

SINPHAR's Code : 1734

SynCore's Code : 4192



杏輝醫藥集團
SINPHAR GROUP



SINPHAR PHARMACEUTICAL CO.,LTD

Investor Conference 2018/5/23

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Agenda

- 1. Group profile**
- 2. Key program and strategies**
- 3. Business outlook**
- 4. Industry portfolio in domestic**
- 5. Corporate Social Responsibility**

Group profile



1977

SINPHAR PHARMACEUTICAL CO.,LTD

Yilan (TW)

Generic drugs, Functional food, Cosmetic



2002

Sinphar TianLi, He-Tian Tianli

Hangzhou (CN) · Xinjiang(CN)

Generic drugs, Chinese herbal medicine, Plant extracts



2012

ZuniMed Biotech

Nantou(TW)

Medical Supplies



1997

CanCap Pharmaceutical

Vancouver(CA)

Generic drugs, Functional food



2008

SynCore Biotechnology

Yilan(TW)

New drugs development

Main Business

- **Therapeutic Medicine**

Tablet, ointment, liquid (external use), liquid(oral), eye drops, hard capsule, soft capsule, suppository, granule and injections for oncology.

- **Functional Foods**

tablet, hard capsule, soft capsule, granule and powder, liquid(oral), jelly candy and pastilles.

- **Natural Resources and TCM**

Development of natural resources and Traditional Chinese Medicine, cultivation and technical development such as Cistanche Tubulosa and Fuling.

- **Medical Supplies**

Eye drop bottle, tablet bottle, syrup bottle and drying bottle.

- **Sales and Marketing**

Professional business team and a completed services coverage.

- **Technical Services**

OEM/ODM for pharmaceutical, food supplement and cosmeceutical product, lab testing services (including pharmaceutical, food supplement and cosmetic).

- **Professional manufacturing services**

PIC/S GMP certified(Taiwan and CanCap) : Pharmaceutical plant, Injection plant, Supplement plant, Cosmetic plant; ISO15378 certified medical packaging site(Taiwan); Natural herbs extraction plant(Hangzhou); cultivation plant(Xinjiang).

- **New Drug Development**

New Chemical Entity (SB01 and SB02), Treatment of Genital Warts (SB03), Dry Age-Related Macular Degeneration (SB04), Positively Charged Liposomal New Drug For Triple Negative Breast Cancer and Pancreatic Cancer (SB05), Botanical New Drug (STA1 and STA2), SPA1.



Services Background

- **Completed sales channel(Taiwan)**

1. Have a long term cooperation with Medical Center, Regional Hospital, Teaching Hospital, Local Hospital and Clinics.
2. 1300 Sinphar counters.
3. Cooperation with chain stores.

- **A long term OEM/ODM cooperation with International firms.**

- **A solid team**

1. 4 Professors; 25 Doctors; 113 Masters.

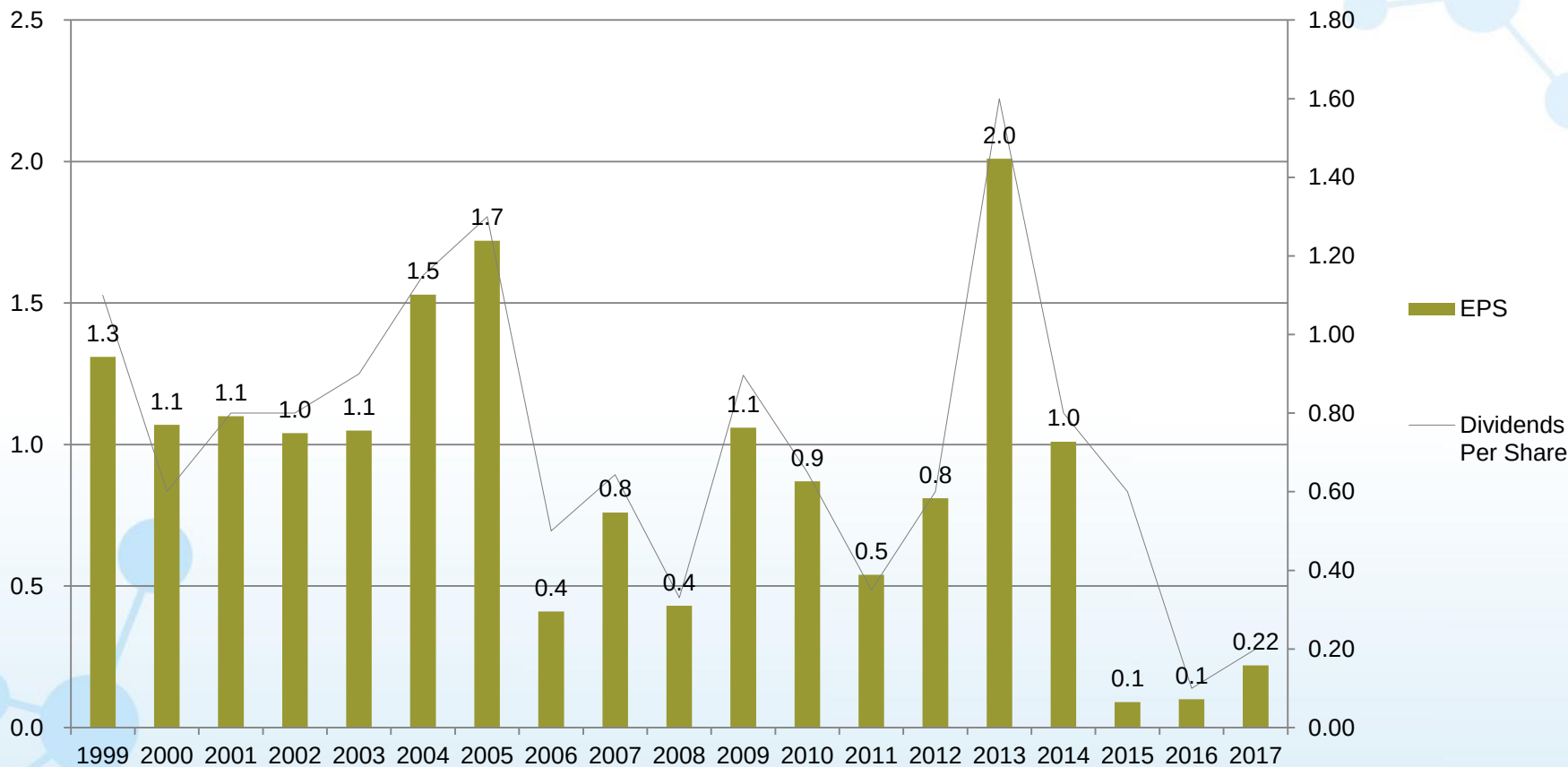
- **Precise Facilities**

Labs for multi dosages, TCM labs, Microbiology labs, Cell and molecular biology labs, Inspection labs.

- **Professional manufacturing**

1. Obtain PIC/S GMP, ISO 9001, ISO 17025, ISO 14001, ISO 22000 and OHSAS18001 accreditations, also pass Japan PMDA for GMP Inspection.
2. Pharmaceutical plant : From product development, contract manufacturing, registration, patent control to market strategy planning.
3. Food Supplement plant : Provide multi dosages such as tablet, capsule/soft capsule and functional supplement powder in can. From formula and manufacturing design 、spec setting and active ingredient Assay, offer a package service to meet the market demand.
4. Injection Center : Produce injections, solid dosage, hormone dosage for cancer treatment , the film coated dosage site is the only closed cytotoxic site that certified by TFDA in Taiwan ; the second plant is the only cytotoxic injection plant which operate with automatic Isolator in Taiwan.
5. Cosmetic plant : Shampoo, shower gel, toner, body cream, sun block, serum.

Earnings, and Dividends Per Share



Despite market condition and whether have New Drug Investment, have earned shares and dividends annually.

Recent Events

Year 2017

- Sinphar medicine and Kyowa Chemical Industry Co. (KISUMA) signed registration contract to exclusively introduce sales of Sinphar counters.
- New drug SB05 (EndoTAG®-1) which developed by SynCore Biotechnology Co., Ltd. had obtained permission by US FDA and TFDA to execute Phase III human clinical trial for pancreatic cancer.
- SynCore Biotechnology SB01 published “A Phase I Dose Escalation Study of SCB01A, a Micro-tubular Inhibitor with Vascular Disrupting Activity, in Patients with Advanced Solid Tumors Refractory to Standard Therapy ” at American Society of Clinical Oncology, ASCO
- Sinphar Steady Fiber Granules had obtained Health Food certification in the function of blood sugar regulator.
- Sinphar Migus High Phyto Protein powder had obtained Health Food certification in the function of blood lipid regulator.
- Sinphar Memoregain® had obtained Health Food certification in the function of anti-aging, this is the only Health Food Product contains Cistanche Tubulosa and developed by domestic company.
- SB01 New Chemical Entity, NCE from SynCore Biotechnology for head and neck cancers had obtained R.O.C. patent.
- SB05_EndoTAG-1 from SynCore Biotechnology had obtained manufacturing patent from European patent office and indication patent from United States Patent and Trademark Office.

Year 2018

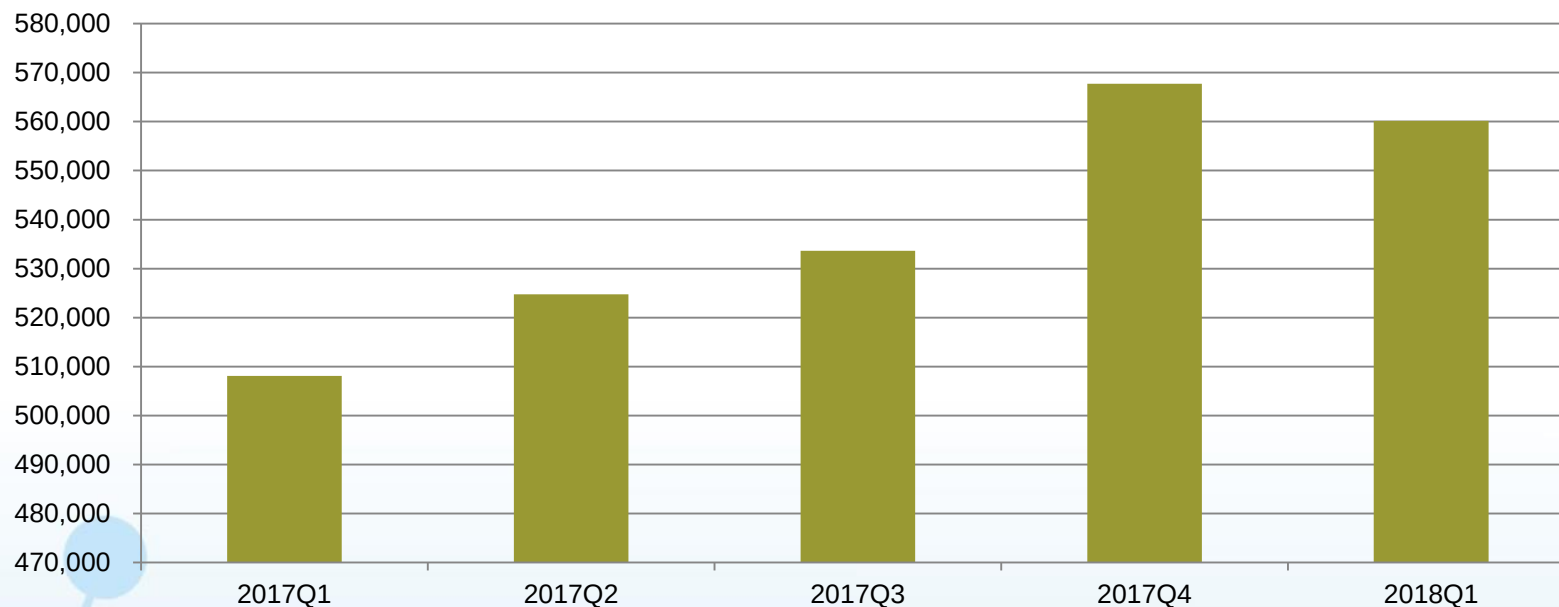
- Sinphar signed a technique transfer with an ophthalmology dosage manufacturer from Japan. In future, ophthalmology dosage will be more customer driven, it will be produced by sterile facility with niche pack. This project aims launching in Taiwan, Korea and Southeast Asia .
- Together with British company Epipole, SynCore Biotechnology became an exclusive distributor of EpiCAM the hand carry fundus camera in Taiwan for the ophthalmology diagnosis market.

Key program and strategies

1. Preventative medicine : New functional food development. There are 5 functional foods obtained Health Food certificate in 2018, targeting launching the self developed functional food in 2019.
2. Oncology dosage : The co-development and exportation of oncology center. Estimate in the end of this year, several will get licenses and under registration, also the co-developed project with Japan company has an outstanding progress on patent.
3. Natural resources : New herbal extract development, patent strategies and international market promotion.
4. New drug : Focusing on clinical execution and international authorization.
5. International strategies : Strive to get Halal business from China, Japan and Southeast Asia. The government also help to reach a consensus with Malaysia government on certifying, anticipate in 2019 can have first shipment.

Recent group revenue

Revenue



Term	2018Q1	2017Q1	2017	2016
Therapeutic drug	372,355	329,590	1,470,125	1,481,598
Functional Foods	163,315	159,052	591,760	589,777
Others	24,456	19,447	72,278	62,136
Sums up	560,126	508,089	2,134,163	2,133,511

Consolidated key P&L items

期 別	2018Q1	2017Q1	2017	2016
Revenue	560,126	508,089	2,134,163	2,133,511
Gross Profit	37%	36%	38%	37%
S&M	77,378	73,094	280,681	319,519
G&A	62,762	51,414	229,112	229,947
R&D	71,672	89,121	363,493	382,605
Profit before Tax	-8,156	-43,214	-90,166	-64,173
Net income (loss) attributable to: shareholders of the parent	16,753	-8,826	36,726	16,545
EPS(Basic)	0.10	-0.05	0.22	0.1

Both revenue and profit are gradually growing.

Consolidated key cash flow items

NTD in Thousand

	2018Q1	2017Q1	2017	2016
Net cash generated by operating activities	28,676	20,634	219,871	87,184
Net cash used in investing activities	(51,085)	(55,412)	(226,699)	(13,199)
Net cash generated by (used in) financing activities	(34,138)	(11,305)	(13,608)	130,687
Cash and cash equivalents, end of year	1,016,246	1,033,020	1,070,188	1,094,920

Followed by a explicit leading way,
control every expenditure reasonably.

New Drug

	SB01	SB02	SB03	SB04	SB05
Current Status	Ph II Study Permitted in Taiwan and the US	Pre-clinical	Got TFDA certificate, already in the market	Ph II/III Permitted in Taiwan	Triple Negative Breast Cancer :Taiwan 、Belgium 、Australia Ph III permitted
					Pancreatic Cancer: Ph III permitted (the US)

	Status
SB05 PC	- The conducting in combination with Gemcitabine global Phase 3 study for patients with metastatic pancreatic cancer following FOLFIRINOX Treatment is expecting to launch in USA, Taiwan, Europe and Asia with the expectation of completing the study in 2020. in order to achieve the NDA approval for the SB05 PC Second-Line New Drug License - Sponsor to NHRI clinical trial for pancreatic cancer patients with FOLFIRINOX clinical expenses (15million NTD) and treatment cost (10million NTD) - Sponsor to Formosa Cancer Foundation for pancreatic cancer patients with FOLFIRINOX treatment cost (5million NTD)
SB05 TNBC	SB05 TNBC a triple negative breast cancer Phase 3 clinical trials in Taiwan is currently in parallel to increase " clinical trial center for patient recruitment.
SB01	- The conducting clinical trial of SB01 Phase 2 clinical trial targeting on head and neck cancers (approved by US FDA and TFDA) is currently on going. - Routine Monitoring & Auditing of Clinical Trials - Consent on site visit and finding evaluation
SB04	- Close cooperation with and "National Taiwan University Hospital" clinical trial center (Age-Related Macular Degeneration Research Center) as well as "Changhua Christian Hospital" and "Kaohsiung Veterans General Hospital" for the patient recruitment - Together with Swiss optical instruments company Y-YBar and British company Epipole, SynCore will optimize this diagnosis and treatment-oriented research platform for eye diseases to improve the techniques used in the inspection and treatment of eye disorders

Natural Resources

Develop traditional Chinese medicine and natural herbal extraction by controlling its sources, and promote the outcome globally.

	Summary
2017	The published patents and papers : 21 patent applications, 1 authorization, 11 reviews, 1 international published, 2 papers published.
2018	2 patent applications, 2 articles published.

SUNETIC BIOTECH INC. and its subsidiaries

	2018Q1	2017Q1	2017
Revenue	59,247	39,592	240,723
Profit before Tax	6,406	-4,947	37,020
Net income (loss) attributable to: shareholders of the parent	5,219	-3,962	30,188

Industry portfolio in domestic

表 4 2017~2018 年我國製藥產業產值之推估及預測

單位：新台幣億元；%

類別	2017 年				2018 年		
	前三季	Q4(e)	全年(e)		Q1(e)		全年(f)
	產值	產值	產值	成長率	產值	成長率	產值
原料藥	121.5	40.0	161.4	-12.8	38.3	-2.3	164.0
西藥製劑	325.7	116.6	442.3	6.3	109.4	4.2	474.4
生物藥品	12.5	4.1	16.7	43.5	2.5	3.2	19.0
中藥製劑	62.9	21.7	84.6	2.8	20.7	1.7	88.2
合計	522.6	182.4	705.0	1.4	170.9	2.3	745.6

註：成長率係指與前一年度同期比較之成長率；(e)為推估值；(f)為預測值；因數據四捨五入使得各季數據加總與全年數值及成長率稍有差異

資料來源：經濟部統計處；DCB 產資組 ITIS 研究團隊推估整理（2018.02）

National Health Expenditure, NHE in 2016 : 1.869 Trillion.

In 2016, National Health Care Expenditure per capita : NT\$ 46,219

Elderly population in 2018 is 18%, anticipate in 2026 will increase to 20%.

Estimate in 2021, the value of output of pharmaceutical manufacturing in Taiwan will be 83 billion.

Corporate Social Responsibility

1. 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.

2. In long term to support educational activities and sports

- 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 fund for symphonic band from Dongshan Elementary School.
- Sponsor World Badminton Athlete, Tai Tzu Ying(戴資穎).
- 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 fund.

3. Humanitarian Support

- Immediately provide resource support to Southern Taiwan earthquake in 2016.
- Sponsor Chinese Christian Medical Mission's dentist service group for volunteer medical consultation in Mumbai, India.



Q & A

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