

TWSE 1789

ScinoPharm Management Presentation

Fourth Quarter 2015 Investor Conference

February 18, 2016



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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 info disclosure & corporate governance
- Specialized in high potency (cytotoxic/steroid) APIs and integrating to injectable formulations
- Facility built in Taiwan and expanding in China with a marketing base in Shanghai and a newly US FDA approved plant in Changshu
- 80 generic APIs developed with 27 APIs launched; 55 US DMFs filed (734 DMFs WW), 29 US DMFs in oncology APIs. 100+ NCE CRAM projects, with 5 launched and 6 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, Korean FDA, Mexican COFEPRIS, etc.

Long Term Strategies

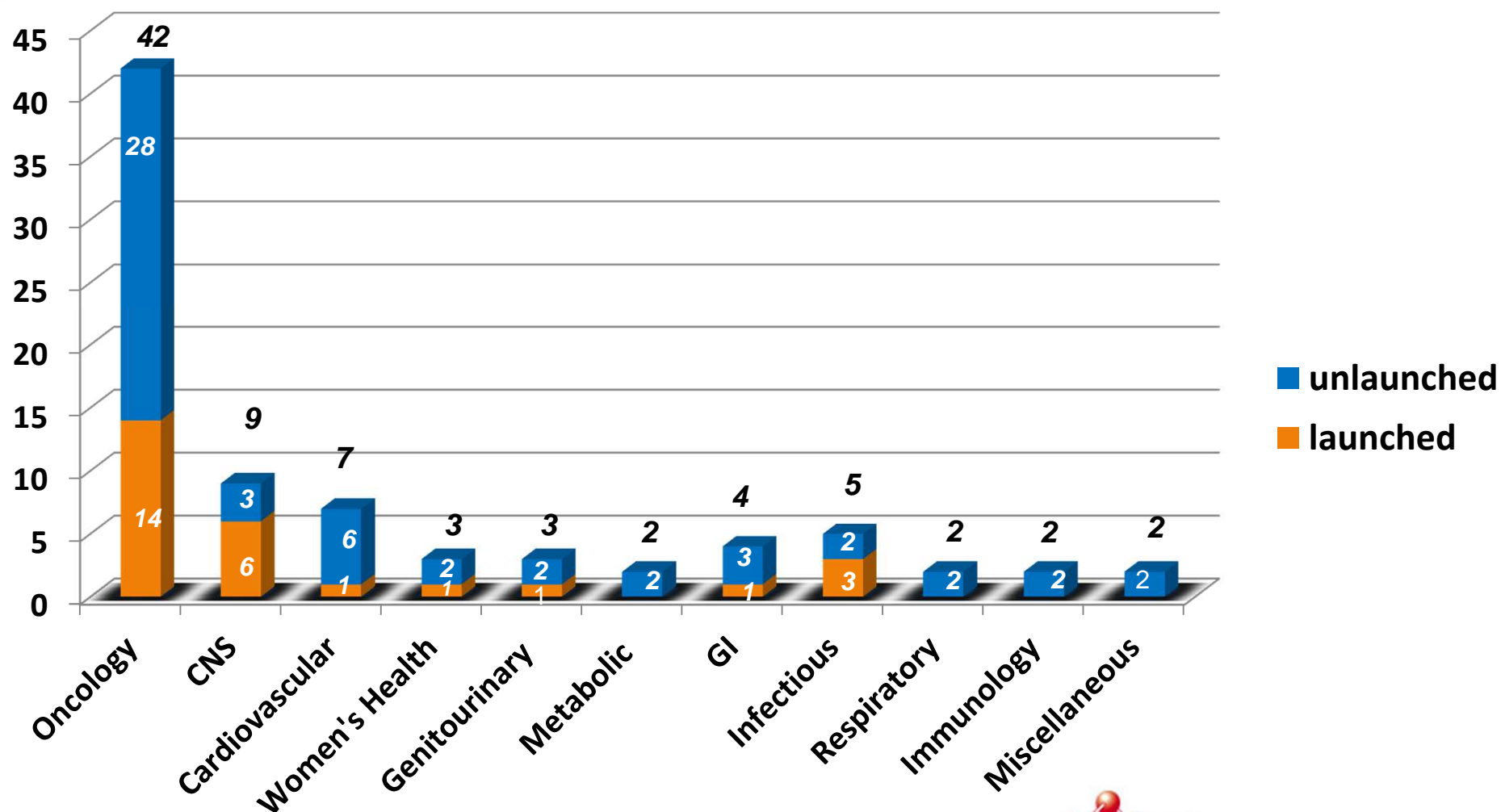
Transforming to a full-scope pharma company per our core competency of R&D and cGMP manufacturing in high-technical barrier APIs

- 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 oncology medical needs of high prevalence in Asia

Keys to Generic Formulation Business

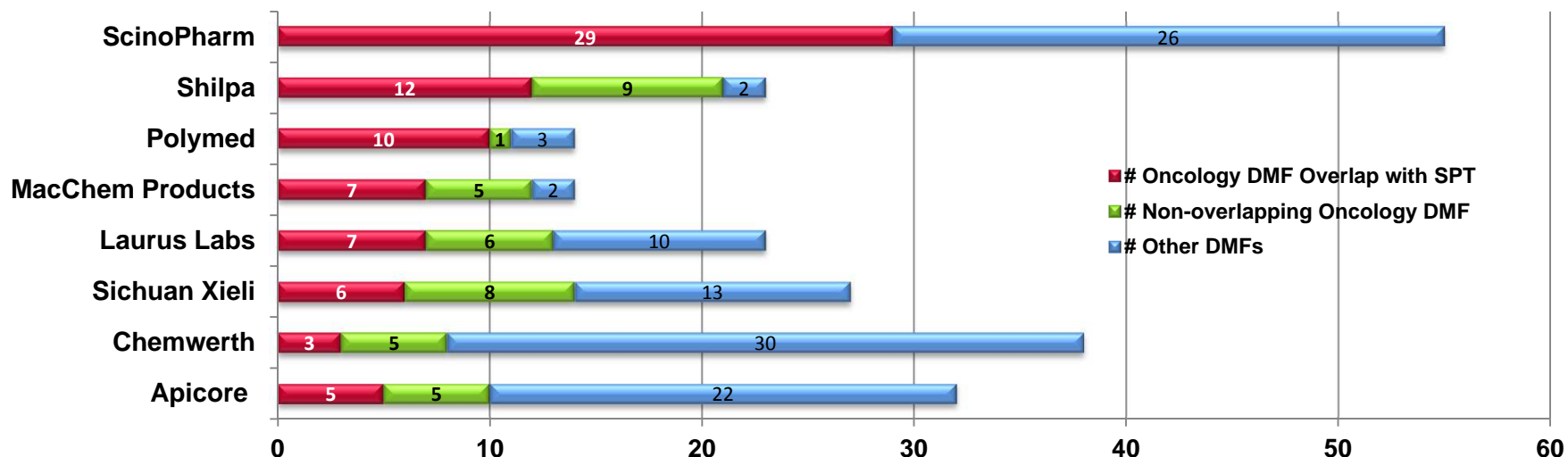
- Expanding formulation portfolio
- Building on-site injectable facility and forming a complete supply chain of drug products
- Promoting our formulations via strategic alliance, especially in China, US, & EU
- Acquiring critical resources via M&A

Strong Generics Product Portfolio

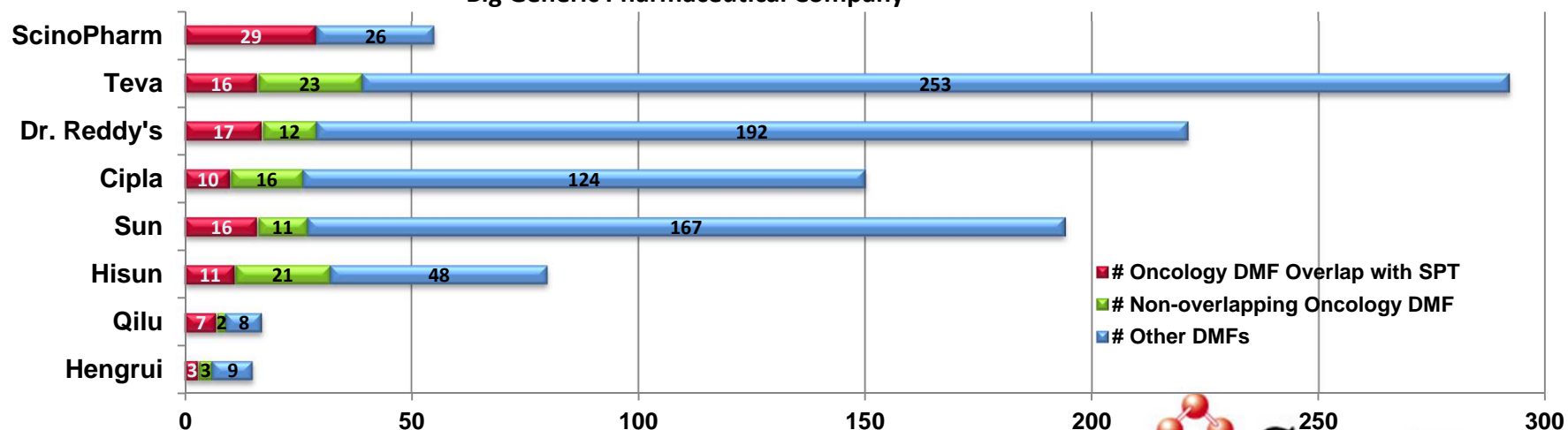


ScinoPharm - Oncology API Leader

Stand-Alone API Company



Big Generic Pharmaceutical Company



Source: US FDA (2015Q3)

Strategic Alliance Highlights

* Launched already

Partner	Product	Indications	Region	Launch Year(E)	Remarks
Genovate	Entecavir	Hepatitis B Viral	Taiwan	2013*	1 st co-developed formulation product launch
Sagent	Oncological Injectable	Myeloid Leukemia	US	2016	1 st 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	2019	1 st co-developed drug in China to trigger CFDA inspection in Changshu site
	Azacitidine	MDS	China	2020	Co-developed formulation
Lee's Pharma	Fondaparinux	Anti-thrombotic	China	2020	Strategic alliance collaboration in formulation
	Travoprost Bimatoprost	Glaucoma	China	2022	Strategic alliance collaboration in formulations
Nanjing King Friend	Regadenoson	Stress agent for heart scan	China	2020	1 st type 3.1 co-developed new drug in China
US partner	Project A	non-small cell lung cancer	US	2019	US NDA 505(b)2 & Paragraph IV filing
US & Chinese partners	Project B	imaging agent	US	2019	Paragraph IV filing



2016 API Product Launch Plan

Product Name	Region	Indications	Brand Marketer	Regional Sales	WW Sales
Azacitidine	USA	Myelodysplastic syndromes (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, 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)

Pipeline Outlook

✓ 4-6 new launches

✓ 1st co-developed US ANDA launched

✓ 5-6 new launches

✓ 1st home-made drug US ANDA filing

✓ 5-6 new launches

✓ 1st home-made drug launched in US
✓ 3 drug products launched in China

2016

2017

2018

2019

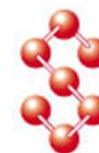
2020

✓ 3-5 new launches

✓ 1st self-developed US ANDA launched

✓ 6-8 new launches

✓ Chinese CFDA inspection at SPC
✓ 1 drug product launched in China
✓ US FDA inspection at INJ



ScinoPharm

Financial & Operating Results

Profit & Loss - Consolidated

In NT\$ million, except for EPS	FY 2015 (Unaudited)	FY 2014 (Audited)	YoY
Operating Revenue	3,955	4,098	-3%
Gross Profit	1,677	1,600	5%
<i>Gross margin</i>	<i>42%</i>	<i>39%</i>	
Operating Expenses	(927)	(1,041)	-11%
Operating Income	750	559	34%
<i>Operating margin</i>	<i>19%</i>	<i>14%</i>	
Other Rev. (Exp.)	53	43	23%
Net Income before Tax	803	602	33%
Net Income after Tax	635	484	31%
<i>Net margin after tax</i>	<i>16%</i>	<i>12%</i>	
EPS (after tax)	0.87	0.66	32%

Balance Sheet- Consolidated

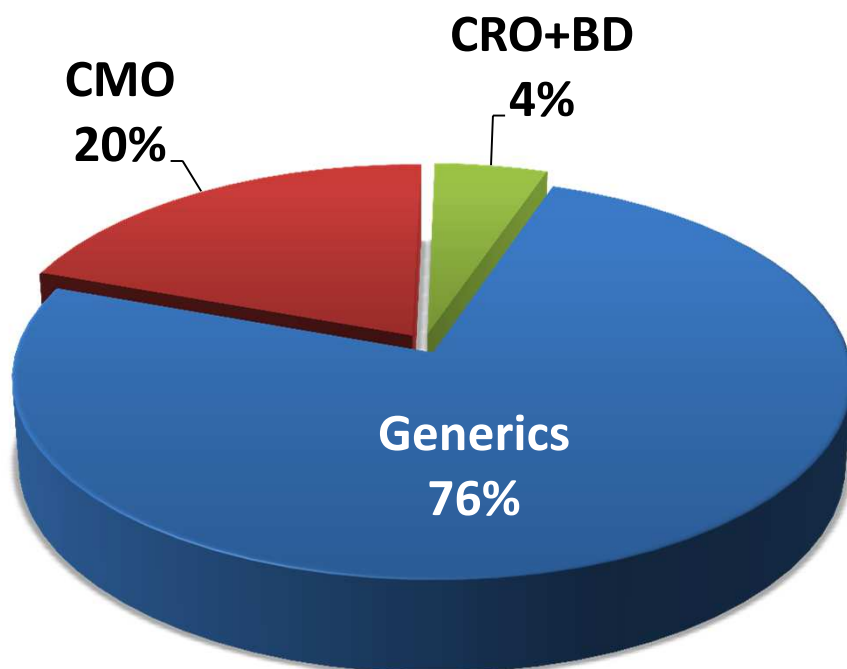
In NT\$ million	2015/12/31 (Unaudited)		2014/12/31 (Audited)	
Cash and Cash Equivalents	2,336	19%	1,928	17%
Accounts Receivable	867	7%	523	5%
Inventories	2,169	18%	2,449	22%
Long-Term Investments	339	3%	248	2%
Property, Plant & Equipment	5,171	42%	5,065	44%
Other Current/Non-Current Assets	1,340	11%	1,159	10%
Total Assets	12,222	100%	11,372	100%
Current Liabilities	2,275	18%	1,918	17%
Long-Term & Other Liabilities	90	1%	74	1%
Stockholders' Equities	9,857	81%	9,380	82%

Cash Flows- Consolidated

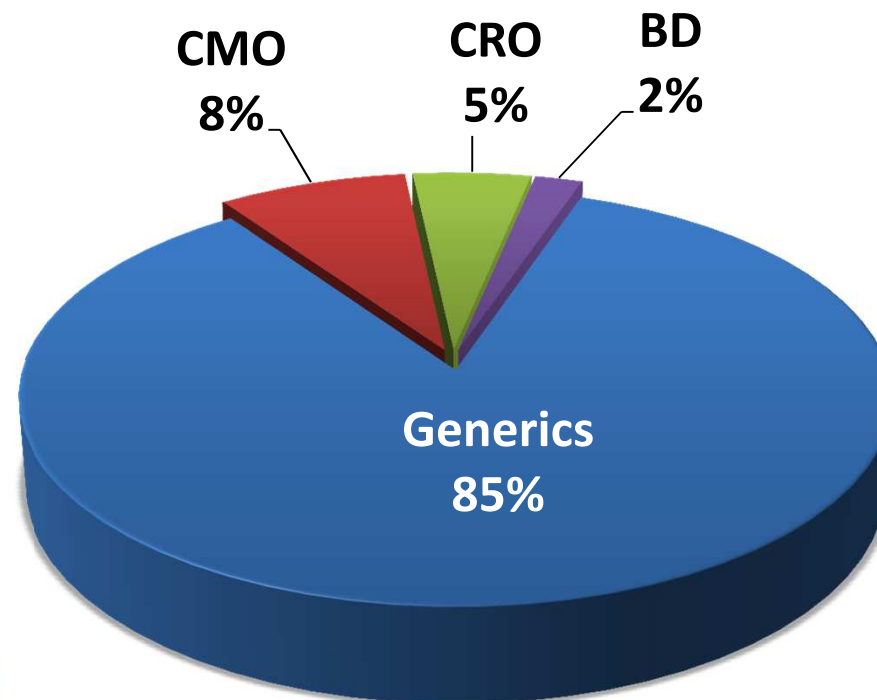
In NT\$ million	FY 2015 (Unaudited)	FY 2014 (Audited)
Cash and cash equivalents at beginning of period	1,928	2,289
Cash flows from operating activities	1,045	888
CAPEX	(657)	(1,018)
Short-term borrowings	425	588
Cash Dividends	(141)	(811)
Others	(264)	(8)
Cash and cash equivalents at end of period	2,336	1,928

Sales by Business

FY2014

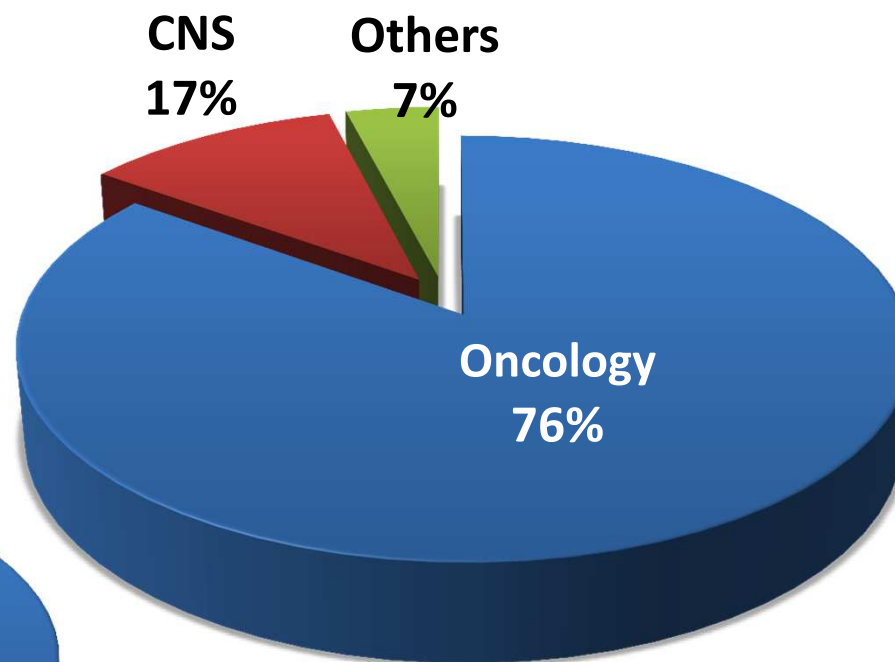


FY2015

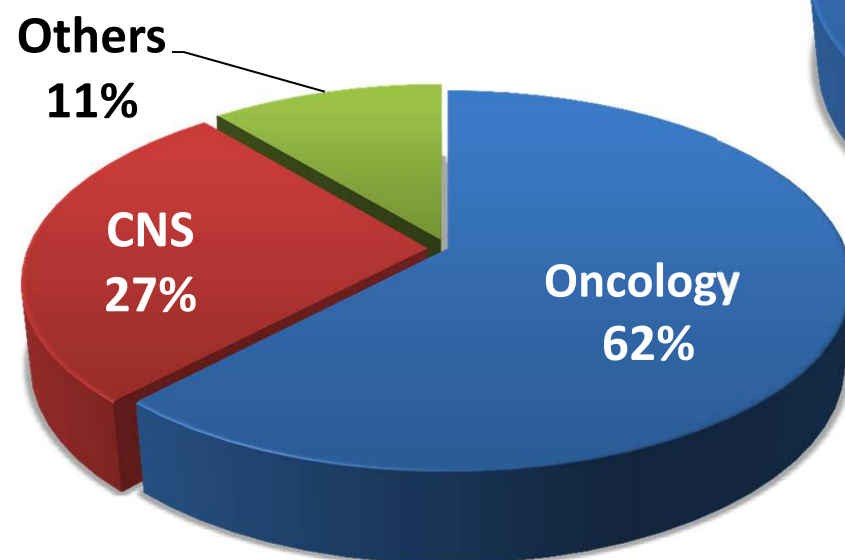


Sales by Indications

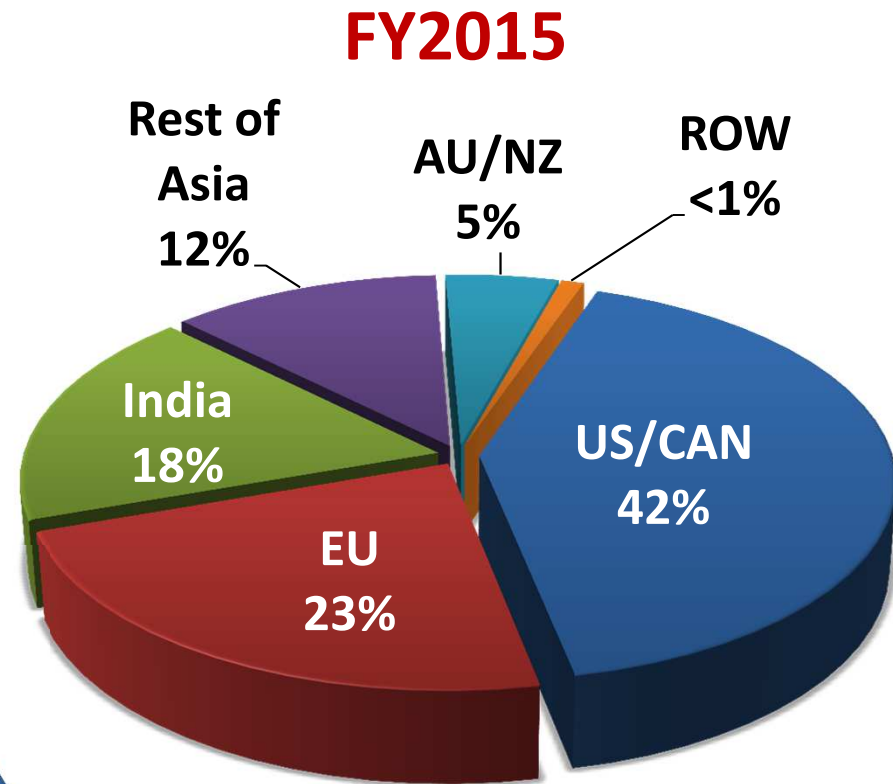
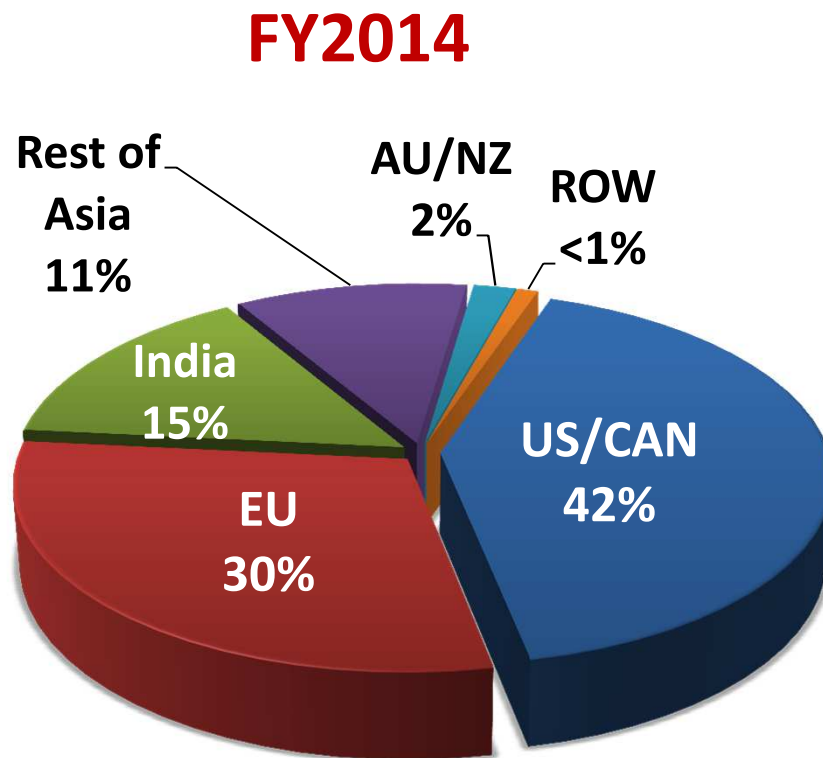
FY2015



FY2014



Sales by Region





Perspectives in Latin American Market

Pharmerging Markets

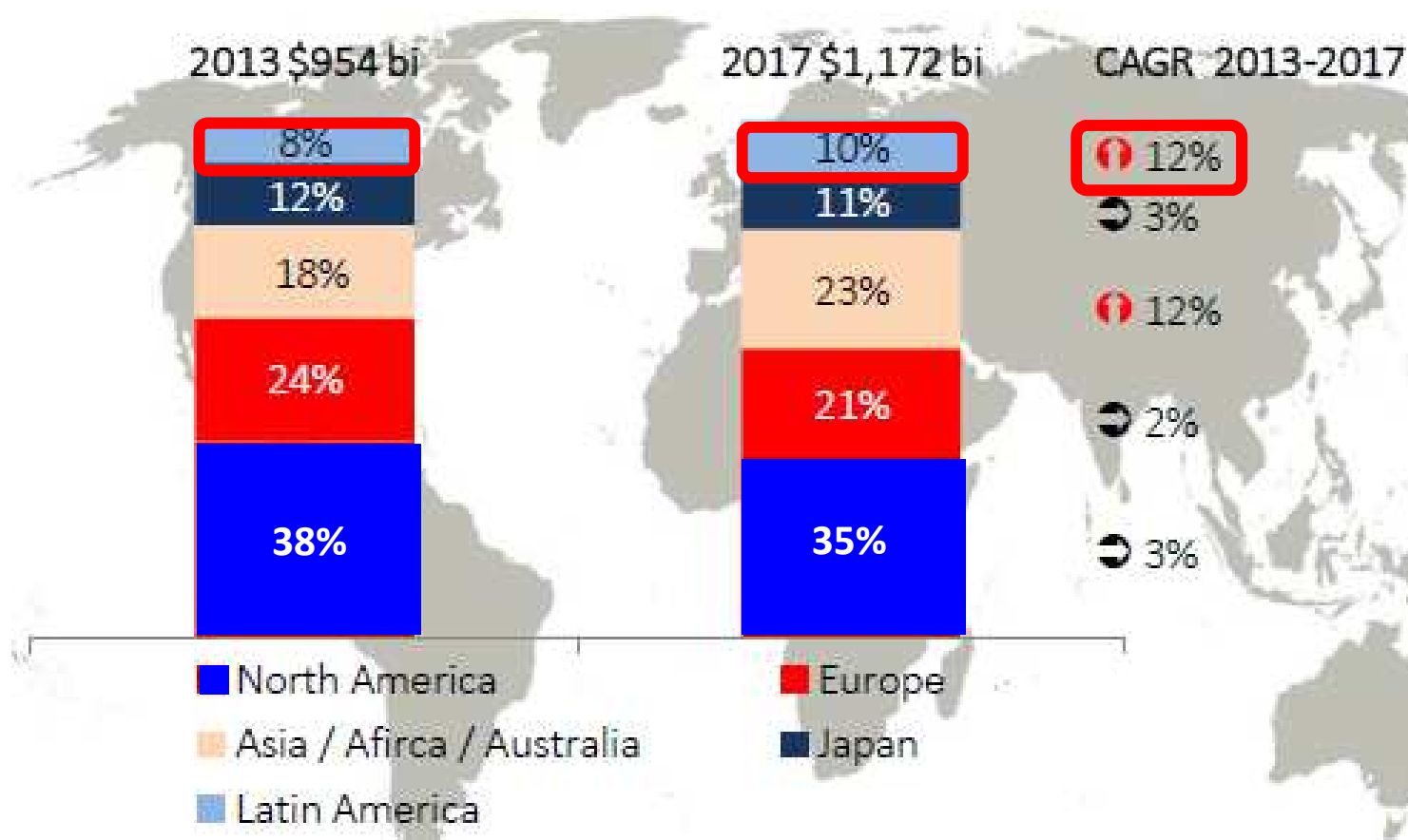
- IMS Health identified 21 countries as the “Pharmerging” markets per their macroeconomics and pharma market forecasts
- Tier 1: China -- accounts for half of Pharmerging market growth;
Tier 2: Brazil, India, & Russia;
Tier 3: Argentina, Colombia, Mexico, Poland, Turkey, Venezuela
- Governments in Pharmerging markets promote generics to expand healthcare coverage cost effectively
- Branded generics are popular in Pharmerging markets as quality assurance
- Big Pharmas tap M&A for local expansion and market presence

Opportunities in Latin America

- The main consumers aged 20-50 account for 44% of 600Mn people. Latin America as a key growth region of 14% CAGR in 2008 thru 2012 and expected to keep outgrowing after 2016
- Governments encourage generic drugs, manage drug pricing affordable in the domestic market, and elevate generic drug penetration rate to 30% – 50%
- A high level of imported drugs pushes local governments to support domestic firms via favorable policies
- Argentina, Brazil, and Colombia upgrading into regulated markets and cultivating regional trading via continual GMP regulatory tightening and harmonization

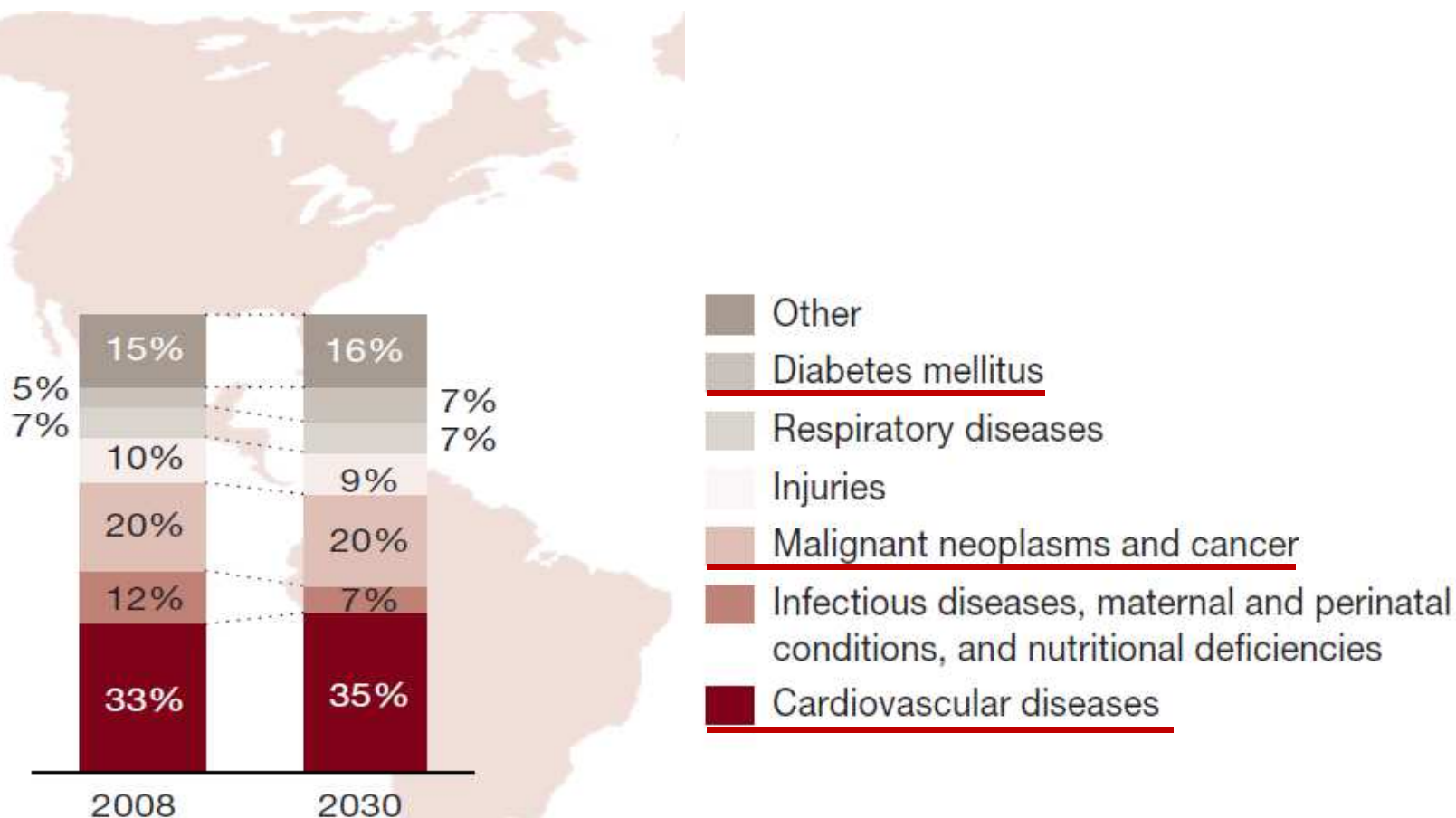
Latin American Markets Fuel the Growth

Share of pharmaceutical spending by region 2013-2017



Source: Americas Market Intelligence

Product Mix Fits Key Needs in Americas



Source: WHO; PWC strategy & analysis

Market Size



Source: Sales in 2012, Americas Market Intelligence

Major Latin American Landscape

- Brazil keeps lifting its healthcare expenditure, accounting for Latin American pharma sales of 45% and expected to become the global 5th largest pharm market soon
- Mexico, as the region's 2nd largest market, bridges the well-established and emerging markets in Americas. Mexico's expansion in healthcare coverage triggers the demand for generic drugs, with 70% penetration
- Argentina actively promotes its pharmaceutical industry, which exports finished and semi-finished drugs to over 115 countries, mainly to the US, EU and Brazil

Growing Customer Base in Latin America

- ScinoPharm reaching out new business along with big pharma customers' M&As, cultivating over 10 domestic customers by 2015
- Sales in Latin America has grown 90% in 2015 from 2014 and is expecting a significant growth continuously
- Both Tainan and Changshu sites passed GMP inspection by Mexican regulatory agency COFEPRIS
- Aim to be a vital API supplier to the high-end oncology generic and brand name drugs in Latin America



Questions

&

Answers



Brand Quality with Asian Advantages

www.scinopharm.com