



YUNG ZIP CHEMICAL

Stock Code : 4102

# Yung Zip Chemical Ind. Co., Ltd.



## Investors Relations Conference 2021

Oct. 21, 2021



[www.yungshingroup.com](http://www.yungshingroup.com)

# Disclaimer

---

- ★ The forward-looking statements and related information made in this presentation ,which may include YZC' future results of operations, financial condition or business prospects are obtained by YZC through internal and external sources.
- ★ These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those implied by such forward-looking statements.
- ★ Any opinions expressed in this presentation are subject to change without notice as a result of using different assumptions. YZC is under no obligation to update or keep current the information contained herein. No representation or warranty, express or implied, is or will be made in or in relation to, and no responsibility or liability is or will be accepted by YZC as to the accuracy or completeness of this material and any liability therefore is hereby expressly disclaimed.

# CONTENTS

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

# Company Introduction: Philosophy

**Vision:**  
**Dedicated to avoiding human  
diseases business**

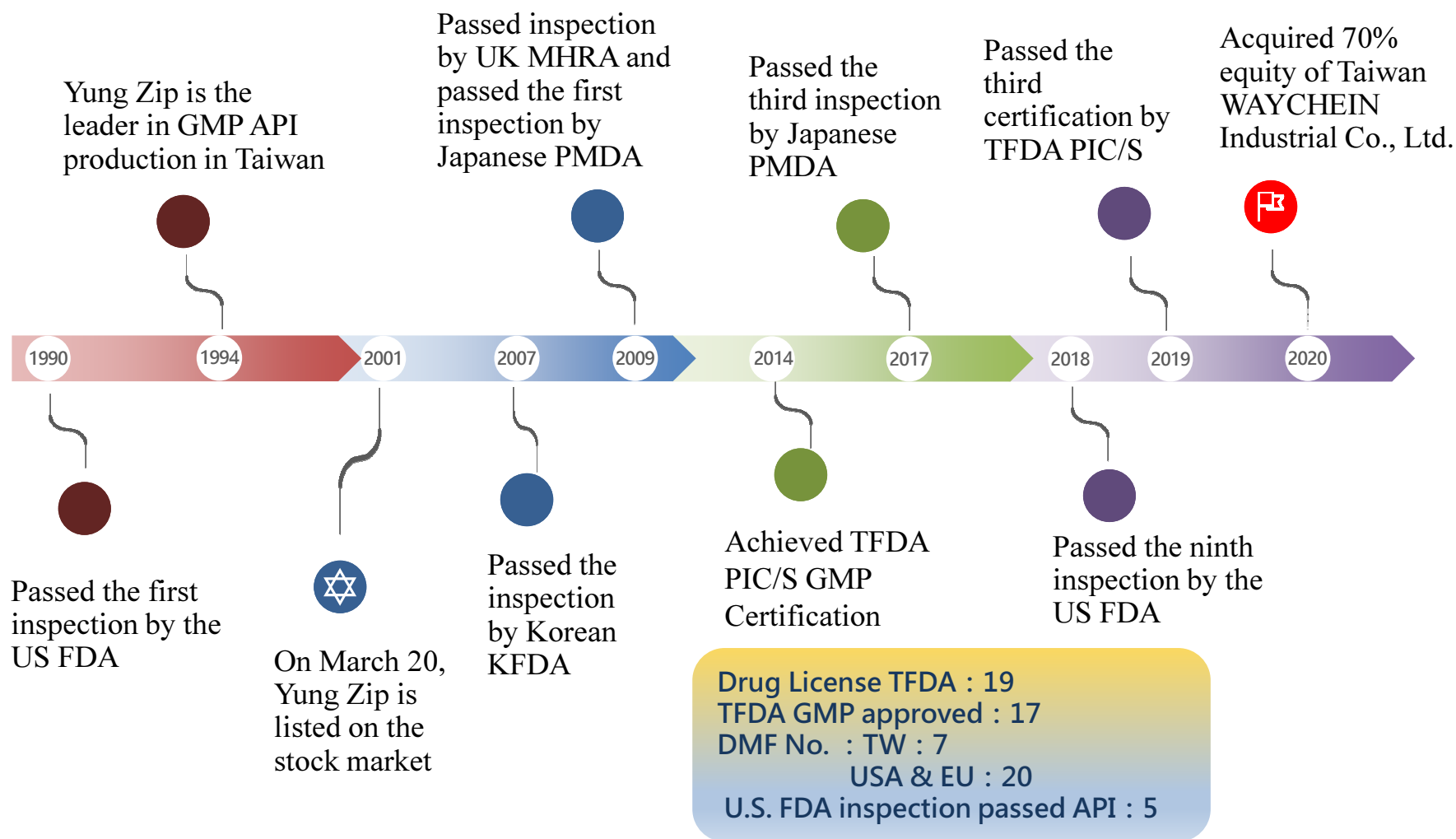


Yung Zip Chemical Ind. Co., Ltd.  
established on June 8, 1978. As **the first  
executor of GMP API production in Taiwan**,  
Yung Zip has successively obtained  
international certifications which are from  
FDA, MHRA, PMDA, KFDA, HALAL and  
KOSHER.

Yung Zip adheres to the sustainable  
management philosophy of “**innovation,  
effectiveness and service**”, and abides by  
honesty, reliability and rigorous business  
ethics.

**Providing the best pharmaceutical products**  
**Improving the health of human beings**  
**Increasing shareholder value**  
**Improving employee benefit**  
**Discharge social responsibility**

# Company Introduction- History

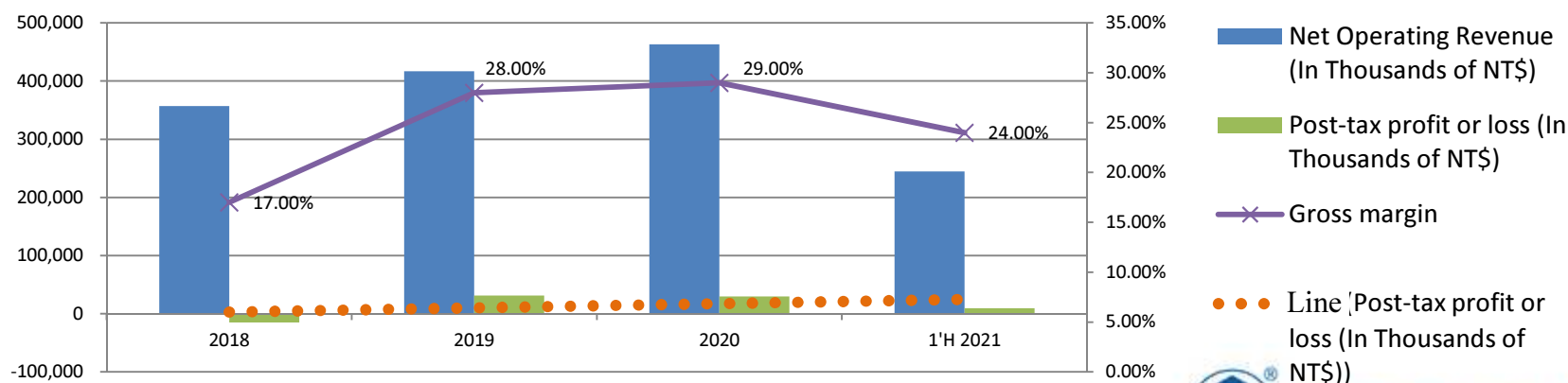


# CONTENTS

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

# Statement of Consolidated Comprehensive Income

Items (In Thousands of New Taiwan Dollars)	1H'21 (Reviewed)	1H'20 (Reviewed)	YoY
Operating Revenue	244,421	224,649	9%
Operating costs	186,315	152,178	22%
Gross Profit	58,106	72,471	(20%)
<b>Gross Margin</b>	<b>24%</b>	<b>33%</b>	
Operating Expenses	49,639	49,108	1%
Operating	8,467	23,363	(64%)
<b>Operating Margin</b>	<b>3%</b>	<b>11%</b>	
Other Rev. (Exp.)	(677)	2,724	(125%)
Net Income After Tax	9,683	26,513	(63%)
<b>Net Margin After Tax</b>	<b>4%</b>	<b>12%</b>	
EPS	0.22	0.64	



6/20



# Consolidated Balance Sheet

Items (In Thousands of New Taiwan Dollars)	2021/6/30 (Reviewed)		2020/6/30 (Reviewed)		2019/6/30 (Reviewed)	
Cash and Cash Equivalents	49,023	3%	25,934	3%	39,501	6%
Receivables	129,774	13%	139,400	14%	101,928	16%
Inventories	170,401	18%	192,165	20%	133,697	20%
Long-term Investments	128,499	14%	169,694	17%	128,059	19%
Property, plant and equipment	425,307	44%	408,425	42%	193,959	30%
Other assets	56,351	6%	50,162	4%	59,617	9%
<b>Total Assets</b>	<b>959,355</b>	<b>100%</b>	<b>985,780</b>	<b>100%</b>	<b>656,761</b>	<b>100%</b>
Current Liabilities	128,495	13%	150,494	15%	85,534	13%
Non-current Liabilities	249,347	26%	223,672	23%	96,056	15%
<b>Total Liabilities</b>	<b>377,842</b>	<b>39%</b>	<b>374,166</b>	<b>38%</b>	<b>181,590</b>	<b>28%</b>
<b>Total Shareholders' Equity</b>	<b>581,513</b>	<b>61%</b>	<b>611,614</b>	<b>62%</b>	<b>475,171</b>	<b>72%</b>

## Important Financial Indicator

Average collection days	89	94	81
Average inventory turnover days	174	213	147
Current ratio	2.86	2.46	3.55



# Consolidated Cash Flow

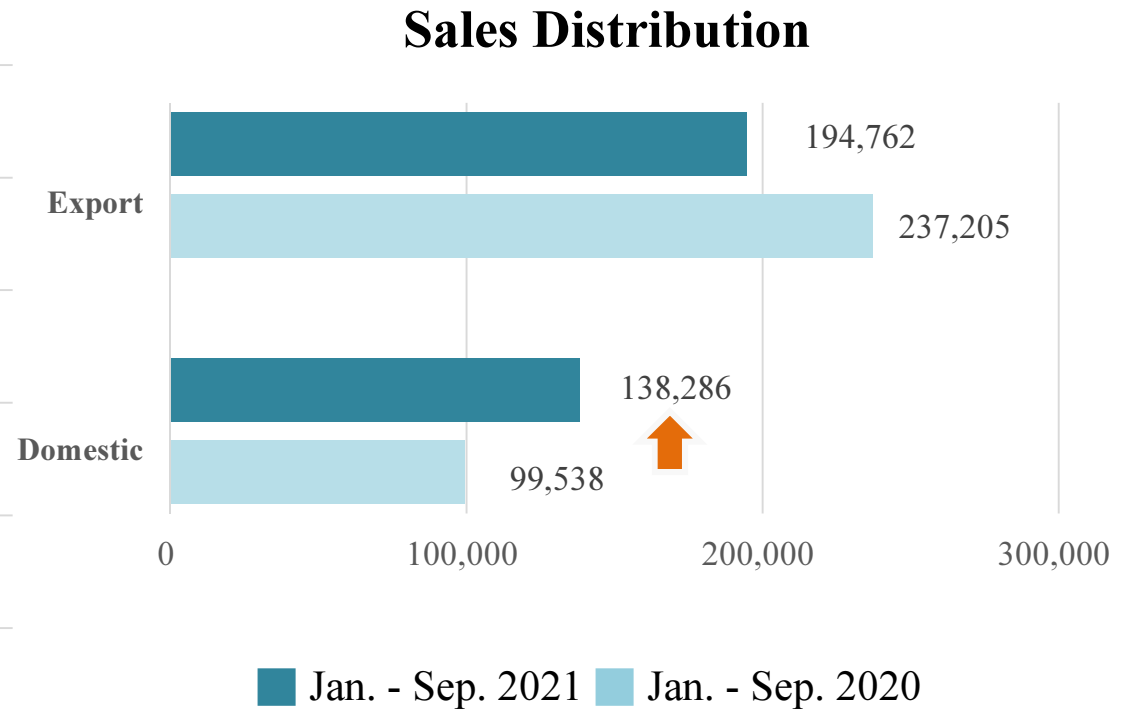
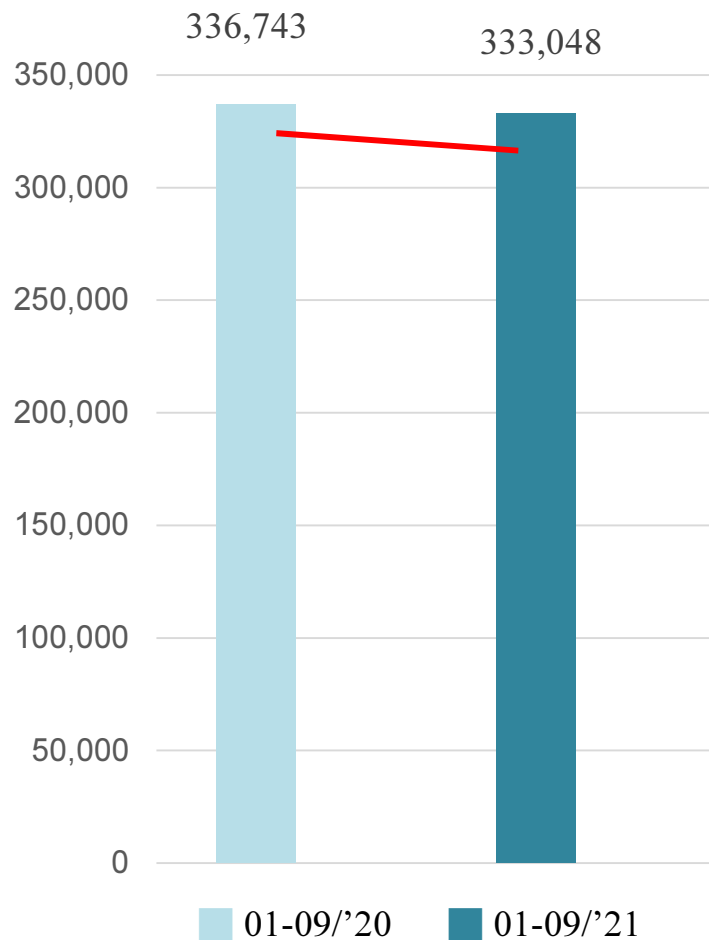
Items (In Thousands of New Taiwan Dollars)	1H'21 (Reviewed)	1H'20 (Reviewed)	1H'19 (Reviewed)
<b>Cash and cash equivalents at beginning of period</b>	<b>53,406</b>	<b>53,133</b>	<b>40,159</b>
Cash flows from operating activities	15,521	(15,431)	13,198
Cash flows from investment activities	(20,964)	(146,122)	(13,035)
Cash flows from financing activities	1,060	134,354	(821)
Cash and cash equivalents at end of period	<b>49,023</b>	<b>25,934</b>	<b>39,501</b>

# CONTENTS

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

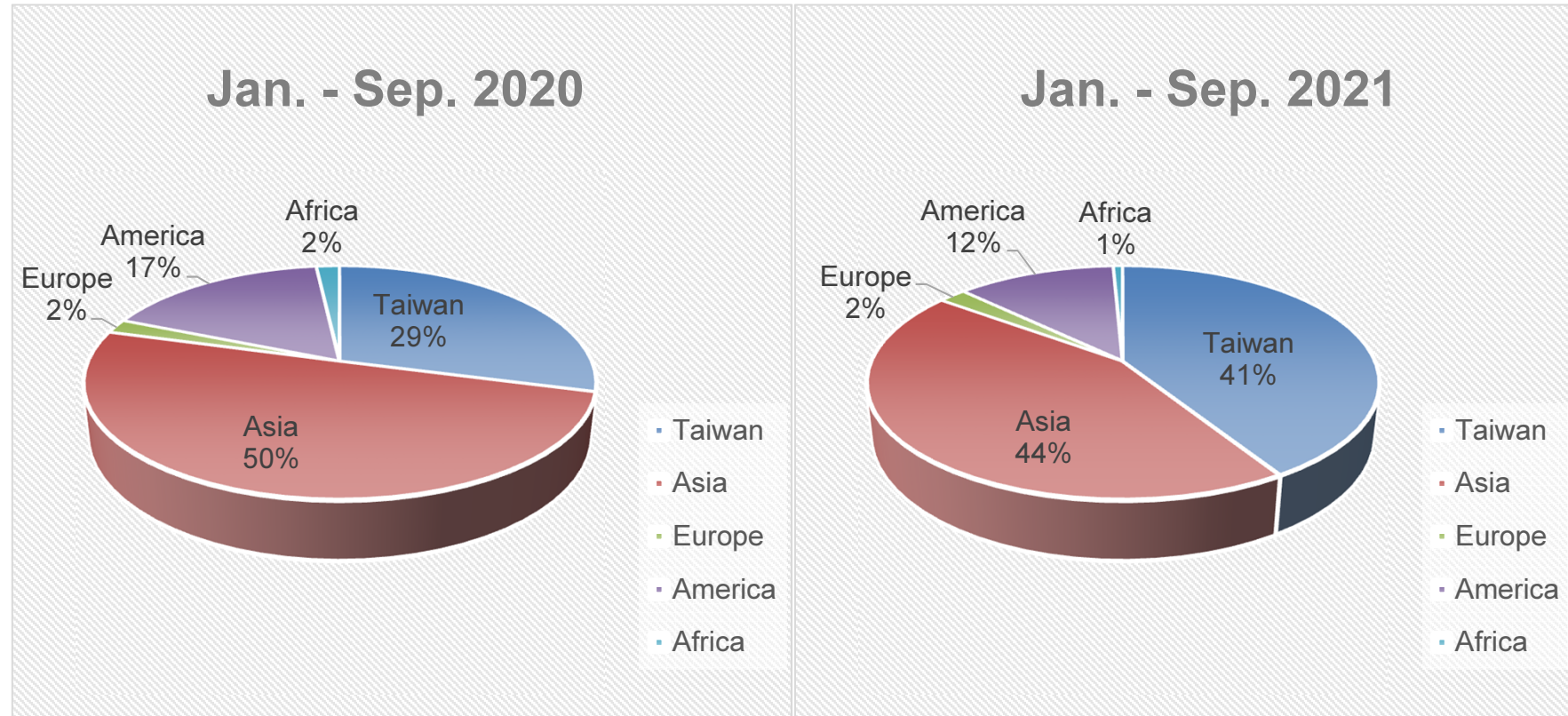
# Jan. - Sep. Operating Revenue (2020 VS 2021)

(In Thousands of New Taiwan Dollars)



# Globe Market distribution

Period: Jan. - Sep. of 2020/2021

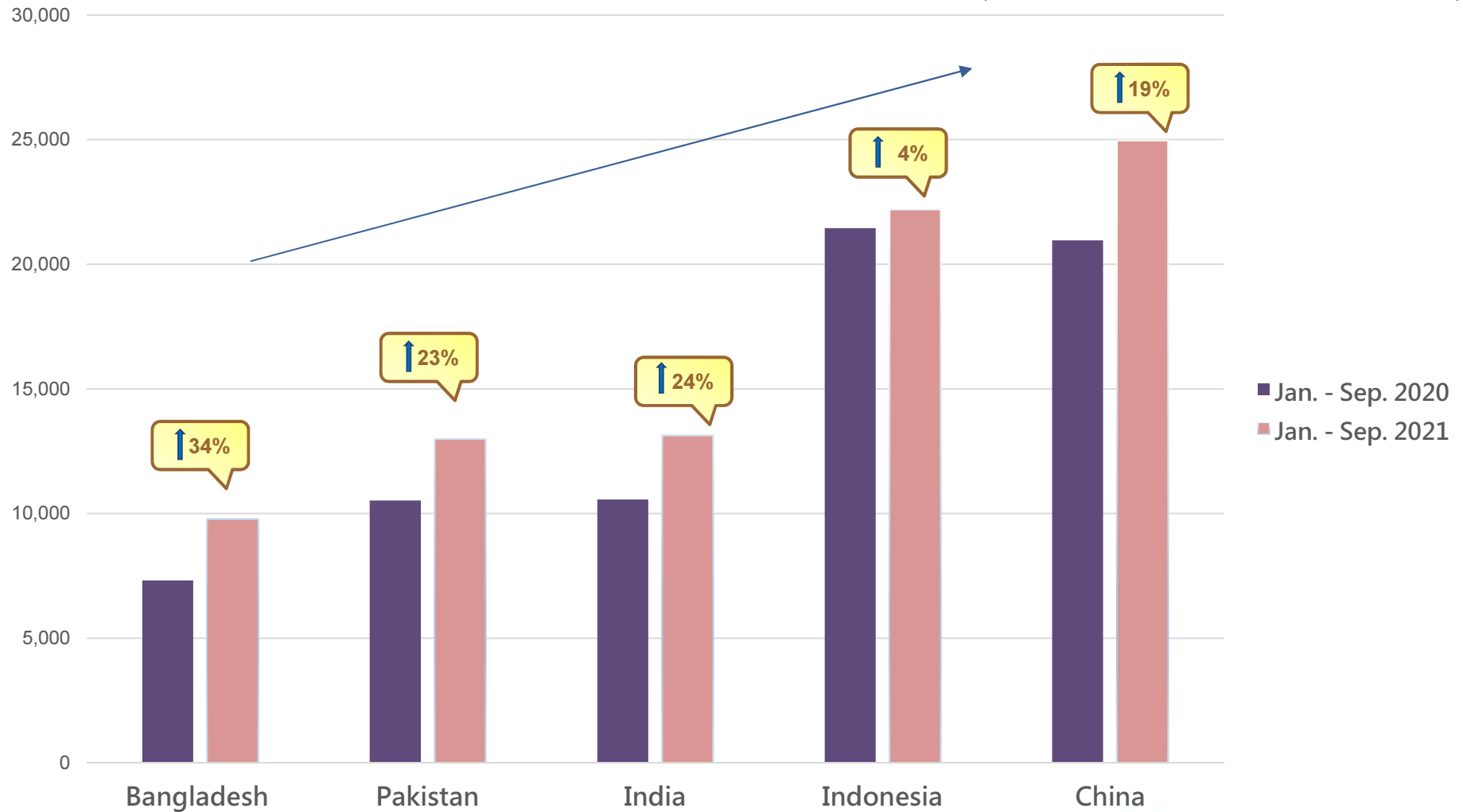


	Jan. - Sep. 2020	Jan. - Sep. 2021
Taiwan	29%	41%
Asia	50%	44%
Europe	2%	2%
America	17%	12%
Africa	2%	1%

11/20

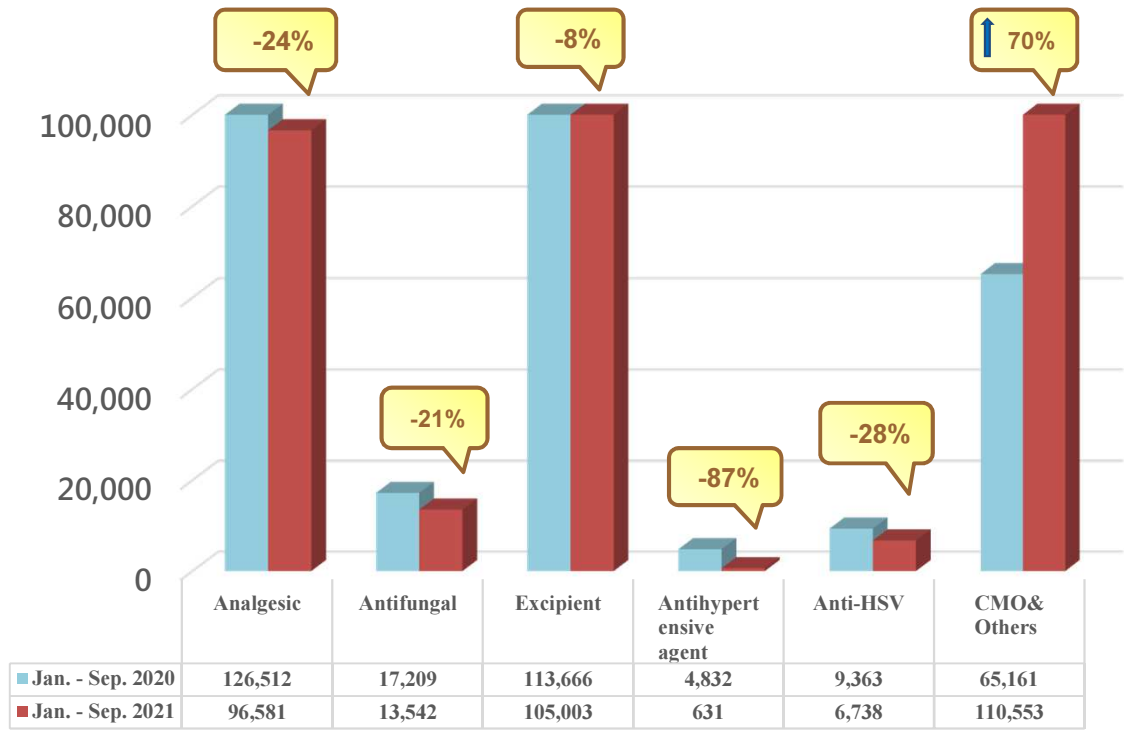
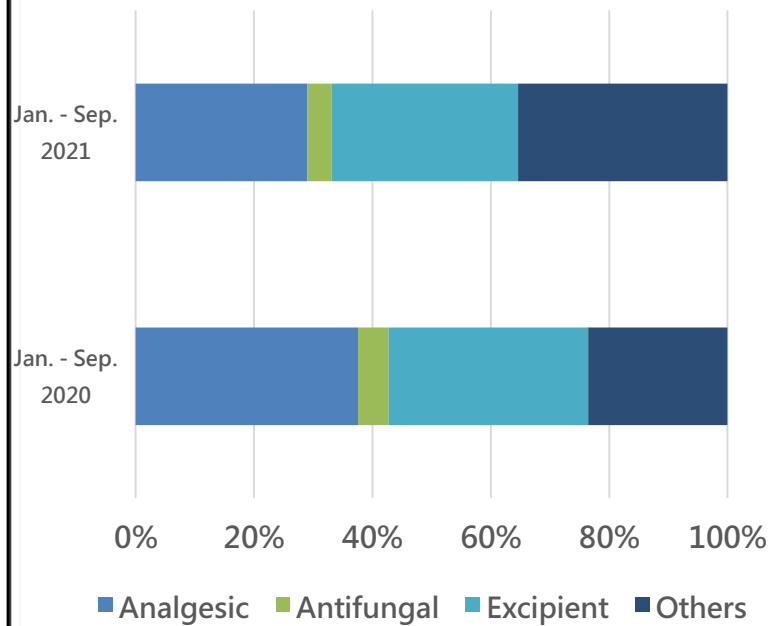
# Growth of Asian Market Distribution

Period: Jan. - Sep. of 2020/2021  
(In Thousands of New Taiwan Dollars)



# Sales Distribution by product

Period: Jan. - Sep. of 2020/2021  
(In Thousands of New Taiwan Dollars)



■ Jan. - Sep. 2020    ■ Jan. - Sep. 2021

# Market Changes and Trends

## GLOBE

- Due to the global showdown in APIs market, the increasing of transportation cost and the boycott of Chinese products in Post-Pandemic Era, EU directives raise the bar of APIs. There is an increase about intensifying the investment of API factories in India, Brazil, Spain and United States. In addition, India improves the production of key raw materials.

## CHINA

- Under the supervision strategy of Environmental Impact Assessment in China, high energy-consuming, high pollution and low technology APIs have been eliminated. Chinese factories expand production capacity after the relocation. However, price competition in export market which leads to the low profit and centralized procurement strategy will cause the excess production capacity problem in the future of China.
- Due to the strategy of 'Dual Control System of Total Energy Consumption and Energy Intensity', China APIs' market is unstable and high-cost.

## GROUP

- Strengthen the integration between API within the group and the upstream and downstream of the preparations chain to expand production capacity, decrease the cost of raw materials and reduce the cost of production.



# CONTENTS

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

# Research and Development Strategy

## Increasing chances to new markets

- DMF of new products will focus on high-price market such as Japan, US, Canada and Europe.
- Also expand the DMF of current products in Australia, China, Southeast Asia and Africa.

## Expand CRO&CMO business

- Increase the CMO,CDMO business development of APIs, intermediates, and speciality chemical.
- Cooperate with customers to register new drug and support customers with full site of CMC and CTD.

## Development of clinical new drug

- Cooperate with brand drug companies in process development and registration of APIs which is in the phases of clinical.
- Produce the clinical trial drug under GMP requirement.

## Cost reductions & competitiveness enhancement

- Improve the manufacturing process of current products.
- Manufacture intermediates to control key technology.
- Increase products' specifications in different markets.

## Development of APIs and Specialized product

- Explore the products with high gross profit or with less competitors to increase the flexibility and diversify of the production application.
- Establish collaboration relationship with preparations company to develop the new drug which is nearly expired, in order to take the preemptive opportunities in the market.

# 2021 New Product Development Plan

## ● API

Product	Indication	Area	Market of World (USD)	Market of World (kg)	Progress
RVB	Anticoagulant	JP/US	9,406.4 M	45,226	Validation completed
EDV	Amyotrophic lateral sclerosis	US	633.4 M	1,119	Validation completed
PLC	Local anesthetic (injection)	JP/CN	199.9 M	12,603	Validation completed
PLB	Local anesthetic (external)	JP/CN			Pilot completed
TOP	Hyponatremia	JP/US	800 M	993	Pilot completed
MRG	Overactive bladder	JP/US	2,041 M	36,523	Pilot completed
SFT	Anti-infectives	TW/CN/JP	30.4 M	18,142	process development completed
CDA	Hepatobiliary disease	TW/CN/JP	243 M	20	process development period
CMT	Antivirals	JP	15.8M	16,833	process development period
SBT	Heart failure treatment	US/CN	3457.4M	54,757	process development period
DYH	Antiseptics	CN	720.1M	233,078	process development period

Source: Thomson Reuters Newpot Premium™ Data

# 2021 Other Products Development Plan

## ● Others

Product	Indication	Area	Quantity (Kg)/year	Progress	Remark
VY01	Kidney disease medication	CN/US	1,500	make to order	New clinical drugs OEM mass production cooperation
DC2	Intermediates	JP/US	80,000~90,000	process development completed	Intermediate of DCS
DAC	Intermediates	TW/CN/JP	10,000	process development completed	Intermediate of ACV
MMP	Intermediates	JP	10,000	process development period	Intermediate of API
APO	Chemicals	TW	240	process development completed	photoelectric material

Source: Thomson Reuters Newpot Premium™ Data



**Thank You for Your Attention!**

# Q & A