



YUNG ZIP CHEMICAL

Stock Symbol : 4102



2022 Investors Relations Conference

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Company Introduction: Philosophy

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

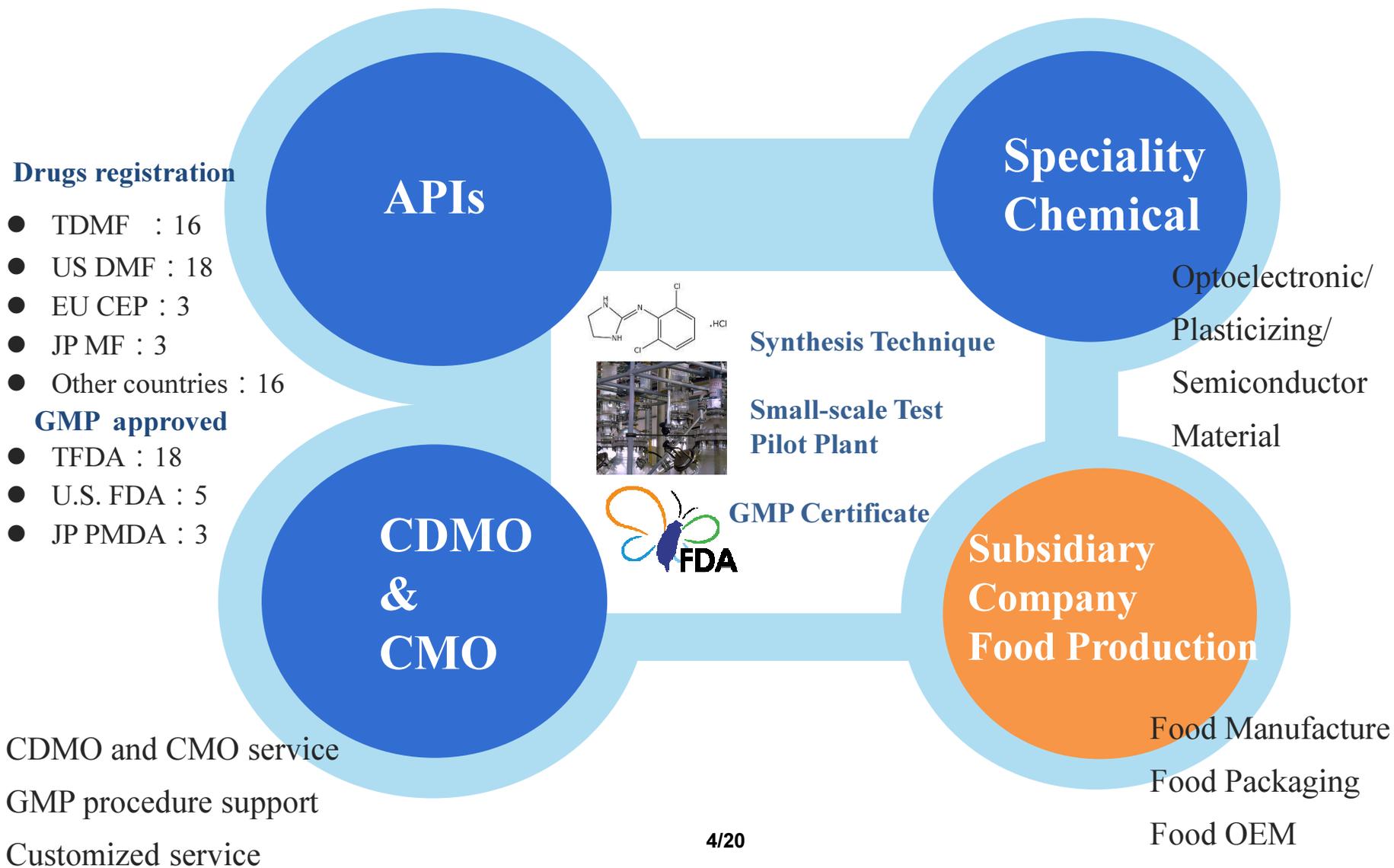


Yung Zip Chemical Ind. Co., Ltd. established on June 8, 1978. As **the first executor of GMP API production in Taiwan**, Yung Zip has successively obtained international certifications which are from **FDA, MHRA, PMDA, IPEA and KFDA**.

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

R&D Technology Application and Business Development

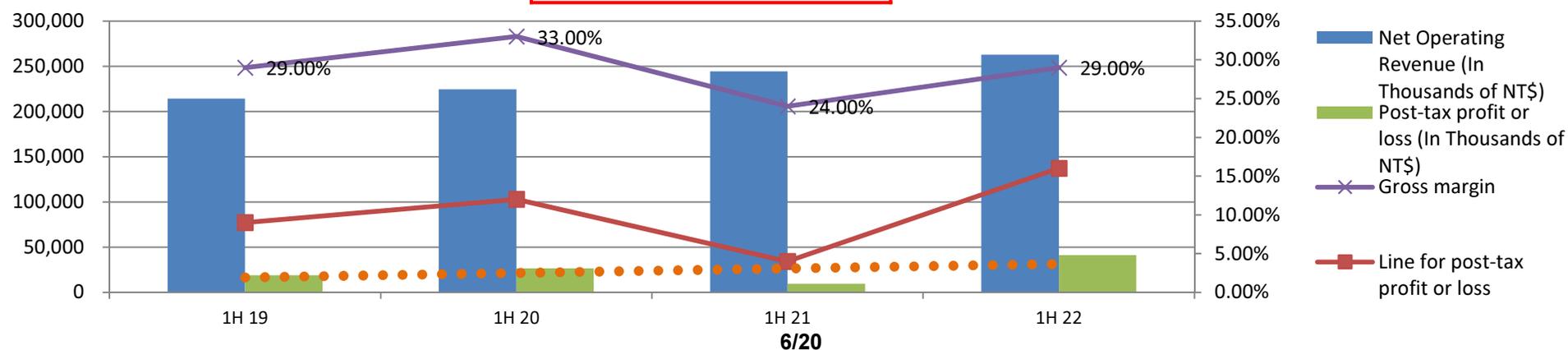


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Statement of Consolidated Comprehensive Income

Items (In Thousands of New Taiwan Dollars)	1H'22 (Reviewed)	1H'21 (Reviewed)	YoY
Operating Revenue	262,792	244,421	8%
Operating costs	187,029	186,315	-
Gross Profit	75,763	58,106	30%
Gross Margin	29%	24%	
Operating Expenses	55,938	49,639	13%
Operating (Loss)	19,825	8,467	134%
Operating Margin	8%	3%	
Other Rev. (Exp.)	21,286	(677)	3244%
Net Income Before Tax	41,198	9,683	325%
Net Income After Tax	41,198	9,683	325%
Net Margin After Tax	16%	4%	
EPS	0.91	0.22	



Consolidated Balance Sheet

Items (In Thousands of New Taiwan Dollars)	2022/6/30 (Reviewed)		2021/6/30 (Reviewed)		2020/6/30 (Reviewed)	
Cash and Cash Equivalents	122,282	13%	49,023	5%	25,934	3%
Receivables	139,624	14%	129,774	14%	139,400	14%
Inventories	139,980	14%	170,401	18%	192,165	20%
Long-term Investments	107,711	11%	128,499	13%	169,694	17%
Property, plant and equipment	404,513	42%	425,307	44%	408,425	42%
Other assets	55,717	6%	56,351	6%	50,162	4%
Total Assets	969,827	100%	959,355	100%	985,780	100%
Current Liabilities	133,330	14%	128,495	13%	150,494	15%
Non-current Liabilities	220,350	22%	249,347	26%	223,672	23%
Total Liabilities	353,680	36%	377,842	39%	374,166	38%
Total Shareholders' Equity	616,147	64%	581,513	61%	611,614	62%

Important Financial Indicator

Average collection days	83	89	94
Average inventory turnover days	139	174	213
Current ratio	3.17	2.86	2.46

Consolidated Cash Flow

(In Thousands of New Taiwan Dollars)	1H'22 (Reviewed)	1H'21 (Reviewed)	1H'20 (Reviewed)
Cash and cash equivalents at beginning of period	78,200	53,406	53,133
Cash flows from operating activities	22,984	15,521	(15,431)
Cash flows from investment activities	32,276	(20,964)	(146,122)
Cash flows from financing activities	(11,178)	1,060	134,354
Cash and cash equivalents at end of period	122,282	49,023	25,934

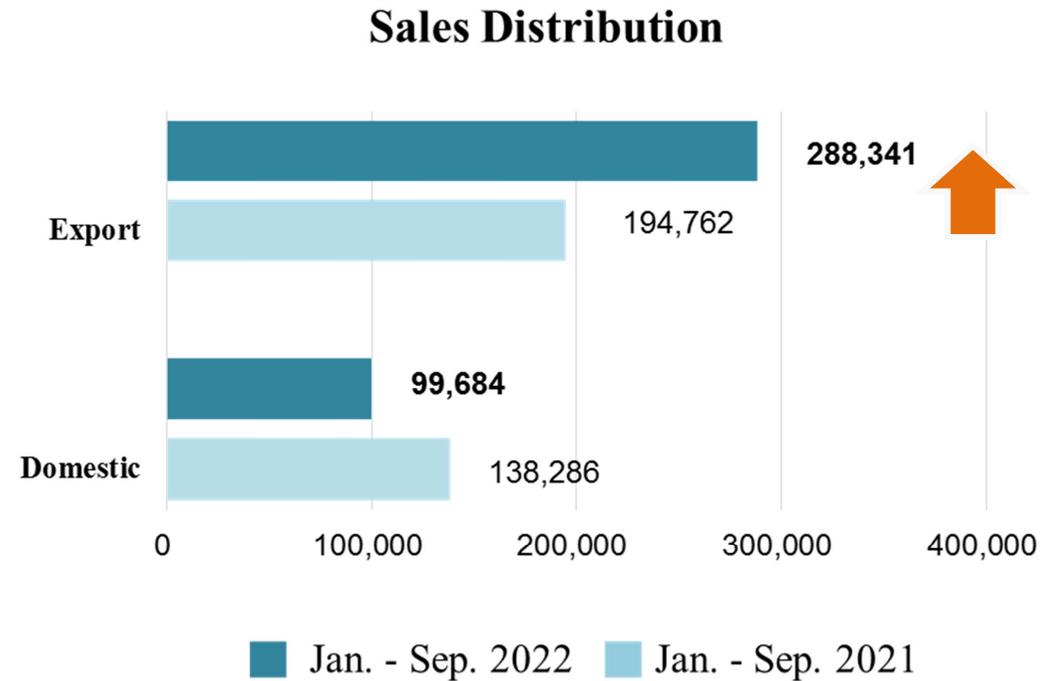
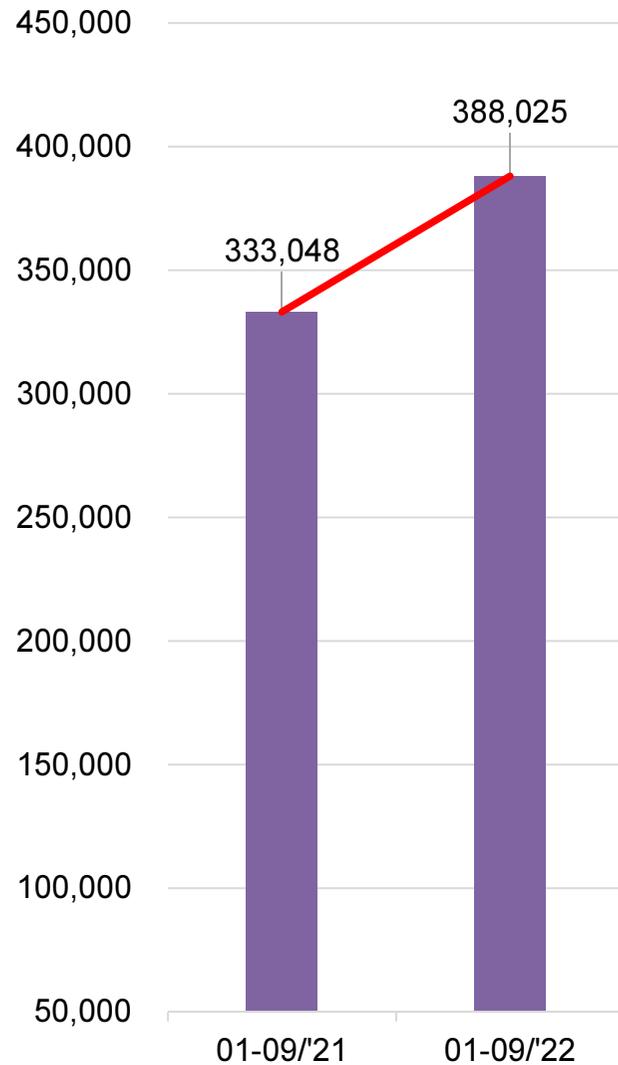
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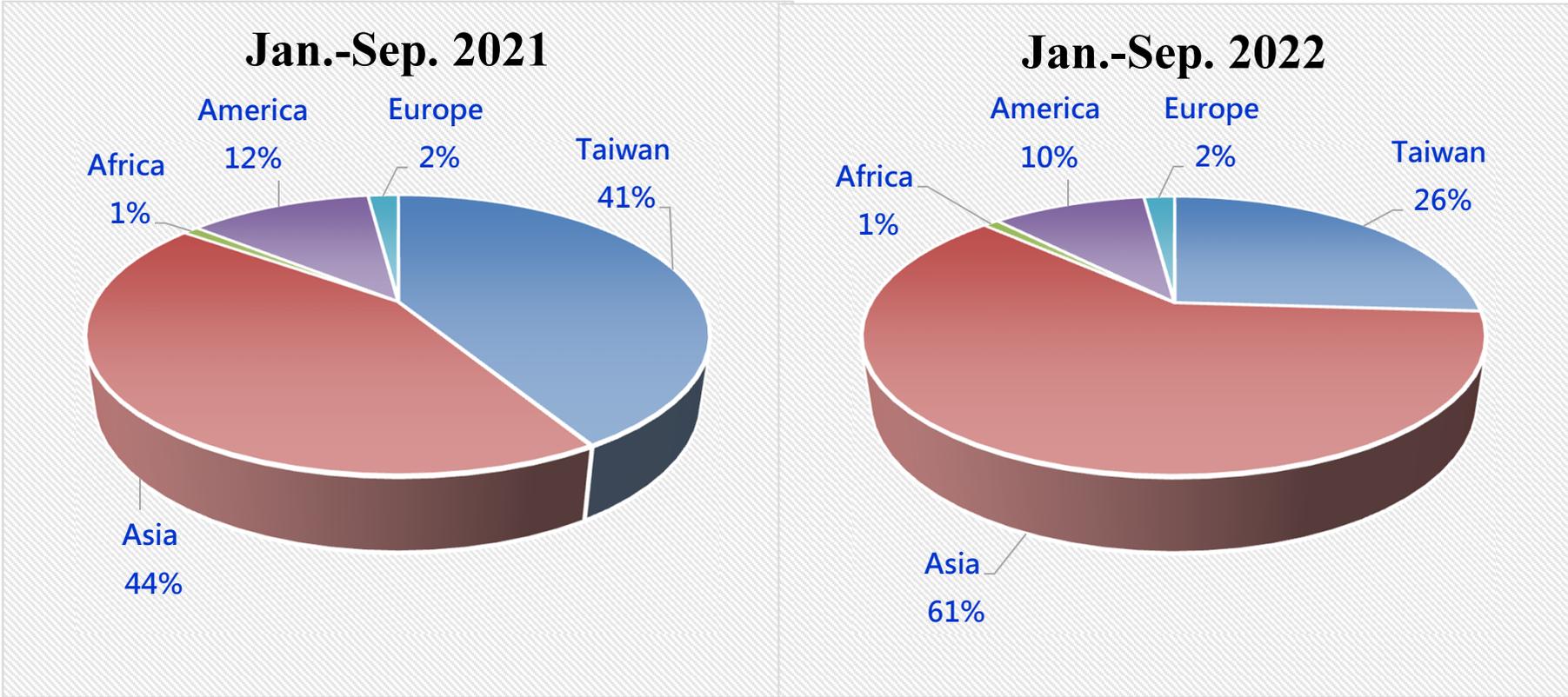
Jan. – Sep. Operating Revenue (2021 VS 2022)

(In Thousands of New Taiwan Dollars)



Globe Market distribution

Period: Jan. – Sep. of 2021/2022

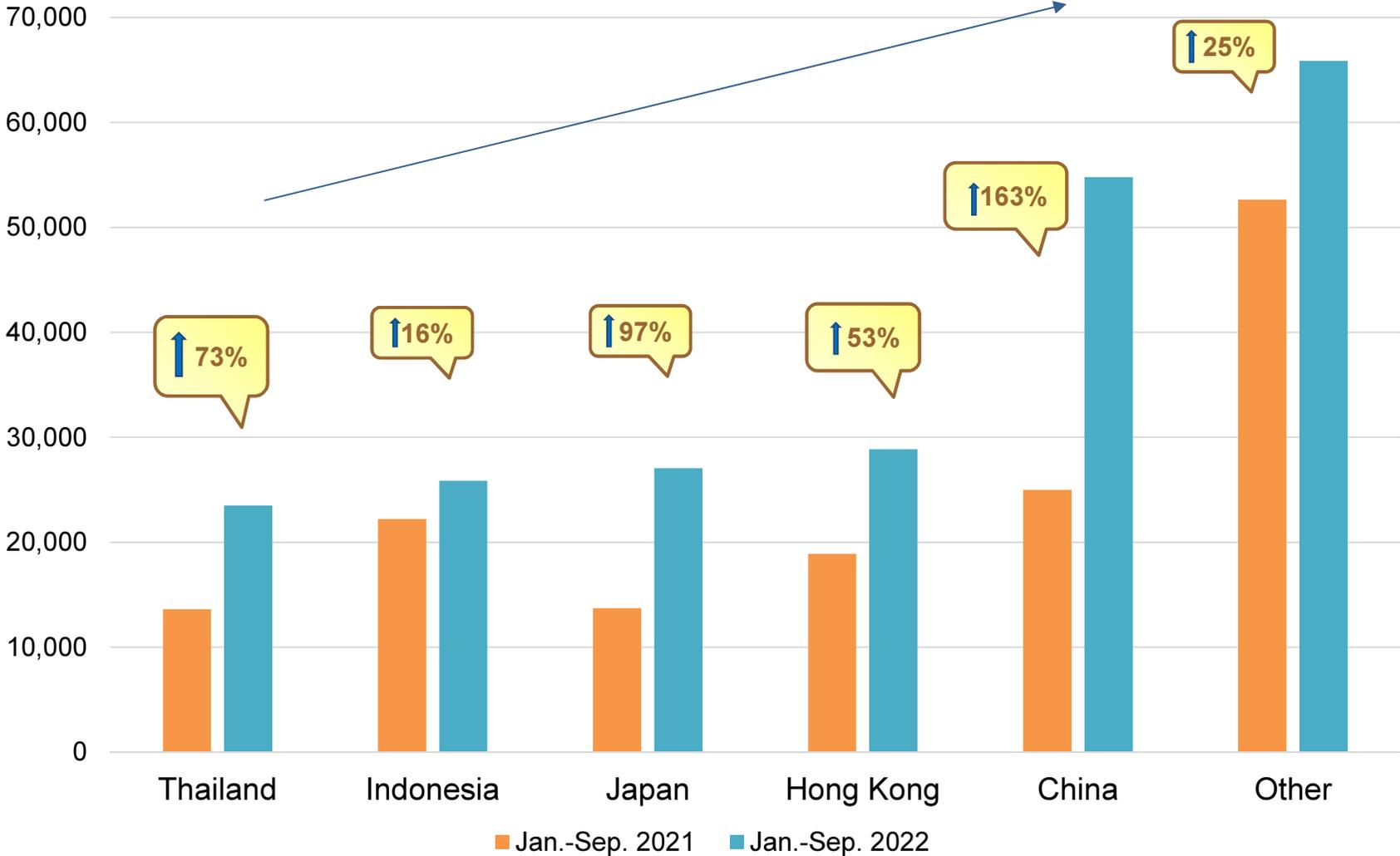


	Jan.-Sep. 2021	Jan.-Sep. 2022	Difference
Taiwan	41%	26%	-27%
Asia	44%	61%	62%
Africa	1%	1%	168%
America	12%	10%	-4%
Europe	2%	2%	8%

Growth of Asian Market Distribution

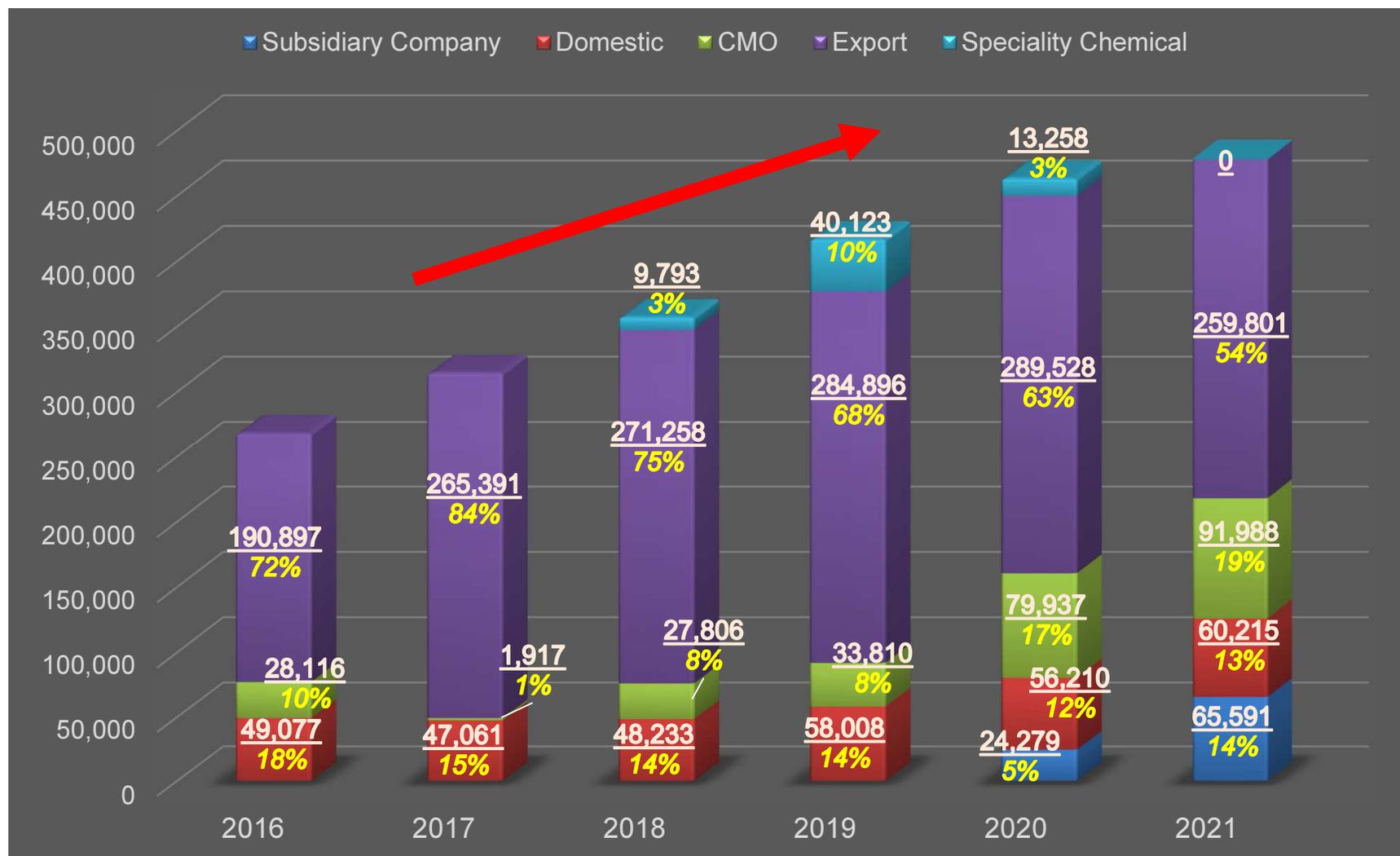
Period: Jan. – Sep. of 2021/2022

(In Thousands of New Taiwan Dollars)



2016-2021 Consolidated Revenue

(In Thousands of New Taiwan Dollars)



Market Changes and Trends

GLOBE

- Under the impact of the global epidemic and the Russian-Ukrainian war, the shortage of raw material and the rising of energy cost led to the delay in supply. According to the French media reports, the cost of the pharmaceutical industry has risen by 25%-30% over the past year, especially the APIs (+111%).
- For the US market, the impact of the epidemic continuously reduced its reliance on China. The US-China technology war will extend to the biotechnology industry: support the expansion of biomanufacturing infrastructure, improve manufacturing standards, and ultimately lowering the price and strengthening the supply chain.
- The market emphasis on ESG, and regards ESG management as a necessary condition for the company's sustainable operation. The market is also facing the great challenge on the drug pricing and drug accessing, such as reducing greenhouse gas emissions.

ASIA

- China's high-level lockdown due to the epidemic has impacted the factory operations, and leads to the shortages and unstable of the raw material supply chain, which ends up with the rising of costs.
- To reduce the dependence on the key raw material in China, India government has devoted huge resources on increasing the independent R&D and production capacity. India government plans to reduce its dependence on China by 25%-30% by 2029.

Data sources:

Trade insight (trademag.org.tw)

Pharmacy Information 2022,11(4),249-253

Commercial Times

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Research and Development Strategy

Current process optimization And ESG process development

- Improve the manufacturing process of current products.
- Manufacture intermediates to control key technology.
- ESG Sustainable Development Goals: Focusing on recycling process design to reduce carbon emissions.

Development of APIs

- 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.

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.

Expand CDMO&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 Speciality Chemical

- Open up the speciality chemical market between Japan and Taiwan.
- Cooperate with the customers to integrate upstream and downstream market to stabilize the supply.

New Product Development Plan

● API

Progress	Product	Indication	Area	*Global market size (USD)	*Global market size (kg)
process validation completed (customer during sample test)	EDV	Amyotrophic lateral sclerosis	US	44.6 M	715.4
	MRG	Overactive bladder	JP/US	311.3 M	46,192
	RVB	Anticoagulant	JP/US	1,301 M	58,455
	PLC	Local anesthetic (injection)	JP/CN	21.9 M	12,639
pilot-scale completed (prepare for validation Period)	PLB	Local anesthetic (external)	JP/CN		
	SBT	Heart failure treatment	US/CN	26.1 M	36,000
process development completed (prepare for pilot-scale period)	SFT	Anti-infectives	TW/CN/JP	2.6 M	13,842
	CMT	Antivirals	JP	1.4 M	16,323
process development and optimization period	CDA	Hepatobiliary disease	TW/CN/JP	2.9 M	20
	TOP	Hyponatremia	JP/US	116.7 M	1,377
	KTR	Non-Steroidal Anti-Inflammatory Drug	CN	80.6 M	28,602
	DYH	Antiseptics	CN	71.3M	275,612
CMO	VY01	Kidney Disease	CN/US	-	Make to order

*Data source: Cortellis™ Generics Intelligence Data

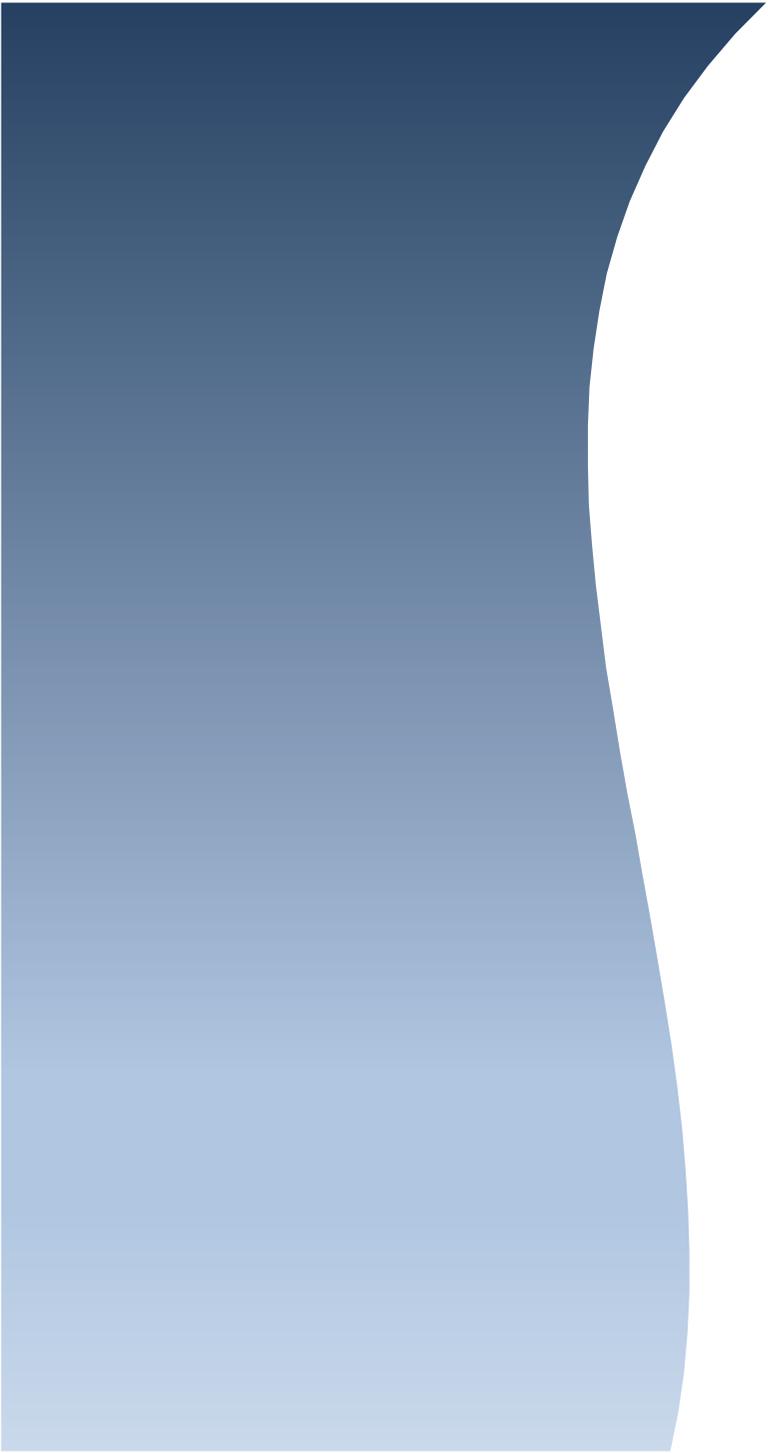
2022 Other Products Development Plan

- Others

Progress	Product	Indication	Area	Quantity (Kg)/year
process development completed	DC2	Pharmaceutical Intermediates	JP/US	80,000~90,000
	DAC	Pharmaceutical Intermediates	TW/CN/JP	10,000
	APO	Speciality chemical	TW/JP	240
process development completed (customer during sample test)	DX04	Speciality chemical	TW/JP	600~1,200
	DX06	Speciality chemical	TW/JP	480
process development period	DX05	Speciality chemical	TW/JP	50



Thank You for Your Attention!



Q & A