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ScinoPharm Taiwan, Ltd.
Fourth Quarter 2017 Investor Meeting

February 23, 2018

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Company Overview and Key Priorities

ScinoPharm at a Glance

- ScinoPharm specializes in high potency (steroid/cytotoxic) APIs and injectable provider, serving customers worldwide
- Facility & offices established in Taiwan and expanding in China with a new GMP plant in Changshu & marketing base in Shanghai
- 73 generic APIs in current portfolio with 25 APIs launched; 56 US DMFs filed (767 DMFs WW), 33 US DMFs in oncology APIs. 100+ NCE CRAM projects, with 6 NDAs launched and 4 in phase III
- Fully compliant with world-class cGMPs and international regulatory requirements; Certified by US FDA, EMA, EDQM, Australia TGA, Japan PMDA, Korea KFDA, Mexico COFEPRIS and Germany regulatory Authority

Driving Long Term Growth by Dual Profits

Self-Developed Products

- ✓ Target difficult-to-make (peptide)API in our portfolio
- ✓ Tap into drug product related to our API core competencies
- ✓ Target 505(b)(2) and Paragraph IV drug product via strategic alliances

Contract Services

- ✓ Provide CRO/CMO for APIs
- ✓ Offer integrated service from API to formulation for niche injectables
- ✓ Provide biologics fill & finish CMO services

World Class Facilities

Taiwan

■ API Plant

- 5 of 16 production lines equipped with high potency capabilities for cytotoxic/steroid
- Provides comprehensive contract research & manufacturing services for brand drug companies

■ Injectable Plant

- Vial and cartridge production lines for oncological and peptide products
- To meet US, EU, Japan GMP standards with adopting state-of-the-art isolator technology and single use technology for product contact path

China

■ API Plant

- 3 of 7 production lines equipped with high potency capabilities for cytotoxic
- 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
- Strategic partnerships with China clients with downstream formulations and mutually target for global and China markets

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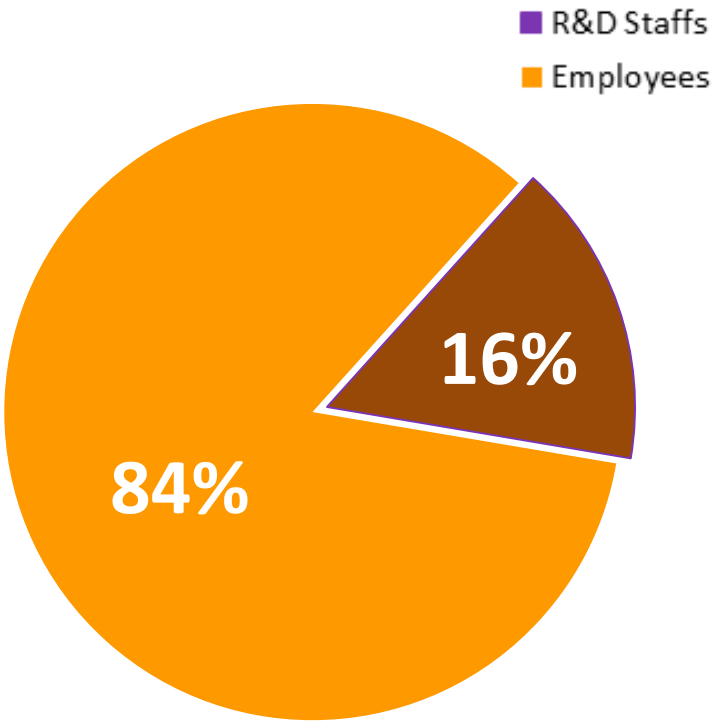
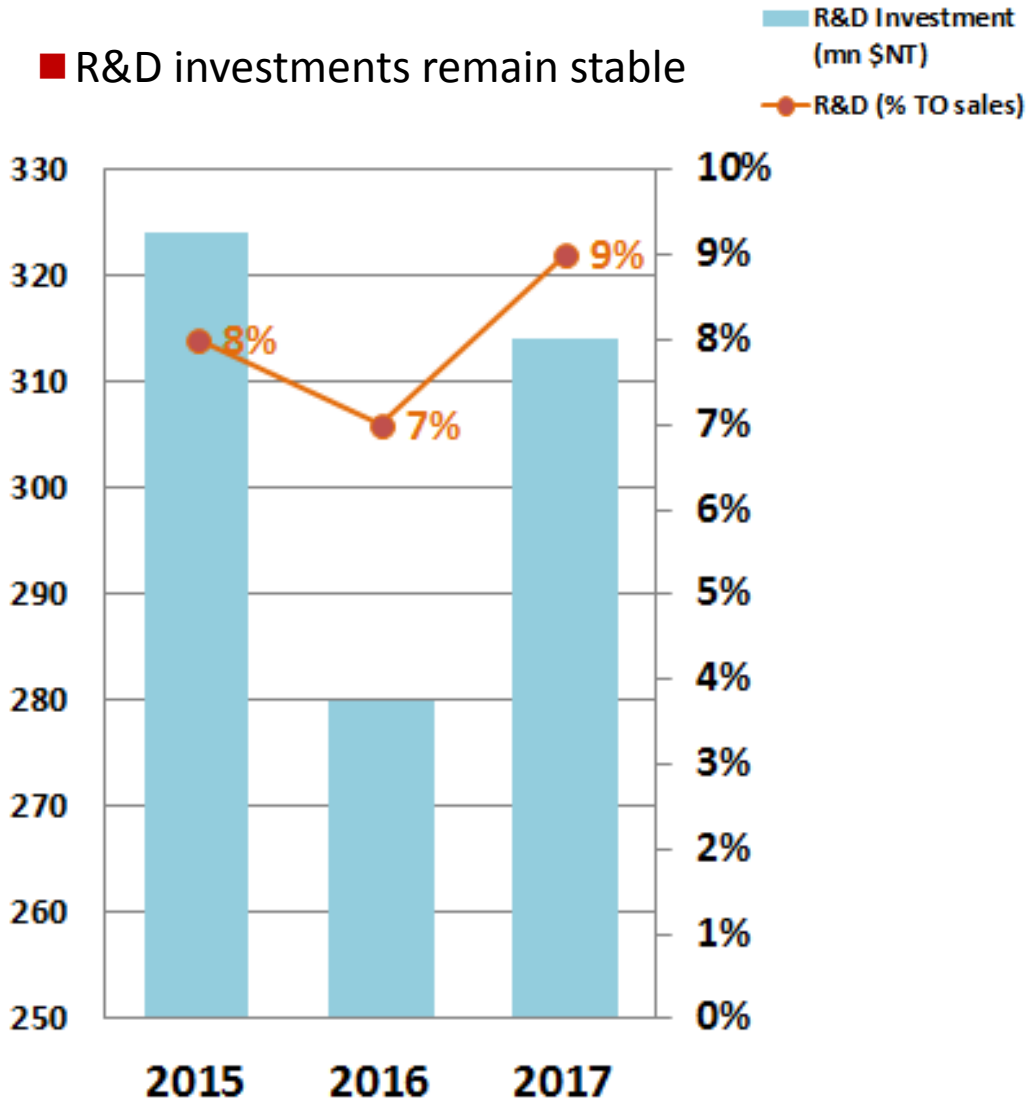
We Value Our R&D

- Strong focus on R&D with +125 experts (Ph.D:27)



- R&D investments remain stable



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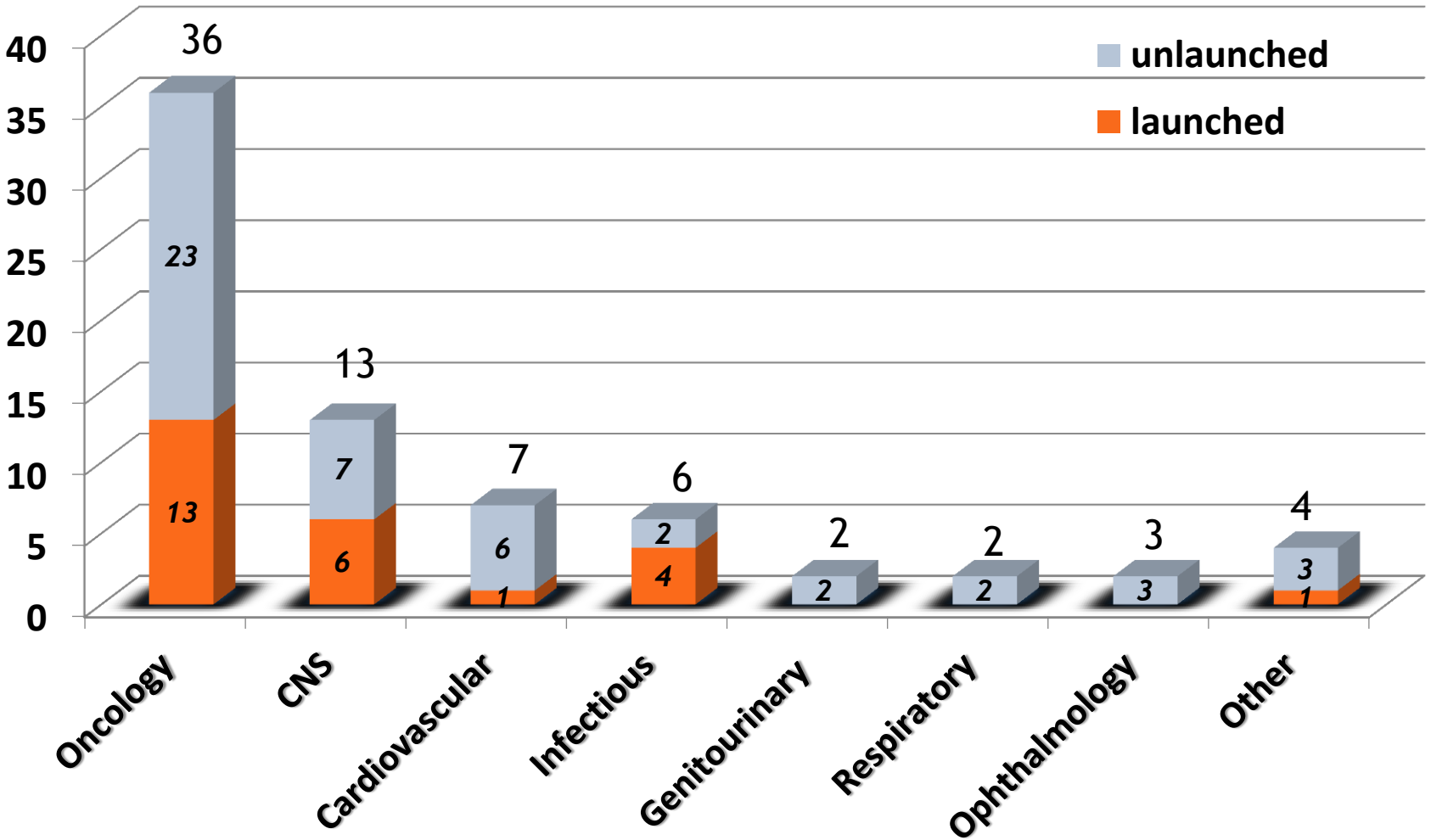
Strong API Portfolio for Generic Product



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

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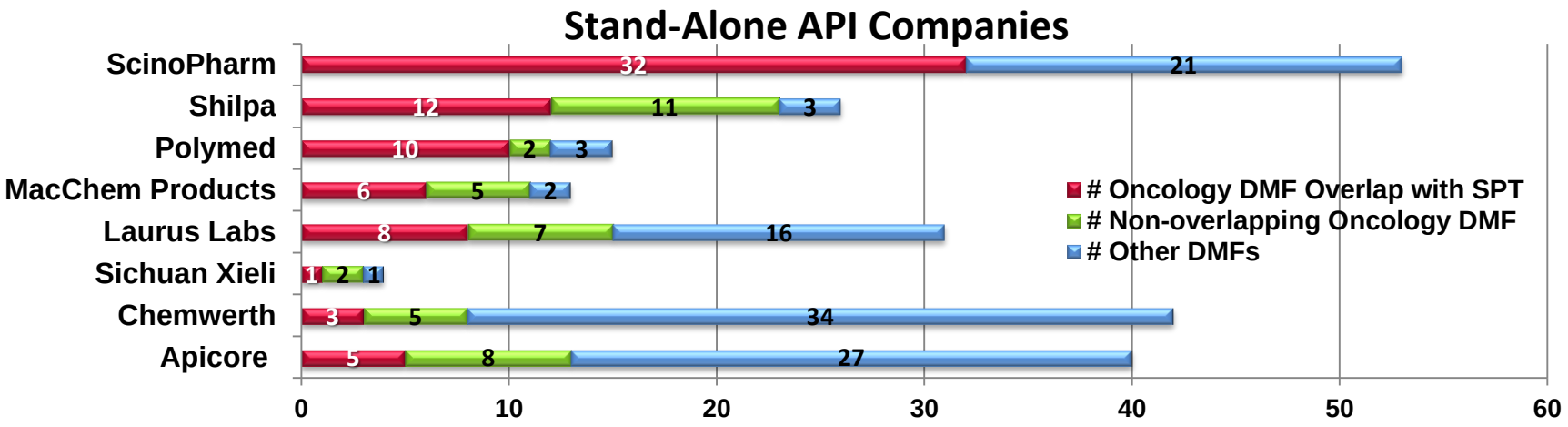
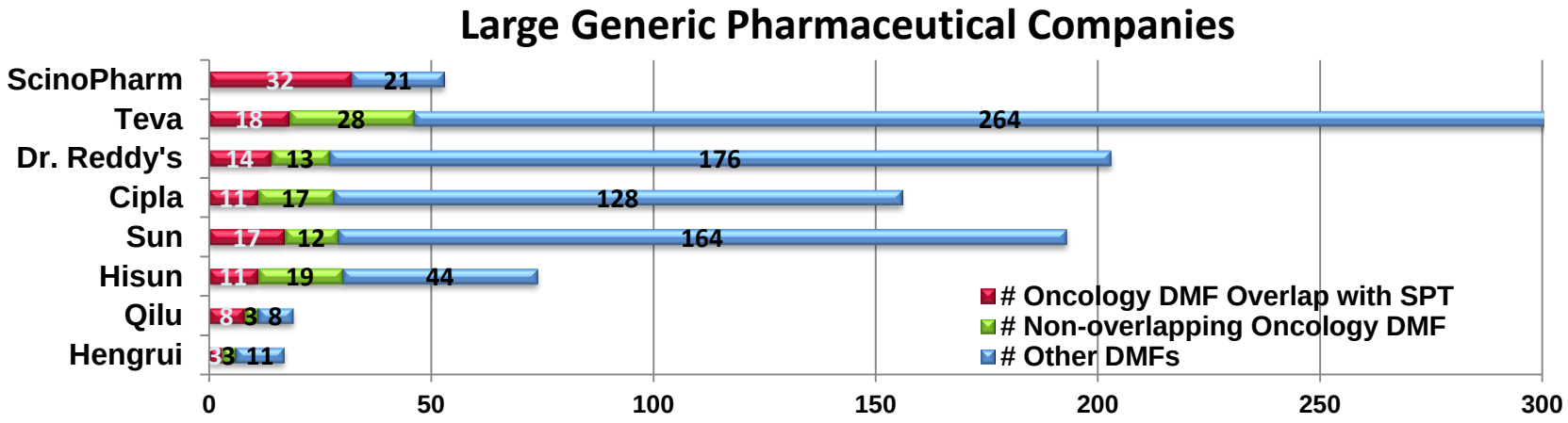
ScinoPharm - Oncology API Leader





Source: US FDA DMF Q2 2017 database

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Drug Product Pipeline-Focus on Complex Generics

Indication	Format	Enter Barrier & Advantage
Osteoporosis	Pen	Complex Drug-Device Combination
Diabetes	Pen	Complex Drug-Device Combination
Anti-thrombotic	Syringe	Complex API
Multiple Sclerosis	Syringe	Complex API
Antineoplastic	Lyo	Difficult to make API and Formulation
Anti nauseant	Lyo	Difficult to make API and Formulation
Antineoplastic	Lyo,Vial	Difficult to make API
Antineoplastic	Lyo	Difficult to make API, Complex Route of Delivery and Formulation
Antineoplastic	Lyo	Difficult to make API
Antineoplastic	Lyo,Vial	Difficult to make API
Antineoplastic	Lyo,Vial	Difficult to make API and Formulation
Antineoplastic	Vial	Existing API
Antineoplastic	Vial	Existing API
Antineoplastic	Vial	Existing API

Potential Headwinds & Tailwinds

Headwind

- Generic business continues facing negative pricing environment
- Increased consolidation among the US distribution supply chains
- More and faster ANDA approvals leading to quicker price erosion
- Fewer small molecule blockbuster drugs invented
- Impact of patent linkage and patent term extension in Taiwan

Tailwind

- Pipeline of complex generics benefits from a faster approval cycle and higher margins
- CRAMs grow faster than the pharma
- Pharmerging markets are expected to grow due to increasing geriatric population and healthcare expenditure

Focused Execution into 2018

Expanding into formulation business by synergizing with our APIs

- Complete the production of 4 registration batch drug products
- Establish partnership for self-developed drug products

Strengthening Manufacturing and Quality

- Create leaner and flexible cost structures by improving operating efficiency, RD productivity and portfolio optimization
- Comply with the modern strict environmental laws in China

Near term CRO projects pose to propel the company to next level

- Focus on targeted therapies and orphan drugs /first in class or best in class
- Provide integrated service from API to formulation for niche injectable

Continuous process optimization on our existing APIs

- Maintain market share and profits of our major products

Operating Results

Quarterly P&L - Consolidated

In NT$ million, except for EPS	Q4 2017 (Unaudited)		Q3 2017 (Reviewed)		QoQ	Q4 2016 (Audited)		YoY
Revenue	**895**	**100%**	**849**	**100%**	**5%**	**1,002**	**100%**	**-11%**
Cost of Goods Sold	(548)	-61%	(441)	-52%	-24%	(559)	-56%	2%
Gross Profit	**347**	**39%**	**407**	**48%**	**-15%**	**444**	**44%**	**-22%**
Operating Expense	(247)	-28%	(256)	-30%	3%	(234)	-23%	-6%
Operating Income	**100**	**11%**	**152**	**18%**	**-34%**	**210**	**21%**	**-53%**
Non-operating Income, Net	(23)	-3%	(25)	-3%	10%	3	0%	-928%
Income before Tax	**77**	**9%**	**127**	**15%**	**-39%**	**213**	**21%**	**-64%**
Net Income	**61**	**7%**	**107**	**13%**	**-43%**	**147**	**15%**	**-59%**
EPS (NT$)	**0.08**		**0.14**			**0.19**		

*Weighted average outstanding shares were 790.739m units in 4Q 17.

Profit & Loss - Consolidated

In NT$ million, except for EPS	FY 2017 (Unaudited)		FY 2016 (Audited)		YoY	
Revenue	**3,516**	**100%**	**4,031**	**100%**	**-13%**	(note)
Cost of Goods Sold	(1,966)	-56%	(2,225)	-55%	12%	
Gross Profit	**1,550**	**44%**	**1,806**	**45%**	**-14%**	
Operating Expense	(991)	-28%	(938)	-23%	-6%	
Operating Income	**559**	**16%**	**868**	**22%**	**-36%**	
Non-operating Income, Net	(84)	-2%	(58)	-1%	-45%	
Income before Tax	**475**	**14%**	**811**	**20%**	**-41%**	
Net Income	**422**	**12%**	**659**	**16%**	**-36%**	
EPS (NT$)	**0.53**		**0.83**			
EBITDA	**986**	**28%**	**1,294**	**32%**	**-24%**	

* Total outstanding shares were 790.739m units at 12/31/2017.

Note: 2016 vs 2017: 5.96% NTD appreciation against USD YoY

Profit & Loss (ScinoPharm stand-alone)

In NT$ million, except for EPS	FY 2017 (Unaudited)		FY 2016 (Audited)		YoY	
Revenue	**3,449**	**100%**	**3,889**	**100%**	**-11%**	(note)
Cost of Goods Sold	(1,778)	-52%	(2,041)	-52%	13%	
Gross Profit	**1,671**	**48%**	**1,848**	**48%**	**-10%**	
Operating Expense	(870)	-25%	(782)	-20%	-11%	
Operating Income	**801**	**23%**	**1,066**	**27%**	**-25%**	
Non-operating Income, Net	(313)	-9%	(244)	-6%	-28%	
Income before Tax	**489**	**14%**	**822**	**21%**	**-41%**	
Net Income	**422**	**12%**	**659**	**17%**	**-36%**	
EPS (NT$)	**0.53**		**0.83**			
EBITDA	**823**	**24%**	**1,178**	**30%**	**-30%**	

* Total outstanding shares were 790.739m units at 12/31/2017.

Note: 2016 vs 2017: 5.96% NTD appreciation against USD YoY

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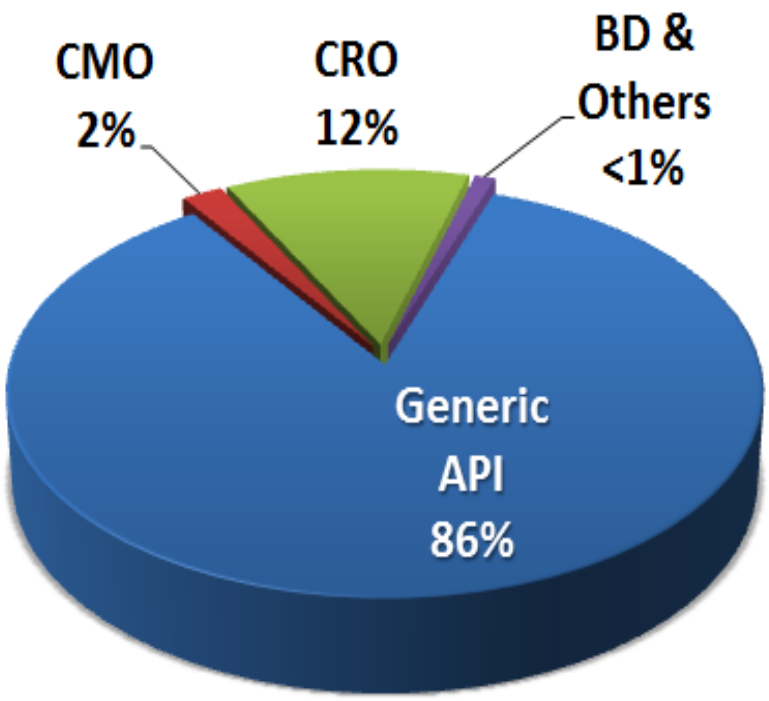
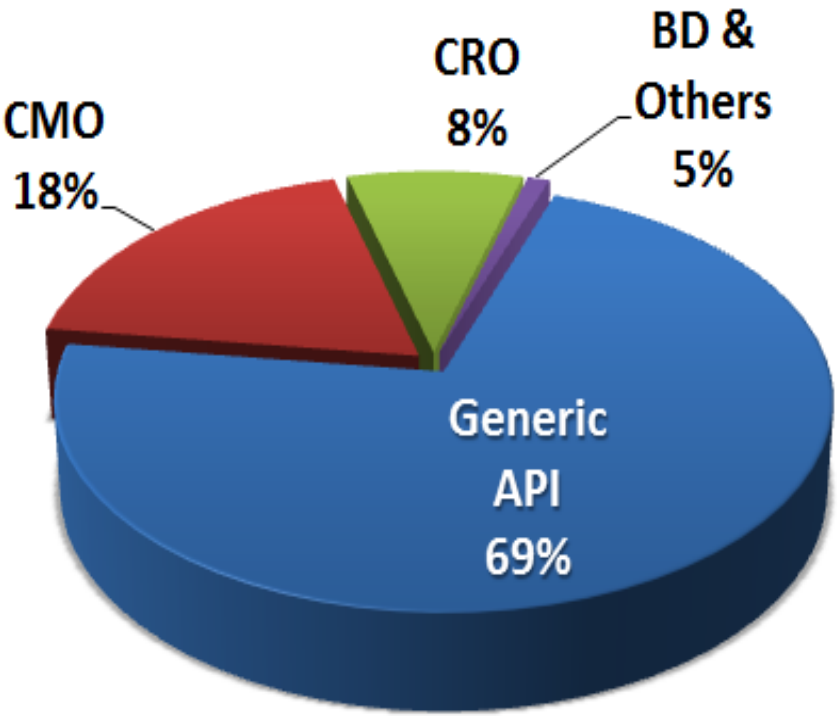
Sales by Business

FY2016



FY2017



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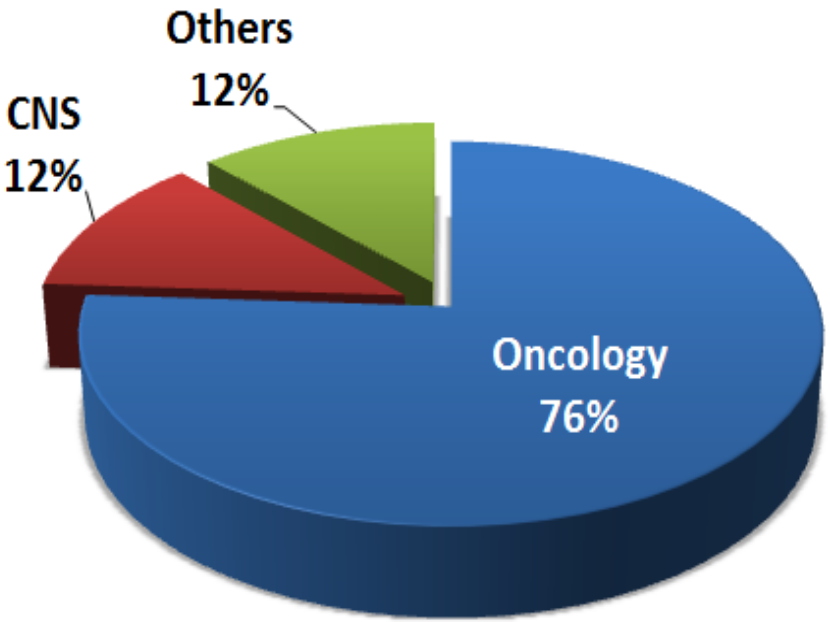
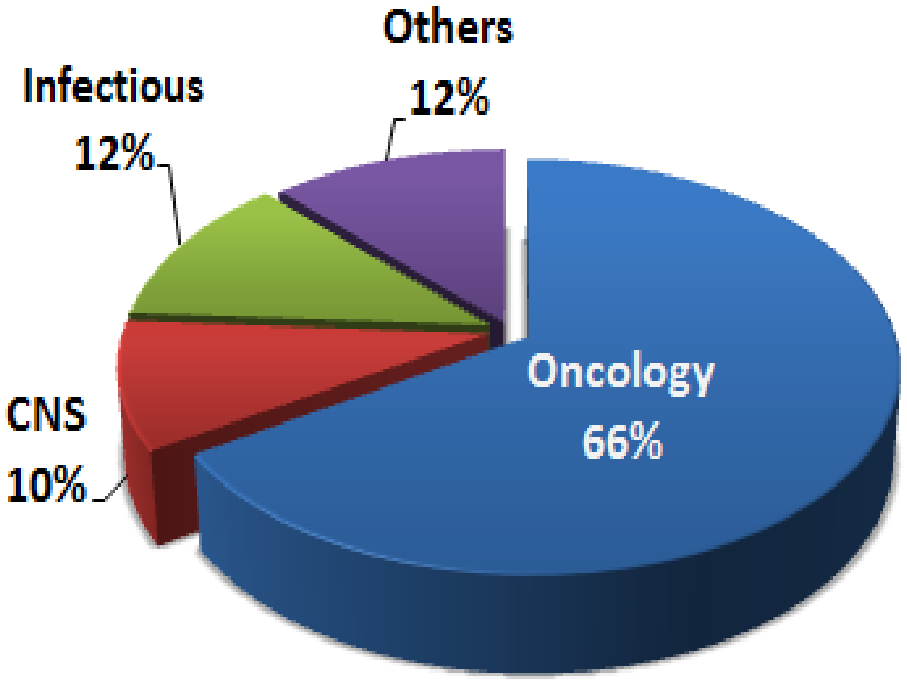
Sales by Indications

FY2016



FY2017



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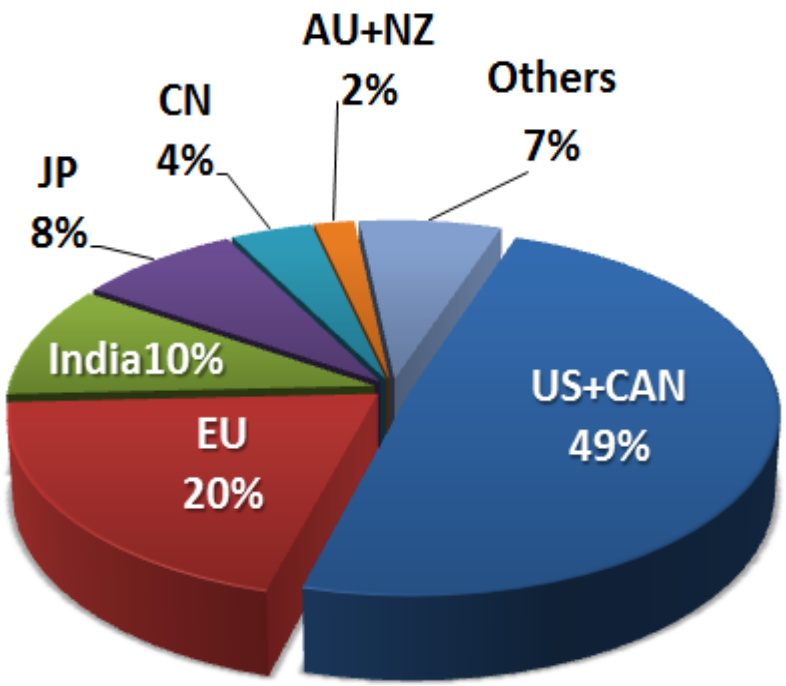
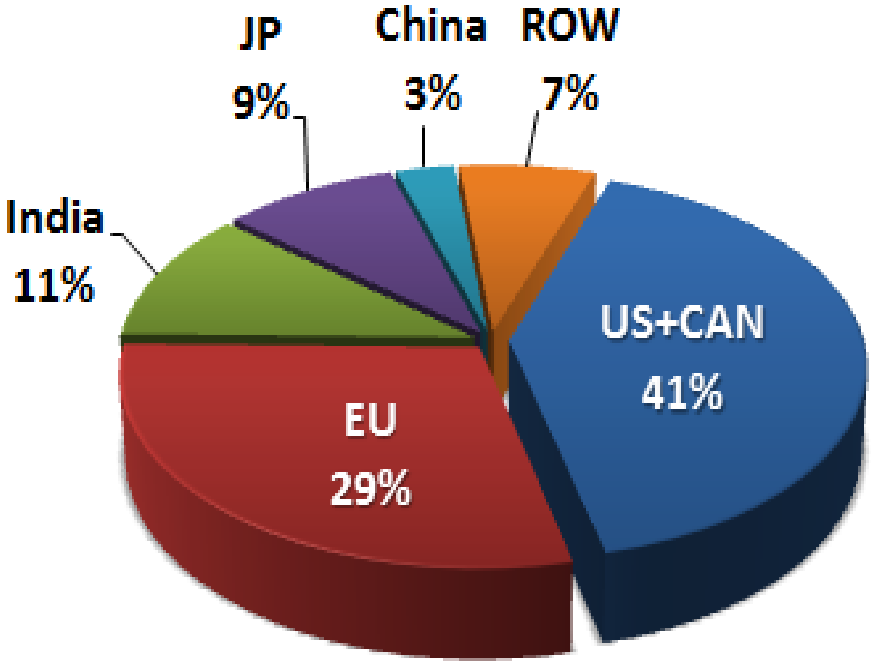
Sales by Region

FY2016



FY2017



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Balance Sheet- Consolidated

(In NT$ million)	2017/12/31 (Unaudited)		2016/12/31 (Audited)	
Cash and Cash Equivalents	3,911	31%	3,707	29%
Accounts Receivable	567	4%	638	5%
Inventories	1,675	13%	1,830	14%
Long-Term Investments	391	3%	364	3%
Property, Plant & Equipment	5,089	40%	5,209	41%
Other Current/Non-Current Assets	1,068	9%	1,035	8%
Total Assets	**12,701**	**100%**	**12,783**	**100%**
Current Liabilities	1,115	9%	1,692	13%
Long-Term & Other Liabilities	1,169	9%	863	7%
Total Liabilities	**2,284**	**18%**	**2,555**	**20%**
Total Shareholders' Equities	**10,417**	**82%**	**10,228**	**80%**
Key Indices				
A/R Turnover (Days)	***65.6***		***71.6***	
Inventory Turnover (Days)	***434.5***		***405.6***	
Current Ratio (x)	***5.8***		***3.9***	
ROE (%)	***4.1***		***6.6***	

Cash Flows- Consolidated

(In NT$ million)	FY 2017 (Unaudited)	FY 2016 (Audited)
From Operating Actavities	**972**	**1,665**
Profit before tax	475	811
Depreciation & Amortization	434	447
Net change in working capital	209	449
From Investing Actavities	**(437)**	**(202)**
Capital expenditure	(402)	(447)
From Financing Actavities	**(314)**	**(138)**
Short-term loans	(584)	(720)
Long-term loans	518	803
Cash dividends	(228)	(219)
Net Change in Cash	**204**	**1,371**
Beginning Balance	**3,707**	**2,336**
Ending Balance	**3,911**	**3,707**
Free Cash Flow	*570*	*1,218*

Business Highlights and Company Outlook

Focusing on Weathering Near-Term Headwinds While Positioning for Long-Term Growth

2017

- Challenging generic market conditions, leading to price erosion and volume decline
- Gained some, lost some in CRAM business
- China site still faced a financial loss
- Focused on cost reductions and portfolio optimization

2018

- Industry headwinds expected to continue
- Sales from CRAM projects are expected to boost
- Speed up momentum of downstream integration strategy by establishing alliance with partner
- Aggressively expand formulation products
- Further cost reductions and portfolio optimization
- Accelerate progress to create positive cash flow for Changshu site

2019 and beyond

- Market conditions expected to improve
- Continue investment in growth opportunities
- Maintain high level of quality and compliance
- Strong pipeline to drive growth from:
  - CRAM business
  - Drug products business

Building Capability to Deliver Injectable Growth

- Developing dossiers per our high-entry-barrier APIs to increase value proposition in the supply chain
- Building a pipeline of complex and difficult to make generic injectable products
- Significant investment in injectable R&D in the next few years
- Quality driven, diversified manufacturing operations
- Promoting our formulations via strategic alliance, especially in China and US
- Acquiring critical resources via M&A

Expected > 15 drug product launched in the next 5 years

Introducing 3 to 4 drug products per year in our pipeline

2018 In-House Injectable Plant Progress

First Half

- ✓ Complete equipment/ sterility verification and cGMP system deployment for both vial and cartridge production lines
- ✓ Complete registration batch production for liquid solution/lyophized powder/prefilled-syringe and pen decvece

Second Half

- ✓ Kick-off registration batch production for other products and offering CMO services for both brand and proprietary drugs
- ✓ Expected submission of 1st in-house produced ANDA
- ✓ Taiwan FDA on-site inspection

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	2018	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
Lee's Pharma	Fondaparinux	Anti-thrombotic	China	2022	Co-development collaboration
	Travoprost &Bimatoprost	Glaucoma	China	2022	
Nanjing King Friend	Regadenoson	Stress agent for heart scan	China	2021	Co-developed formulation in China
US partner	Project A	Non-small cell lung cancer	US	2018	US NDA 505(b)(2) / 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
Baxter	5 niche injectables	Anti-cancer & antinauseant	US/EU	2020& continuing thereafter	Baxter has the right to add up to 15 additional injectable products for collaboration
Indian Int'l partner	Fondaparinux	Anti-thrombotic	US/EU	2018	1st self-developed US ANDA submitted . Executive right for marketing & sales

CRAM Business Gaining Momentum

- CRAM business is on track to regain growth momentum
- Sales from CMO will be boosted by Melinta's newly launched **Baxdela™** , indicated for acute skin infections (ABSSSI), and other shipment by the CRO projects
- **Baxdela™** , expected to become top 5 products in 2018, is designated as a qualified infectious disease product (QIDP)and enjoys a five-year extension of any non-patent exclusivity period
- More indications on the way for **Baxdela™** include Serious Community-Acquired Bacterial Pneumonia (CABP) in Phase III and Complicated Urinary Tract Infections (CUTI) in Phase I
- Four CRO projects in Phase III trials are expected to file NDAs in 2018/2019 and if successful could result in the drugs being launched in 2019/2020 with incremental sales

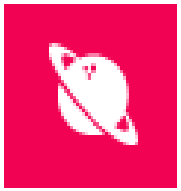
CRO Phase III Products Portfolio

NDA Filing Year (E)	Indication	Region	Remarks
2018	Type I,II Diabetes	US/ EU	Intermediate project made both in Changshu & Taiwan sites. Expected revenue of several million USD per year after launch
2018	Advanced Hepatocellular Carcinoma, Myelofibrosis, Autoimmune disease	CN	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
2018	Prostate Cancer	US / EU	Started process validation. Anticipated launch in 2019 and revenue of several million USD per year
2019	Familial Adenomatous Polysis	US / EU	API project made both in Taiwan & Changshu sites. Anticipated launch in 2020 with demand in tons to tens tons

China Market Dynamics

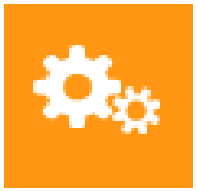
- China has paved the way for integration with global standard and move up to key positions in value chain, requiring dedication to quality and innovation
- Tightened GMP, Environment/Health/Safety laws and drug license approval process significantly raise the cost structure
- Full Market Authorization Holder (MAH) rolled out creating a sizable demand in high-quality CDMO services
- Reduction of application backlog and review timeline acceleration for NDA and China+US dual-track drug filing

ScinoPharm Changeshu
- Capturing Chinese Growth on Multiple Fronts



Position as a gateway into China providing supply-chain to MNCs

Adopt dual-track drug filing process in China and the US



Seek generic APIs or intermediates with large demand to increase production utilization

Focus on mid- to late-phase CRO projects. Current portfolio includes agents for oncology, anti-hypertension, and diabetes

Tighten cost control and process optimization with enhanced management

As the back up site for generic API after the Implementation of patent term extension

Maintain Market Share of Existing APIs

- 2017 Major Products account for 50 % of total sales

API Product	Indication	MKT share*	# of US DMF/EDMF & other filings
Irinotecan HCl	Antineoplastic	37%	64
Exemestane	Antineoplastic	25%	46
Paclitaxel	Antineoplastic	21%	60
Gemcitabine	Antineoplastic	17%	76
Docetaxel Anhydrous	Antineoplastic	15%	72

*Source: IMS data from Newport

2018 Product Launch Plan

Type	Product	Region	Indication	Brand Marketer	Regional Sales	WW Sales
Generic API	Tamsulosin HCl	CN	Benign Prostatic Hyperplasia (BPH)	Boehringer Ingelheim	US$97MM	US$1,652.8MM
Generic API	Flumazenil	JP	Reversal of Conscious Sedation and General Anesthesia	Roche	US$13.5MM	US$76.1MM
Generic API	Capecitabine	JP	Antineoplastic	Roche	US$122MM	US$834.7MM
Generic Drug	Oncology Injectable	US	Myeloid Leukemia	MDS	US$175.9MM	US$284.4MM
Generic Drug	Fondaparinux	US	Anti-thrombotic	Mylan	US$75.1MM	US$194.9MM

Source: IMS Data (2016Q3-2017Q2)

Pipeline Outlook Timeline

- ✓ 3 generic APIs launched
- ✓ 3 in-house drug ANDAs filed
- ✓ 1st BD & 1st self-developed US ANDA launched
- ✓ 3 NDAs filed by CRAM customers

- ✓ 5-7 generic APIs launched
- ✓ 1 BD US ANDA launched
- ✓ 3 APIs by CRAM customers launched
- ✓ US FDA inspection at Injectable plant
- ✓ CFDA inspection at Changshu site

- ✓ 5-7 generic APIs launched
- ✓ 2 co-developed China ANDAs
- ✓ 3 APIs by CRAM customers launched

- ✓ 6-8 generic APIs launched
- ✓ 3 BD & 1 self-developed ANDA launched
- ✓ 5 APIs by CRAM customers launched

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Four Key Pillars to Achieve Strategic Roadmap

BUILD
strong pipelines of complex drug products / APIs and expand geographic presence

1

CONTINUE
to drive transformation and operational excellence through leadership, people and culture

2

FOSTER
partnership and collaboration to increase value and capture untapped opportunity

3

FOCUS
long term value creation for our shareholders

4

Brand Quality with Asian Advantages

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