

Chi Sheng Pharma Biotech Co., Ltd.

2020 Investor Conference

Presented by President Tung-Mou Su & Factory Director Li-Chu Wei

Disclaimer

This presentation material contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed by such statements.

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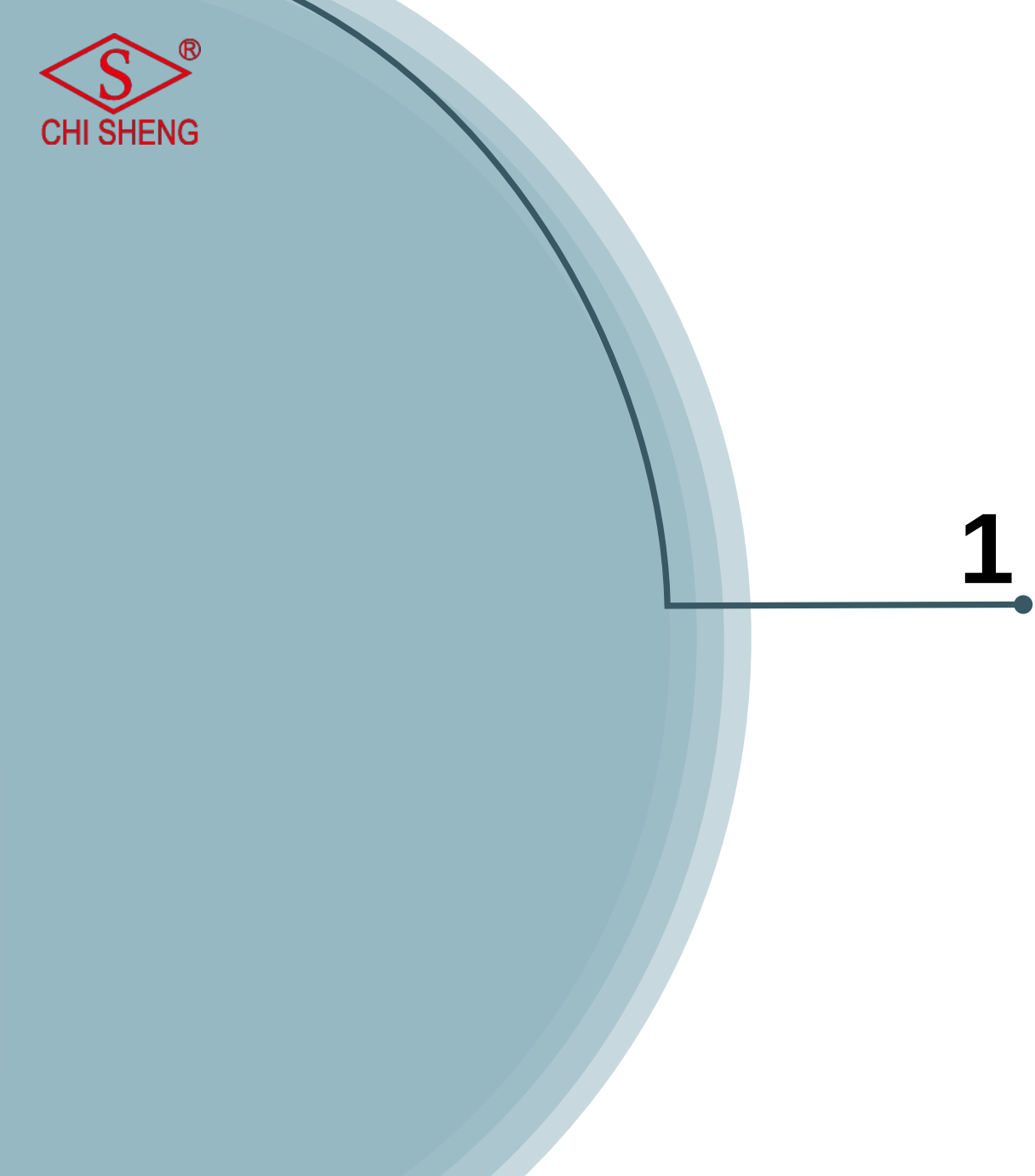
Outline

1 Company Profile

2 Business Review

3 G-Tai(Shanghai)Biotechnology
Limited

4 Chi Shang group Future
Prospect



1 Company Profile

Company Profile



Chi Sheng



濟泰(上海)生物科技有限公司
G Tai (Shanghai) biotechnology Limited



**G Tai (Shanghai)
Biotechnology Limited**

**Chi Sheng Pharma& Biotech Co.,
Ltd.**

Overview



Stock Code : 4111



**Company Name:
Chi Sheng Pharma & Biotech Co., Ltd.**



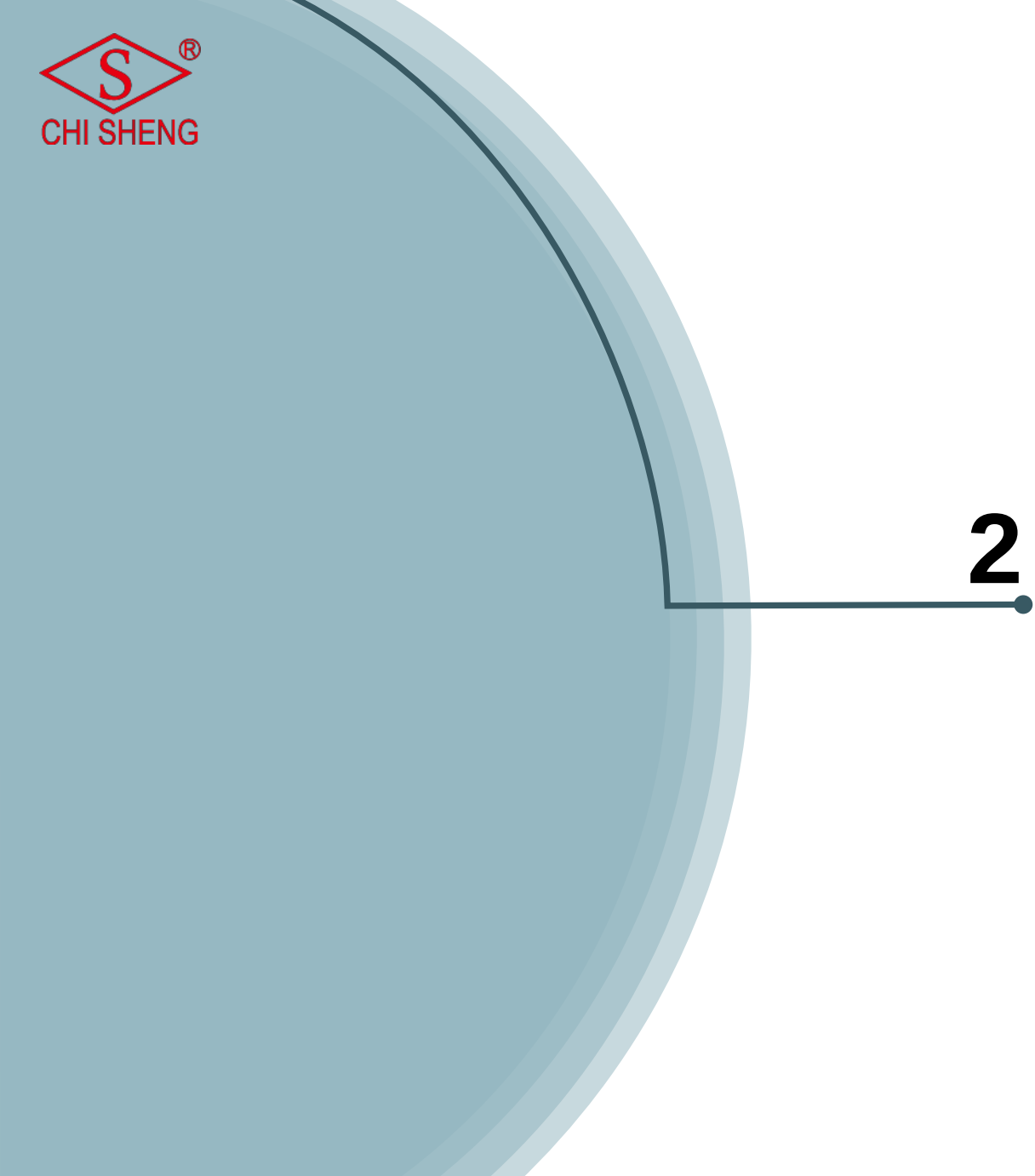
President & GM : Mr. Tung Mao Su



Capital : NT\$ 569,829,850

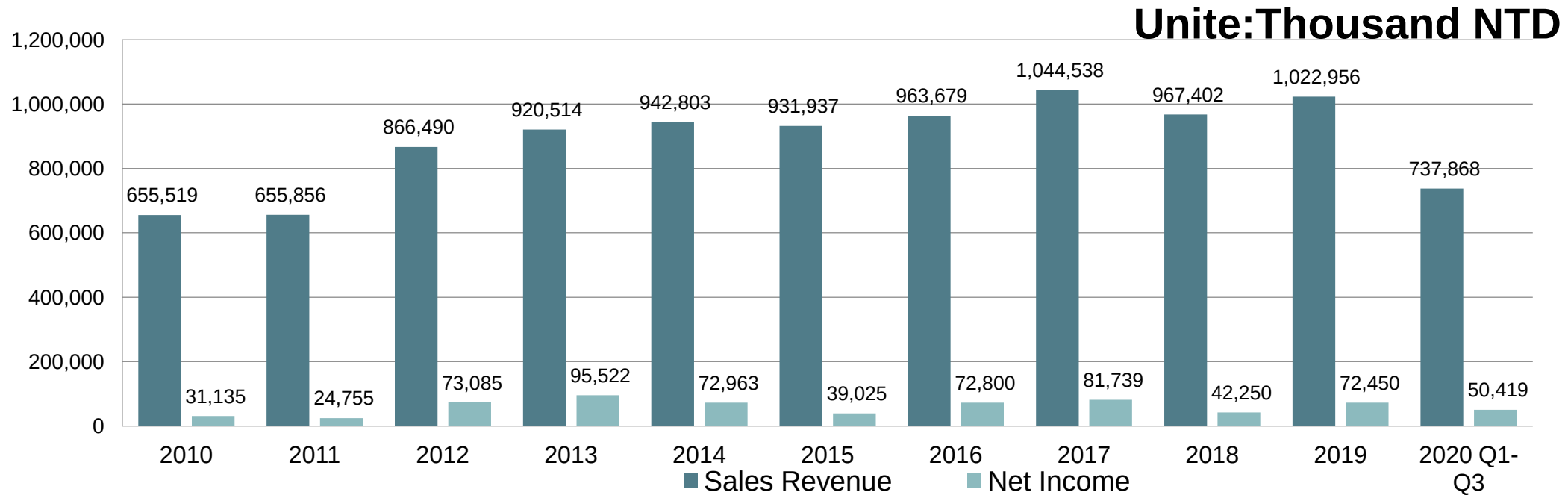


**Business Scope : Manufacturing of
Pharmaceuticals, Medical Devices, Skin Care
and Health Care Products; Branded and OEM**



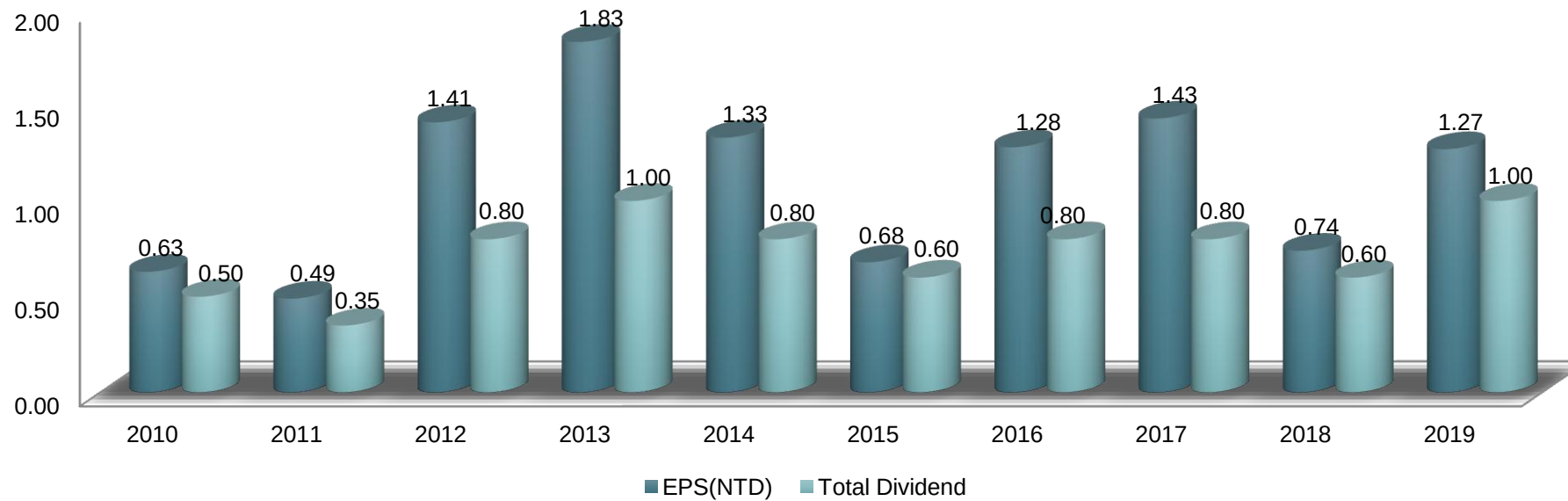
2 Business Review

Sales Performance



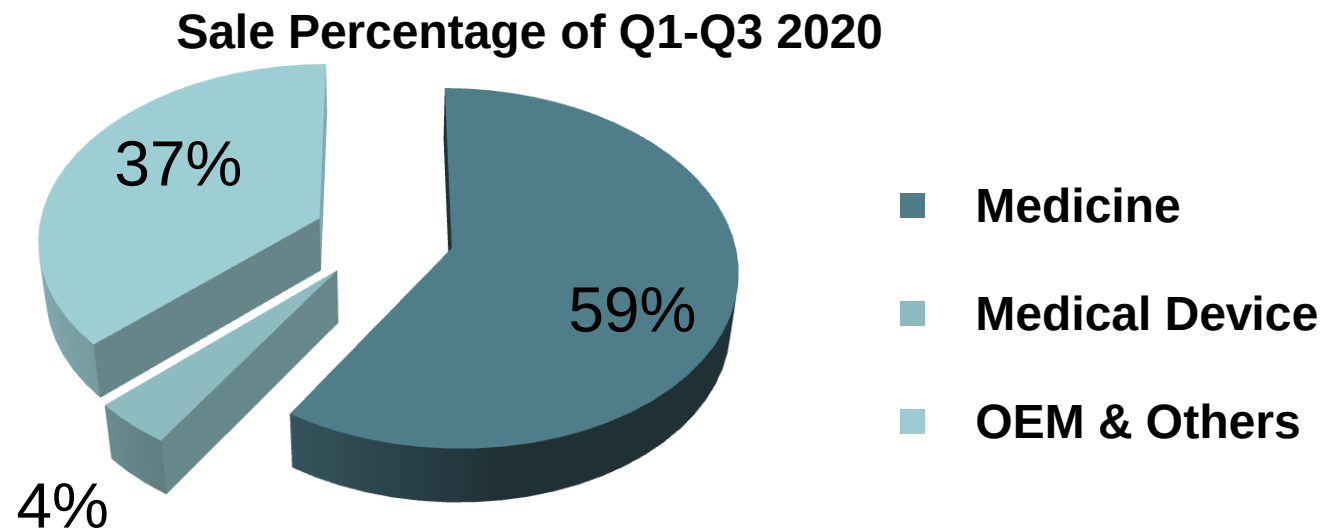
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 Q1-Q3
Sales Revenue	655, 519	655, 856	866, 490	920, 514	942, 803	931, 937	963, 679	1, 044, 538	967, 402	1, 022, 956	737, 868
Net Income	31, 135	24, 755	73, 085	95, 522	72, 963	39, 025	72, 800	81, 739	42, 250	72, 450	50, 419

EPS & Dividends



Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash Dividends	0.3	0.35	0.4	0.5	0.4	0.6	0.8	0.8	0.6	1
stock Dividends	0.2	0	0.4	0.5	0.4	0	0	0	0	0
Total Dividend	0.5	0.35	0.8	1	0.8	0.6	0.8	0.8	0.6	1
EPS(NTD)	0.63	0.49	1.41	1.83	1.33	0.68	1.28	1.43	0.74	1.27

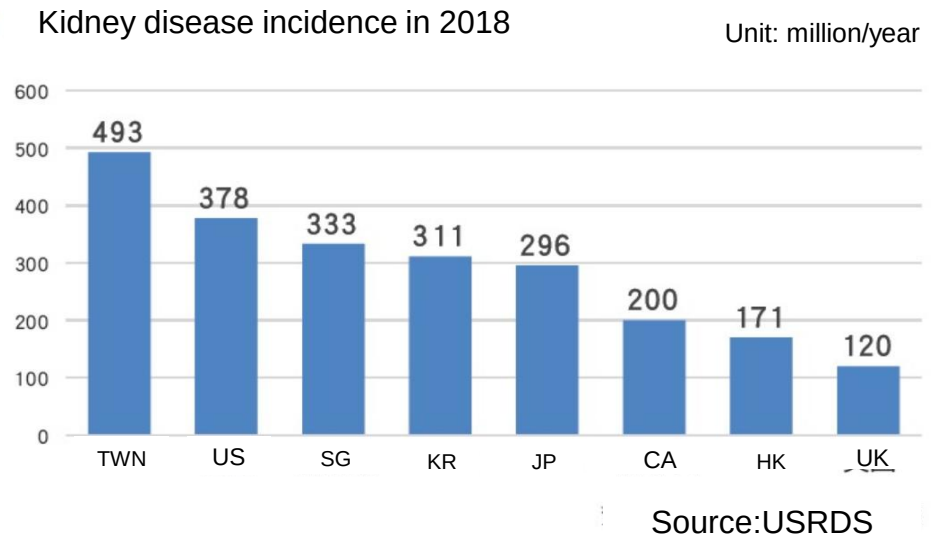
Sales Percentage by Item



Segments	Sales (NTD: Thousand)	Ratio
Medicine	435, 661	59%
Medical Device	29, 748	4%
OEM & Others	272, 459	37%
Net Income	737, 868	100%

According to the United States Renal Data System (USRDS) survey, the global incidence of kidney disease in 2018, 493 people per million in Taiwan were new kidney disease patients, the highest incidence in the world.

According to statistics from the Health Insurance Administration of the Ministry of Health and Welfare, chronic kidney disease cost 51.378 million for health insurance in 2018, as for 7.5% of the total health insurance expenditures. Not only is it ranked first in the country's disease, it also hit the total annual health insurance expenditure. Accounted for a new high. At the same time, the number of medical treatments reached 364,000, and the number of Peritoneal dialysis and Hemodialysis reached 90,000. Whether It is the incidence of kidney or dialysis, it ranks first in the world.



Source: "Advisers Financial Advisor" Magazine Issue 369

Sodi-Bicarbo“CHI SHENG”

In response to market trends, sodium bicarbonate dialysis powder (shown on the right picture) is the main product in 2020. This product is characterized by lightness and convenience, which is convenient for nursing staff to use directly. It is expected that sodium bicarbonate dialysis powder will become the mainstream in the future, and sales will grow at a compound annual rate.

Sodi-Bicarbo“CHI SHENG” has been clinically tested in medical centers such as Mackay Memorial Hospital, Chang Gung Memorial Hospital and Fu Jen Catholic University Hospital.

DaVita is the largest hemodialysis service provider in the world. In addition to providing existing channels such as Excelsior Healthcare Group, Hi-Clearance Inc. and Baxter International Inc., our company will also increase the supply of 7 DaVita ahcare company in 2020.



Animal medical business opportunity

Regarding the development of the economic animal medicine market, the animal medicine market has grown by about 23% from 2018 to 2019. The market demand for large-scale infusions such as nutrient infusions, sodium chloride and glucose. In 2021, Chi-sheng will focus more on large-scale infusions Market development, actively expand the cooperation between animal drug sales distributors and the development of animal medical institutions, and deepen the cooperation of animal drug sales companies, entrust the R&D department to develop more marketable and more competitive products, and actively Open up this market.



LACTATE RINGER'S INJECTION "CHI SHENG"



SOLUTIO NATRII CHLORIDI ISOTONICA "CHI SHENG"

Growth of Health Supplement and Cosmetic

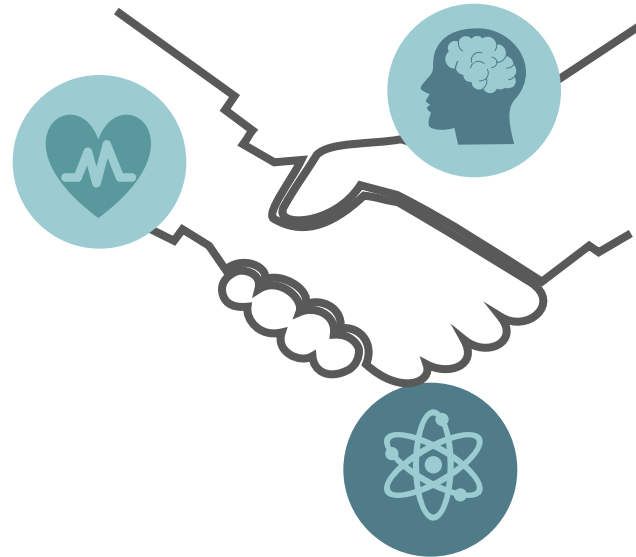
Marketing Strategy of Health Supplement and Cosmetic

Tour Factory

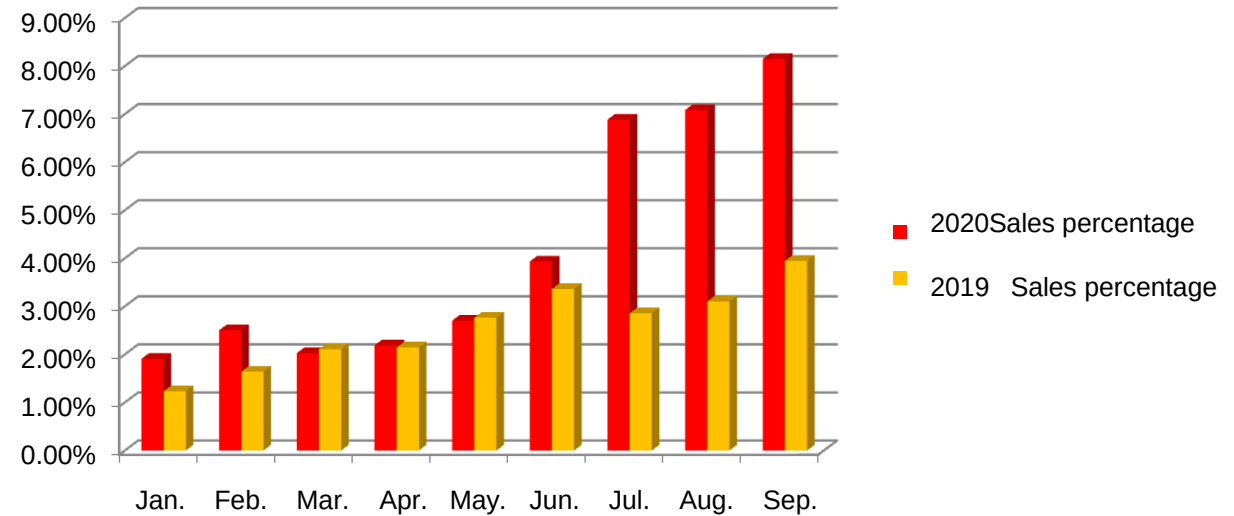
Although the effect of Covid-19 is very serious in tourism from January to May, revenge shopping show up after June which let sales increase dramatic because of the epidemic slow down from mid-June.

Channel Collaborate

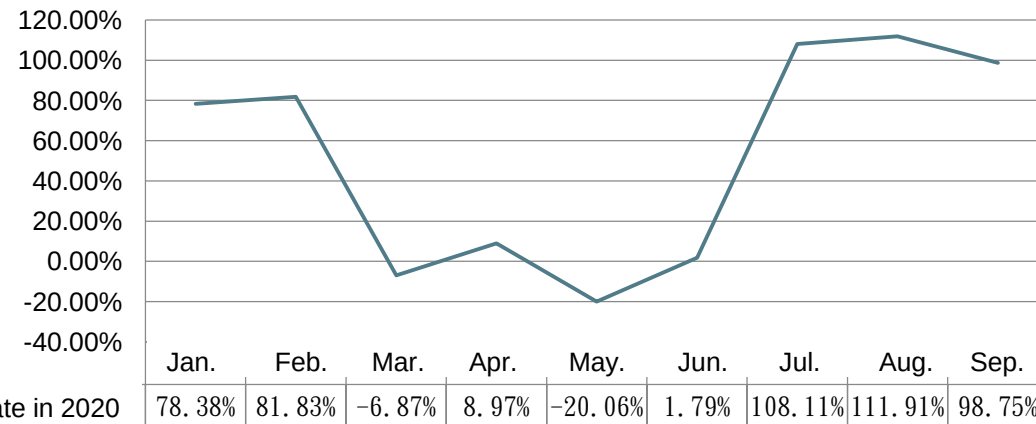
Because of the promotion of tour factory, it also promotes brand awareness. Let many channel such as traditional pharmacy, online shopping, chain pharmacy and live host channel, would like to collaborate with business sale.



Growth of Health Supplement and Cosmetic



Growth Rate in 2020



Strategy of Health Supplement and Cosmetic

Channel :

1. Online and Offline Channel :
keep to business discuss with
pharmacy, alliance, and off-line
channel.

2. Tour Factory : develop
diversity of Do-it-by-yourself
item and combine professional
and funny tour guide to attract
tourism.

Product :

1. Using pattern material in health supplement and cosmetic product, it is available to increase repurchase rate.
2. Developing popular products, such as blood sugar adjustment function product.



Marketing Strategy :

The promotion in Facebook is available to
access new client. We will take time on
different social media, such as Instagram,
Youtuber etc.

Features of R&D

❖ 505(b2) new drugs: Premixed infusion **Ready to Use Infusion (RTU)**

New unit content new drug	
In development	CSR-A01 Premixed antibiotic injection
	CSR- G01 Premixed anti-epileptic injection
Development completed (Obtained a drug license)	0.298% KCl in 0.9% NaCl Injection "Chi Sheng"
	0.149% KCl in 0.9% NaCl Injection "Chi Sheng"
	Nicarpine premixed I.V. Injection 0.1mg/mL
	EasyMilrinone injection 0.2mg/ml
	N.T.G. Premixed Injection 0.2mg/ml 、 N.T.G. Premixed Injection 0.4mg/mL
	Easydobu Injection 1mg/ml 、 Easydobu Injection 2 mg/mL
	Easy-Isosorbide Injection 0.01%



Hemodialysis-related products on the market

❖ Hemodialysis-related products.

❖ On-Line bicarbonate ❖ Haemodialysis concentrate ❖ Levocarnitine



Product name	Registration Number	package
Sainner Injection "CHI SHENG" 1g/5mL	MOHW-PM-058630	5ml glass ampoules, boxes below 100
Sodi-Bicarbo "CHI SHENG"	MOHW-PM-060347	500g, 550g, 650g, 720g and 900g PP plastic bottles 500g, 550g, 650g, 720g and 900g HDPE plastic bags
Hemodialysis concentrate A-158 "CHI SHENG"	MOHW-PM-060392	3.8L, 10L HDPE plastic drum
Hemodialysis concentrate A-168 "CHI SHENG"	MOHW-PM-060349	3.8L, 10L HDPE plastic drum
Hemodialysis concentrate A-188 "CHI SHENG"	MOHW-PM-060393	3.8L, 10L HDPE plastic drum
Hemodialysis concentrate A-198 "Chi Sheng"	MOHW-PM-060513	3.8L, 10L HDPE plastic drum
Hemodialysis Concentrate BSR-01 "Chi Sheng"	MOHW-PM-060494	3.8L, 5L, 10L HDPE plastic drum
Hemodialysis Concentrate BRP-02 "Chi Sheng"	MOHW-PM-060493	Below 1000g, 2016g, 3990g aluminum foil composite film (PET/AL/L-LDPE) bag

Strategy of research and development

Type		Items of New Product
Drugs	Injection	●Injection products for antibiotics. ●Antiemetic injection for chemotherapy-induced nausea and vomiting. ●Nutritional supplement infusion ●Hemodialysis related drugs
	Solution for hemodialysis	A series of products for hemodialysis.
	Solution for External Use	Disinfectant, Anti-ache liniment

Type	Items of New Product
Dietary Supplements	Women's Health Products
	Regulating blood sugar health products.

Type	Items of New Product
Cosmetic	A series of functional facial mask products.

The research and development progress and planning for Overseas market

The approved drugs

Target country	Treatment field
Outer Mongolia	Supplementation of ascorbic acid deficiency and multivitamin B deficiency, hormone.

The drugs under registering

Target country	Treatment field
Thailand	Surgical anesthesia
Malaysia	Peritoneal Dialysis Fluid

❖ Export execution progress of Peritoneal Dialysis Fluid < Development and expansion of export markets for Peritoneal Dialysis Fluid >

1. Passed the review of the Pharmaceutical Industry Transformation and Upgrading Plan of the Bureau of Industry of the Ministry of Economic Affairs in 2018 and received the 2018-2019 biennium subsidy.
2. The technical document of CAPD were applied to the Malaysia for drug license application in 2019. The technical document of CAPD passed the preliminary review in September 2020 and will be further reviewed.

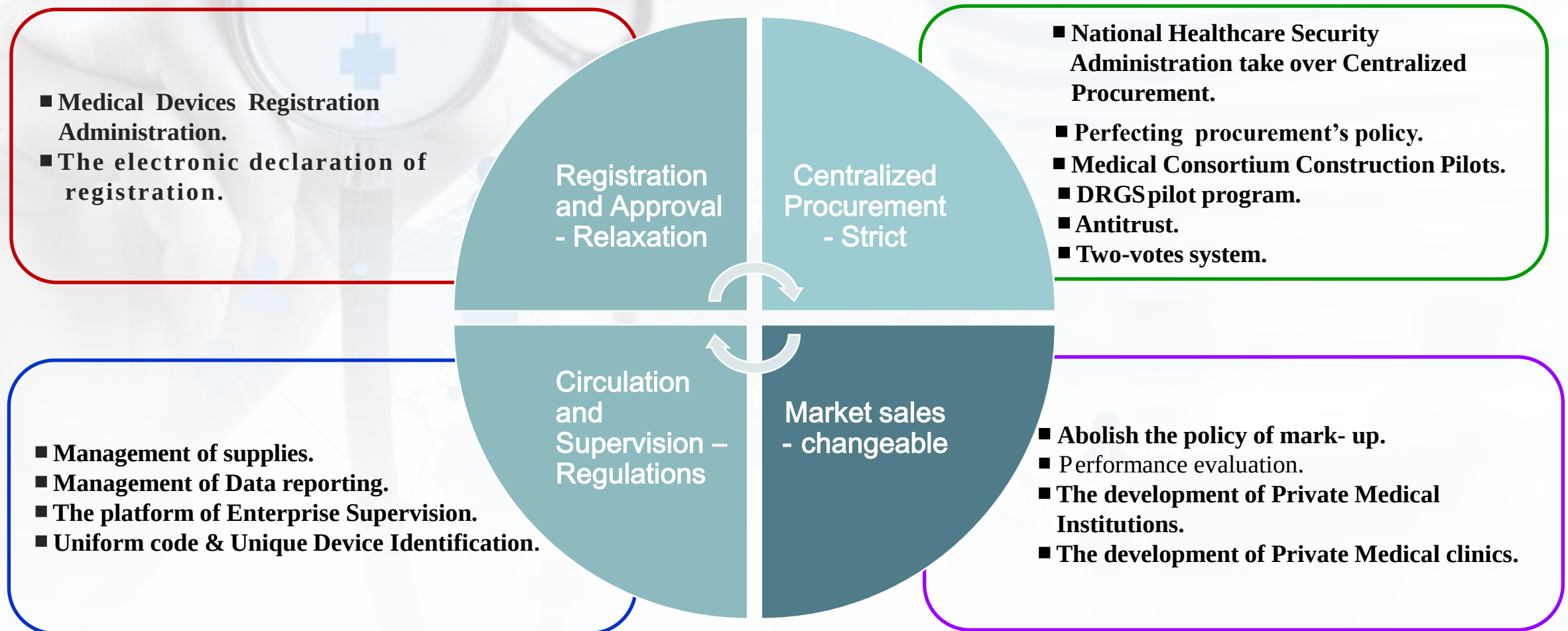
❖ The progress and future plan of drug registration

1. Updating the drug management and registration regulations of Southeast Asian countries regularly .
2. To accelerate the progress of drug export registration, we cooperated actively with agents in the target country.

**3 G-Tai(Shanghai)
Biotechnology
Limited**

The analysis of china's important policy

In 2019, the policies are small but refined, focusing on four major themes





COVID-19 Impact Analysis



Opportunities and Challenges Coexist, Enterprise cannot stop deployment.



The sudden epidemic has had a huge impact on the entire society: the economy has declined and the country's burden has increased. The current epidemic has been basically under control, and multiple policies supporting the development of enterprises have been frequently issued. These negative effects should be short-term; while the pharmaceutical industry has both opportunities and challenges during this period.

Opportunities

1. Prevention and treatment of coronavirus-related materials and clinical demand increase
2. Hierarchical diagnosis and treatment quickly landed
3. Online pharmacies and medical e-commerce companies are gaining popularity.
4. Some pharmaceutical companies were affirmed to have innovation and R&D capabilities.
5. Some companies established a good corporate impression because of the donation of Supplies and money..

Challenges

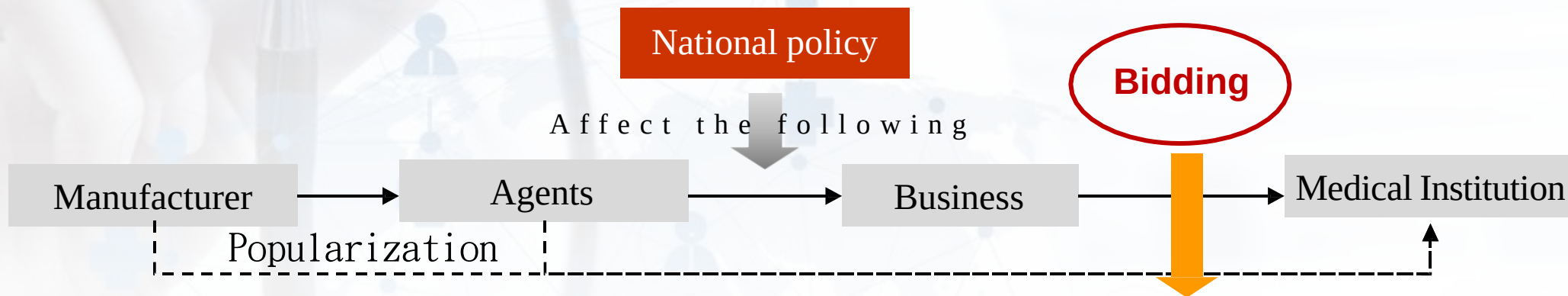
1. Due to the closure of hospitals and the implementation of flow control to people, the frequency of patients going to the hospital for treatment has decreased.
2. Academic promotion activities, customer visits, etc. are restricted
3. The bidding project has been suspended, the procurement and distribution of medical consumables have been reduced, and corporate profits have been damaged
4. Delay in clinical trial development of some drugs

An analysis of China's important policy

Improve the centralized procurement policy system of consumables



The two sessions of China were held on May 21 and 22. After experiencing the epidemic, the importance of the medical industry has been highlighted. Many government and business representatives have put forward medical-related proposals, include of the procurement of consumables, smart medical care, and medical device review and approval became the topic.



The future centralized procurement of medical consumables will be organized and present a "1123" model.

One System	A set of codes	Two levels of platforms of Centralized Procurement	Three levels of operation
National unified centralized procurement information system	National unified medical insurance information service code	- National Pharmaceutical Consumables Bidding and Procurement Platform - Provincial centralized procurement platform	- Country of Operations - Provincial Operations - City or medical consortium operation

Overview of Shanghai G-Tai Company

Obtained the product registration certificate in 2017.



In 2018, the workshop was upgraded and transformed into "Automatic production equipment".



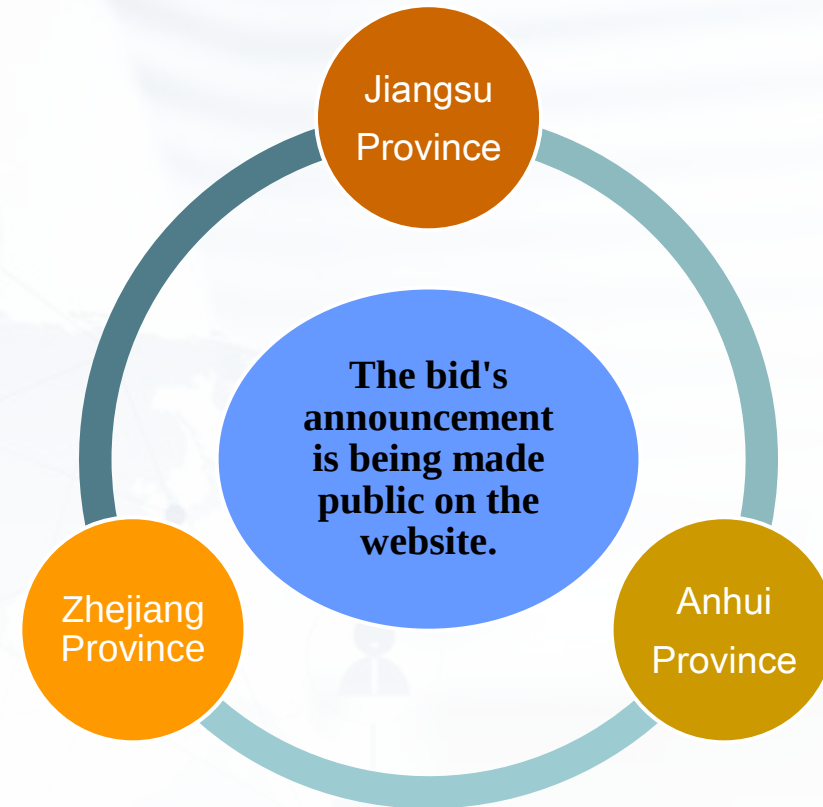
Started to sales in 2019.



Obtained the medical device production license in 2018.

Passed the inspection of Shanghai Drug Administration and then started production in 2019.

Bidding overview



+ Sales overview +



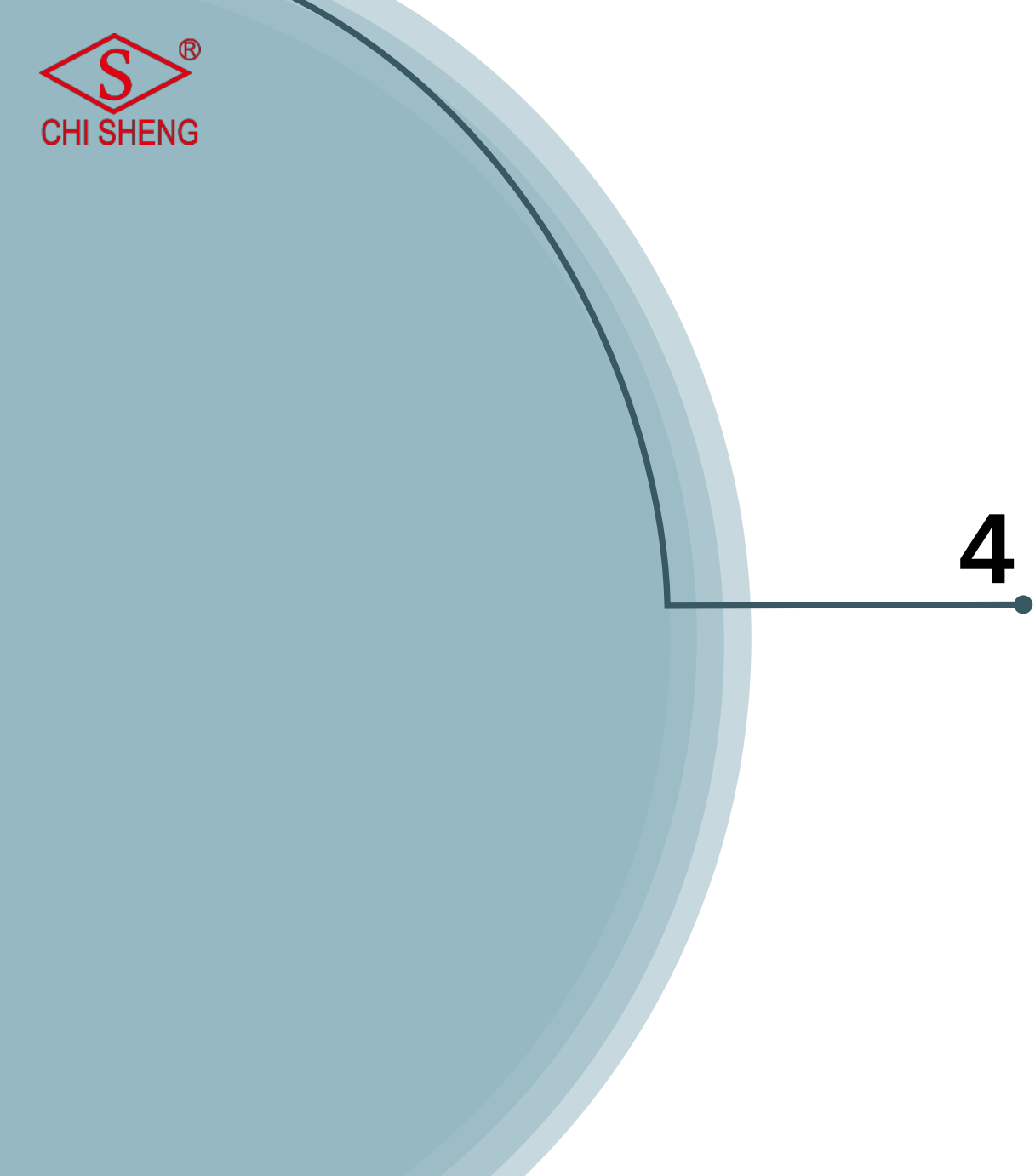
public hospital • Shanghai

private hospital

- Jiangsu Province
- Anhui Province
- Hubei Province
- Shandong Province
- Fujian Province
- Guangdong Province
- Guangxi Autonomous Region

Q3 shipments in 2020 compared to Q3 2019

Grow 105%



4 Chi Shang group Future Prospect

Future Prospects of G-Tai

01 Diversified development

Seeking OEM and technical services, and actively participate in relevant medical conferences to increase product exposure.

02 Channel Placement

Expand the dialysate sales channel through strategic alliance with dialysis vendors, and actively participate in bidding and related regulations

03 Expand a Product Line

Increase the dialysate formulation in response to market demand, and introduce mother company dialysis products.



Future Prospects of Chi Sheng

Product development

Developing high clinical value drug, such as new compound drugs and new drugs class 2 (New Unit Strength).

To strengthen and enrich dialysis product line over-the-counter (OTC) drug.

Cooperating with export agents to accelerate the progress of drug inspection and registration in overseas countries.

Developing dietary supplement products for regulation of blood sugar, women's health and supplement of vitamin D₃.



Market arrangement

The sale of dialysis products and increase the channel sales for Hemodialysis unit.

1. Expand the market of 35X dialysis liquid and powder.
2. The expansion of animal drug market.

Striving for opportunities that cooperate with international pharmaceutical company . Developing overseas customers through export agents, and build medium- and long-term cooperation relationship with them.

Increasing the tourism factory awareness and product diversity, and cooperating with the travel industry to increase visitor numbers.

~ Thanks for listening ~