

SINPHAR (1734:TT)
SynCore Bio (4192:TT)



SINPHAR PHARMACEUTICAL CO.,LTD

Investor Conference

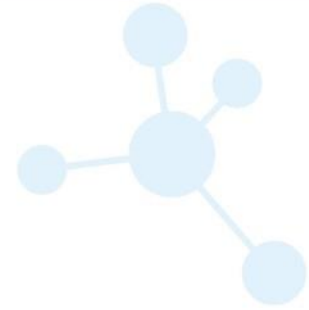
2020/12/29



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Founded in Taiwan, Step Forward to The World

1977

Established Sinphar
Ilan, Taiwan
Generic · functional food ·
cosmetic

2002

Invested Sinphar TianLi, He-Tian Tianli
Hangzhou (CN) · Xinjiang(CN)
Generic · TCM · Natural Resources

2012

Merged ZuniMed Biotech
Nantou, TW
Medical facilities



1997

Established CanCap
Vancouver, Canada
Clinical control for New Drug of North
America · spot of international business

2008

Co-found SynCoreBio
Ilan, Taiwan
New Drug Development



Group's Great Health Map

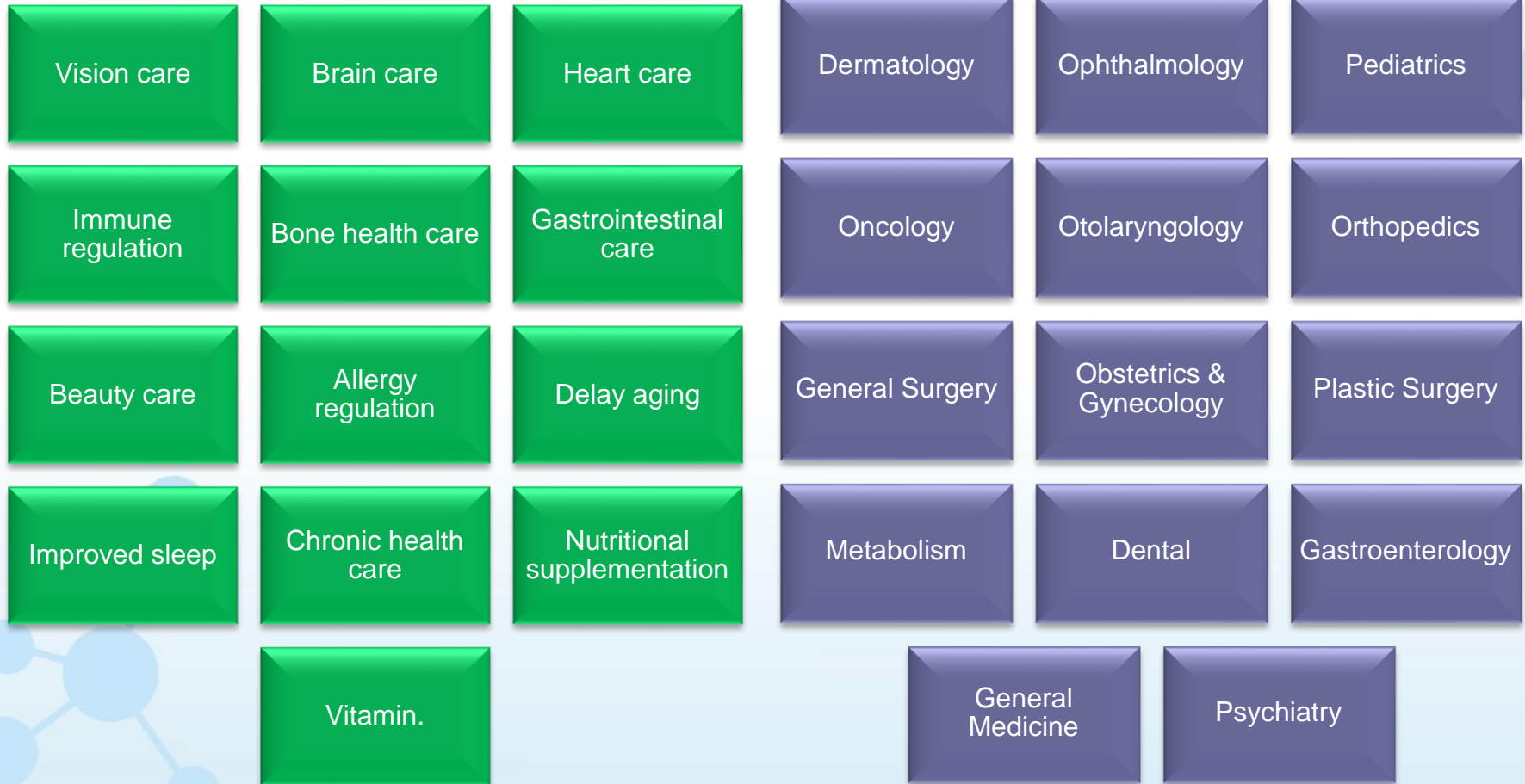
Multi-strength of Generic Drugs

The R&D power of New Drug

**Strategic plan of Natural
Herbal Resources**



Full age and all-round protection



launched in 2020: 11 items

launched in 2020: 3 items

Sinphar Health Hall

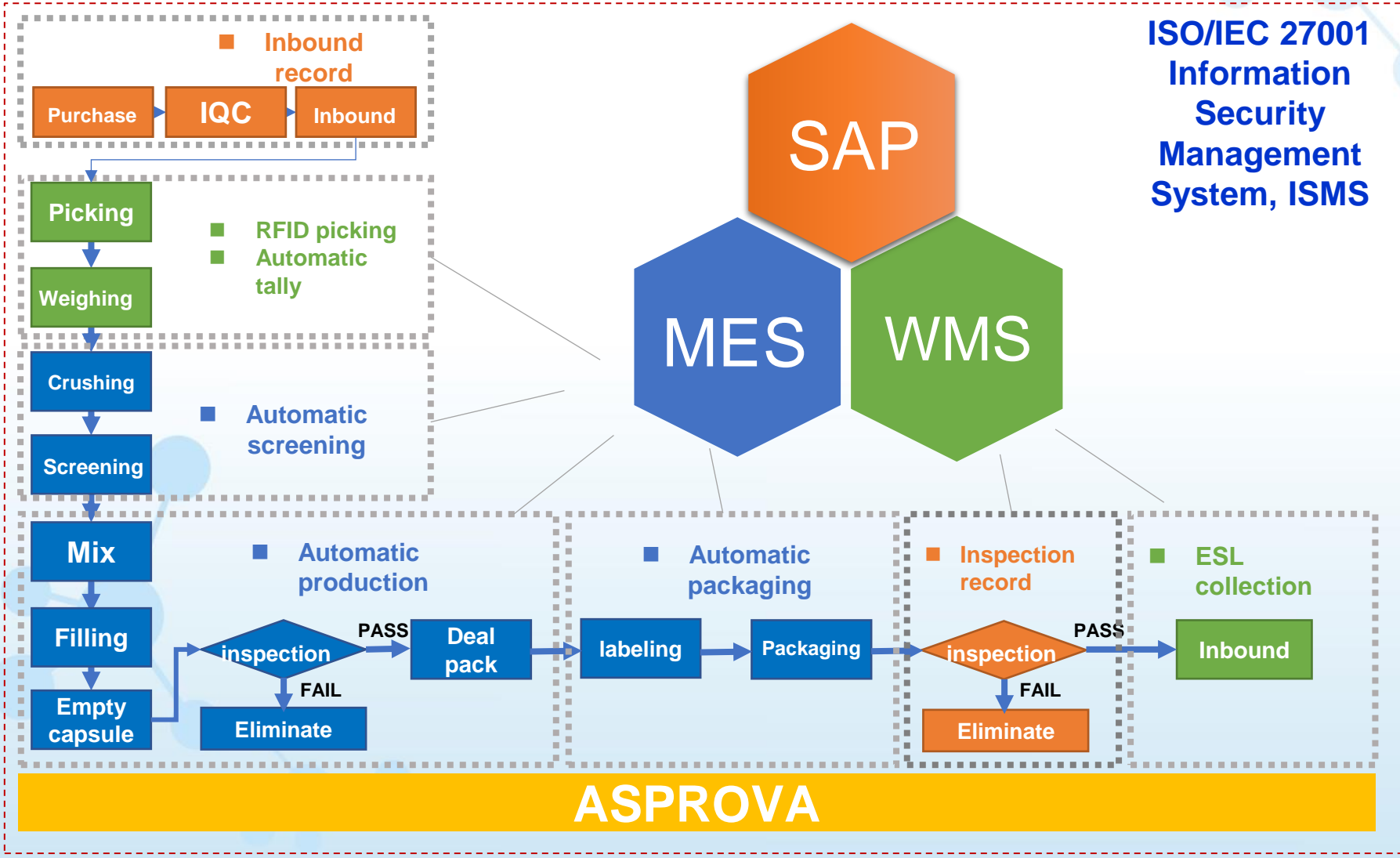
Share relevant medical and health knowledge with the public :

- The Facebook fan page has nearly a hundred professional shares that convey the right medicine and food knowledge.
- About 12,000 people have visited the plant in 2020 to know about the manufacturing process of pharmaceuticals, food and cosmetics.
- Establish real-time communication channels with 40,000 members and provide information sharing from time to time.
- From 2021, new fields will be added to provide a free rest area for people traveling to Yilan.



Intelligent Plant

- **SAP** PSI management
- **MES** Manufacturing execution control
- **WMS** Warehouse and inventory management
- **ASPROVA** Creates intelligent production schedules



Information Security Management System, ISMS

ISO 27001 specification



System usage permissions



Compliance with international standards



Information usage permissions



Compliance with external audit requirements



Risk control



Security awareness

Invest resources to protect enterprise resource management systems, manufacturing execution systems and facilities management.

Quality System

1. We have obtained PIC/S license extension (PMDA cancer factory) at Nov. 12, 2020 by TFDA approval.
2. During COVID-19 epidemic, Sinphar has RT-PCR machine and was been invited to join the epidemic prevention team by the Ministry of Health and Welfare (MOHW).
3. For the purpose of go internationalization, we phased in Artificial Intelligence produce.
4. Completing data integrity is not only about "knowing", but also about "confirming" whether all production meets standards.
5. The problem of product expiry difference, the review was negligent. From now on, it will be tracked regularly and improved immediately.
6. Invited Taiwan Product Quality Research Institute (TPQRI) and Pharmaceutical Industry Technology Development Center (PITDC) for regular inspection.

Energy Saving and Carbon Reduction



節省用電



綠能



減少營運用油



減少能源耗

1. In 2016, the street light and electric light in the factory are changed from traditional lamps to LED lamps. Which can save 1% of electricity consumption every year.
2. In 2017, the air conditioning system phased in physical solution dehumidification equipment. Which can save 10% of electricity consumption every year.
3. In 2018, the air conditioning system phased out the old, and is equipped with a chain control system. Which can save 2% of electricity consumption every year.
4. In 2019, the air conditioning system increases the temperature of the cold water outlet and the wet bulb temperature of the cooling water tower by 3°C. Which can save 1% of electricity consumption every year.
5. In 2020, the oil-fired boiler is replaced with a LPG boiler. The burning efficiency of LPG is better than fuel oil. After the improvement, the operating tonnage can be reduced by 70%.
6. The LPG boiler is phased in the waste heat recycle system, which can save 5% to 7% of LPG usage per hour. Which improve energy efficiency, and reduce plant carbon emissions and air pollutants.
7. In order to achieve the government's energy-saving policy, which are saving 1% of electricity every year and 5% of electricity for 5 years. We implement energy management and analysis to effectively monitor energy usage every year.
8. We plans to set up solar power generation and storage systems. Which use renewable energy to protect the environment and sustainable development.
9. Operating carbon rights trading creates multi-party revenue opportunities for enterprises and promotes the sustainable development of domestic industries.



Growth

Therapeutic drug

- New products are expected to launch in 2021 for 4 items.
- Co-develop and manufacture with Japanese pharmaceutical companies and attack the ASEAN market.

Functional Supplements

- New products are expected to launch in 2021 for 7 items.
- Agent Japanese products into the domestic market.

Cancer treatment drugs

- Actively develop the research and development and manufacturing capacity of cancer needles.
- Product M1 (gastric cancer, colorectal cancer, pancreatic cancer) in the certification process, as well as product M2 (cancer-assisted treatment agent) in the investigation, is expected to serve the country in 2021.
- Freeze-dried manufacturing process investment in the construction, and actively strive to become pancreatic cancer needle production plant.

International Market

Japan: Product G has been launched in 2020. Looking forward to continuous growth.

Thailand : Product T has been submitted on Oct. 2020. Expected to be launch in 2021.

Product G has been submitted on July 2020. Expected to get certificate in 2021.

Product A has been BE assessment with local partners.

Malaysia : Product T has been launched in 2020. Looking forward to continuous growth.

Product S has been received approval. Expected to be launch in 2021.

Product K already to get customer order. Expected to be launch in 2021.

Indonesia : Product A & Product L has been launched in 2020. In contract with local pharmaceutical company. Looking forward to continuous growth.

Philippines : Cooperate with local distributors, expected to be launch at least two products in 2021.

Product G has been submitted on May 2020.

Product L has been submitted on Sep. 2020.

Mongolia : Product L has been launched in 2020. Looking forward to continuous growth.

Vietnam : Product G has been submitted on 2020. Expected to get certificate in 2022.





COVID-19 Response

Emergency response:

- Sinphar Group and inter-departmental sharing of epidemic prevention information and communication platform.
- Promulgate and rehearse the phased contingency implementation plan for factories, offices and new work codes.
- Provide employee with anti-epidemic appliance and regular cleaning and disinfection.
- Split shift of work and work remotely information system completed.
- Temporary demand scheduling and remote operation methods, such as capital, supply and demand, and distribution have been completed.
- Assist stakeholders and neighbors to strengthen epidemic prevention.

Operational adjustment:

- Cooperate with government policy control and expropriation.
- Control the sources and prices of APIs and raw materials.
- Supply chain management and supplier assistance.
- Import and export transportation records.
- Adjustment of product manufacturing package.

Group resources integration

Sinphar & TianLi

R&D achievement mutually benefit.

Patents cooperation layout.

Oncology Dosages

Sinphar & SynCore

Drugs in R & D cooperation and manufacturing improve.














Natural Herbal Resources

Medical Facilities

Sinphar & ZuniMed

ISO15378 Class 100,000 clean room.

Pipeline of New Products

INNOVATIVE DRUG		PRE-CLINICAL	PHASE I	PHASE II	PHASE III	NDA	MARKET	UNMET MEDICAL NEED
Oncology 	SB01 Head & Neck Cancer	 + An injectable anti-cancer NCE (small molecule). Phase II ongoing						✓
	SB02 Solid Tumor	 + An anti-cancer NCE (small molecule) through oral route. Ready for IND						✓
	SB05 EndoTAG®-1 Pancreatic Cancer (PC)	 + A new liposomal formulation for PC. Global Multinational, Multi-center Phase III ongoing						✓
	SB05 EndoTAG®-1 Triple Negative Breast Cancer (TNBC)	 + China Region Phase III ongoing						✓
Dermatology 	SB03 Veregen® External Genital Warts (EGW)	 + VEREGEN The first botanical drug approved by U.S. FDA for prescription of EGW. +20 Countries market launched						✓
Ophthalmology 	SB04 Age-related Macular Degeneration (Dry AMD)	 + A conventional drug in new use to treat dry AMD. Phase II/III ongoing South Korean Partner: AJU PHARMA						✓
MEDICAL DEVICE		R&D	PRE-CLINICAL	CLINICAL	REGULATORY	MARKET	UNMET MEDICAL NEED	
Ocular Diagnostic 	FloM-S Choroidal Blood Flow Measurement	 + An innovative diagnostic medical device for choroidal blood flow measurement. R&D stage						✓
	epiCam Hand Held Fundus Camera epiCam C: Color epiCam M: Monochrome epiCam V: Veterinary	 + epiCam® Three groundbreaking hand-held fundus cameras can capture realtime video. Launched in Europe and Asia						✓
		 +						✓

Development of New Drug

Market value

From Market Research Engine, the global market value of Pancreatic Cancer will increase to **US\$13 billion** in 2021.

According to GLOBOCAN, Pancreatic cancer mortality rate is almost equal to incidence, which is expected to **increase by 40%** by 2030.

Market Research Engine Report Id: PPCM417

1. Ongoing Global Phase III Study (Pancreatic Cancer 2nd-Line Therapy After FOLFIRINOX Failure) : DSMB recommends continuing trial without modification.
2. Clinical Studies: Phase III in China : Received NMPA CTA Approval in June 2019.

Target field of Natural Resources

Lipucan®

天力速康®

(Poria cocos triterpenoids)

Protygold®

杏补宜®

(Walnut oligopeptide)

Memoregain® TLCT Plus

天力再生®

(Cistanche tubulosa extracts)

Sleep quality

Proven by healthy study population

Sports Nutrition

(3 multinational patents)

Boost Respiratory Health

(4 multinational patents)

Anti-fatigue

(1 multinational patent)

Upregulate Immunity & Against Virus infection

(2 multinational patents)

Enhance Nutrient Absorption

(2 multinational patents)

The application of raw materials in the field of health food tends to be daily life, and the dosage form is not limited to tablets or powders.

Strengths and strategies

Market

- In 2020, the main business market of Sinphar Tianli's food Ingredients is in the China.
- Food market demand trends in 2020: upregulate immune function, improve sleep quality, ant fatigue, help improve memory, gut health, sports nutrition, and beauty.

Product

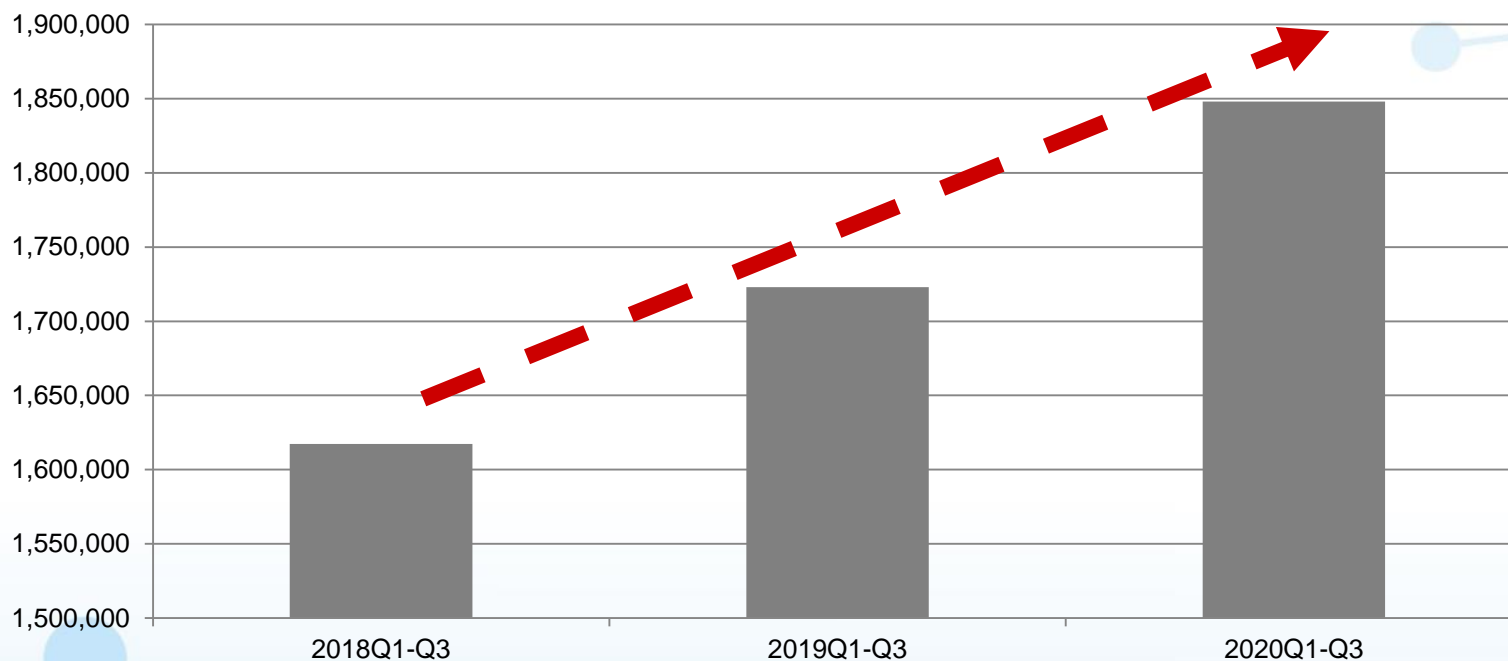
- Existing products: Combine market trends and customer needs to promote customers' existing product upgrades or new product applications.
- New products: Refer to items that are in line with the long-term market trend, and turn the developed products into marketable items.
- Use the unique advantages of scientific research and technology to provide technical support for the market application of customer products

Marketing service

Summary of R & D achievement	
2019	<ul style="list-style-type: none"> • Patent and article publication: 5 patents were obtained and 5 articles were published.
2020	<ul style="list-style-type: none"> • 3 patents were obtained

Recent group revenue

NTD in Thousand



Term	2018 Q1-Q3	2019 Q1-Q3	2020 Q1-Q3	2018全年度	2019全年度
Therapeutic drug	1,112,925	1,180,870	1,243,483	1,528,051	1,651,348
Functional Supplements	449,686	470,993	527,970	614,178	644,363
Others	54,756	71,187	76,509	73,608	98,878
Total	1,617,367	1,723,050	1,847,962	2,215,837	2,394,589

Profit and Loss

Period	2020 Q1~Q3	2019 Q1~Q3	2019
Revenue	1,847,962	1,723,050	2,394,589
Gross Profit	38%	38%	39%
S&M	239,222	240,151	324,733
G&A	160,773	182,781	234,056
R&D	344,107	377,543	527,805
Profit before Tax	-33,298	-105,734	-86,706
Net income (loss) attributable to parent company's shareholders	25,547	-20,807	13,961
EPS (Basic)	0.15	-0.12	0.08

In the future, the results of new drug licensing revenue and revenue growth will be presented simultaneously.

Cash flows

NTD in Thousand

	Sinphar 2020 Q1~Q3	Syncore 2020 Q1~Q3
Net Cash generated by operating activities	82,520	-245,618
Net Cash used in investing activities	-110,995	-1,445
Net Cash generated by financing activities	276,953	478,113
Cash and cash equivalents, end of the period	1,087,002	617,413

Steady growth step by step.

Ratio

	2020Q3	2019Q3
Current ratio(%)	187.73	171.84
Cumulative revenue growth(%)	7.25	6.53
Operating expense ratio(%)	40.16	46.68
Employment costs (%)	27.09	29.02
Account receivable turnover	4.31	4.12
Account payable turnover	7.00	6.77
Inventory turnover	2.45	2.76
Fixed property and equipment turnover	0.75	0.69

The increase in inventory was mainly due to the advance stocking in response to the epidemic.

2020 Events

1. Innovative research and development of "anti-fatigue unique formula" won the United States invention patent certification, and has been the national anti-fatigue health food certification.
2. Research and development and production 「娘家好茯敏膠囊」 won the Taiwan Health Food Society awarded the "Nutrition Health Food Innovation Award“
3. The introduction of Japan's best-selling new magnesium oxide constipation, to seize the domestic annual demand for more than 460 million constipation market.
4. The product recycling incident was held on October 7th at a press conference, which showed that 288 products had been fully compared with 755 specifications. For products that may have doubts, Sinphar will actively and completely recycle to avoid increased distress as a sign of responsibility.
5. Subsidiary Sinphar Tianli and Asahi GoDo inc. signed a distribution contract, authorized Asahi GoDo inc. exclusive distribution of patented brain-wake factor (Protygold®), to expand the Japanese health food market.
6. SynCore SB05PC novel formulation of cationic liposomes embedded with paclitaxel is awarded “Taipei Biotech: Innovation -Special Mention Award” ◦
7. SynCore is selected to present the global phase III pancreatic clinical trial of SB05 at the 2020 American Society of Clinical Oncology (ASCO) Annual Meeting. ◦
8. SynCore receives interim analysis results for its global phase III clinical trial, SB05PC (EndoTAG®-1). The Independent Data Monitoring Committee (IDMC) did not mention any safety concerns and the trial can continue as planned, without any modifications. ◦

Corporate Social Responsibility

Promote social care, medical prevention and health education

- Host health forum, biotechnology camp. Combined medical, academia, and biotechnology community to set up an interaction platform. Also, cultivate talented personnel.
- Continually to sponsor Breast Cancer Foundation, Taiwan Cancer Foundation, Taiwan Alzheimer's Disease Association, Spinal Cord Injury Foundation, The Diabetes Association of the Republic of China (Taiwan), Taiwan Yilan Association of Diabetes Supporters, and Youngsun Culture & Education Foundation.
- 1,300 Sinphar Counters in Taiwan join Taiwan Alzheimer's Disease Association's Dementia Friendly Business.
- Donate to The National Health Research Institutes and Formosa Cancer Foundation, to provide subsidy for new drug development and medical supply.
- Co-found a " R&D center of Age-related Macular Degeneration" with National Taiwan University Hospital, strive for the diagnosis of early stage of age-related macular degeneration and eye detection.
- In long term to protect and maintain street lights at Wanshan village, side walk in Zhongshan village and Renshan trail; also provide a free-use area for trip advisor center in Dongshan County.
- Sponsored the Hualien Dental Hygiene Medical Service Team of the Department of Dentistry of National Yangming University and the Taipei Medical University Penghu Medical and Social Service Team, the regiment and the Green Cross Medical Service Team for free medical consultation.
- Sponsored medicine for the Nepalese group of the National Taipei University International Volunteer Association.
- Participate in the Su-Ao free clinic and donate nutritional products to the indigenous people.
- Sponsored the three-on-three basketball game in Sanxing Township.
- Donated NT\$1,300,000 of nutritional products for hospitals and epidemic prevention medical staff in Yilan County.

Corporate Social Responsibility

Support sports and educational activities in long term



- Provide internship for students from Kaohsiung Medical University, Taipei Medical University, National Defense Medical Center, China Medical University and Chia Nan University of Pharmacy & Science. Also provide scholarship for Kaohsiung Medical University and National Defense Medical Center.
- Sponsor musical instruments and international competition found for symphonic band from Dongshan Elementary School.
- Sponsor World Badminton Athlete, Tai Tzu Ying.
- Team up and anticipate in Yilan Toucheng Township's and Pingtung Hengchung's Cianggu (The Grappling with Ghosts) Competition.
- Sponsor Chinese Taipei Gymnastic Association, National Ilan University gymnastics team, Yilan High school's soccer & basketball team and Yilan Chung Dau High School baseball team.
- Sponsor to set up Sinphar Hope Elementary School (China Xinjiang Yutian County).
- Sponsor supplement to Yilan County team in The National Games, donated NT\$5 million to Yilan County sport development found.
- Internship opportunities for National Taiwan University pharmacy students
- Sponsored the Taitung County Sports Association to host the Gengyuan Cup Little League Youth League Championship.
- Sponsor the activities of Dongshan Township in local primary and secondary schools (school celebrations, year-end party lottery activities).
- Donated NT\$360,000 for the preparation laboratory equipment of the School of Pharmacy, Kaohsiung Medical University.
- Established 搶孤 Cultural Park, equipped with 搶孤 cultural relics room and training ground to inherit folk culture; Sinphar 搶孤 team participated in the 2020 Hengchun 搶孤 Competition to win the championship.



Q & A



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