

Chi Sheng Pharma Biotech Co., Ltd.

2021 Investor Conference

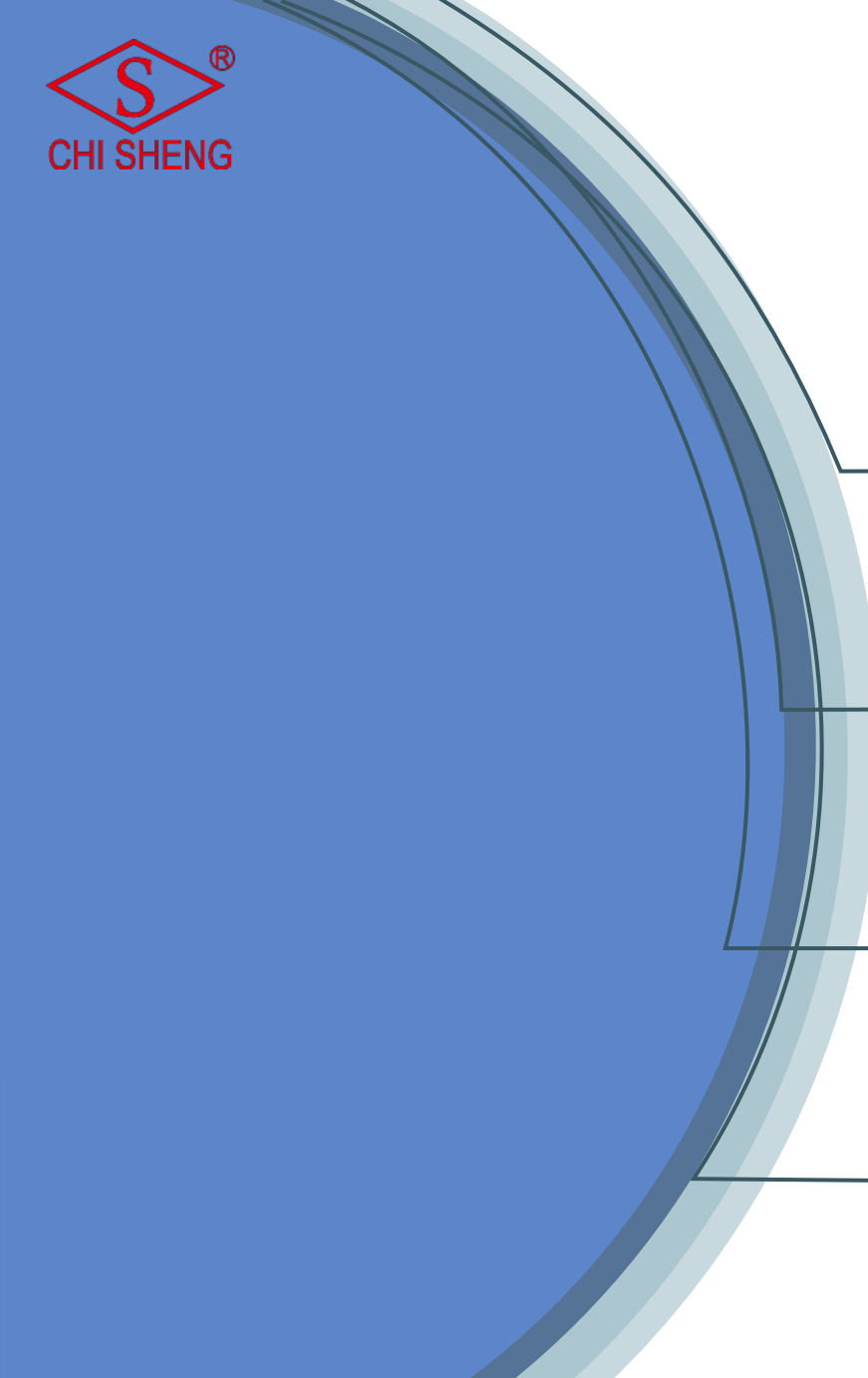
Presented by President Tung-Mou Su &
Factory Director Li-Chu Wei

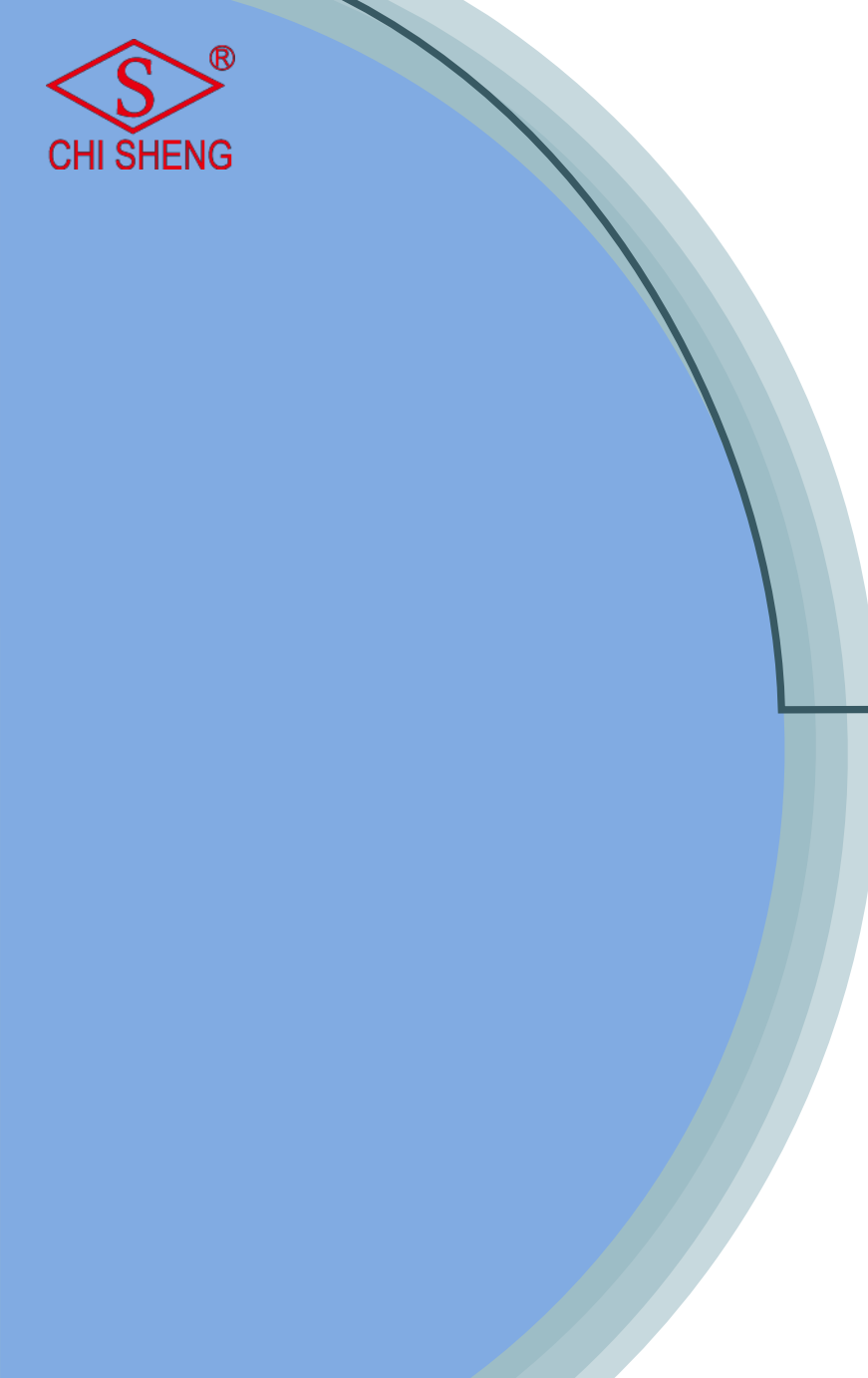
Disclaimer

- ◎ 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.
- ◎ Unless requested by the government regulation, the Company does not assume any obligation to actively update or revise any forward-looking statement, whether as a result of new information or future events and development.



Outline

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- 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



Overview



Stock Code : 4111



Company Name:

Chi Sheng Pharma & Biotech Co., Ltd.



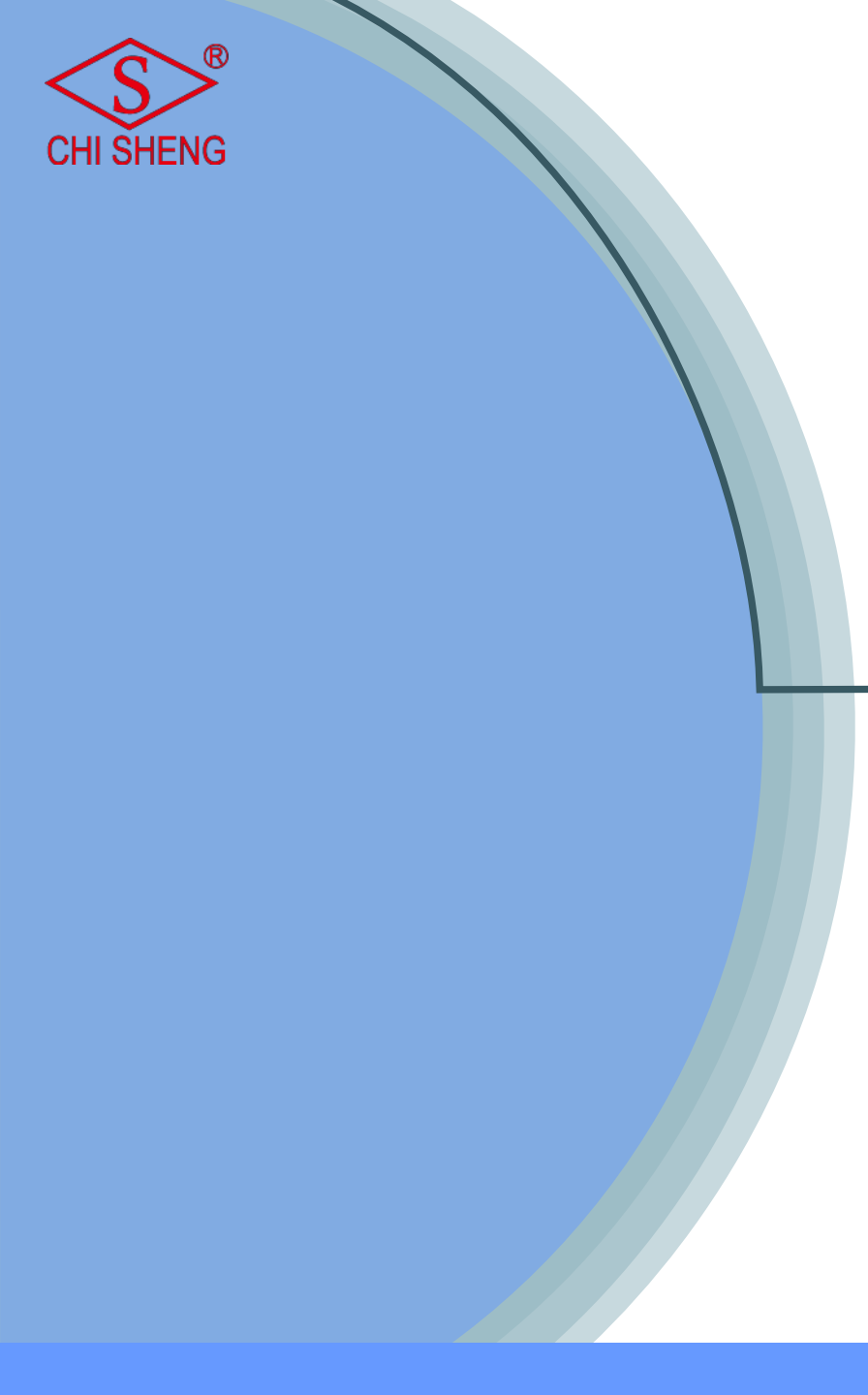
President & GM : Mr. Tung Mao Su



Capital : NT\$ 569,829,850

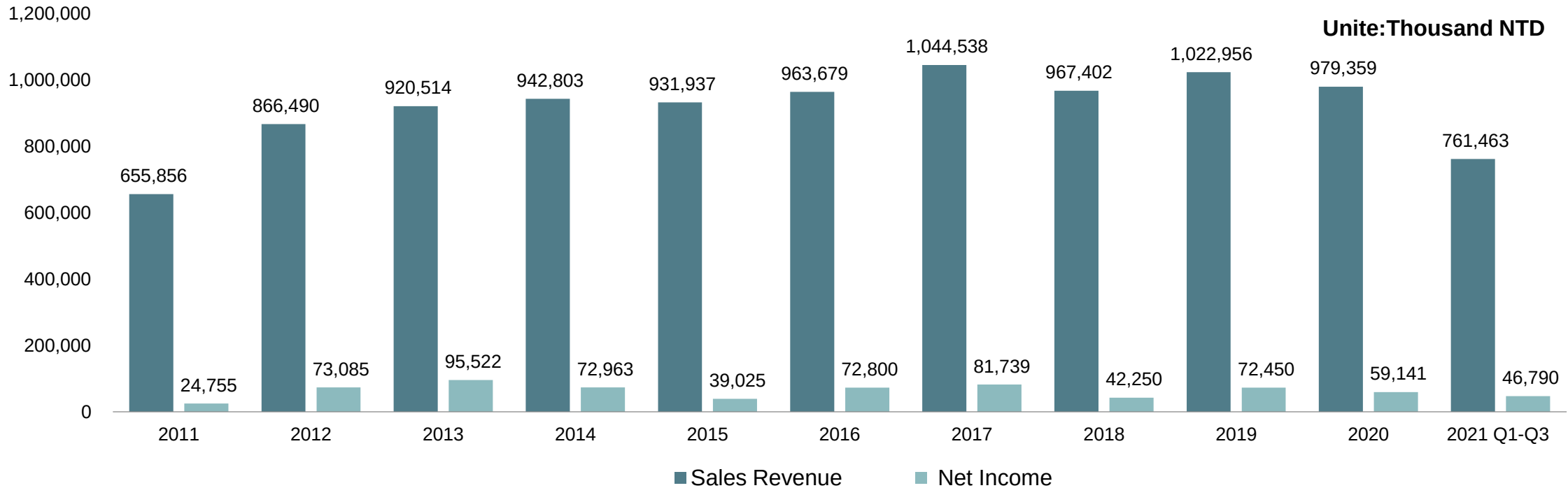


Business Scope : Manufacturing of
Pharmaceuticals, Medical Devices, Skin Care
and Health Care Products; Branded and OEM

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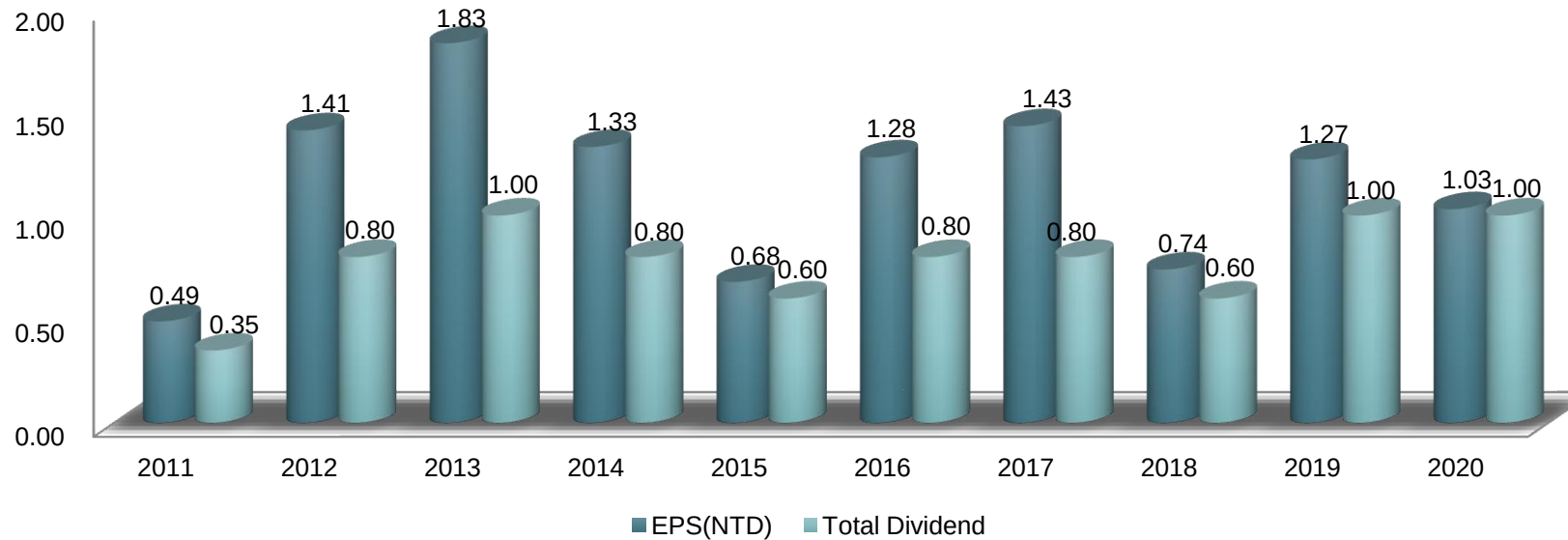
2 Business Review

Sales Performance



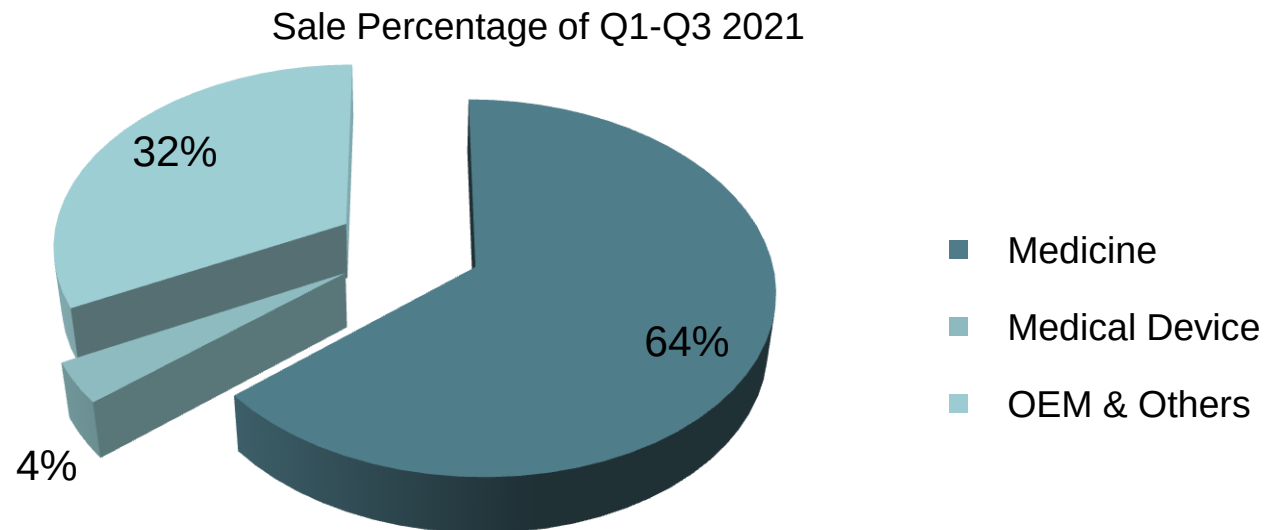
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 Q1-Q3
Sales Revenue	655,856	866,490	920,514	942,803	931,937	963,679	1,044,538	967,402	1,022,956	979,359	761,463
Net Income	24,755	73,085	95,522	72,963	39,025	72,800	81,739	42,250	72,450	59,141	46,790

Sales Performance



Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cash Dividends	0.35	0.4	0.5	0.4	0.6	0.8	0.8	0.6	1	1
stock Dividends	0	0.4	0.5	0.4	0	0	0	0	0	0
Total Dividend	0.35	0.8	1	0.8	0.6	0.8	0.8	0.6	1	1
EPS(元)	0.49	1.41	1.83	1.33	0.68	1.28	1.43	0.74	1.27	1.03

Sales Percentage by Item



Segments	Sales (NTD: Thousand)	Ratio
Medicine	486,934	64%
Medical Device	27,152	4%
OEM & Others	247,377	32%
Net Income	761,463	100%

Sodium Bicarbonate Powders for Dialysis“CHI SHENG”

- ✓ In response to the market trends, sodium bicarbonate powders for dialysis“CHI SHENG”(as shown in the picture on the right) is the main product. This product is characterized by light weigh and convenient for the nursing staff to use directly. It is predicted that sodium bicarbonate powders for dialysis will became the mainsteam in next few years and the sales will grow in compound annual growth rate.
- ✓ Sodium bicarbonate powders for dialysis“CHI SHENG“ has been used by the medical centers, like Chang Gung Memorial Hospital, Mackay Hospital, Zhongshan Hospital, National Cheng Kung University and Fu Da Hospital . At present, the sales volume is growing steadily across the country.



The First Domestic 45 times Hemodialysis Concentrate(powders)

Our company successively obtained the product license of 45 times hemodialysis concentrate (powders) in 2021, and the products of hemodialysis concentrate (powders) became the leading products in the fourth quarter of this year.

The advantage of comparison table of products of 36.83 times, 35 times and 45 times hemodialysis concentrate (powders)

Project	Magnification of the currently used of 36.83 times and 35 times	Magnification of the newly used of 45 times
Usage after diluted by the same volume of the hemodialysis concentrate	*The package of 3.8 liters can provide the usage for one person. *The package of 10 liters can provide the usage for two people.	*The package of 3 liters can provide one person. *The package of 10 liters can provide three people or more.
Storage space in medical institutions	Large size and space	Optimize the storage space, and increase the usage of area about 20%
The treatment of medical waste	Higher recycling costs	Decrease the cost of medical waste and human resources about 20%





Business Opportunity of Animal Medicine

2020/03/31 Our company passed the inspection of the Council of Agriculture about the production plant of animal medicine.

2021/09/01 Our company obtained two licenses of animal medicine of the water for injection and saline for injection. Furthermore, our company still have a new drug of animal medicine under review and many special drugs of animal medicine are applied for the licenses.

Our company will pay more attention to the sales of animal medicine from the fourth quarter of 2021, and layout the supply of infusion for animals in animal hospitals across the country. By strengthening the cooperation with dealers, we will continue to research and develop the products closer to the need of markets and products with more competitive. In addition, our company will actively explore the market of animal medicine.



Saline for injection "CHI SHENG"



Water for injection "CHI SHENG"

Growth of Health Supplement and Cosmetics

Tourism Factory

1. Chi Sheng (C.S) cooperates closely with several travel agencies. COVID has affects tourism industry severely recent years.
2. C.S enriches the presentation and customization of DIY, in order to attract more elder customers.
3. In 2021, C.S purchased land in order to obtain more customers. Additionally, the new area is four times lager than the current location. This will require twice as many tour buses.

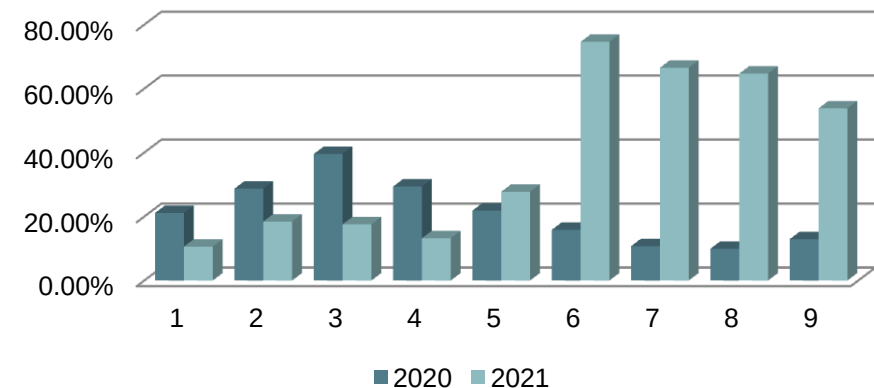


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Channels of Collaboration

Because of the pandemic, there are lots of customers order goods via various channels, such as official website and our call center. C.S has maintained focused on the core products.

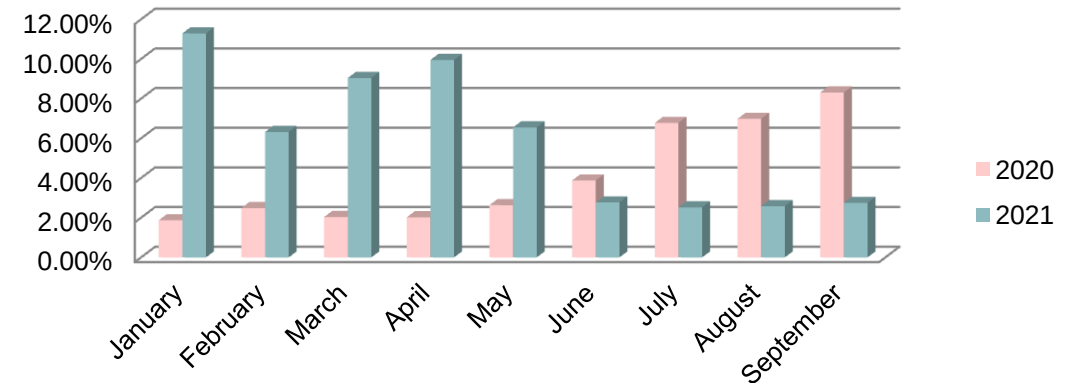
Revenue of Channels
(Business Marketing Department)



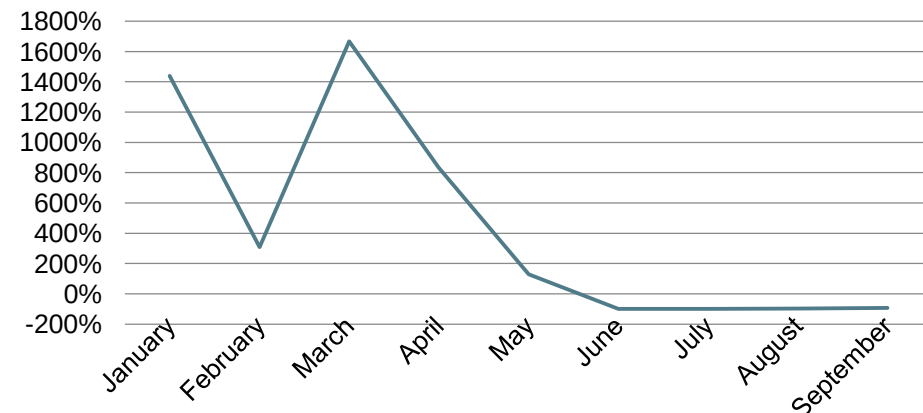
Growth of Health Supplement and Cosmetics

- Due to the pandemic, the tourism revenue was affected from January to mid-June, 2020. However, the revenue stabilized in Q3-Q4, 2020 and has increased during Q1-Q2, 2021.
- Central Epidemic Command Center raised Nationwide level 3 alert from mid-May to September, 2021. Tour buses could not run. Therefore, it affected C.S' revenue severely. However, the tourism factory has begun to maintain the high performance during 2021 Q1 and Q2.
- C.S has been a well-established brand for decades. Therefore, even during the pandemic, C.S does not only maintain a single revenue stream, but also pivoted to online channels with record numbers.

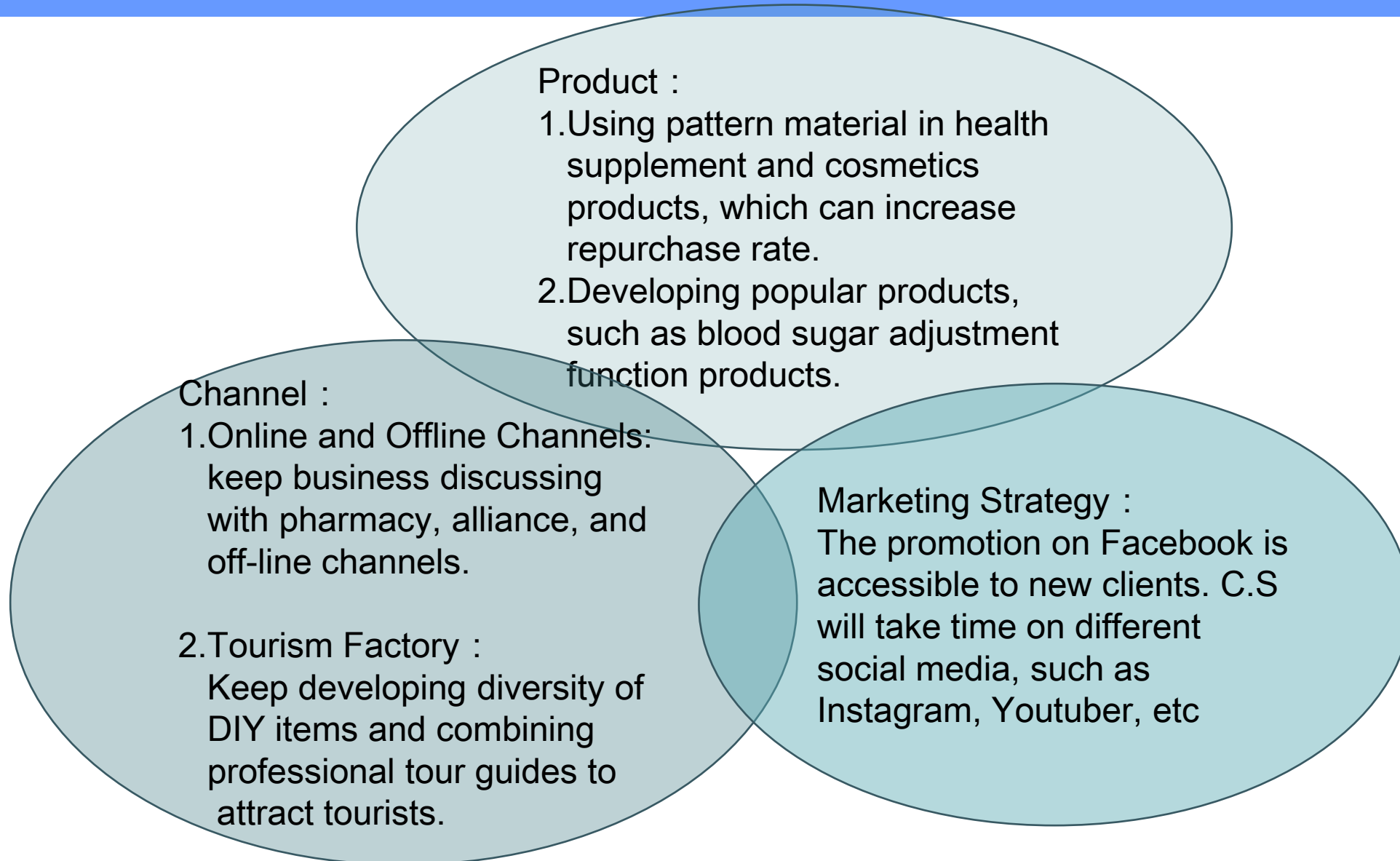
Toursim Factory's percentage of C.S Total Revenue



Percentage Change of Tour Buses (from 2020 to 2021)



Strategy of Health Supplement and Cosmetics



Research & Development direction

1、 Human Drugs

Injection

- ◆ Hemodialysis related drugs
- ◆ Antiemetic injection for chemotherapy-induced nausea and vomiting.
- ◆ Injection products for antibiotics
- ◆ Hormone Injection

Hemodialysis Concentrate

- ◆ Dialysis Concentrate solution
- ◆ Dialysis Concentrate powder

Solution for External Use

- ◆ Disinfectant
- ◆ Anti-ache liniment

2、 Veterinary medical products

Injection

- ◆ Electrolyte infusion

3、 Food and cosmetics

Dietary Supplements

- ◆ Vitamin Supplements
- ◆ Regulating blood sugar health products.
- ◆ Regulate the urinary system products

Cosmetic

- ◆ Shampoo for psoriasis
- ◆ Skin care products suitable for skin diseases

Features of R&D

❖ The R&D strategies focus on current medical institutions problems to provide improvement and optimization solutions.



- ❖ Medical waste treatment
- ❖ Limited pharmacy space
- ❖ Manpower tightening

- ❖ Risks of dispensing drugs before use
 - (1) Wrong dosage
 - (2) Dilution error

Develop new drugs with new unit content

- ❖ High concentration dialysate
- ❖ Premixed infusion

Features of R&D

❖ New unit content new drug- High concentration dialysate

New unit content new drug -High concentration dialysate	
Applying	Hemodialysis concentrate CS-45G1
	Hemodialysis concentrate CS-45G1K
	Hemodialysis concentrate CS-45H1
Approved by TFDA (Obtained a drug license)	Hemodialysis concentrate CS-45G
	Hemodialysis concentrate CS-45H
	Hemodialysis concentrate CS-45L

The benefits of CS-45 series products- 45X acidic hemodialysis concentrates

The comparison of different dilution ratio of acidic concentrates			
The ratio of acidic concentrates	Liters	The volume of diluted dialysate	Treatment time
35X	10 L	350 L	11.7 hr
36.83X	10 L	368 L	12.3 hr
45X	10 L	Win 450 L	Win 15 hr

**：Dialysis flow 500 ml/min.



The same concentrate volume produces more dialysate

10L can be used for at least 3 people



The same amount of dialysate needs less storage space

Optimized usage of storage space up to 20%



Reduce medical waste and friendly environment

Reduce 20% medical waste treatment costs and manpower

Features of R&D

❖ New unit content new drug -Premixed infusion:

New unit content new drug-Premixed infusion

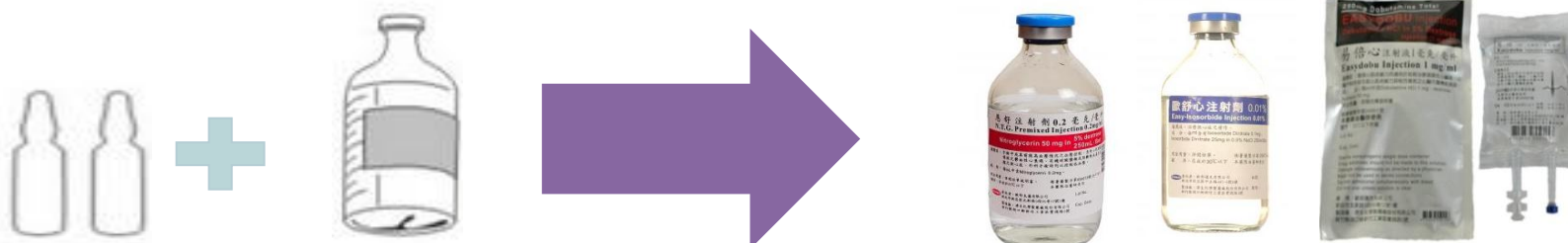
In development	CSR-H01 Premixed anticoagulant injection
Approved by TFDA (Obtained a drug license)	0.298 % KCl in 0.9 % NaCl Injection
	0.149 % KCl in 0.9 % NaCl Injection
	Nicarpine premixed Injection 0.1 mg/ml Nicarpine premixed Injection 0.2 mg/ml
	N.T.G. Premixed Injection 0.2 mg/ml 、 N.T.G. Premixed Injection 0.4 mg/mL
	Easydobu Injection 1 mg/ml 、 Easydobu Injection 2 mg/mL

Advantage description

(1)Ready to Use

(2)Avoid dosage and dilution errors

(3)Improve safety and convenience



3

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



Overview of Shanghai G-Tai Company



NMPA product certification in 2017.



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



Started to sales in 2019 Q3.



Passed through medical device product certification in 2018.

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

The analysis of China's important policy

Topics of the two sessions, nine major work priorities



In 2021, the 4th Session of the 13th National Committee of the Chinese People's Political Consultative Conference (CPPCC) and the 4th Session of the 13th National People's Congress held in Beijing on March 4 and March 5 respectively, and they have come to a successful conclusion. Make important instructions for China's medical and health work in 2021.

Nine major work priorities in the field of medical and health care:



◆ Deepening the comprehensive reform of public hospitals.

◆ Strengthen Food, Drug and Vaccine Supervision.

◆ Increase medical insurance and basic public health subsidies.

◆ Optimize appointments for diagnosis and treatment.

◆ Further significantly reduce the medical burden of patients.

◆ Development of Chinese medicine work.

◆ Promote the construction of a health system.

◆ Strengthen the team building of general practitioners and rural doctors.

The analysis of China's important policy

Topics of the two sessions, the trends and future of medical device industry

Speed up the centralized procurement of high-value consumables

- ❑ Accelerate the centralized procurement of high-value medical consumables with mature domestic alternatives such as orthopedics.
- ❑ Accelerate the establishment of a provincial-level centralized procurement platform for medical consumables and implement the two-invoice system.
- ❑ Medical institutions are allowed to purchase in groups, and the price will be reduced again on the provincial platform price, and the difference can be returned to the hospital in whole or in part.

Support domestic medical device research and development

- ❑ Starting from the national public health safety, improve the level of localization of medical devices.
- ❑ Continue to support the research and development and technological upgrading of domestic medical devices, and master key technologies.

Medical device innovation

- ❑ Establish core technical projects for medical devices.
- ❑ Focus on the construction of the public health emergency system, scientifically, and establish a joint innovation platform with leading enterprises as the main body .

The analysis of China's important policy

Volume-based procurement to save medical insurance costs



National Healthcare Security Administration

0Current Position: Home>Information Disclosure>Suggestions

*National Medical Security Administration on the 13th CPPCC National Committee
National Committee Fourth Meeting No. 4625 (Social
Meeting Management Class No. 390) Reply letter*

Date: 2021-09-09

*National Medical Security Administration on the 13th National Committee of the Chinese People's Political Consultative Conference
Fourth meeting*

**Proposal No. 4625 (Social Management No. 390) responded to
letter**

Medical Insurance Letter (2021) No. 162

Member Li Yi:

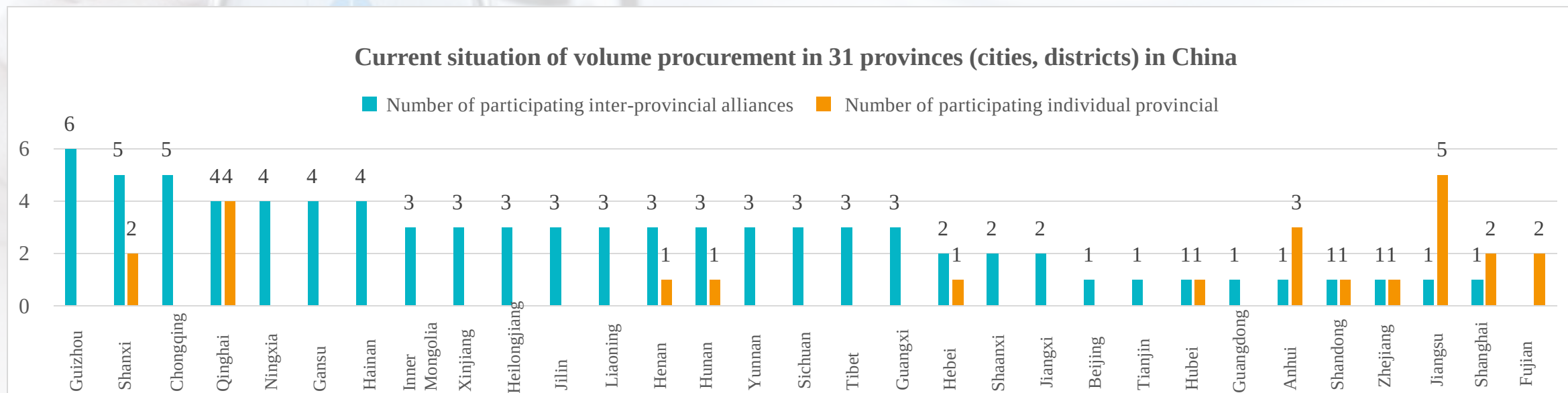
The hurdles you proposed to introduce ESG and low-carbon in the collection of medical insurance
The proposal for evaluation measures has been received, and we will work with industry and informatization
Ministry, conducting page recognition research, and the reply is as follows:

- Regarding the national organization of centralized drug procurement

According to the decision and deployment of the Central Committee and the State Council, in 2018
in the coming days, the National Medical Insurance Administration will work with the U.S. Department to receive the photo
"Price-linked" principle > Jigen promotes the procurement of pharmaceutical coke in bulk. Item
Former Pakistan implements five batches of national new drug collections, covering a total of 218 kinds
The price of medicines, Chinese selected medicine crystals has been reduced by an average of 54%.
2-3 times the international lowest price dropped to a comparable level, saving
The cost of medicines has reached 150 billion yuan, effectively reducing the burden on patients
Burden.

The analysis of China's important policy

Current situation of volume-based procurement in various provinces in China



inter-provincial alliances : the main form

At present, all provinces in China have begun to volume-based procurement (including individual provinces and inter-provincial alliances). Except Fujian, the other 30 provinces (cities, districts) have joined at least one inter-provincial alliance, and at most one province has joined 6 alliances at the same time (Guizhou). At this stage, the alliance force has become the main force in the implementation of volume-based procurement ◦

The purchase prices of all alliances with volume-based have decreased by 70% to 90%.

(Depending on the product category, the dialysate has not yet been purchased in quantity, and the future decline is still uncertain.)

individual provincial : "desolate"

As far as the main procurement form is concerned, there are few individual provincial-level projects. Especially in the first half of this year, only Hebei, Fujian, Jiangsu, Shanghai, and Anhui launched a volume procurement project. In the first half of the year, a total of 7 inter-provincial alliance projects were added.

•Source: Jiangsu Huazhao Network Information Technology Co., Ltd.



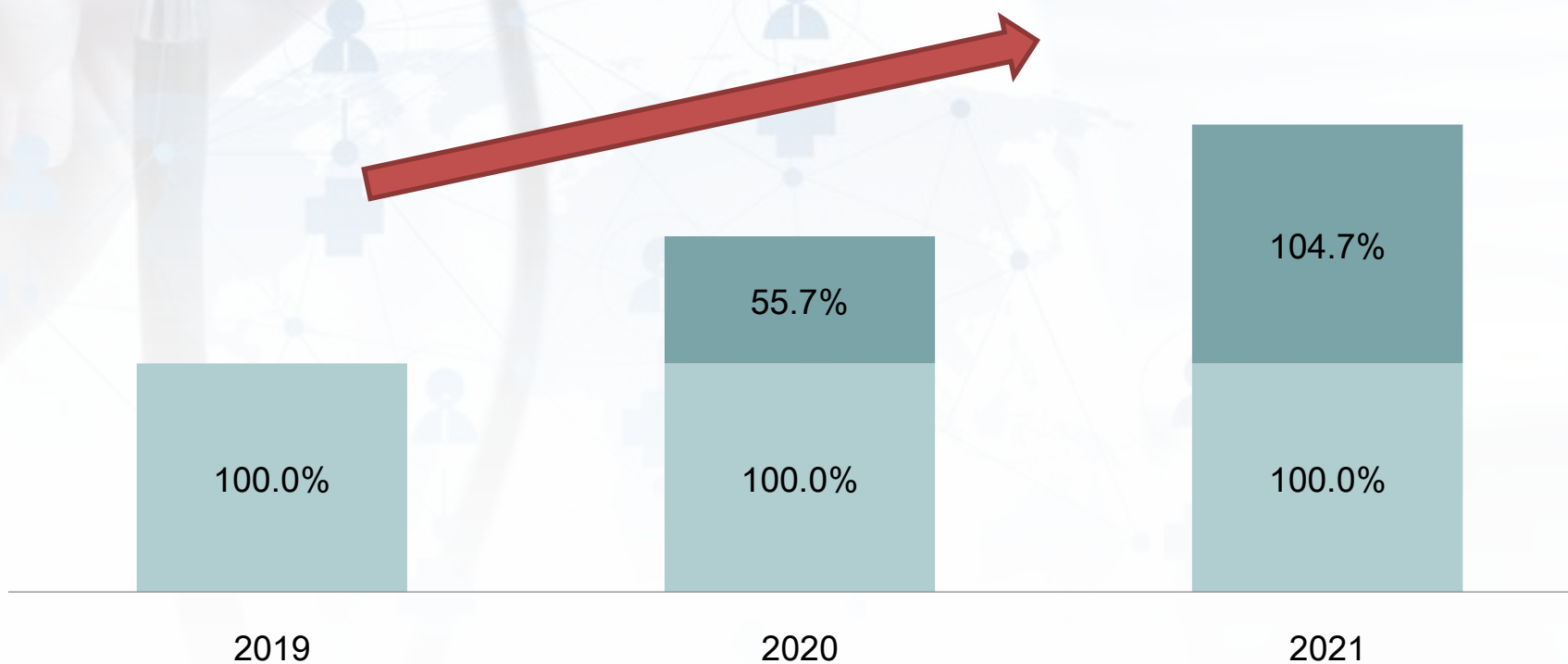
Sales overview



Sales growth

■ Average sales for the quarter of 2019

■ Average quarterly sales growth percentage compared to 2019





Sales overview



Public and private
hospitals/Hemodialysis
Center

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

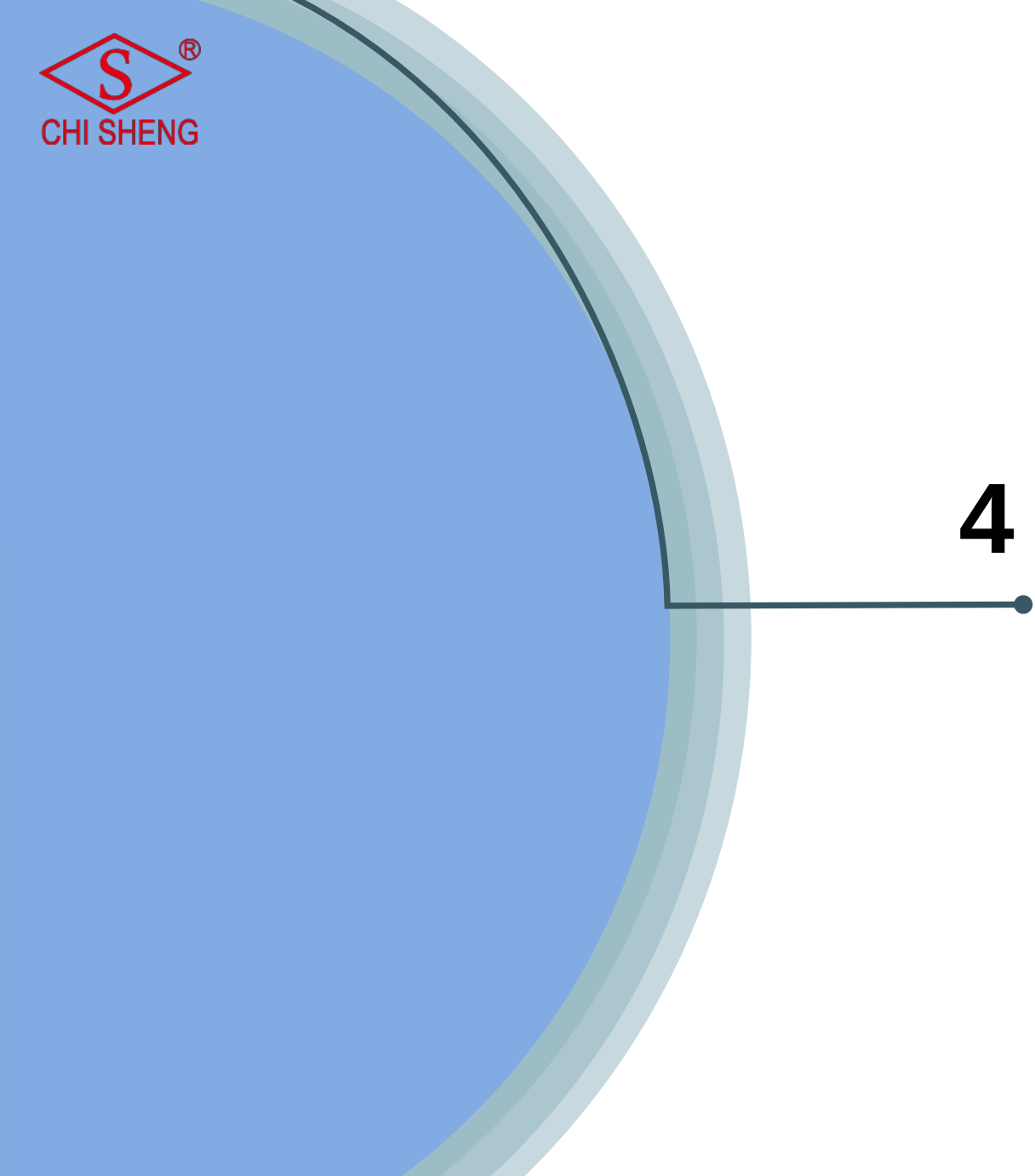
Average monthly shipments
in 2020 compared to 2019
Grow 60%

Average monthly shipments in
2021 compared to 2020
Grow 21%



Bidding overview





4 Chi Shang group Future Prospect

Future Prospects of G-Tai

01 Expand the Product Line

- ◆ The "Administrative Measures for the Registration of Medical Devices" has been issued, and self-inspection reports can be used for registration inspections, which greatly shortens the product development timeline.
- ◆ Continue to develop the existing product market, and actively apply for new product registration, expand the product lineup, it is expected that three new products will be added to the market in the Q3 of 2023, which can strengthen product competitiveness.

02 Channel Placement/Distribution

- ◆ Increase the market share of private hospitals in provinces and cities around Shanghai.
- ◆ Deploy the qualifications to participate in volume-based procurement , increase sales, and obtain opportunities to reduce costs.

03 Diversified development

- ◆ Increase international visibility, strive for opportunities for international cooperation, expand business scope, and increase foreign trade of raw materials related to medicines and devices.

 National Medical Products Administration	
The index number	XZXX-2021-227
Topic classification work dynamics	
The State Administration for Market Regulation issued the "Administrative Measures for the Registration and Filing of Medical Devices" I (Body	
Management Measures for the Registration and Filing of External Diagnostic Reagents	
Effective from October 1, 2021	
Release date 2021-08-31	
The State Administration for Market Regulation issued the "Administrative Measures for the Registration and Filing of Medical Devices"	
"Administrative Measures for the Registration and Filing of In Vitro Diagnostic Reagents"	
Effective from October 1, 2021	
Source of information: General Administration of Market Supervision	
Release time: 2021-08-31	
A few days ago, the 11th administrative meeting of the State Administration for Market Regulation in 2021 reviewed	
Proposed the adoption of "Medical Device Registration and Filing Management Measures" "In Vitro Diagnostic Reagents Registration	
And Filing Management Measures (Hereinafter referred to as the two Measures), since October 2021	
It will be implemented on the 1st.	

Future Prospects of CHI SHENG

Market arrangement

◎The new 45 times hemodialysis concentrate:

Focus on 45 times hemodialysis concentrate (powders) markets, and the targets of product promotion are hemodialysis access in medical centers to increase product share and profitability.

<https://ctee.com.tw/livenews/aj/ctee/A88131002021120915513748>

<https://ec.ltn.com.tw/article/breakingnews/3763787>

◎ Animal medicine :

Actively expand the sales of animal medicine, and deploy animal medical institutions and ranches across the country. In addition, provide animal specific drugs and enhance the coopertion with distributors and continue to decelop more competitive products.

◎ Tourism factory :

Our company purchased 1,500 square meters of land as the land of tourism factory in Fengshan Industrial Zone,Hsinchu, in 2021, and the capacity of the new venue was approximately about 4 times the current one, hoping to increase the porfit of the tourism factory.

Research and Development of Products

©Research and Development of High-Value Product

Strengthen and enrich the professional hemodialysis products and over-the-counter medications and develop new compound and second-class new prescriptions with high clinical value drug (the new drugs of new unit content) preparation. Develop health products that can regulate blood sugar, women's health products and vitamin D₃, and continue to research and develop the products which closer to the needs of market and the products with more competitive to actively explore the markets.

~ Thanks for listening ~