ScinoPharm Taiwan, Ltd.

Ticker: TWSE 1789

ScinoPharm Management Presentation

Fourth Quarter 2016 Investor Conference

February 15, 2017

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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 established in Taiwan and expanding in China with a new GMP plant in Changshu & marketing base in Shanghai
- 72 generic APIs in current portfolio with 25 APIs launched; 53 US DMFs filed (753 DMFs WW), 32 US DMFs in oncology APIs. 100+ NCE CRAM projects, with 5 APIs launched and 5 in phase III for NDA filing in 1-3 years
- Fully compliant with world-class cGMPs and international regulatory requirements; Certified by US FDA, EMA, EDQM, Australian TGA, Japanese PMDA

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World Class API Facilities

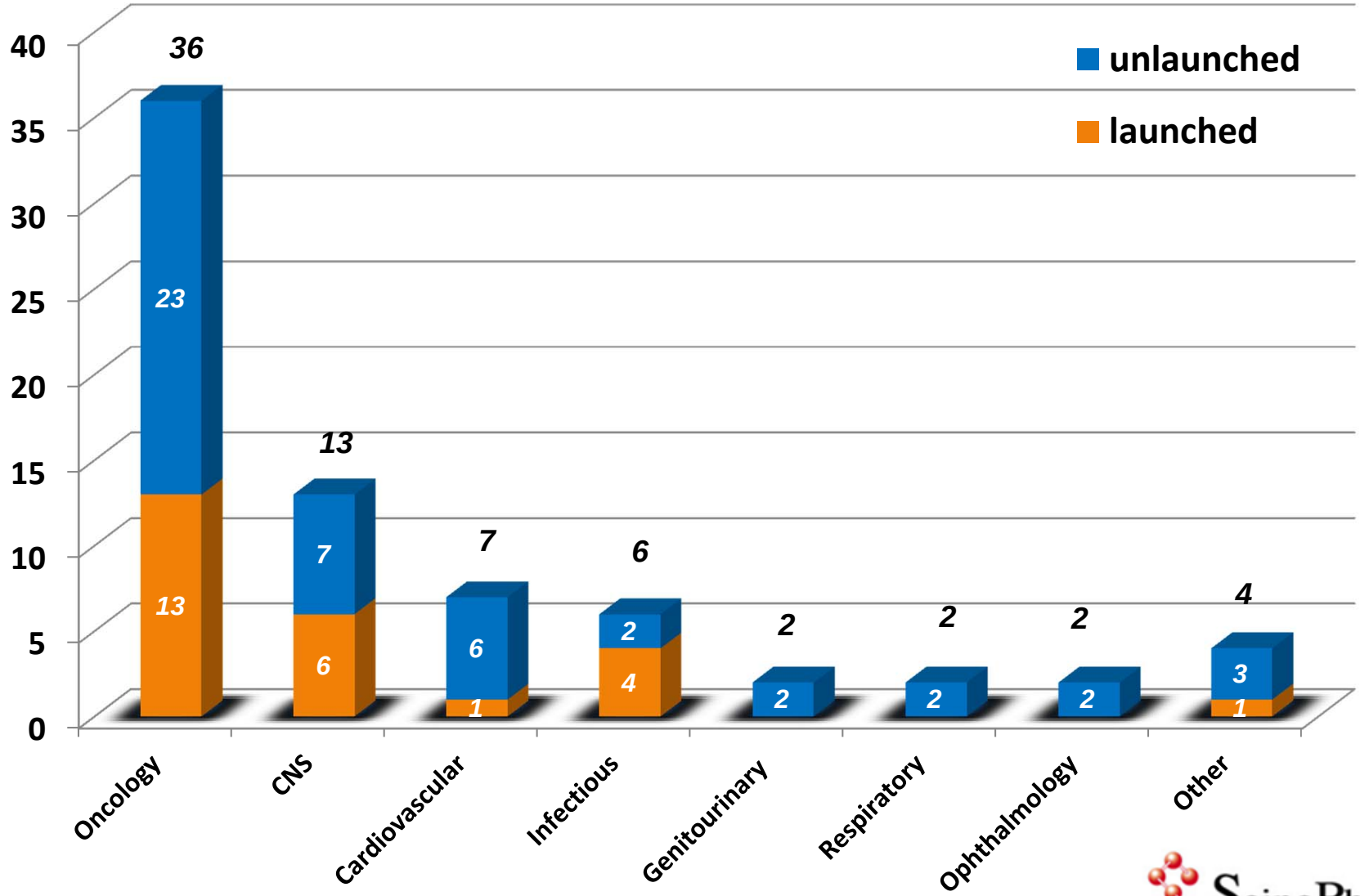
Taiwan

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

China

- 6.7 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 API
- Full scope capabilities in the development and production of APIs on small to large scales for generic & CRAM markets
- Global market including China

Strong Generics Product Portfolio



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

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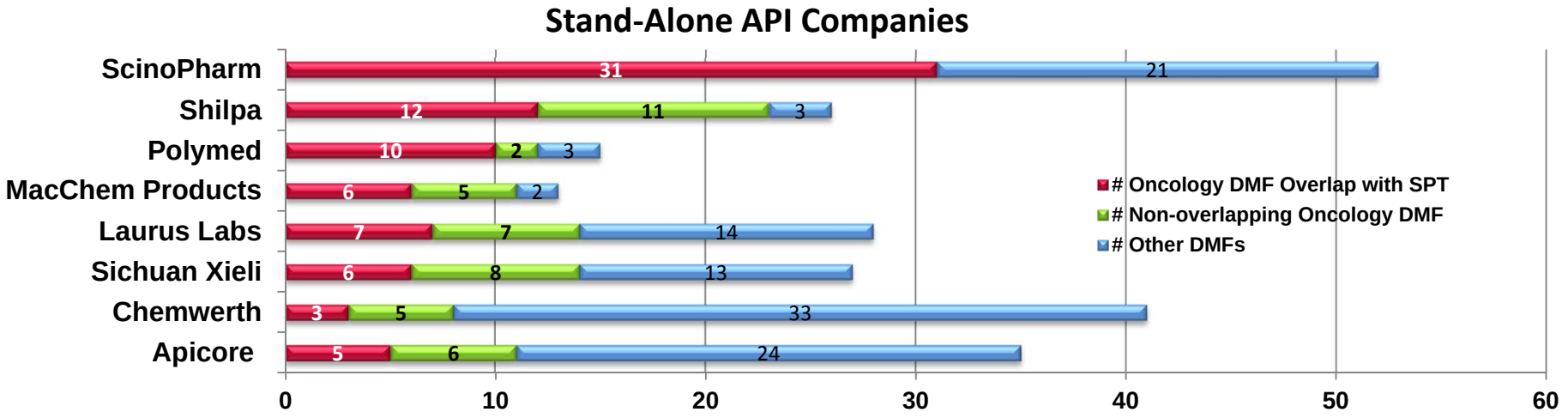
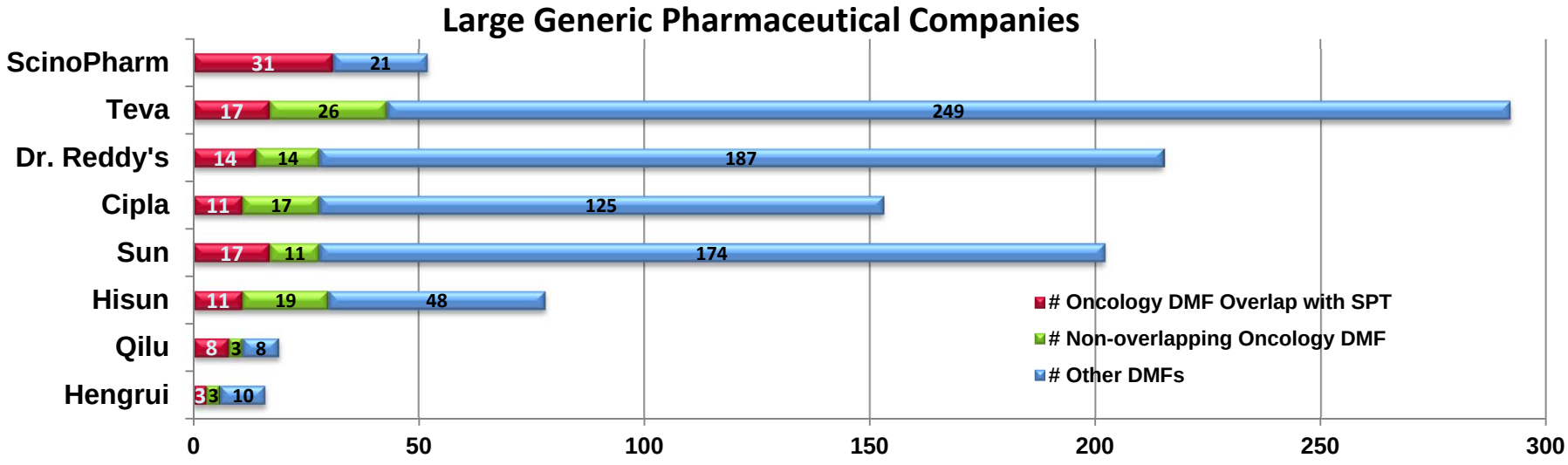
ScinoPharm - Oncology API Leader





Source: US FDA DMF Q3 2016 database

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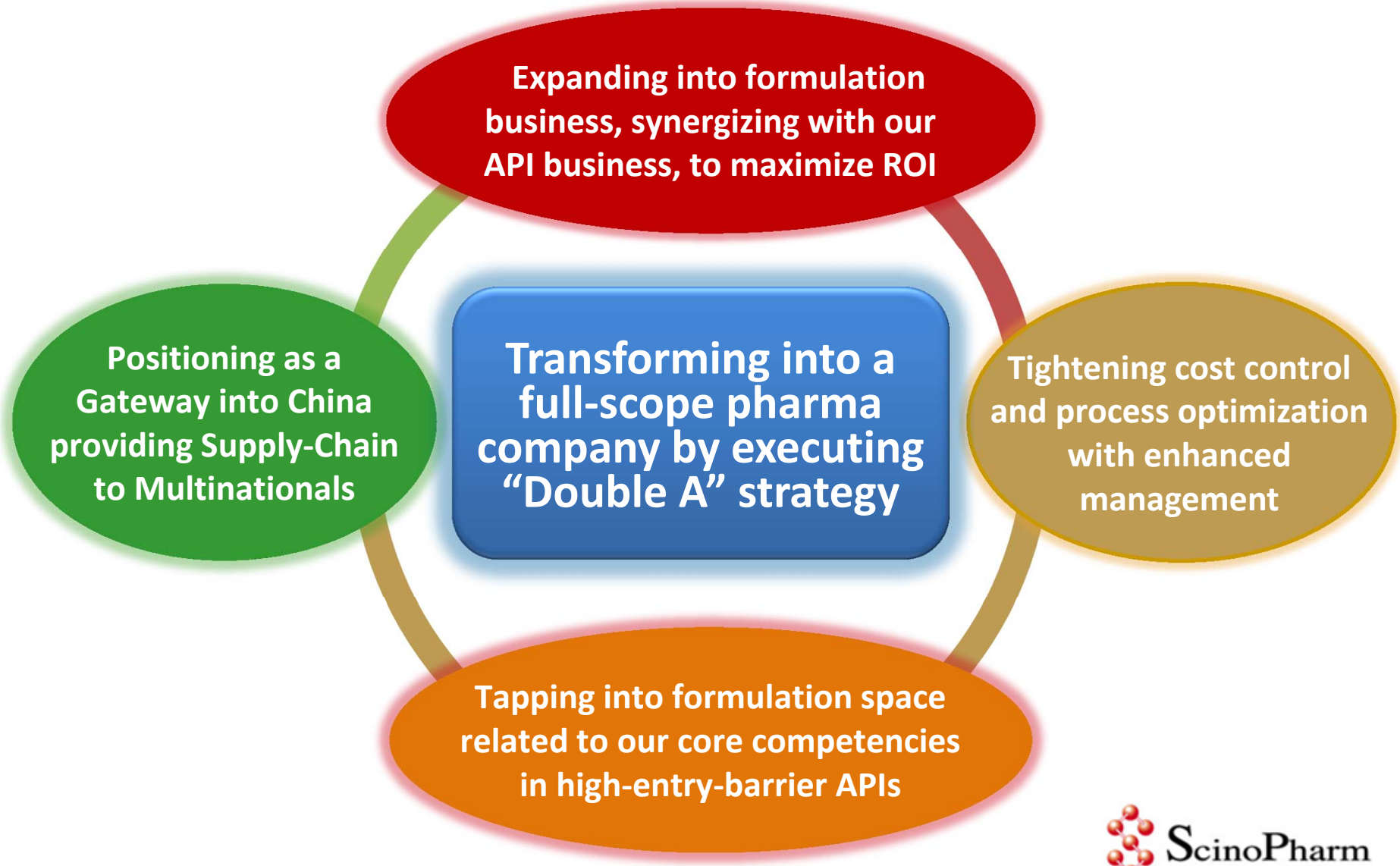
We are Transforming our Company



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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

Financial & Operating Results in Q4, 2016 & FY2016

Quarterly P&L - Consolidated

In NT$ million, except for EPS	4Q,'16 (Unaudited)	3Q,'16 (Reviewed)	4Q,'15 (Audited)	QoQ	YoY
Operating Revenue	1,002	992	* 1,030	*1%*	*-3%*
Gross Profit	444	466	514	*-5%*	*-14%*
Gross margin	*44%*	*47%*	*50%*		
Operating Expenses	(234)	(233)	(250)	*0%*	*-7%*
Operating Income	210	233	264	*-10%*	*-20%*
Operating margin	*21%*	*24%*	*26%*		
Other Rev. (Exp.)	3	(26)	(32)	*-110%*	*-108%*
Net Income before Tax	213	207	232	*3%*	*-8%*
Net Income after Tax	147	166	195	*-11%*	*-25%*
Net margin after tax	*15%*	*17%*	*19%*		
EPS (after tax)	0.19	0.22	0.26		

* Around 25% of operating revenues come from Vilazodone, used in the treatment of major depressive disorder

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Profit & Loss - Consolidated

In NT$ million, except for EPS	FY 2016 (Unaudited)	FY 2015 (Audited)	YoY
Operating Revenue	4,031	3,955	*2%*
Gross Profit	1,806	1,677	*8%*
Gross margin	*45%*	*42%*	
Operating Expenses	(938)	(927)	*1%*
Operating Income	868	750	*16%*
Operating margin	*22%*	*19%*	
Other Rev. (Exp.)	(57)	* 53	*-208%*
Net Income before Tax	811	803	*1%*
Net Income after Tax	659	635	*4%*
Net margin after tax	*16%*	*16%*	
EPS (after tax)	0.87	0.84	*4%*

* One-time capital gains in 2015 of NT$95 MM is a result of the equity swap with Foresee. Without this item, the Net Income after Tax YOY % would be 19%.

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Balance Sheet- Consolidated

In NT$ million	2016/12/31 (Unaudited)		2015/12/31 (Audited)	
Cash and Cash Equivalents	3,707	*29%*	2,336	*19%*
Accounts Receivable	638	*5%*	867	*7%*
Inventories	1,830	*18%*	2,169	*18%*
Long-Term Investments	364	*3%*	339	*3%*
Property, Plant & Equipment	5,209	*42%*	5,171	*42%*
Other Current/Non-Current Assets	1,035	*11%*	1,340	*11%*
Total Assets	12,783	*100%*	12,222	*100%*
Current Liabilities	1,692	*13%*	2,275	*18%*
Long-Term & Other Liabilities	863	*7%*	90	*1%*
Stockholders' Equities	10,228	*80%*	9,857	*81%*

Cash Flows- Consolidated

In NT$ million	FY 2016 (Unaudited)	FY 2015 (Audited)
Cash and cash equivalents at beginning of period	2,336	1,928
Cash flows from operating activities	1,659	764
CAPEX	(437)	(582)
Short-term borrowings	(720)	402
Long-term borrowings	803	-
Cash Dividends	(219)	(141)
Others	285	(525)
Cash and cash equivalents at end of period	3,707	1,846
Free Cash flow	1,222	388

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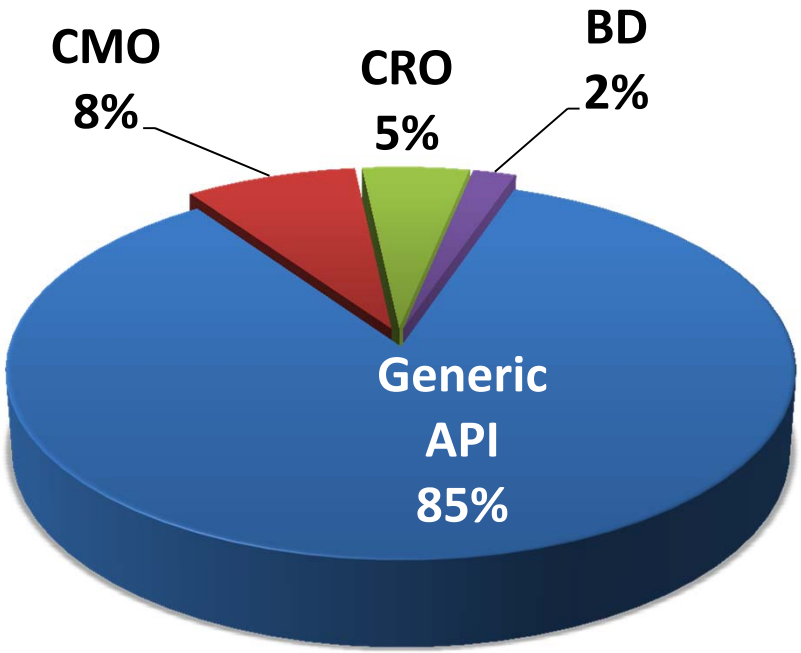
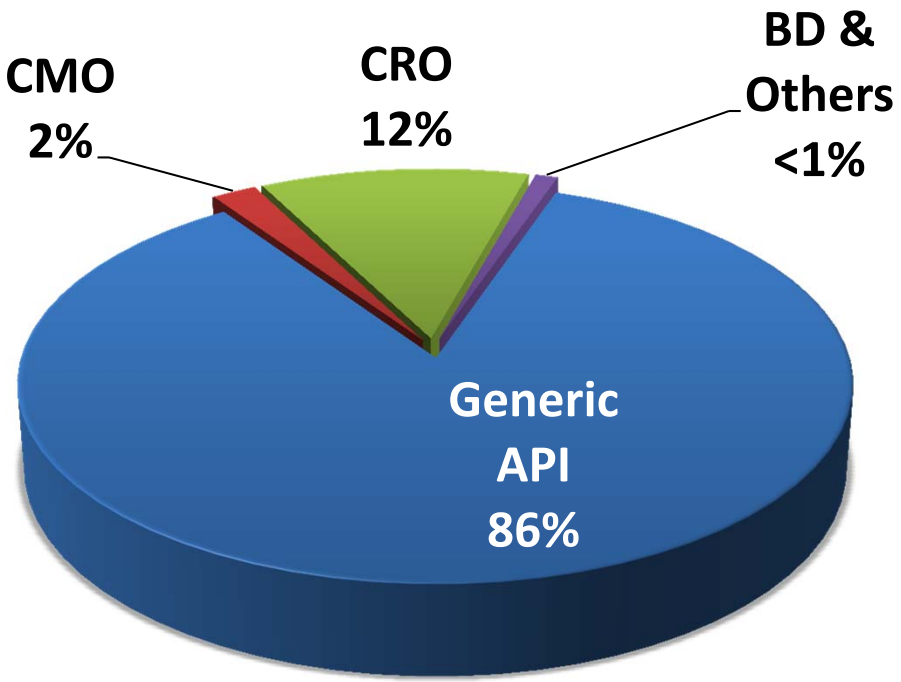
Sales by Business

FY2015



FY2016



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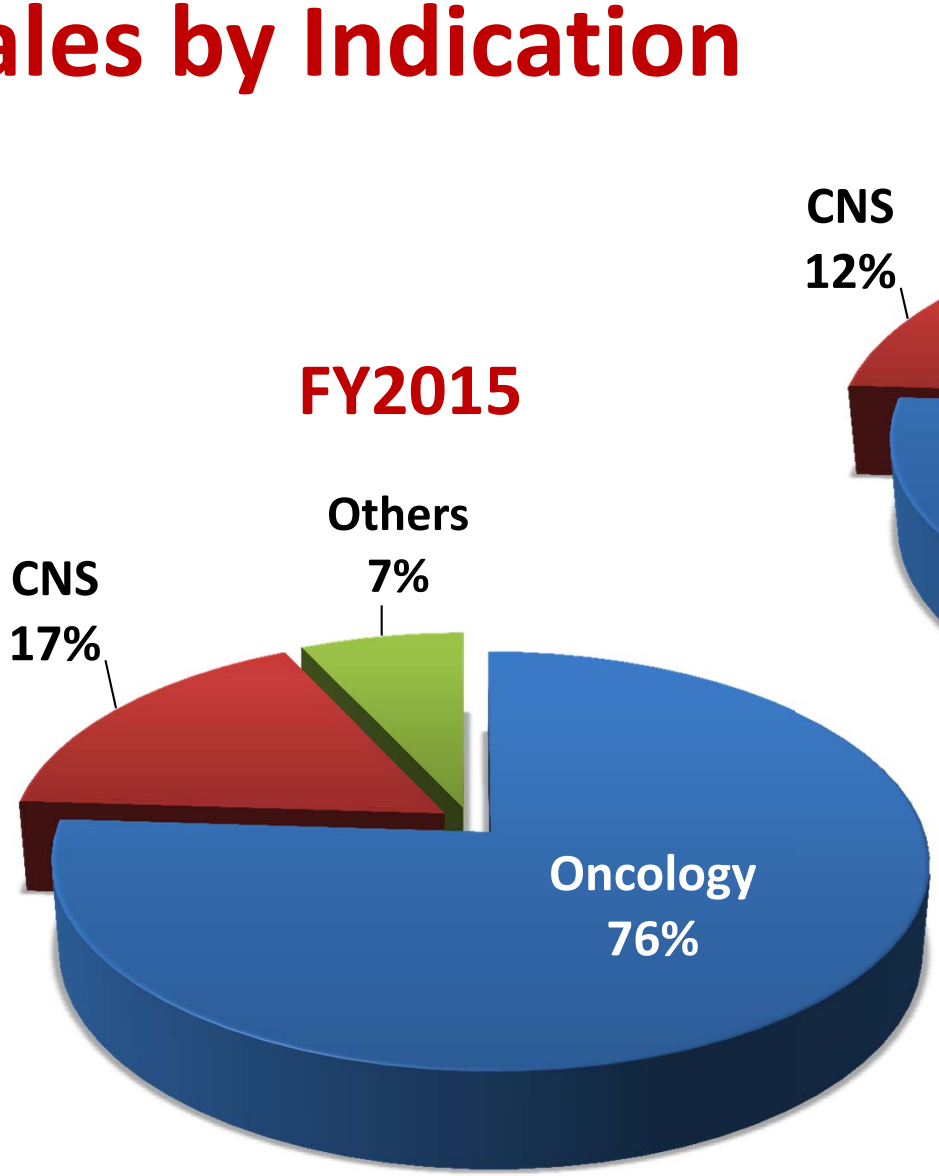
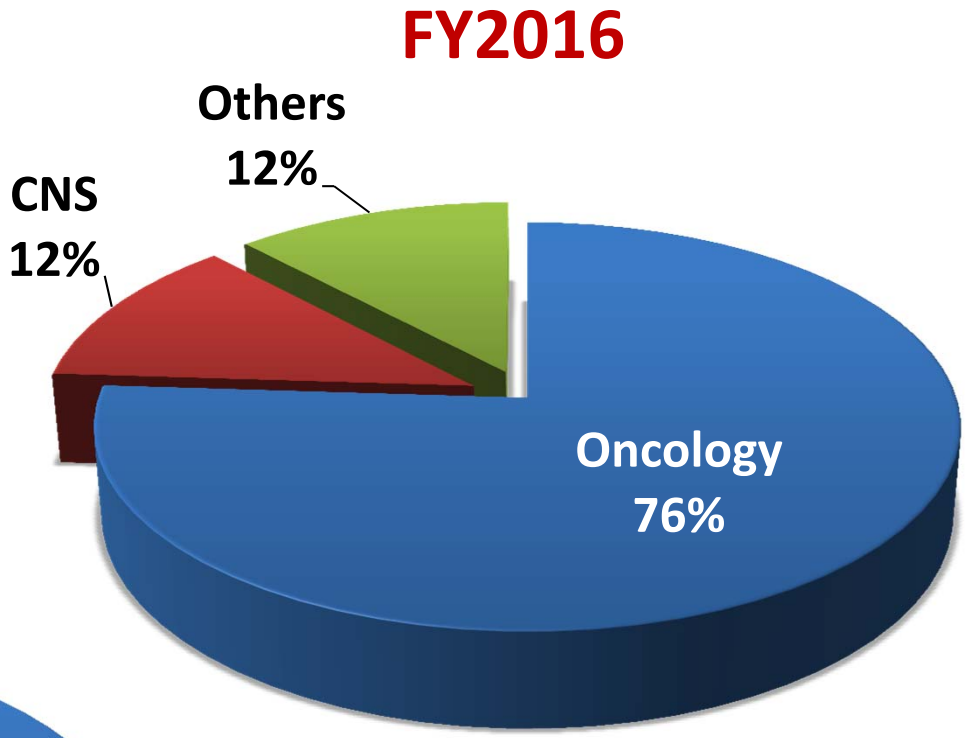
Sales by Indication





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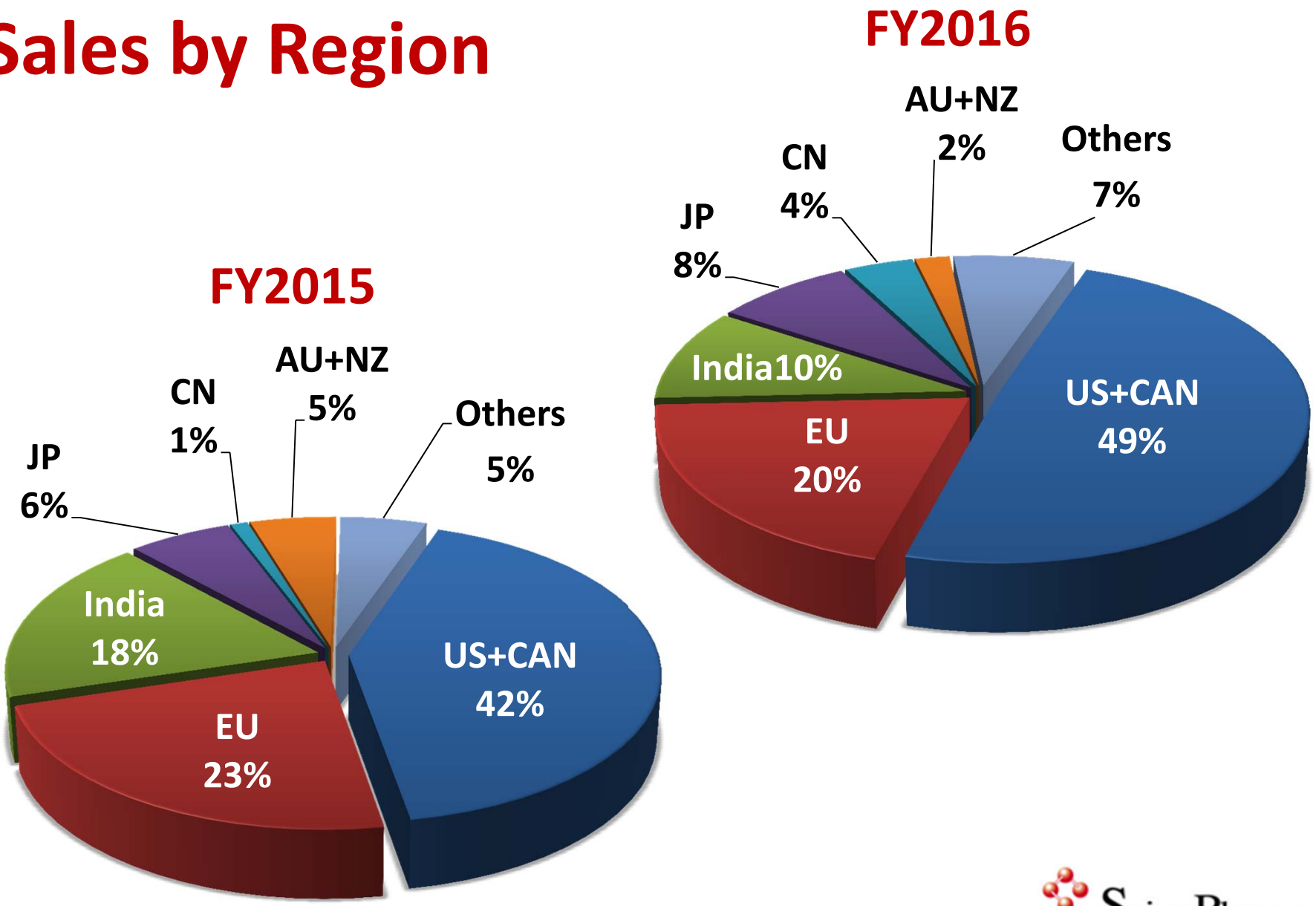
Sales by Region



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Business Updates

Business Growth Drivers

- **CRAM has promising development potential in the next three years**
  - Focus on small-molecule targeted therapies and CNS agents based on new mode of action
  - Provide integrated service from API to formulation for niche injectables

- **Active development of Chinese and Japanese market**
  - Target projects to utilize capacity and accelerate growth for Changshu site
  - Develop partnership with major Japanese pharmaceutical companies and international pharmaceutical groups with Japan-based operation site

- **Deploying the network of development, production and distribution of injectable products**
  - Build partnerships to speed up the momentum of vertical integration
  - Achieve critical mass workforce for in-house injectable plant facility

- **Continue optimizing existing generic APIs**
  - Maintain the market share and profit of the top 5 marketed products

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Trend of New Oncology Agents

The development of genomics and molecular biology sheds light on new concepts of cancer therapy

- Cancer was regarded as a single disease and was primarily managed by killing cancer cells with high dose of cytotoxic substances (chemotherapy or radiotherapy).

- With the understanding individual genomic variance, immunity integrity, and tumor development, more mechanisms have been developed to provide high specificity agents with less toxicity. The control of tumor growth and progression can be tailored to individual conditions.

- Oral small-molecule targeted chemotherapy is currently one of the primary areas of novel anti-cancer agents.

CRO Phase III Product Portfolio

* Already Filed

Code	Est. NDA Filing Year	Indication	Region	*Regional Sales	Remarks
A	2016*	Infectious Disease	US / EU / Asia	$1.4 bn	Completed process validation. Anticipated launch in 2017 with demand in tons. Expected revenue of several million USD per year
B	2017	Ovarian/ endometrial Cancer	US / EU	$6.0 bn	Anticipated launch in 2018 and revenue of several million USD within 3 years
C	2018	Type I,II Diabetes	US/ EU	$2.4 bn	Intermediate project made in Changshu site. Expected revenue of several million USD per year after launch
D	2018	Advanced Hepatocellular Carcinoma	CN	N/A	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

* Source: BioMedTracker, GlobalData and DataMonitor

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CRO Phase III Product Portfolio (cont'd)

Code	Est. NDA Filing Year	Indication	Region	*Regional Sales	Remarks
E	2018	Prostate Cancer	US / EU	$2.4 bn	Started process validation. Anticipated launch in 2019 and revenue of several million USD per year
F	2018	Parkinson's Disease	US	$1.0 bn	Novel mechanism with promising demand. Anticipated launch in 2019 with demand in tons. Expected revenue of several million USD per year

CRAM business is expected to enjoy significant growth in 2017

* Source: BioMedTracker, GlobalData and DataMonitor

China and Japan Market Development

China

- Accelerate progress to create positive cash flow
- Focus on mid- to late-phase CRO projects. Current portfolio includes agents for oncology, anti-hypertension, and diabetes
- Seek generic APIs/intermediates with large demand to increase production utilization
- Develop partnerships with downstream formulation for collaborative development and registration, realizing shared profit creation

Japan

- Among 20 customers, 6 are top 10 drug firms. Less established players have exited the more concentrated market
- Encourage local generic customers to engage more in direct business
- Support Japanese companies and foreign pharmaceutical companies to enable and extend business outreach
- With the resources in Taiwan and Changshu, API supply is more flexible and can be incorporated to injectable drug product via integrated services

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Selected List of 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 / CMO	>15 projects for brain tumors, antibiotic, hypertension, ophthalmology, 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
Aslan Pharmaceuticals	CRO	Phase II clinical trial for cancer	API	China/Global
Top 5 global pharma	CRO	Phase III 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
US-based new drug company	CRO	Phase I clinical trial for sickle cell disease	API	US

Formulation Business Progress

In-house injectable plant

- On schedule to complete equipment assembly and verification, sterility verification, organization, personnel deployment and training, and cGMP system deployment for both vial and cartridge production lines
- Planned kick-off registration batch production by 2017. Expected submission of 1st in-house ANDA in 2018 and subsequent US FDA inspection approval in 2019.

Formulation and collaboration development

- 2 US ANDAs: Oncology product partnership with SAGENT, and ScinoPharm-developed Fondaparinux
- 11 co-developed and cost/profit sharing products with various partners
- Niche drugs planned with the indications of cancer, diabetes, osteoporosis, multiple sclerosis, and anti-emetics. Continue to develop strategic alliances, including ongoing discussions with international major companies for exclusive rights of distribution.

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Strategic Alliance Highlights

* Already 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	2017	1st US ANDA filing, triggering US FDA inspection in Changshu, China site
Foresee	Leuprolide	Prostate cancer	US	2019	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	2021	
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	2018	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	2021	ANDA with Paragraph IV filing / The estimated launch year is subject to litigation results.

Maintain Market Share of Existing APIs

2016 Major Products account for 65% of total sales

API	Indication	2016 MKT share*	# of US DMF/EDMF & other filings
Irinotecan HCl	Antineoplastic	42%	63
Paclitaxel	Antineoplastic	34%	57
Gemcitabine	Antineoplastic	24%	76
Exemestane	Antineoplastic	22%	44
Galantamine HBr	Antipsychotic	17%	38
Docetaxel Anhydrous	Antineoplastic	15%	69

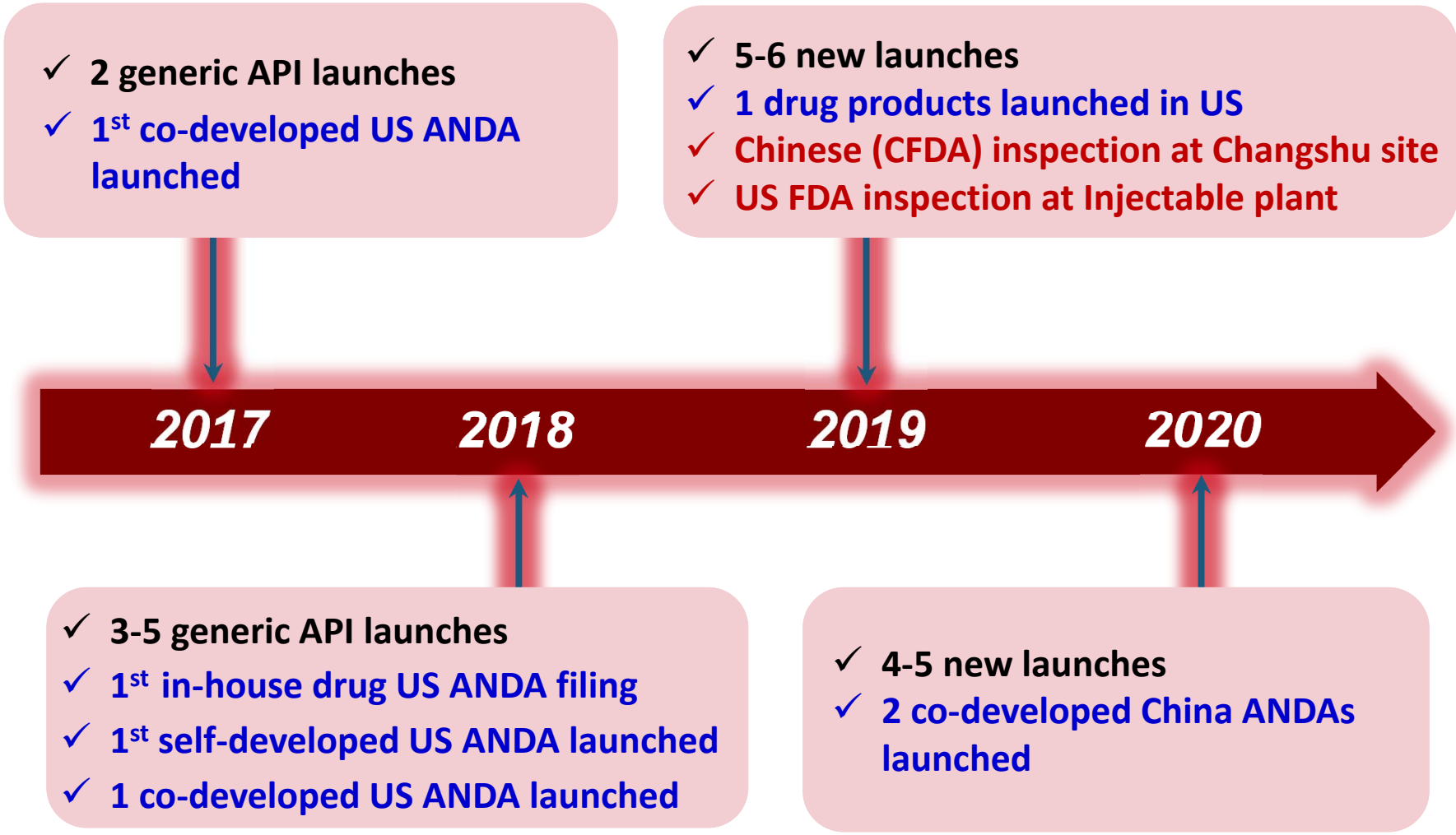
*Source: IMS data from Newport

2017 Product Launch Plan

Type	Product	Region	Indication	Brand Marketer	Regional Sales	WW Sales
Generic API	Desmopressin Acetate	USA	Polyuria	Ferring	US$166M	US$405M
Generic API	Tamsulosin HCl	USA	Benign Prostatic Hyperplasia (BPH)	Boehringer Ingelheim	US$333M	US$1706M
CMO API	Oral Product	USA EU	Antibiotics	N/A	N/A	N/A
Generic Drug	Oncology Injectable	US	Myeloid Leukemia	MDS	US$183M	US$278M

Source: IMS Data (2015Q3-2016Q2)

Pipeline Outlook



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Questions

&

Answers

Brand Quality with Asian Advantages

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