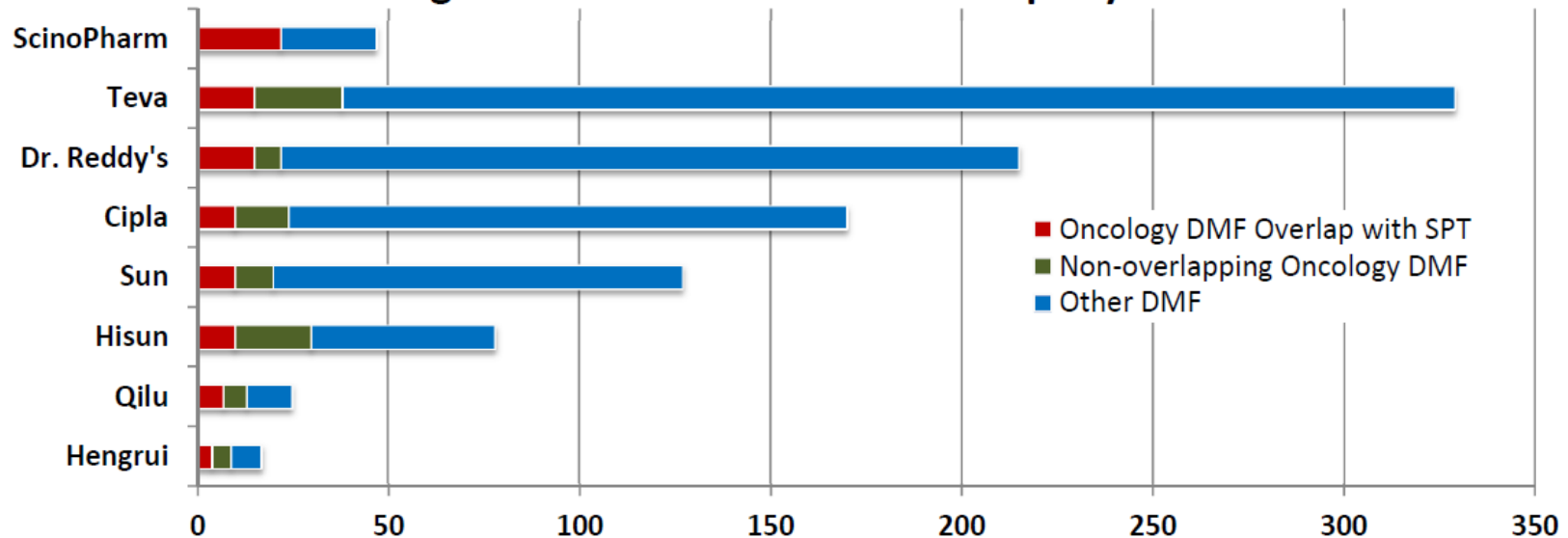
ScinoPharm - Oncological API Leader

Stand-Alone API Company

Source: FDA 2013Q4
DMF database



Big Generic Pharmaceutical Company



World Class Facilities

Taiwan (SPT)

- 6.6 hectares of land, 330K sq. ft. facilities with $>200\text{M}^3$ reactor volume
- 8 of 18 production lines equipped with high potency capabilities for cytotoxics or steroids
- US FDA approved & 200+ GMP audits by customers
- Provides full CRAMs for brand drugs
- Building an oncological injectable plant
- Global market

China (SPC)

- 6.6 hectares of land with $\sim 250\text{M}^3$ reactor volume
- 2 of 8 production lines equipped with high potency capabilities for cytotoxics
- CGMP designed facility for intermediates & high potency API
- Full scope capabilities in developing and manufacturing APIs from small to large scale for generic & CRAM markets
- Global market including China

	Common Strength	Differentiators
Taiwan vs China Plant	<ul style="list-style-type: none"> ■ Same sizable land area ■ Complied with int'l GMP & EHS standards for global market ■ Strong R&D capabilities ■ Multi-functional plants, able to produce high potency APIs ■ Small, mid, to large lines 	<ul style="list-style-type: none"> ■ Different reactor chamber volumes (200M^3 in SPT vs. 250M^3 in SPC) ■ SPC mainly for large volume ■ SPT focusing on global export; SPC on China domestic market ■ SPT with an injectable plant

Financial & Operating Results

Cumulative P&L - Consolidated

In NT\$ million, except for EPS	1Q~4Q,'13 (Unaudited)	1Q~4Q,'12 (Audited)	YoY
Net Sales	5,088	4,573	11%
Gross Profit	2,543	2,313	10%
<i>Gross margin</i>	<i>50%</i>	<i>51%</i>	
Operating Expenses	(1,145)	(1,053)	9%
Operating Income	1,398	1,260	11%
<i>Operating margin</i>	<i>27%</i>	<i>28%</i>	
Other Rev.(Exp.)	11	112	-90%
Net Income before Tax	1,409	1,372	3%
Net Income after Tax	1,273	1,171	9%
<i>Net margin after tax</i>	<i>25%</i>	<i>26%</i>	
EPS (after tax)	1.88	1.73	9%



ScinoPharm

Balance Sheet- Consolidated

In NT\$ million	2013/12/31 (Unaudited)		2012/12/31 (Audited)	
Cash and Cash Equivalents	2,289	20%	3,035	29%
Accounts Receivable	971	8%	841	8%
Inventories	2,512	22%	1,870	18%
Long-Term Investments	258	2%	168	2%
Fixed Assets	4,214	37%	3,559	34%
Total Assets	11,484	100%	10,340	100%
Current Liabilities	1,775	15%	1,204	12%
L-T Liabilities and Others	66	1%	65	-%
Stockholders' Equities	9,643	84%	9,071	88%

Cash Flows- Consolidated

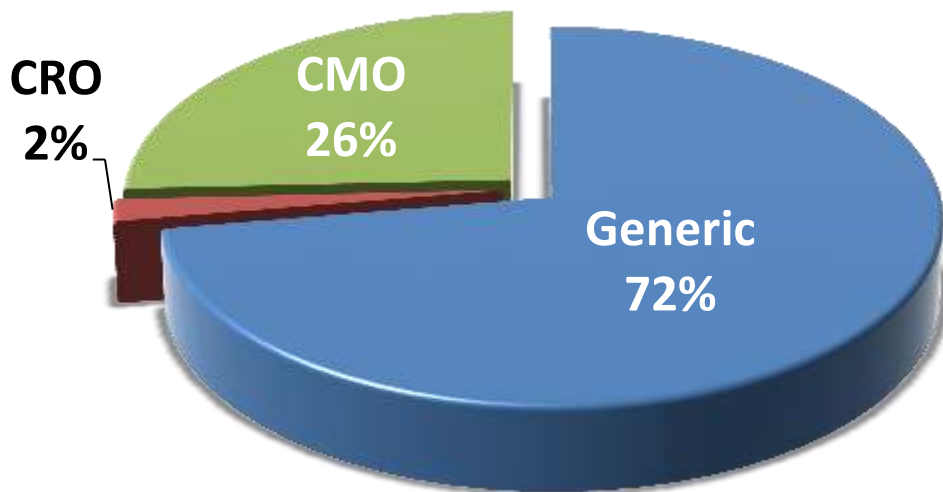
In NT\$ million	1Q~4Q 2013 (Unaudited)	1Q~4Q 2012 (Audited)
Cash and cash equivalents at beginning of period	3,035	3,294
Cash flows from operating activities	945	980
CAPEX	(1,225)	(873)
Long-term Investment	(107)	-
Short-term borrowings	426	264
Cash Dividends	(780)	(631)
Others	(5)	1
Cash and cash equivalents at end of period	2,289	3,035



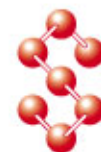
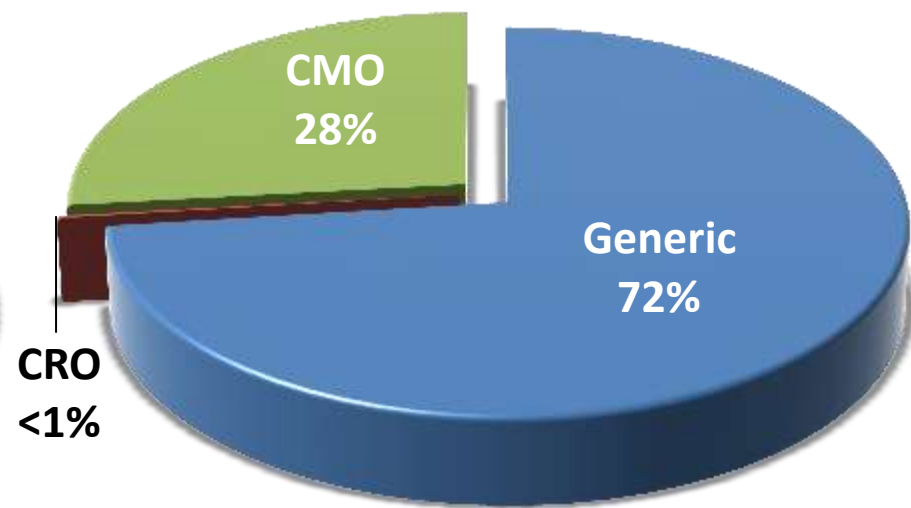
ScinoPharm

Sales by Business

FY2012



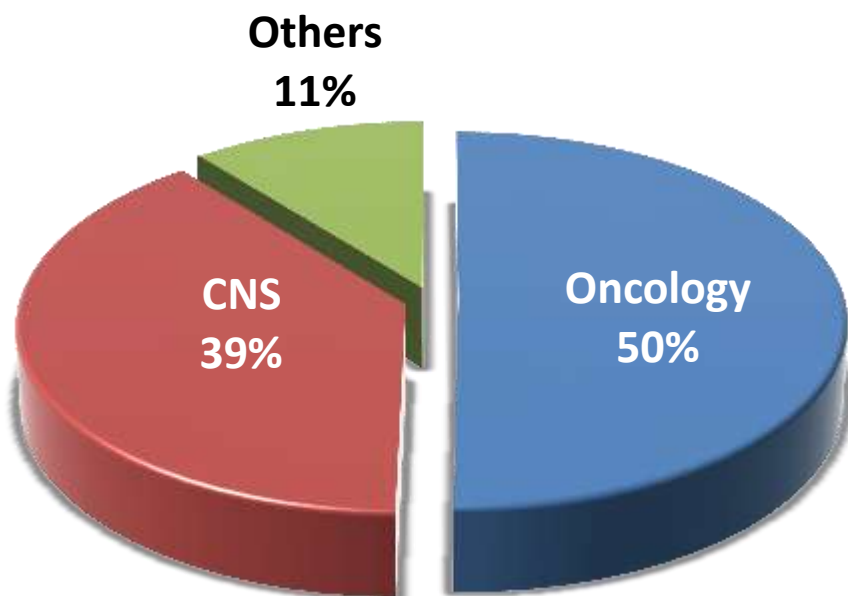
FY2013



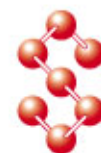
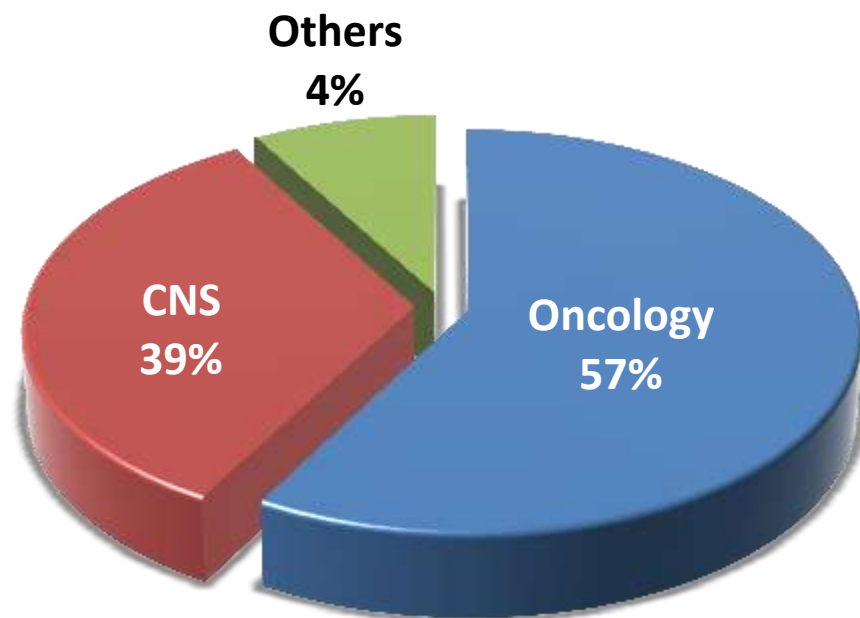
ScinoPharm

Sales by Indications

FY2012



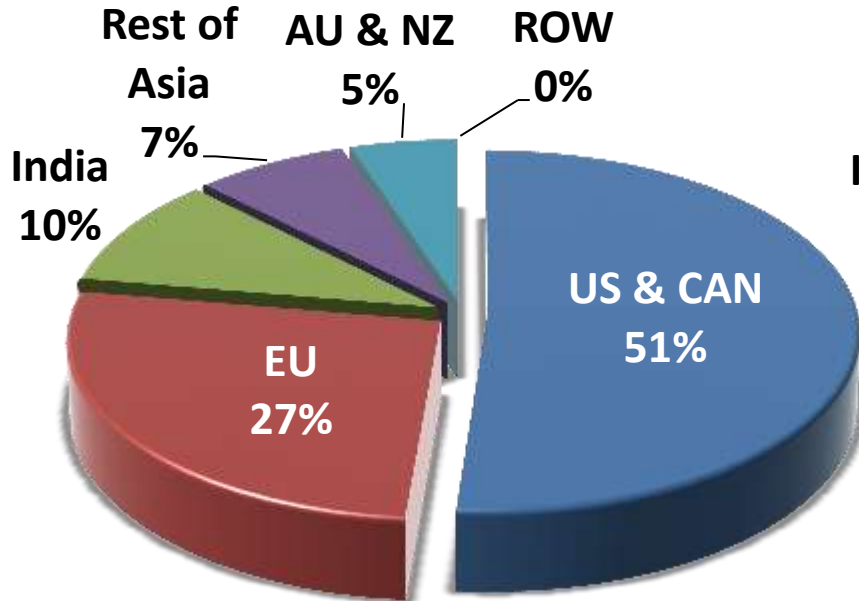
FY2013



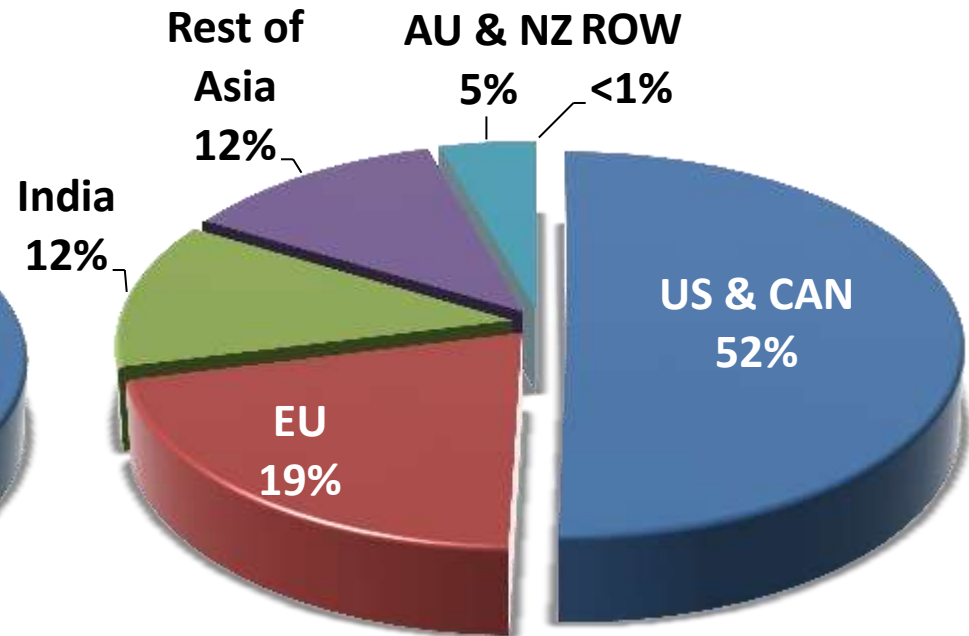
ScinoPharm

Sales by Region

FY2012



FY2013



ScinoPharm

China Operations Update

Key Progress for China Market

ScinoPharm Changshu

- Obtained drug production permits for 4 APIs (3 for anti-cancer and 1 for anti-viral)
- Submitted 1 drug license application for an anti-cancer API

ScinoPharm Taiwan

- Submitted drug import license application for 9 APIs (5 for anti-cancer, 2 for cardiovascular disease, 1 for Alzheimer's disease, and 1 for benign prostatic hyperplasia)

Strategic Alliance

- Formulation development of Bortezomib began in June 2013; Stability batches expected to be completed in Feb. 2014
- Formulation development of Azacitidine to start in early 2014



ScinoPharm

SPC passed CRAM customer audits

- ASLAN Pharmaceuticals and a multinational pharmaceutical company have been jointly developing an oncology compound
- ScinoPharm Changshu has undertaken the API CRAM Services for this project and successfully passed the GMP audit by this customer
- This targeted delivery drug is entering into clinical trial phase II, focused on solid tumor treatment, including prostate cancer and breast cancer
- Global patient population of these two cancers is currently ~3.5MM and 6MM, respectively, while the market value is expected to reach US\$6.5Bn by 2020 and US\$18.7Bn by 2022

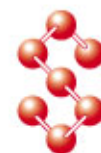


ScinoPharm

Summary of SPC's CRAMS projects

Product code	Customer	Indications	Type	Stage
CN02-M006	Lee's Pharma	Ovarian Cancer	API	Phase III
CN02-M002	Customer T	Gastric disease	API	Phase II
CN02-R006	Aslan JV	Prostate cancer, Breast cancer	API	Phase II
CN02-M005	Customer I	AIDS prevention	API	Phase II
CN02-M007	Customer Z	Liver cancer	API	Phase II
CN02-M001	Forest Lab	Depression	Intermediate	Commercial
CN02-G026	Vivus	Obesity	API	Commercial
CN02-G030	Customer S	Antinarcotism	API	Commercial

*** All above items are audited by CRAM customers,
commercial sales of APIs need FDA approvals**



ScinoPharm

Business Outlook

2014 Product Launch Plan

API	Region	Indications	Brand Marketer	Regional Sales	WW Sales
Azacitidine	US	MDS, Anti-cancer	Celgene	US\$365MM*	US\$792 MM*
Dantrolene (injectable)	US	Malignant hyperthermia	JHP Pharmaceuticals	US\$22 MM*	US\$50 MM*
Decitabine	US	MDS, AML Anti-cancer	Eisai	US\$254 MM*	US\$278 MM*
Docetaxel trihydrate	JP	Anti-cancer	Sanofi Aventis	US\$180 MM** (Taxotere)	US\$1,570 MM*
Entecavir	TW	Hepatitis B virus	BMS	US\$67 MM***	US\$1,344 MM*
Riluzole (liquid)	EU	Amyotrophic lateral sclerosis	Sanofi Aventis	US\$56 MM*	US\$227 MM*
Zoledronic acid	JP	Osteoporosis	Novartis	US\$120 MM***	US\$1,755 MM*

Source: * Newport/IMS Data (Jul2012-Jun2013)
 Datamonitor *In-house research



Outlook

- Sustain Leadership in Oncological APIs

Continue to launch and develop oncological injectable APIs & others with high technological barriers including Peptides

- Establish Presences in China

Develop APIs and formulations to timely capture the generic business with strategic alliance and CRAMs from MNCs

- Japanese Market Penetration

Expand strategic partnerships with major pharma

- Vertical Integration – API+ANDA

Select difficult-to-make APIs to formulate dossiers and build an oncology injectable plant to provide value-added total solution to customers





Brand Quality with Asian Advantages

www.scinopharm.com