



YUNG ZIP CHEMICAL

Stock Code : 4102

Yung Zip Chemical Ind. Co., Ltd.



Investors Relations Conference 2020

Sep. 23, 2020



www.yungshingroup.com

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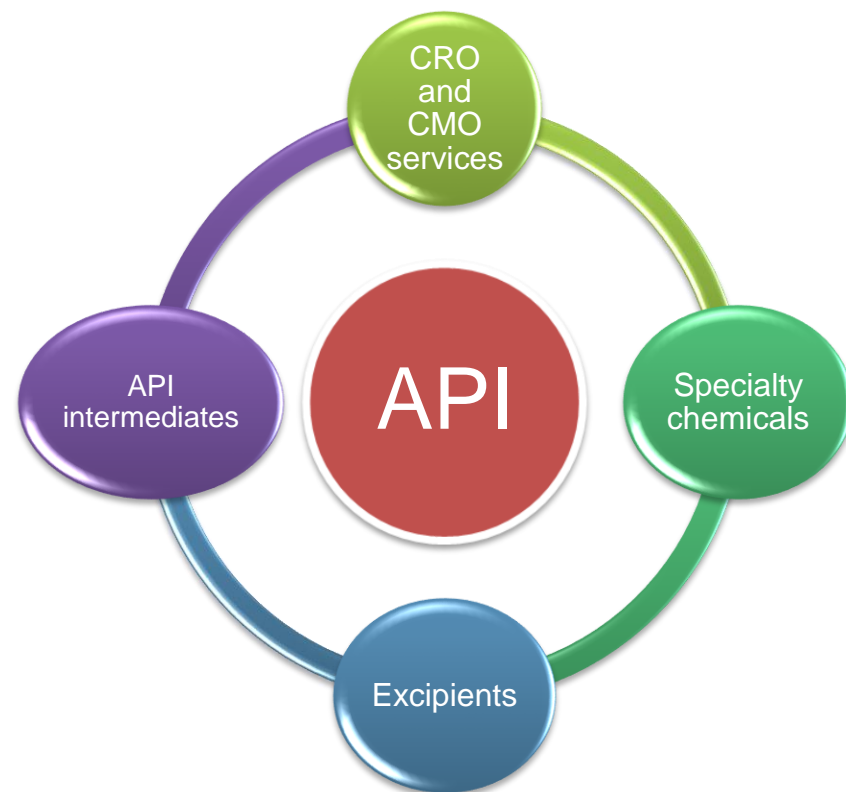
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CONTENTS

- 1 Company Introduction
- 2 Financial Performance Overview
- 3 Business Development
- 4 Research and Development Strategy

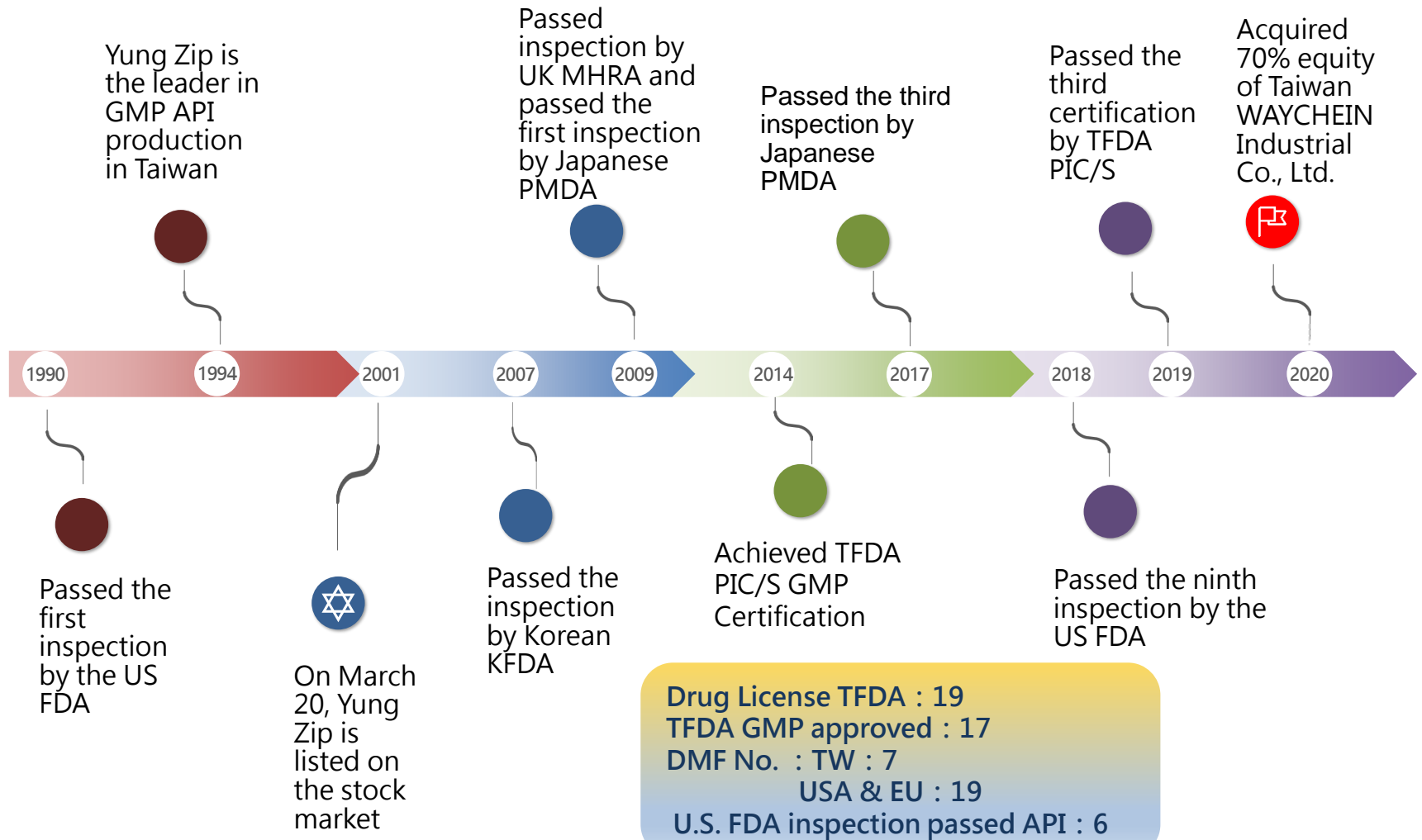
Company Introduction: Philosophy

Established on June 8, 1978, Yung Zip Chemical Ind. Co., Ltd. adheres to the sustainable management philosophy of “innovation, effectiveness and service” , and abides by honesty, reliability and rigorous business ethics. Over decades of growth and experience, Yung Zip has established itself in the industry with its production technology and stable product quality, and has successively obtained international certifications such as from FDA, MHRA, PMDA, IPEA and KFDA.



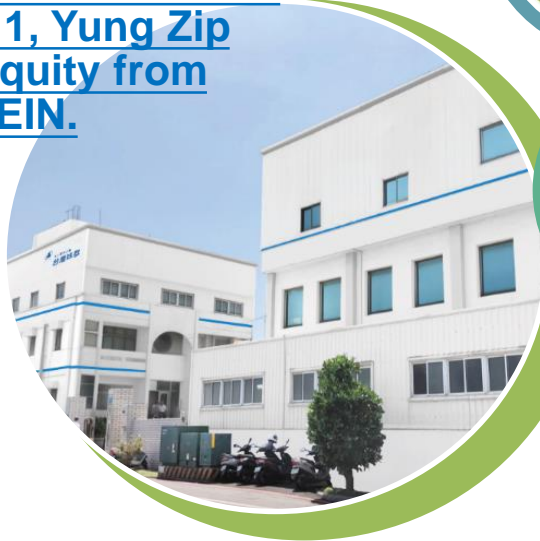
**Providing the best pharmaceutical products;
Improving the health of human beings.**

Company Introduction- History



Investment of Taiwan WAYCHEIN Industrial Co., Ltd.

●Consider the demand of sustainable operation and business expansion, and the need of increasing production bases and storage space to reduce operating costs and expand business. Thus after the approval of board of directors on 3/11, Yung Zip acquired 70% equity from Taiwan WAYCHEIN.



●Our company has completed the equity delivery on 2020/5/18.

●Our company reviewed the consolidated financial report in the second quarter and included relevant information of subsidiary.

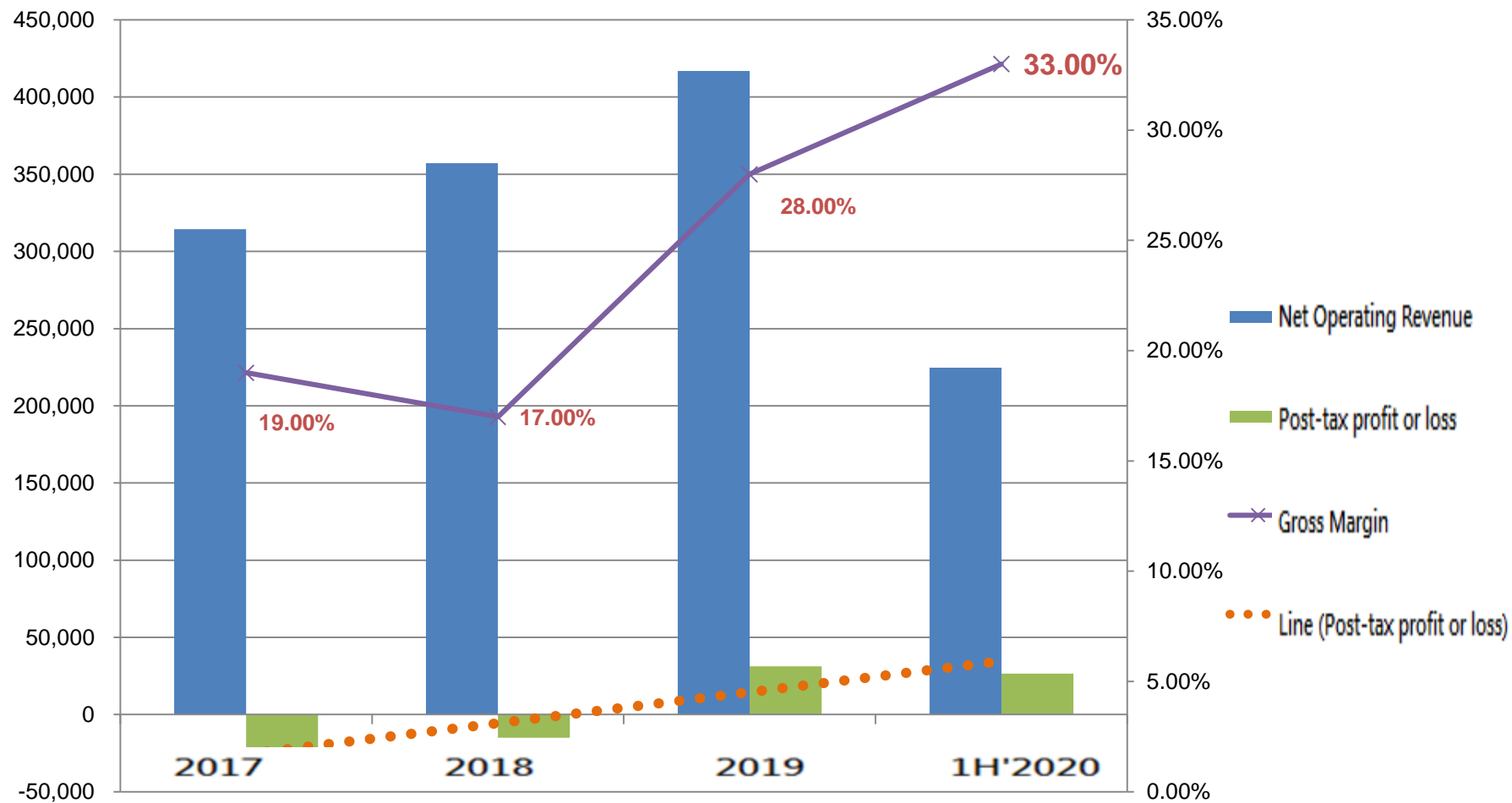
CONTENTS

- 1 Company Introduction
- 2 Financial Performance Overview
- 3 Business Development
- 4 Research and Development Strategy

Statement of Consolidated Comprehensive Income

Items (in NT\$ thousand)	1H' 20 (Reviewed)	1H' 19 (Reviewed)	YoY
Operating Revenue	224,649	214,289	5%
Gross Profit	72,471	61,929	17%
Gross Margin	33%	29%	
Operating Expenses	49,108	44,577	10%
Operating (Loss)	23,363	17,352	35%
Operating Margin	11%	8%	
Other Rev. (Exp.)			
Net Income Before Tax	2,724	1,672	63%
Net Income After Tax	26,513	19,024	39%
Net Margin After Tax	12%	9%	
EPS	0.64	0.45	

Revenue and profit are increasing, with a gross margin of 33% in 2020



Consolidated Balance Sheet

Items (in NT\$ thousand)	2020/6/30 (Reviewed)		2019/6/30 (Reviewed)		2018/6/30 (Reviewed)	
Cash and Cash Equivalents	25,934	3%	39,501	6%	11,829	2%
Receivables	139,400	14%	101,928	16%	78,147	13%
Inventories	192,165	20%	133,697	20%	123,652	21%
Long-term Investments	169,694	17%	128,059	19%	122,523	20%
Property, plant and equipment	408,425	42%	193,959	30%	216,161	36%
Other assets	50,162	4%	59,617	9%	45,164	8%
Total Assets	985,780	100%	656,761	100%	597,476	100%
Current Liabilities	150,494	15%	85,534	13%	114,561	19%
Non-current Liabilities	223,672	23%	96,056	15%	27,056	5%
Total Liabilities	374,166	38%	181,590	28%	141,617	24%
Total Shareholders' Equity	611,614	62%	475,171	72%	455,859	76%

Important Financial Indicator

Average collection days	95	76	86
Average inventory turnover days	213	169	195
Current ratio	2.46	3.55	2.01

Consolidated Cash Flow

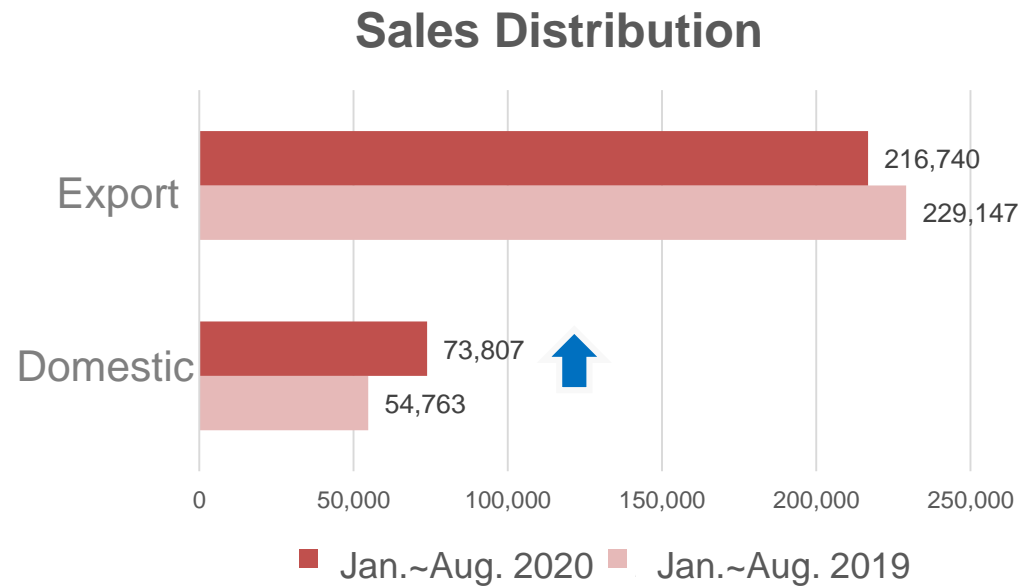
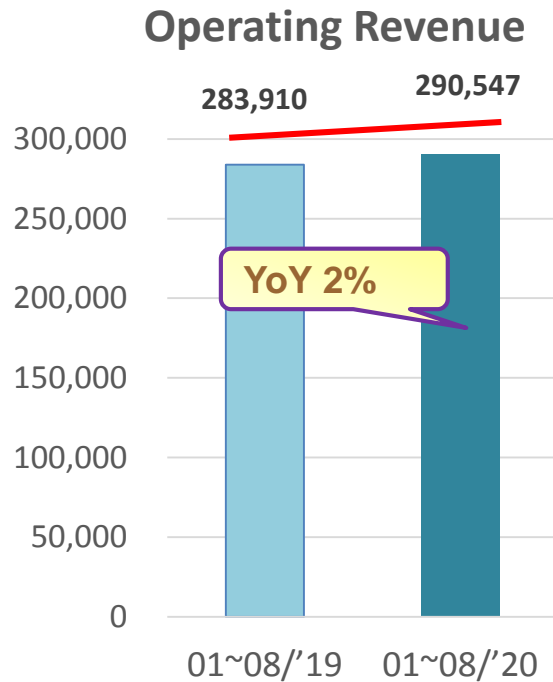
(in NT\$ thousand)	1H' 20 (Reviewed)	1H' 19 (Reviewed)	1H' 18 (Reviewed)
Cash and cash equivalents at beginning of period	53,133	40,159	29,673
Cash flows from operating activities	(15,431)	13,198	(9,385)
Cash flows from investment activities	(146,122)	(13,035)	(8,459)
Cash flows from financing activities	134,354	(821)	0
Cash and cash equivalents at end of period	25,934	39,501	11,829

CONTENTS

- 1 Company Introduction
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- 4 Research and Development Strategy

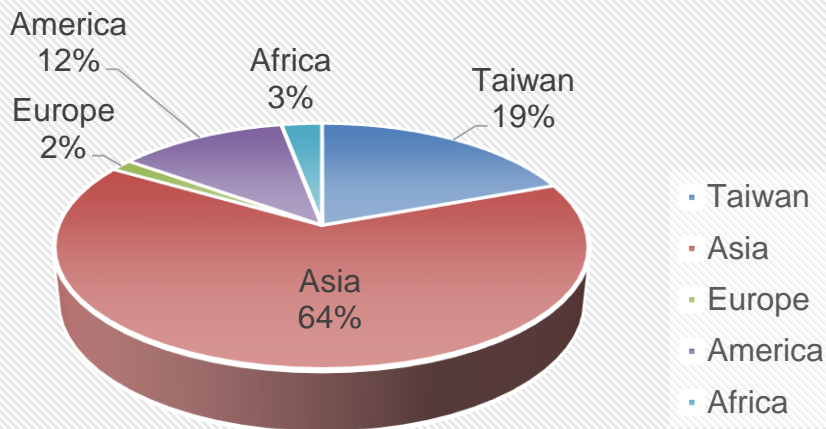
Jan.~Aug. Operating Revenue (2019 VS 2020)

(in NT\$ thousand)

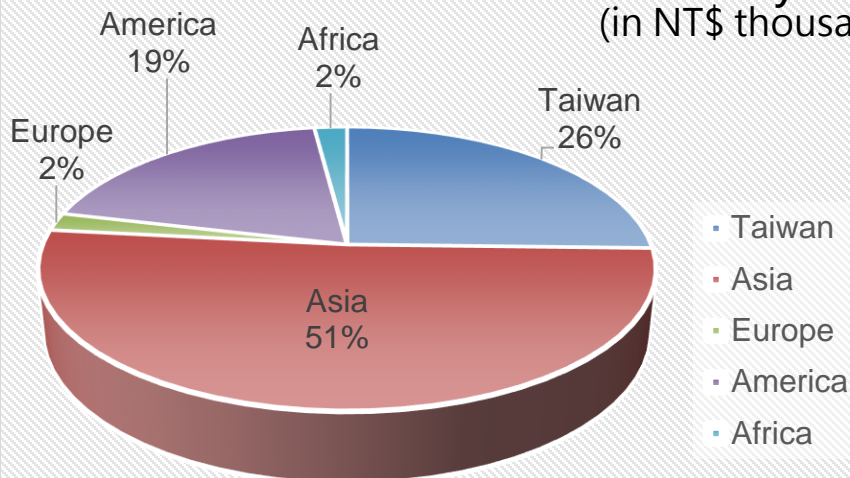


National Market Distribution

Jan.~Aug. 2019



Jan.~Aug. 2020 Period: Jan.~Aug. of indicated year (in NT\$ thousand)

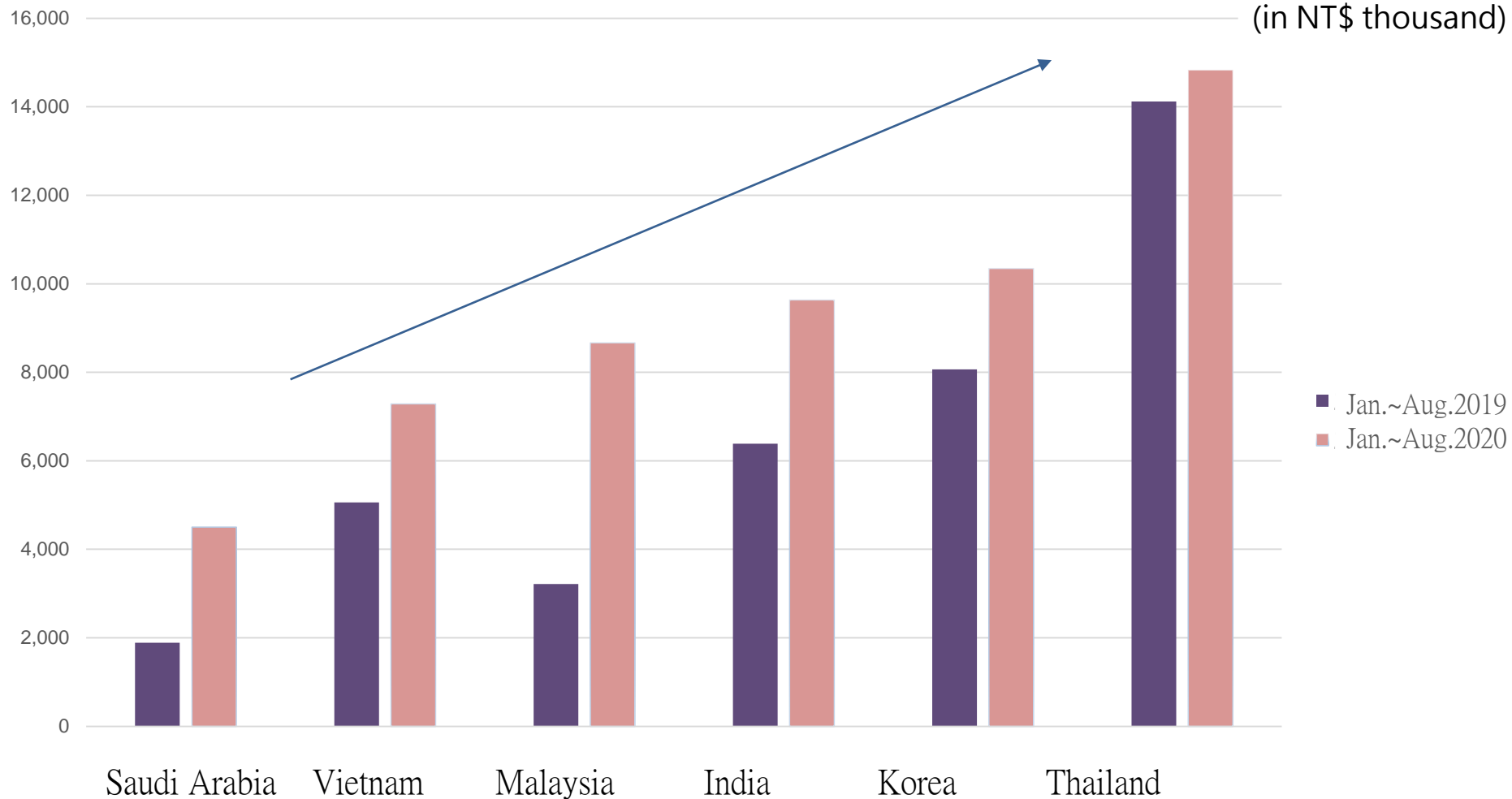


	Jan.~Aug. 2019	Jan.~Aug. 2020
Taiwan	19%	26%
Asia	64%	51%
Europe	2%	2%
America	12%	19%
Africa	3%	2%

Growth of National Market Distribution

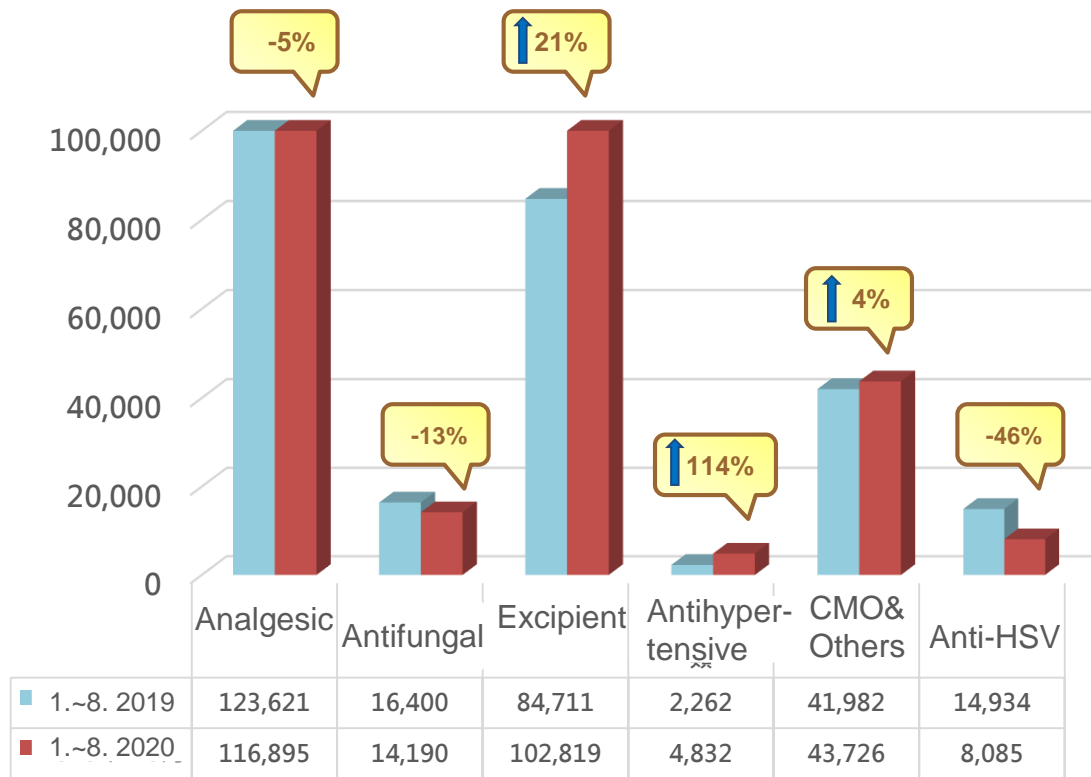
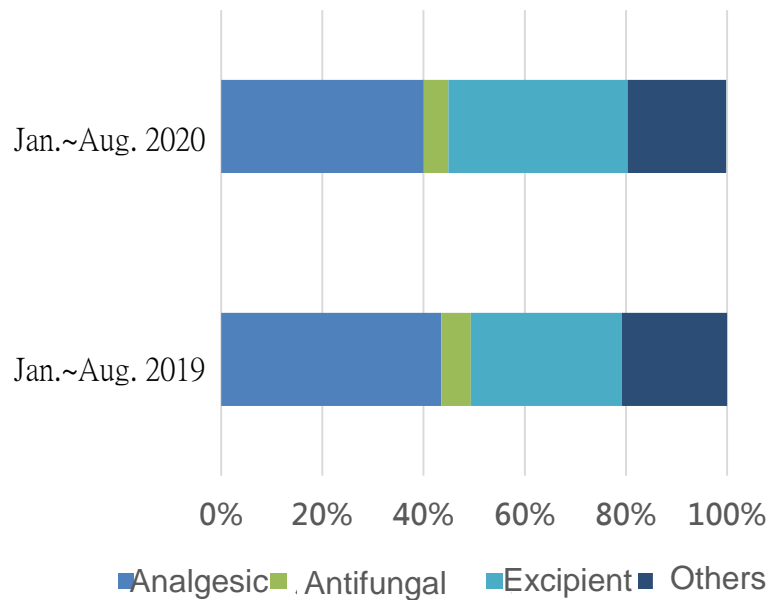
Period: Jan.~Aug. of indicated year

(in NT\$ thousand)



Sales Distribution by product category

Period: Jan.~Aug.
of indicated year
(in NT\$ thousand)



■ Jan.~Aug. 2019 ■ Jan.~Aug. 2020

Market Changes and Trends

External market changes

Due to environmental policy shifts in China, API and intermediate manufacturers have been forced to relocate, close or halt production, creating supply chain disruptions.

By the influence of desinicization in post-epidemic period, customers inquiries have been increasing.

Strengthen industry chain integration from group's internal API and pharmaceuticals to expand production and reduce costs of raw material procurement and production.

◆ In response to the market demand and supply chain changes from group internal and external customers, we actively develop new products with high gross profit and high unit price.

◆ Make good use of resources from groups in various areas to register products in different regions and quickly enter the markets of various countries.

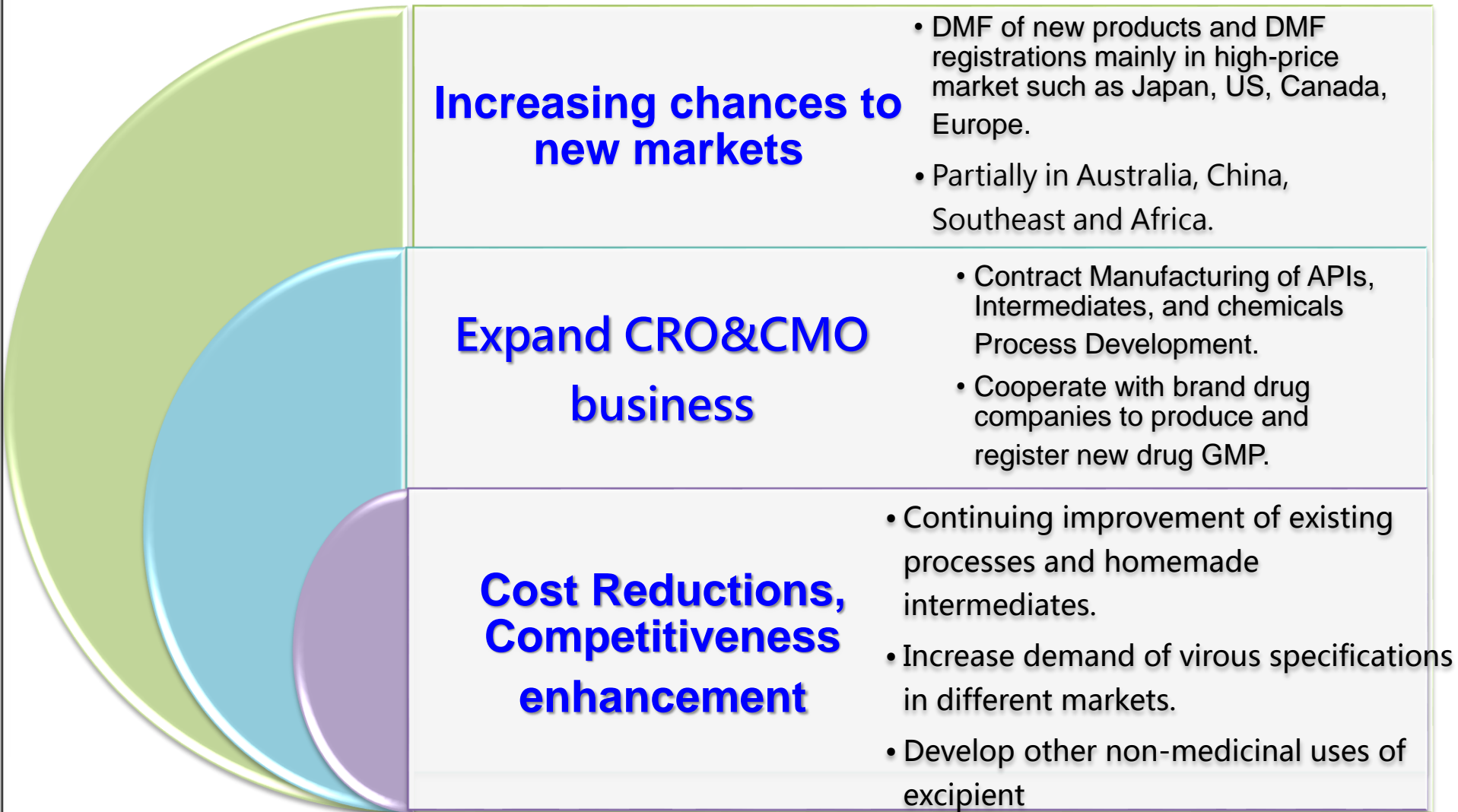
◆ Speed up the pace of development of intermediates and avoid the risk of out of stock on main intermediates.

Internal development direction

CONTENTS

- 1 Company Introduction
- 2 Financial Performance Overview
- 3 Business Development
- 4 Research and Development Strategy

Research and Development Strategy



2020 New Product Development Plan

Product	Indication	Area	Market of Area (FDF) (USD)	Market of World (FDF) (USD)	Market of World (amount) Consumption in kg
RVB	Anticoagulant	JP/US	5,265.7 M	9,406.4 M	45,225.9
TOP	Hyponatremia	JP/US	200 M	800 M	993.3
PLC	Local anesthetic	JP	30 M	199.9 M	12,603.2
EDV	Gradual freezing	US	150.2 M	633.4 M	1,119.7
MRG	Overactive bladder	JP/US	1,457 M	2,041 M	36,523
SFT	Anti-infectives	TW/CN/JP	10 M	30.4 M	18,142
CDCA	Hepatobiliary disease	TW/CN/JP	80 M	243 M	20

市場資料來源: Thomson Reuters Newpot Premium™ Data

2020 Other Products Development Plan

Product	Indication	Area	Quantity (Kg)/year	Remark
DC2	Intermediates	JP/US	80,000~90,000	Process of DCS N-3 can be registered for CEP
DAC	Intermediates	TW/CN/JP	10,000	Intermediate of ACV
PBA	Chemicals	JP	3,000	OEM Product
VEOP-1	Chemicals	TW	3,000~5,000	OEM Product
VS505	Kidney disease medication	CN/US	---	New clinical drugs OEM mass production cooperation

市場資料來源: Thomson Reuters Newpot Premium™ Data

Thank You for Your Attention!

Q & A