ScinoPharm Taiwan, Ltd.

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Company Presentation

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Overview of ScinoPharm

Business Overview

- Company specializes in high potency (steroid/cytotoxic) APIs and is expanding into sterile/aseptic 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 in current portfolio with 25 APIs launched; 51 US DMFs filed (741 DMFs WW), 30 US DMFs in oncology APIs.
  100+ NCE CRAM projects, with 5 APIs launched and 5 in phase III for NDA filing in 2-3 years
- Fully compliant with world-class cGMPs and international regulatory requirements; Certified by US FDA, EMA, Australian TGA, Japanese PMDA.

World Class API Facilities

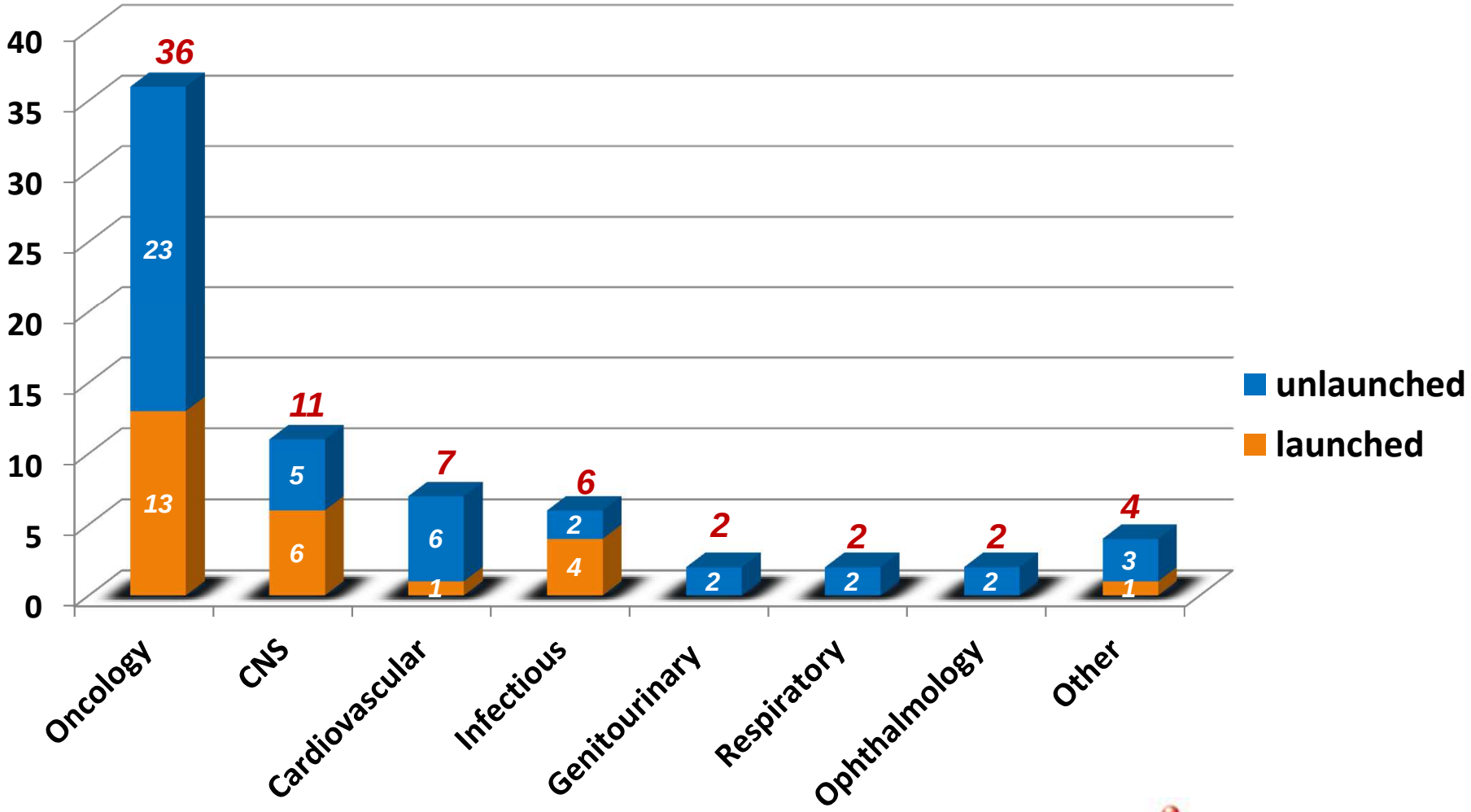
Taiwan

- 6.6 hectares of land, 330K sqft facilities with >200M^3 reactor volume
- 5 of 16 production lines equipped with high potency capabilities for cytotoxic/steroids
- Passed US FDA, EMA, Australian TGA, Japanese PMDA inspections & 300+ cGMP customer audits
- Provides comprehensive contract research & manufacturing services for Brand drug companies
- Global Market served

China

- 6.5 hectares of land with > 250M^3 reactor volume
- 3 of 7 production lines equipped with high potency capabilities for cytotoxics
- US FDA approved cGMP facility for intermediates & high potency APIs
- Full scope capabilities in developing and producing APIs from small to large scale for generic & CRAM markets
- Global market served including China

Strong Generics Product Portfolio



Note: Other (Women's Health, Gastrointestinal, Immunology and Metabolic)

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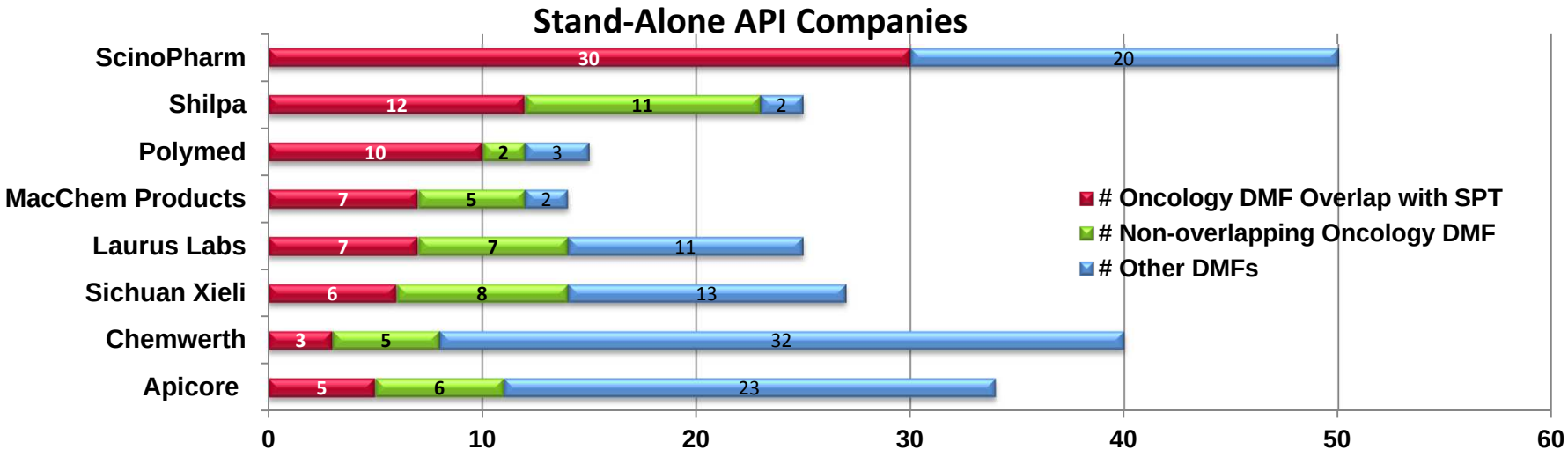
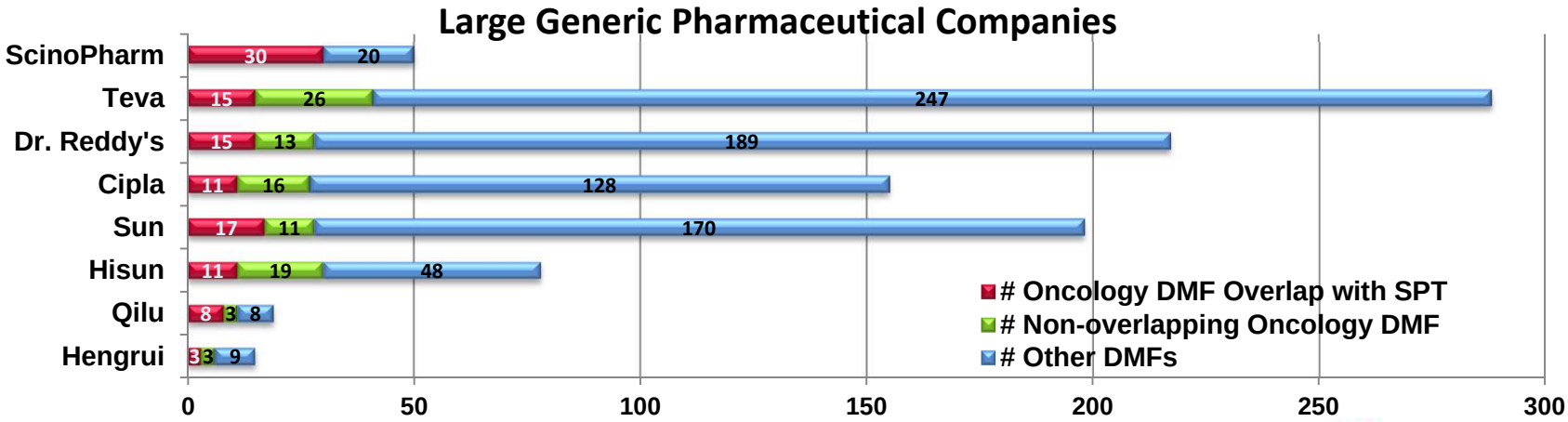
ScinoPharm - Oncology API Leader





Source: US FDA DMF Q1 2016 database

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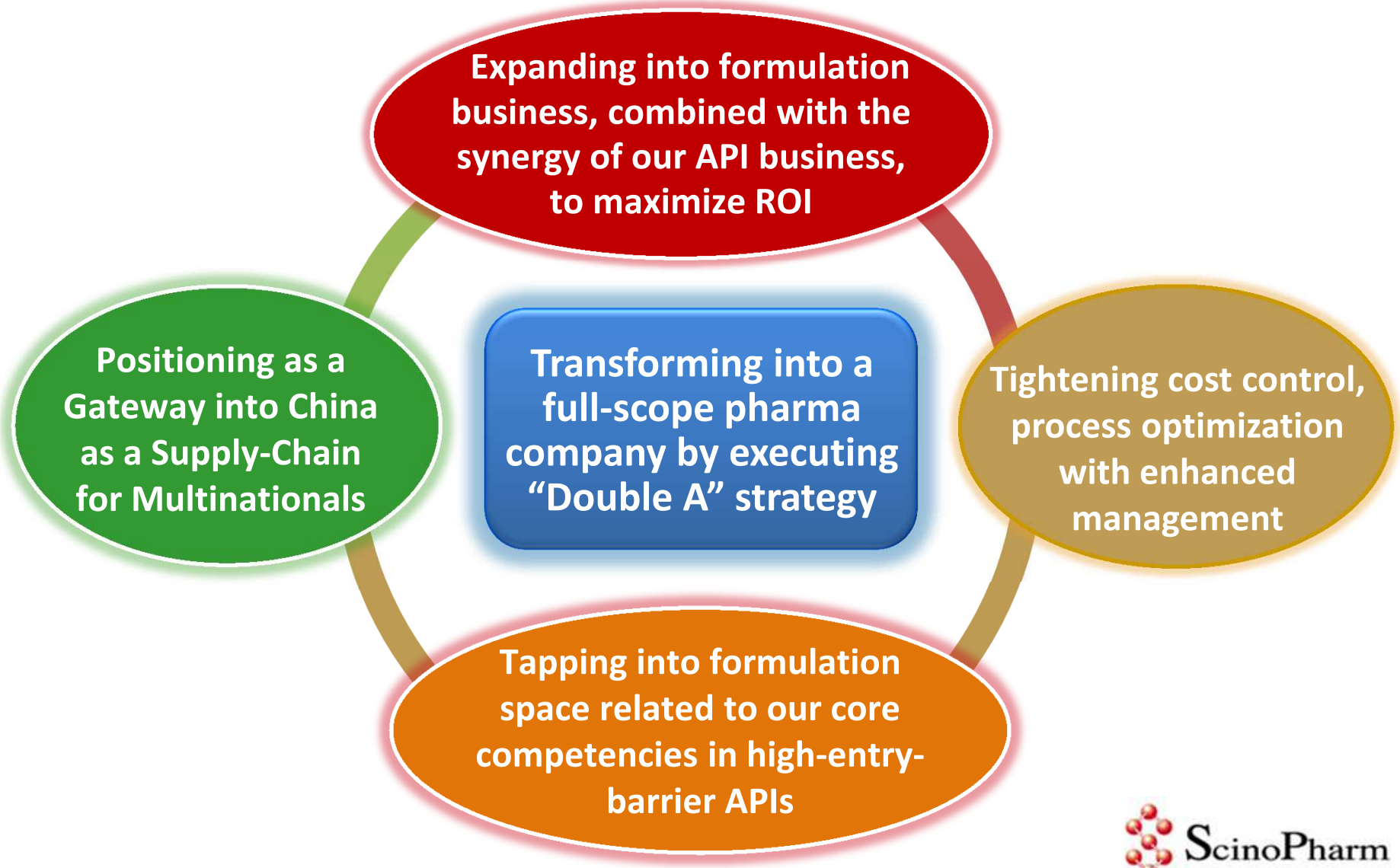
We are Transforming our Company



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Keys to Generic Formulation Business

Opportunity	Strategy	Tactics
✓ Already the leader in providing oncology APIs to regulated markets worldwide ✓ Injectable CMOs are in short supply ✓ Can be customer's injectables provider by developing formulations using our own oncology APIs or others' APIs, up to and including ANDA filing with FDA	✓ Developing dossiers per our difficult-to-make APIs to increase value proposition in the supply chain ✓ Targeted delivery & extended release of proven APIs via 505(b)(2) fast track ✓ Collaborating with start-ups & research institutes, focusing on un-met oncology medical needs of high prevalence in Asia	✓ Expanding formulation portfolio ✓ Establishing on-site oncology injectable facility and providing an integrated supply chain ✓ Promoting our formulations via strategic alliances, especially in China and US/EU

Results

- **2 US ANDAs**
- **11 co-development and cost/profit sharing products with various partners**

Strategic Alliance Highlights

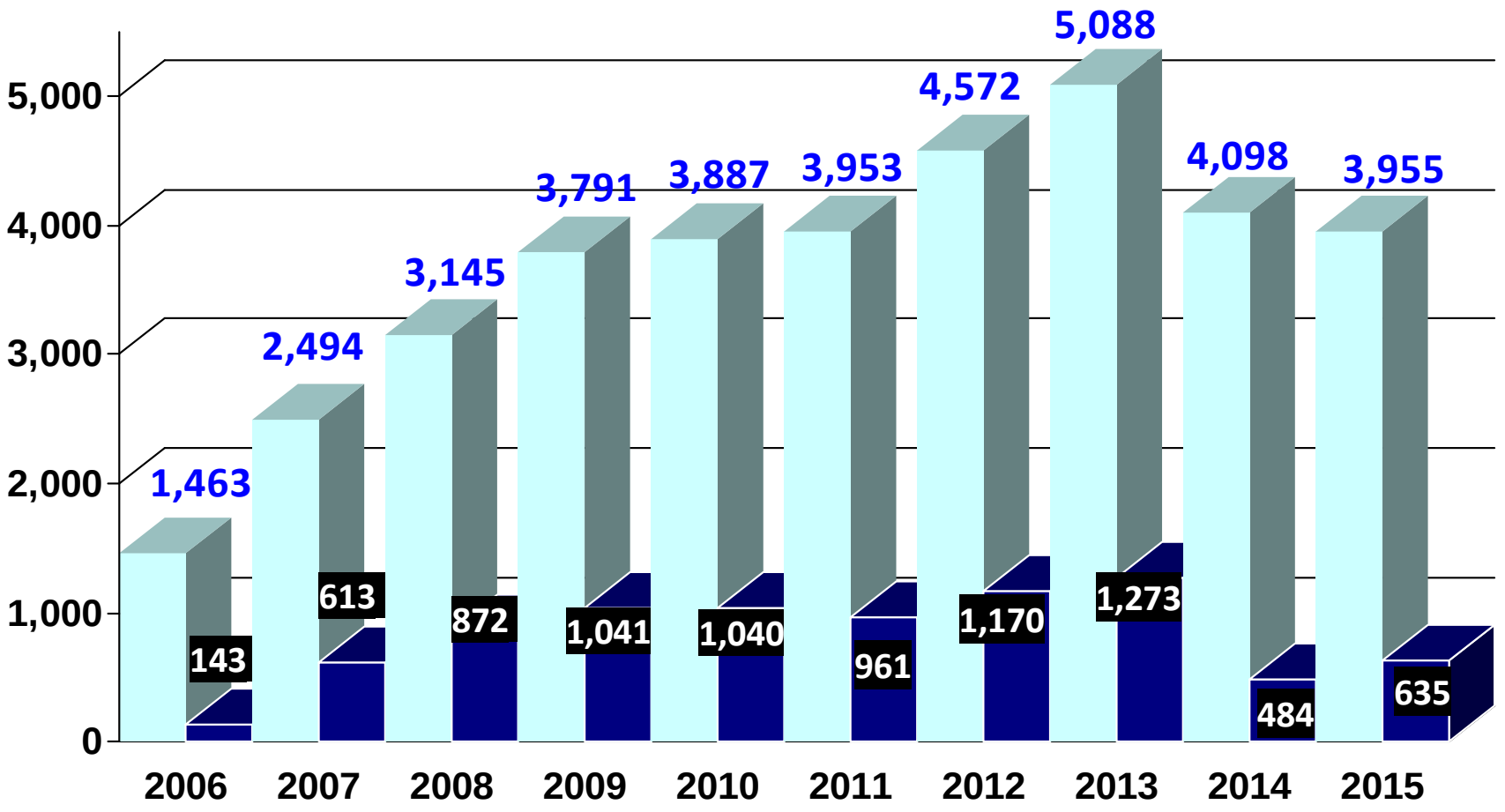
* Already launched

Partner	Product	Indications	Region	Launch Year(E)	Remarks
Genovate	Entecavir	Hepatitis B Viral	Taiwan	2013*	1st co-developed formulation product launch
Sagent	Oncology Injectable	Myeloid Leukemia	US	2017	1st US ANDA filing, triggered US FDA inspection in Changshu site
Foresee	Leuprolide	Prostate cancer	US	2018	505(b)(2) NDA CRAM + Equity
Coland	Bortezomib	Multiple Myeloma	China	2020	1st co-developed drug in China to trigger CFDA inspection in Changshu site
	Azacitidine	MDS	China	2021	Co-developed formulation in China
Lee's Pharma	Fondaparinux	Anti-thrombotic	China	2021	Co-development collaboration
	Travoprost Bimatoprost	Glaucoma	China	2020	
Nanjing King Friend	Regadenoson	Stress agent for heart scan	China	2020	Co-developed formulation in China
US partner	Project A	non-small cell lung cancer	US	2020	US NDA 505(b)(2) with Paragraph IV filing / The estimated launch year is subject to litigation results
US & China partners	Project B	imaging agent	US	2020	ANDA with Paragraph IV filing / The estimated launch year is subject to litigation results

Operating Results & Outlook

Historical Performance

Unit: In NT$ million



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Recent Financials

Year	2013	2014	2015
Total assets	11,484 M	11,372 M	12,222 M
Shareholders' equity	9,643 M	9,380 M	9,857 M
Sales	5,088 M	4,098 M	3,955 M
Net profit after tax	1,273 M	484 M	635 M
Earnings per share	1.88	0.69	0.87
Cash dividends	1.2	0.2	0.3
Stock dividends	0.4	0.4	0.4
Pay-out ratio	85%	87%	80%

In NT$

Note : All of the above figures represent consolidated information

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Quarterly P&L - Consolidated

In NT$ million, except for EPS	2Q,'16 (Reviewed)	1Q,'16 (Reviewed)	2Q,'15 (Reviewed)	QoQ	YoY
Operating Revenue	1,015	1,022	963	-1%	5%
Gross Profit	465	431	365	8%	27%
Gross margin	*46%*	*42%*	*38%*		
Operating Expenses	(236)	(236)	(239)	0%	-1%
Operating Income	229	195	126	17%	82%
Operating margin	*23%*	*19%*	*13%*		
Other Rev.(Exp.)	(29)	(4)	106	625%	-127%
Net Income before Tax	200	191	232	5%	-14%
Net Income after Tax	174	172	132	1%	32%
Net margin after tax	*17%*	*17%*	*14%*		
EPS (after tax)	0.24	0.24	0.18	0%	33%

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Half Year P&L - Consolidated

In NT$ million, except for EPS	1H,'16 (Reviewed)	1H,'15 (Reviewed)	YoY
Operating Revenue	2,037	1,942	*5%*
Gross Profit	896	709	*26%*
Gross margin	*44%*	*37%*	
Operating Expenses	(471)	(442)	*7%*
Operating Income	425	267	*59%*
Operating margin	*21%*	*14%*	
Other Rev.(Exp.)	(34)	99	*-134%*
Net Income before Tax	391	366	*7%*
Net Income after Tax	346	245	*41%*
Net margin after tax	*17%*	*13%*	
EPS (after tax)	0.47	0.34	*38%*

Balance Sheet - Consolidated

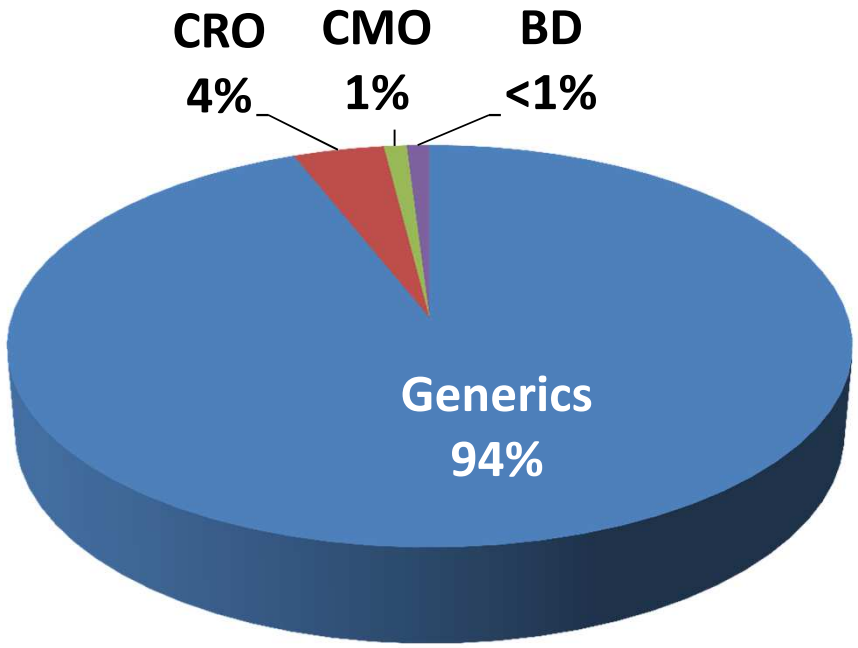
In NT$ million	2016/6/30 (Reviewed)		2015/6/30 (Reviewed)	
Cash and Cash Equivalents	2,964	*24%*	2,410	*20%*
Accounts Receivable	678	*5%*	568	*5%*
Inventories	2,062	*16%*	2,315	*19%*
Long-Term Investments	364	*3%*	339	*3%*
Property, plant & equipment	5,355	*43%*	5,142	*43%*
Other assets	1,122	*9%*	1,100	*10%*
Total Assets	12,545	*100%*	11,874	*100%*
Current Liabilities	2,248	*18%*	2,333	*19%*
L-T Liabilities and Others	339	*3%*	91	*1%*
Stockholders' Equities	9,958	*79%*	9,450	*80%*

Cash Flows - Consolidated

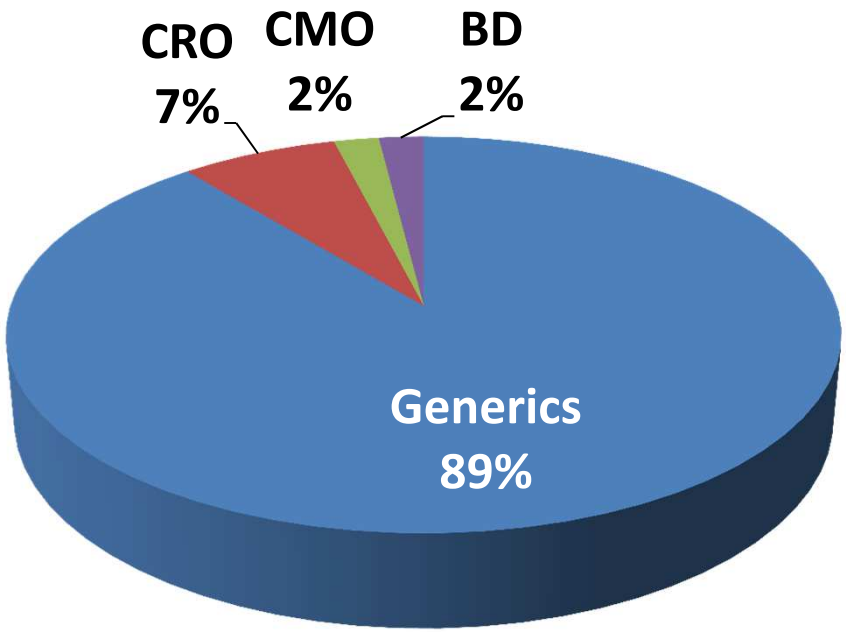
In NT$ million	1H 2016 (Reviewed)	1H 2015 (Reviewed)
Cash and cash equivalents at beginning of period	2,336	1,928
Cash flows from operating activities	826	589
CAPEX	(371)	(345)
Short-term borrowings	(241)	212
Long-term borrowings	255	-
Others	159	26
Cash and cash equivalents at end of period	2,964	2,410

Sales by Business

2016 1H



2015 1H



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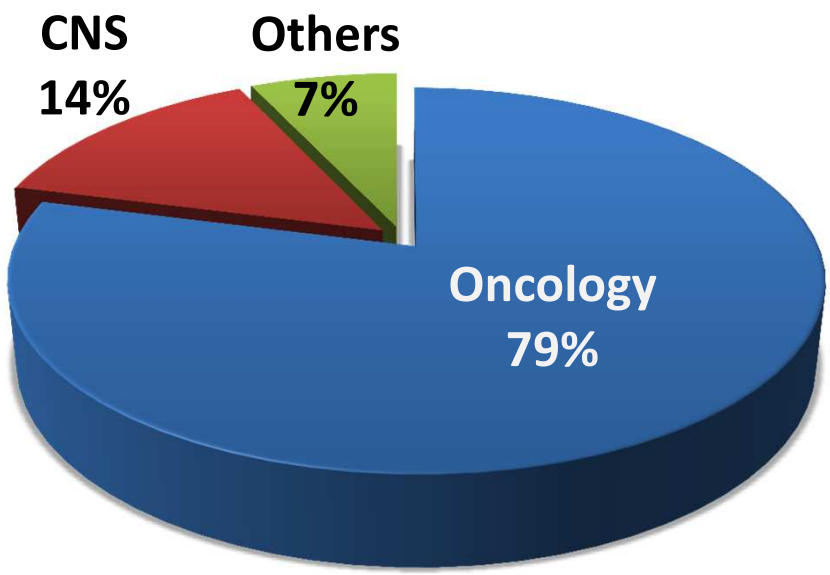
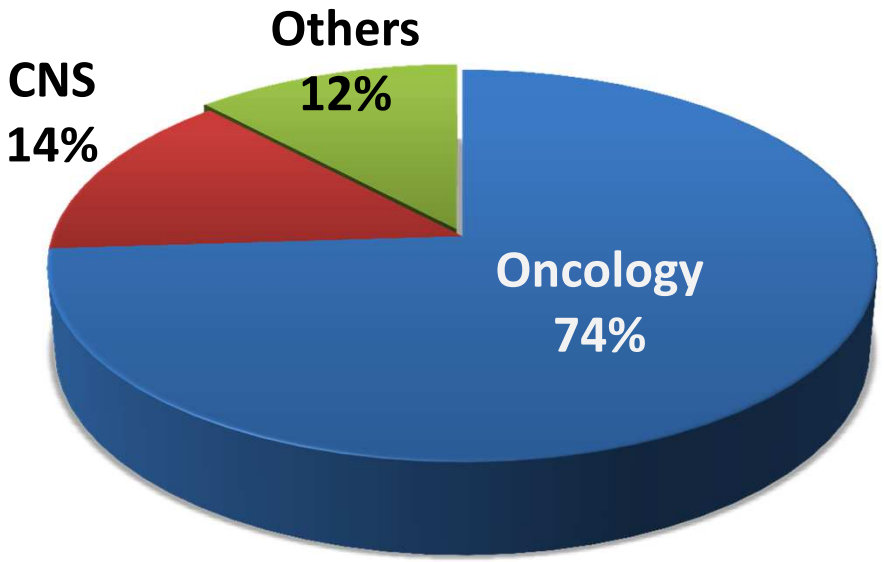
Sales by Indication

2015 1H



2016 1H



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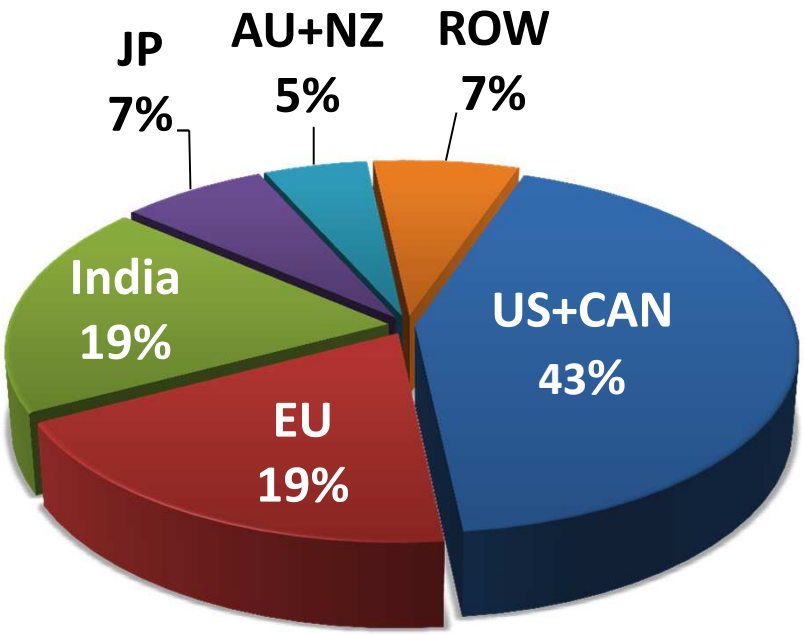
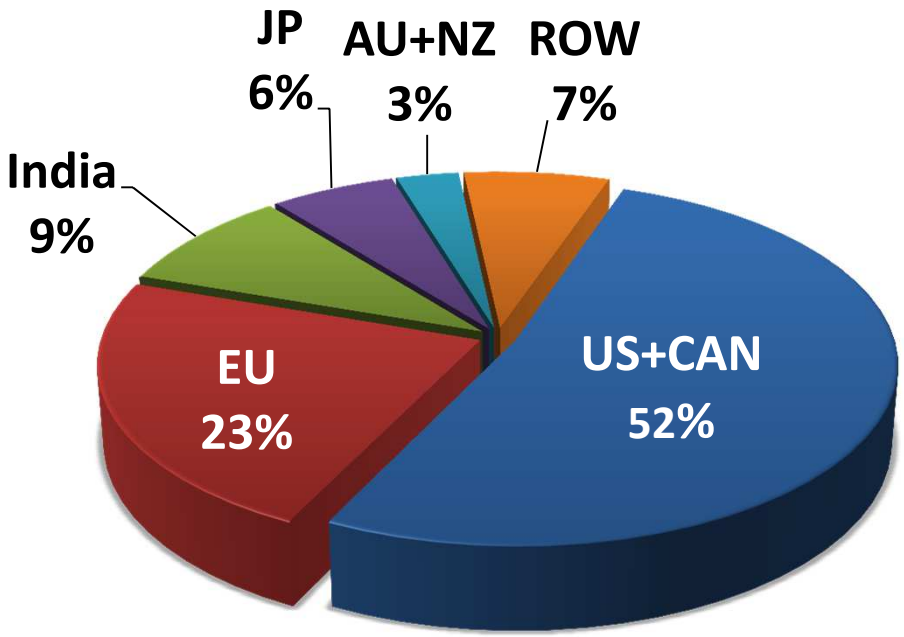
Sales by Region

2015 1H



2016 1H



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ScinoPharm Changshu Operation Update

Near-Term Objectives

- Provide API contract development and manufacturing services for both multinational and China domestic pharmas
- Serve as major base for large volume API manufacturing with regulatory support
- Produce high value-added intermediates for ScinoPharm Taiwan

Our Competitive Advantage

Process Development Capability

Collaborating with a partner specializing in enzymatic technology to integrate with ScinoPharm CMC capabilities to develop greener, safer, and more cost-effective API manufacturing processes

GMP Production Capability

Knowledge to design, develop, and test spray-drying process parameters for APIs which are difficult-to-dry, are sensitive to long drying residence time, or require uniform particle size distribution

Regulatory Compliance Capability

Fully compliant with the most advanced EMA guidelines to meet or exceed standards for production line segregation and equipment cleaning criteria

Operations Progress

- Actively implementing more than 20 contract research or manufacturing projects every year
- 9 US/EU customers, 3 of which are top 10 big pharma
- Strategic partnership with Lee's Pharma in China to provide API process development and manufacturing services for more than 15 projects
- Successfully passed 14 GMP and 2 EHS customer-led audits

Selected CRAM Projects at Changshu

Customer	Project Type	Product Indication/stage	Product Type	Remarks/ Market
Top 10 global pharma	CMO	Approved antidepressant drug in US	GMP Intermediate	Passed Mexican authority (APIF) GMP inspection
Top 5 global pharma	CMO	Approved African sleeping disease drug	API	Site transfer from Taiwan
Lee's Pharma	CRO	+15 items including topical anesthetic, brain tumor, antibiotic, hypertension, eye drop, etc.	API	China
China pharm company	CRO	Phase II/ III clinical trial for cancer	API	China
China pharm company	CRO	Phase IIb for age-related macular degeneration	API	US/China
Taigen Biotech	CRO	Phase II clinical trial for myocardial infarction	API	China/Taiwan
US-based new drug company	CRO	Phase II clinical trial for prevention of HIV infection	API	US
Top 5 global pharma	CRO	Phase II clinical trial for diabetes	Intermediate	US
Top 5 global pharma	CRO	Phase I clinical trial	API	NA
US NASDAQ listed pharma	CRO	Phase III clinical trial for opioid-induced constipation	Crude API	US

Key Progress for the China Market

ScinoPharm Taiwan	Submitted drug import license applications for 12 APIs (e.g. anti-cancer, cardiovascular, Alzheimer's disease, benign prostatic hyperplasia, hepatitis B)
ScinoPharm Changshu	• Obtained drug production permits for 11 APIs for anti-cancer, anti-viral, glaucoma, etc.) • Submitted 5 drug license applications for USFDA, 1 for EDQM, and 2 for CFDA
Strategic Alliance	5 formulation development and 1 new drug projects smoothly ongoing. Expected commercialization in 2019-2022

Business Updates

Injectable Plant Progress

- Entire facility includes space for R&D, quality control, washing, sterilization, manufacturing, filling, lyophilization, packaging, and storage.
- Granted building use permit at the end of 2015. Planned registration batch production by 2017. Expected to submit the 1st in-house ANDA in 2018 and pass US FDA inspection in 2019.
- Targeting injectables with high entry barrier / high unit-priced generics like oncology agents and peptides. Will offer CMO services for brand drugs and proprietary drugs.
- 10 drug products planned in the indications of cancer, diabetes, osteoporosis, multiple sclerosis, and anti-emesis.

Aseptic Fill & Finish Service

Vial Product Line

Cytotoxic Injectable

Liquid Solution

Lyophilized Powder

Cartridge Product Line

Peptide Injectable

Prefilled-Syringe

Pen Device

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Diversified CRAM Portfolio

Stage	First Launch Year	Indication	Location
Commercial	2005	Eluting Stent	US
Commercial	2009/2013	Skin Infection/HAP	US/EU
Commercial	2011	Depression	US
Commercial	2012	Obesity	US
Commercial	2013	Seizure	US
Stage	**Est. NDA Filing Year**	**Indication**	**Location**
Phase III	2016	Infections	US / EU / Asia
Phase III	2017	Ovarian Cancer	US / EU
Phase III	2017	Prostate Cancer	US
Phase III	2017	Ovarian Cancer	CN
Phase III	2018	Parkinson's Disease	US

2016 1H Major Products

- accounts for 60% of total sales

API	Indications	2015 MKT Share	# of US DMF/EDMF & other Filings
Irinotecan HCl	Antineoplastic	64%	62
Docetaxel Anhydrous	Antineoplastic	33%	68
Paclitaxel	Antineoplastic	31%	57
Exemestane	Antineoplastic	18%	44
Galantamine HBr	Antipsychotic	12%	38
Gemcitabine	Antineoplastic	8%	76

*Source: IMS data from Newport

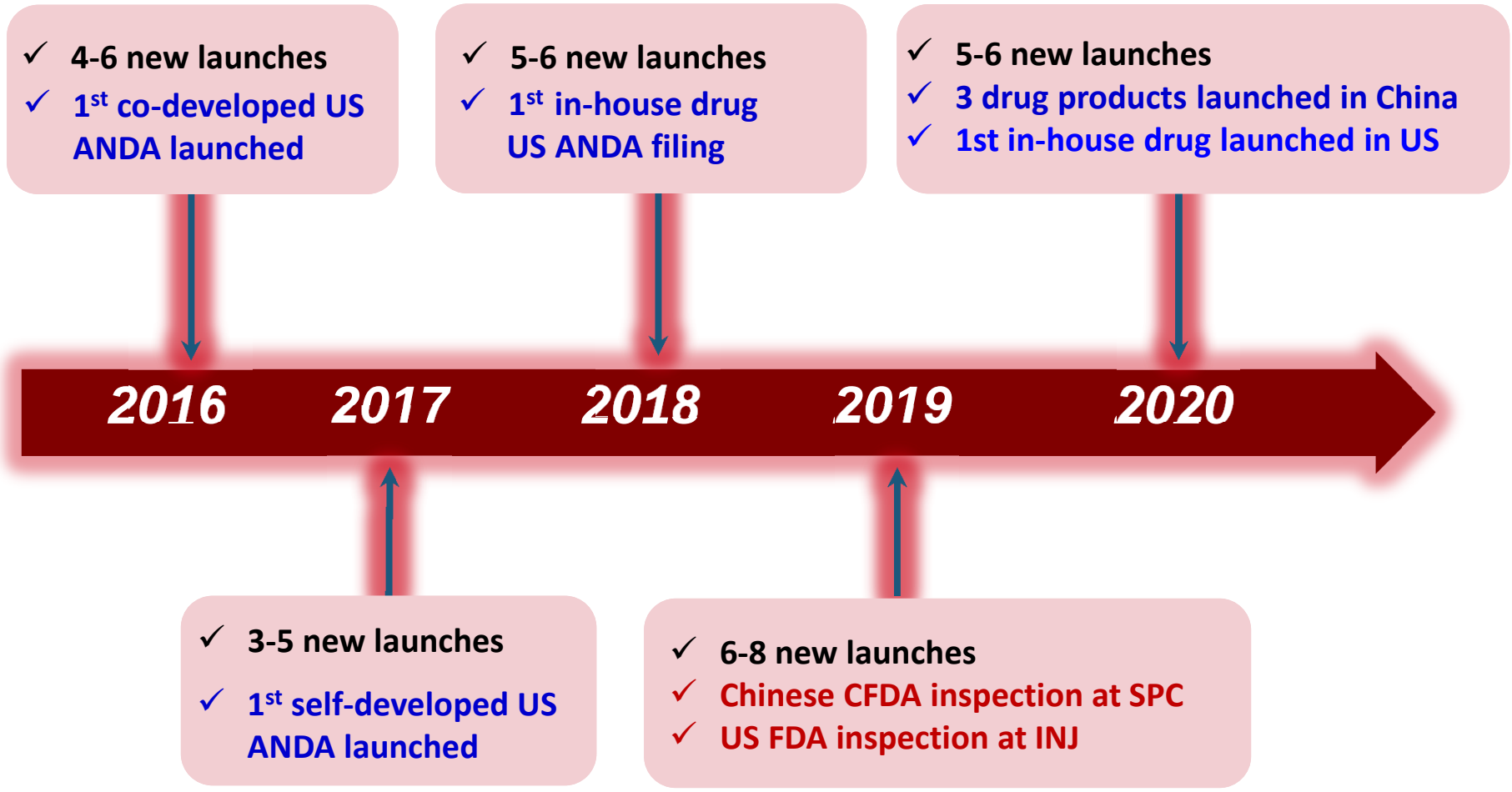
2016 API Product Launch Plan

	API	Region	Indication	Brand Marketer	Regional Sales	WW Sales
✓	Azacitidine	USA	Myelodysplastic syndrome (MDS)	Celgene	US$248.1M	US$751.6M
	Desmopressin Acetate	USA	Polyuria	Ferring	US$150.1M	US$395.8M
✓	Entecavir	USA Singapore Australia	Hepatitis B Virus (HBV)	Bristol-Myers	US$262.5M (USA only)	US$1,576.6M
✓	Flumazenil	Korea	Reversal of the sedative effects of benzodiazepines	Roche	N/A	US$84.0M
✓	Gemcitabine HCl	Middle East	Pancreas, Lung, Ovary, and Breast Cancers.	Eli Lilly	N/A	US$547.9M
	Tamsulosin HCl	USA	Benign Prostatic Hyperplasia (BPH)	Boehringer Ingelheim	US$410.0M	US$1,818.4M

Source: IMS Data (2014Q4-2015Q3)

✓ Launched

Pipeline



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Brand Quality with Asian Advantage

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