



ScinoPharm Corporate Presentation

TWSE 1789



ScinoPharm

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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 capitalization around US\$1.9 billion
- Major investors including 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.
- Specialized in high potency (cytotoxic, steroid) & injectable APIs (Active Pharmaceutical Ingredient)
- Expanding in China with a cGMP plant in Changshu & a marketing base in Shanghai



Mission

- Maintain dominant position in Specialty APIs for generic market
- Provide API custom synthesis services to new drug & brand companies
 - Process R&D and clinical supplies leading to future contract manufacturing opportunities of new chemical entities (“NCEs”)
 - Contract manufacturing of commercialized new drugs
- Supplying small molecules and peptides
 - High potency
 - High technological barriers
 - IP-protected and GMP-complied processing



Major Milestones

- 1997 ScinoPharm Taiwan, Ltd. established
- 2000 **CGMP production began in small-scale units**
- 2001 Passed first US FDA site inspection at Taiwan manufacturing site
Established ScinoPharm Kunshan in China and ScinoPharm Biotech
- 2003 First generic API supplied for commercial launch in the U.S.
- 2005 **First NCE API supplied for commercial launch in Europe**
Passed second US FDA site inspection
Awarded the Entrepreneurial Company Award by Frost & Sullivan
- 2007 Passed Australian TGA site inspection in Taiwan
- 2008 **Passed US FDA, Japanese PMDA, Korean FDA & Hungarian NIP site inspections**
- 2009 Established ScinoPharm (Changshu) Pharmaceutical in China
- 2010 **Strategically invested into Tanvex Biologics, Inc.**
- 2010 Listed on Emerging Stock Market in Taiwan
- 2011 **Began trading its shares on the Taiwan Stock Exchange Board**
- 2012 Passed fourth US FDA site inspection



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Business Overview

- Maintain dominant position in Specialty APIs for generic market. Strong customer base (300+) 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 (664 DMFs WW), leader in supplying oncology injectable APIs with 22 US DMFs
- 90+ NCE CRAMs projects, with 6 in phase III with NDA filing in 2-3 years & 5 already launched. The only company in Asia supplying APIs for multiple commercial NCEs
- Double A Strategy “API + ANDA”: Focusing on Oncological Injectables



World Class Facilities

Taiwan

- 6.6 hectares of land, 330K sqft facilities with $>200\text{M}^3$ reactor volume after 2 large product lines expansion
- 8 of 18 production lines equipped with high potency capabilities for cytotoxics or steroids
- US FDA approved & 250+ GMP audits by customers
- Provides comprehensive contract research services for brand drug companies
- Global Market



China

- 6.6 hectares of land with $\sim 250\text{M}^3$ reactor volume
- 1st phase completed in Q1, 2012
2nd phase completed in Q4, 2013
- CGMP designed facility for intermediates & high potency API
- Complete capabilities in API development, and manufacturing from small to large scale for generic & CRAMs markets
- Global market including China



Cumulative P&L - Consolidated

In NT\$ million, except for EPS	1Q~4Q,'13 (Audited)	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>28%</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%



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Balance Sheet- Consolidated

In NT\$ million	2013/12/31 (Audited)		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

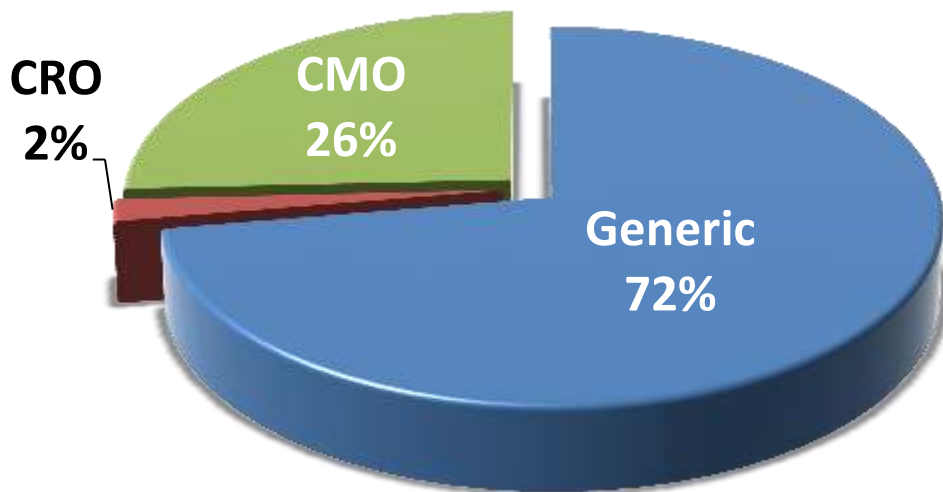
In NT\$ million	1Q~4Q 2013 (Audited)	1Q~4Q 2012 (Audited)
Cash and cash equivalents at beginning of period	3,035	3,294
Cash flows from operating activities	939	982
CAPEX	(1,226)	(873)
Long-term Investment	(107)	-
Short-term borrowings	426	264
Cash Dividends	(780)	(631)
Others	2	(1)
Cash and cash equivalents at end of period	2,289	3,035



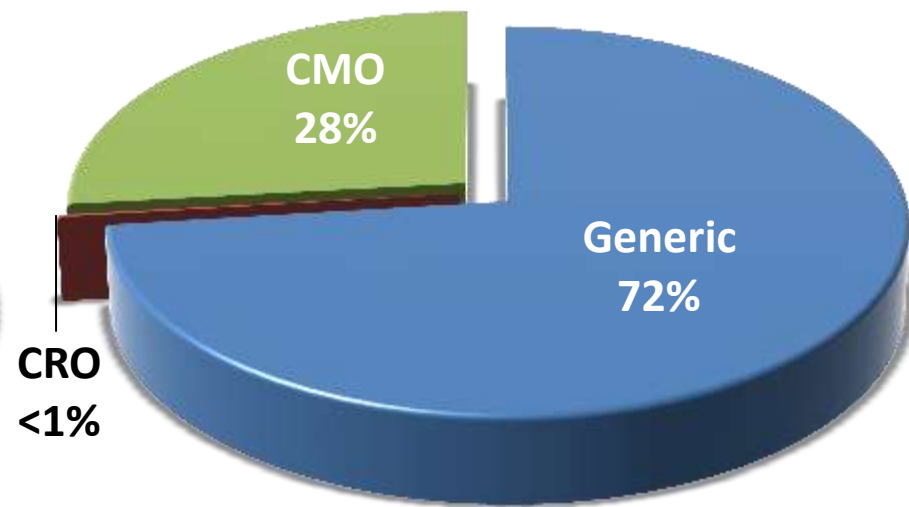
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Sales by Business

FY2012



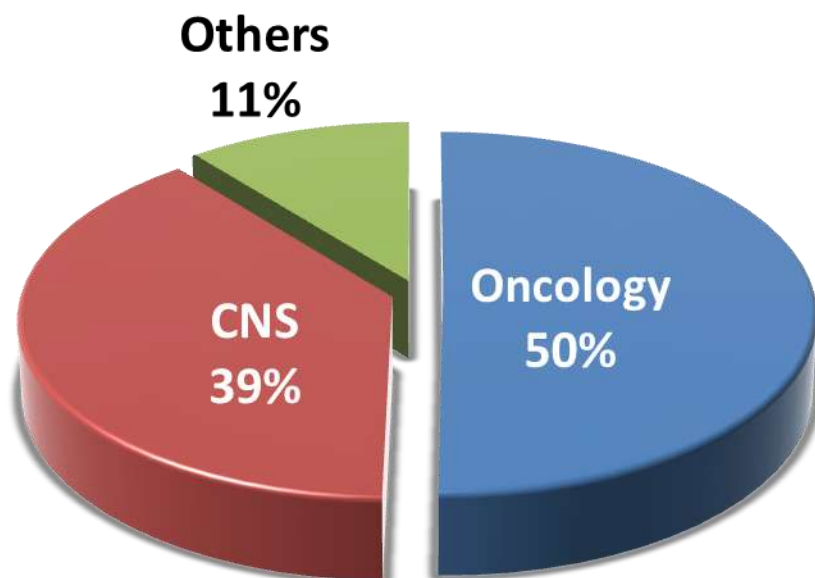
FY2013



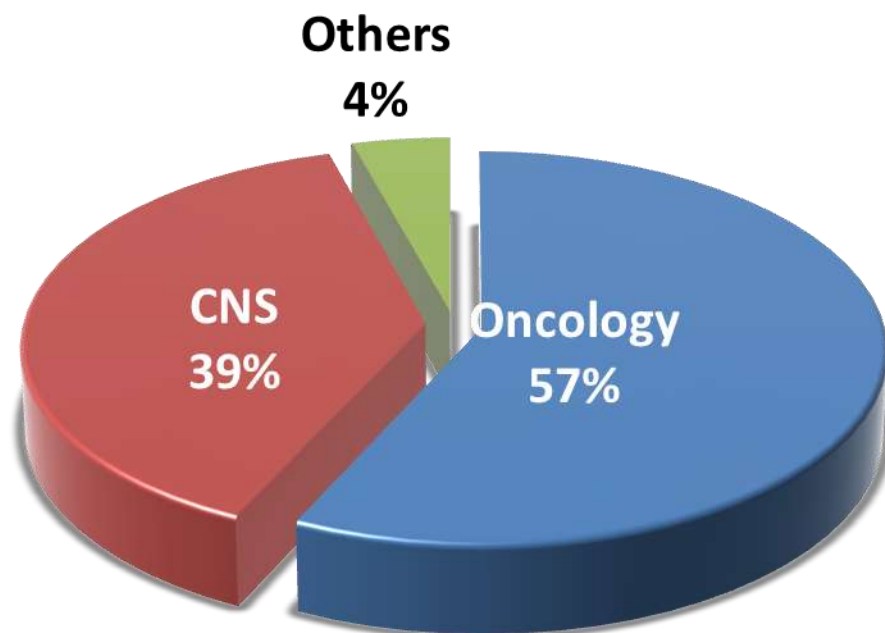
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Sales by Indications

FY2012

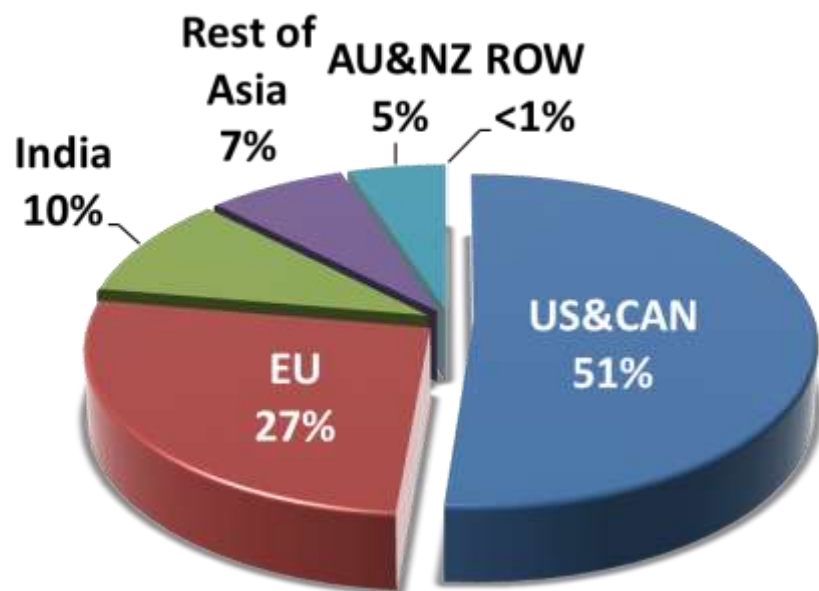


FY2013

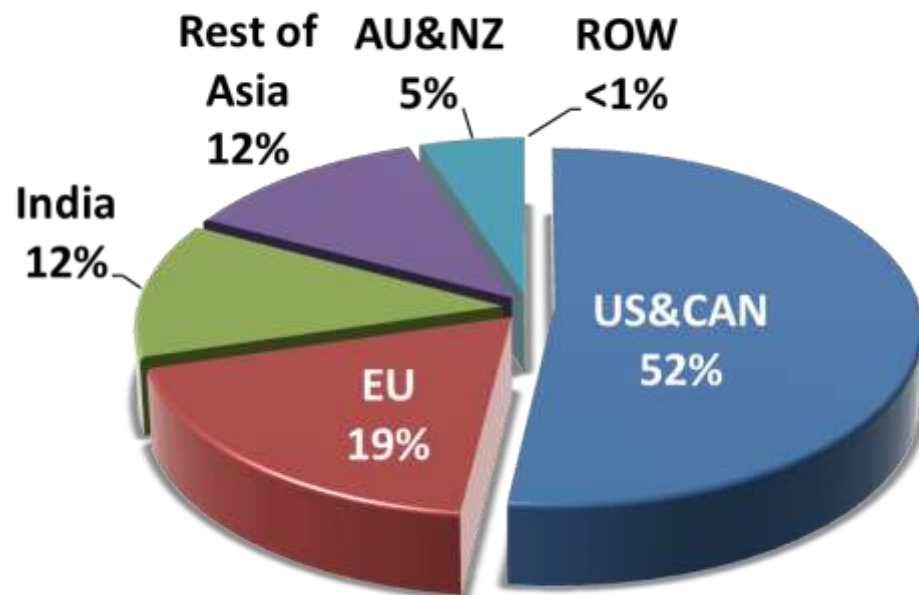


Sales by Region

FY2012



FY2013

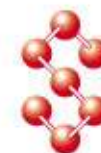


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Key Strengths and Strategy

Business Strategies

- Maintain balance between generic & brand business, non-competing on same products
- Provide comprehensive (life cycle) services to NCE development companies from clinical materials to commercial
- Focus on generic APIs with high technological barrier to entry
- Provide cost-effective R&D and manufacturing of early steps in China coupled with high quality, IP-protected GMP production in Taiwan

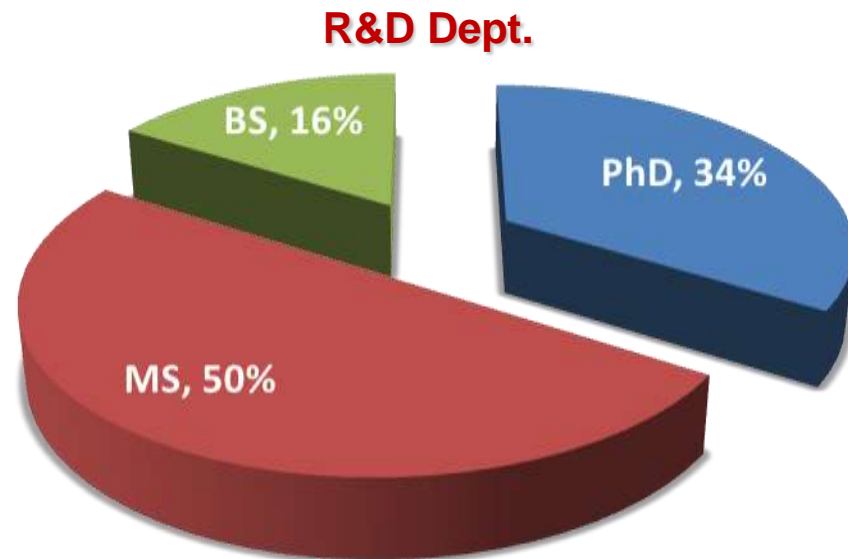
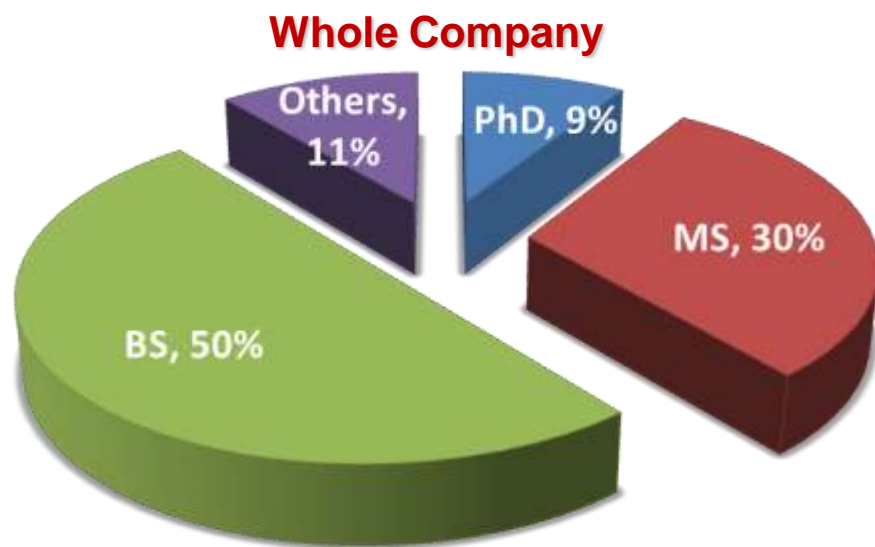


Competitive Advantages

- Combination of cost advantages and GMP/IP/EHS compliance from China & Taiwan
- Rich generic pipeline driven by a seasoned & cost effective R&D infrastructure
- Familiarity with drug development & registration requirements
- Track record of timely and extensive client support
- Existence of a broad, global long term client base



High Profile Talents



* Represents ScinoPharm Taiwan staff only

Strong Generics Product Portfolio

Focus on High Barrier and High Potency Generic API Products

Type	# of Product
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Oncological	30
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CNS	7
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Cardiovascular	3
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Hormonal	3
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Gastrointestinal	1
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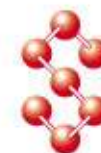
Muscle	4
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Antiviral	5
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Respiratory	2
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Peptides	6
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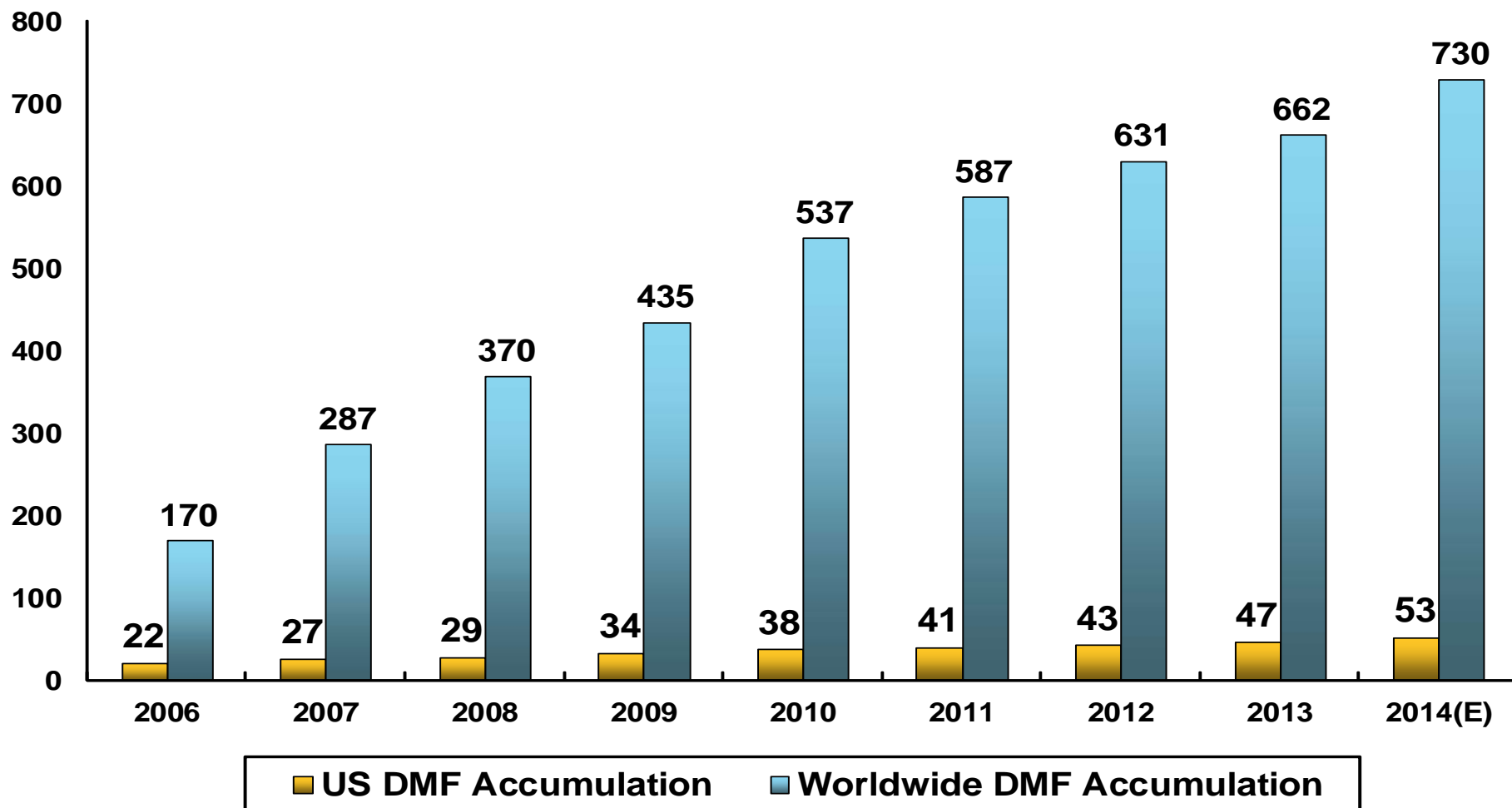
Miscellaneous	6
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Global DMF Filings

Number of DMF filed

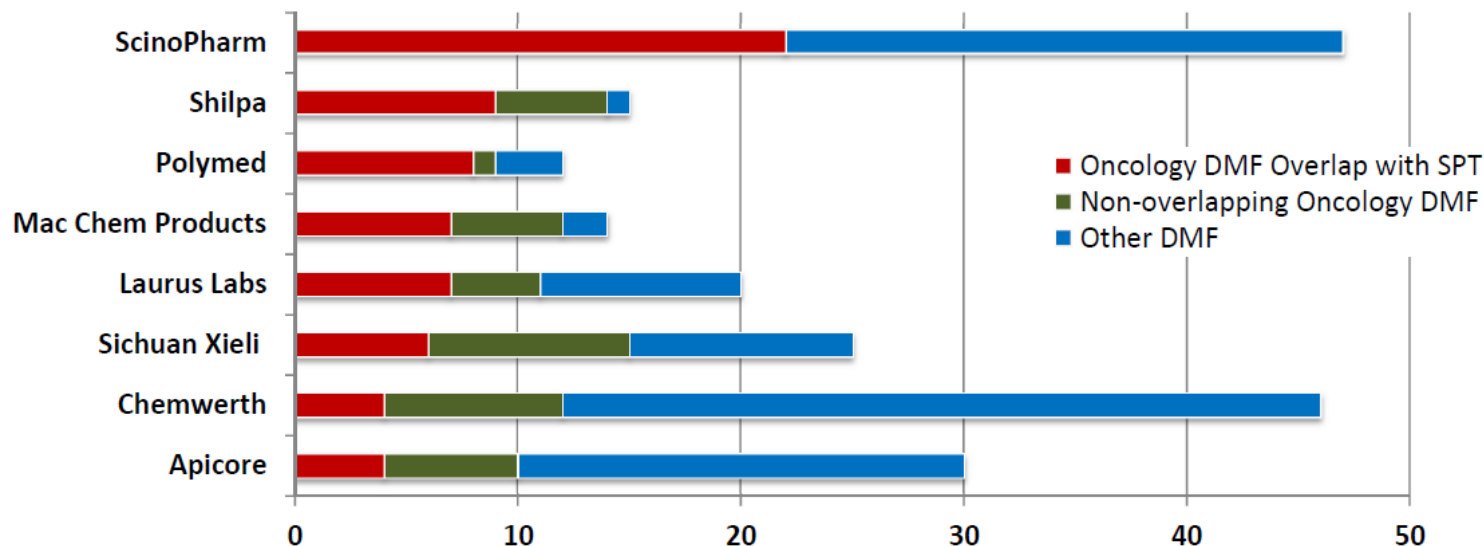


ScinoPharm's Strengths in R&D and Product Pipeline Well-Demonstrated by the Annual and Cumulative Number of DMF Filings Globally

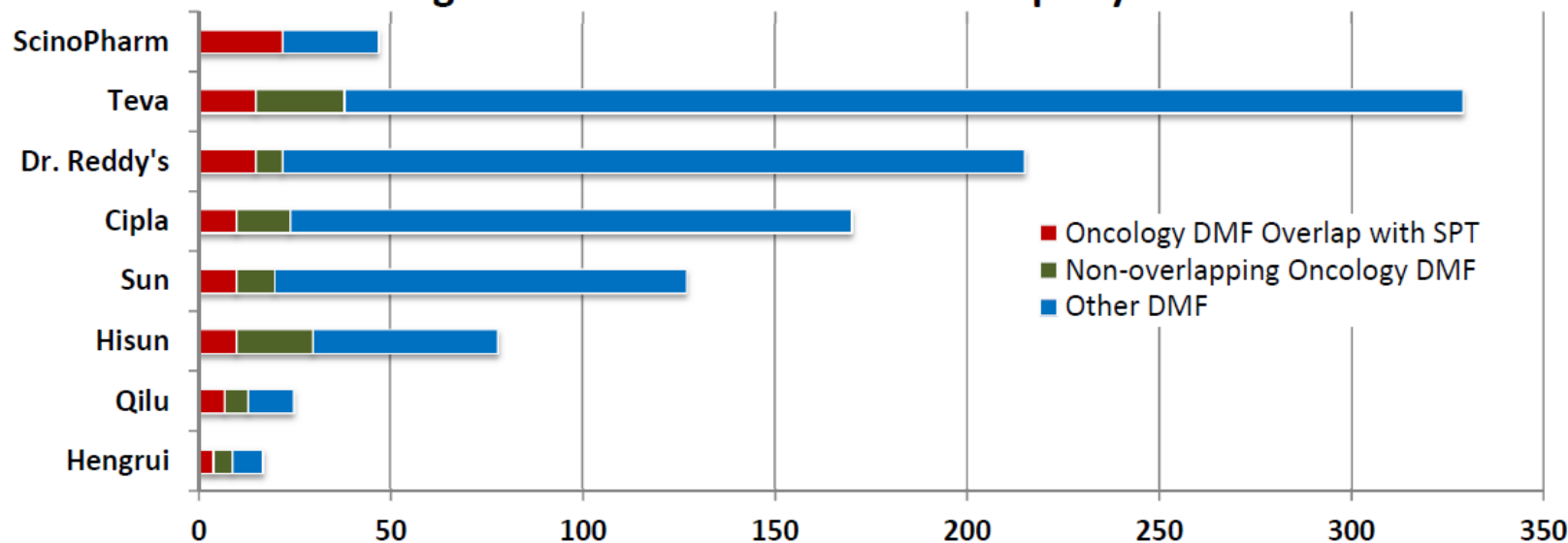
ScinoPharm - Oncological API Leader

Stand-Alone API Company

Source: FDA 2013Q4
DMF database

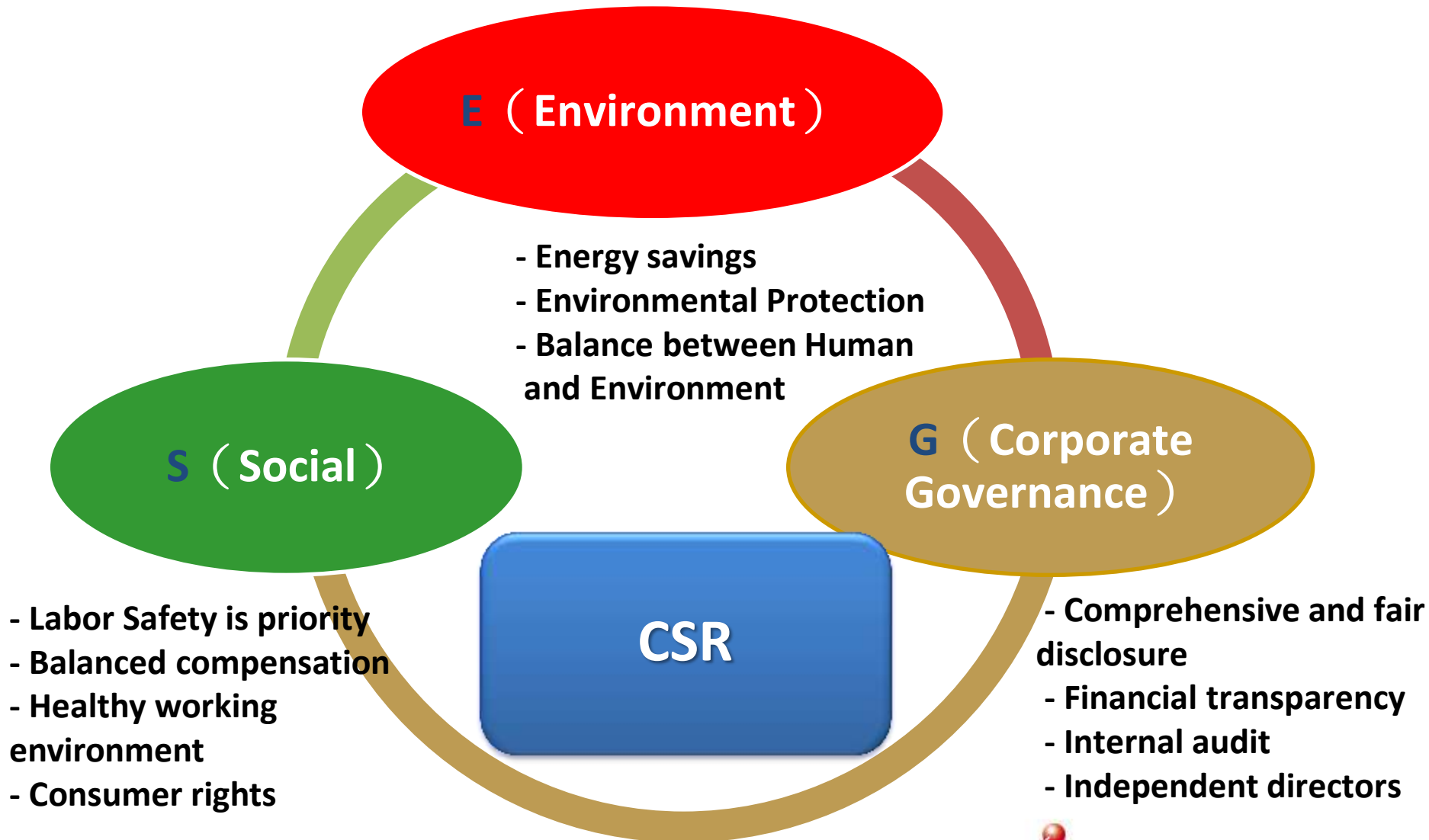


Big Generic Pharmaceutical Company



Corporate Social Responsibility (CSR) Update

ScinoPharm's CSR Concept



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ScinoPharm CSR results

Social Welfare

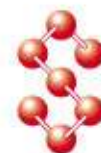
ScinoPharm Seminars, Welfare Baseball Camp, PC donations, Emergency Aids, Charitable Auctions

Industry/College Exchange

Holding lectures and plant tours for college students, helping students to understand industries

Sustainability

Environmental protection from facility designs, subsidy on staff car pool, “Responsible Care” system



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ScinoPharm CSR results

(cont'd)

Labor Relations

Compliance with labor laws, Non-discriminations, Career development plans, Healthy activities

Corp. Governance

Establishment of Corp. Governance and moral standards, Code of conduct, Integrity as top priority

Info. Disclosure

Info disclosure complied with TWSE regulations, Financial transparency



Outlook

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 API business to timely capture the generic business and CMO by MNCs

- Japanese Market Penetration

Expand strategic partnerships with major pharma

- Vertical Integration– Double A Strategy (API+ANDA)

Select difficult-to-make APIs to formulate dossiers for value added one-stop-shop services to customers. Build an oncology injectable formulation plant



Questions

&

Answers



ScinoPharm



Brand Quality with Asian Advantages

www.scinopharm.com

