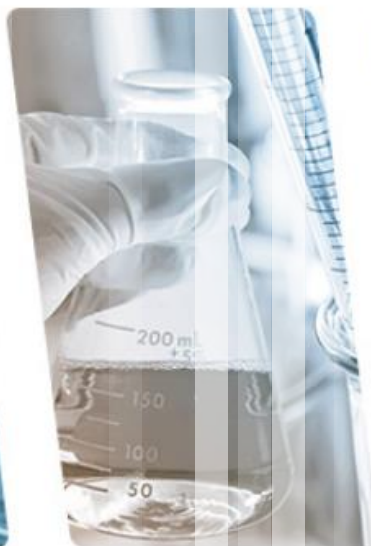


Standard Chem & Pharm CO., LTD.

Stock symbol: 1720

2021 Investor Conference

21.04.2021



生達化學製藥

Standard Chem & Pharm CO., LTD.



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- Introduction of Standard Group
- 2020 Operating Results
- Future Operation Strategy
- Corporate Social Responsibility (CSR)

免責聲明 Safe Harbor Notice



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本次簡報與討論包含特定預測性的說明，而其內容有關於營運結果、財務狀況，以及對未來事件的預期。因為此等前瞻性說明是有關於未來事件，而且取決於未來發生時的環境因素，所以必然含有風險與不確定性。

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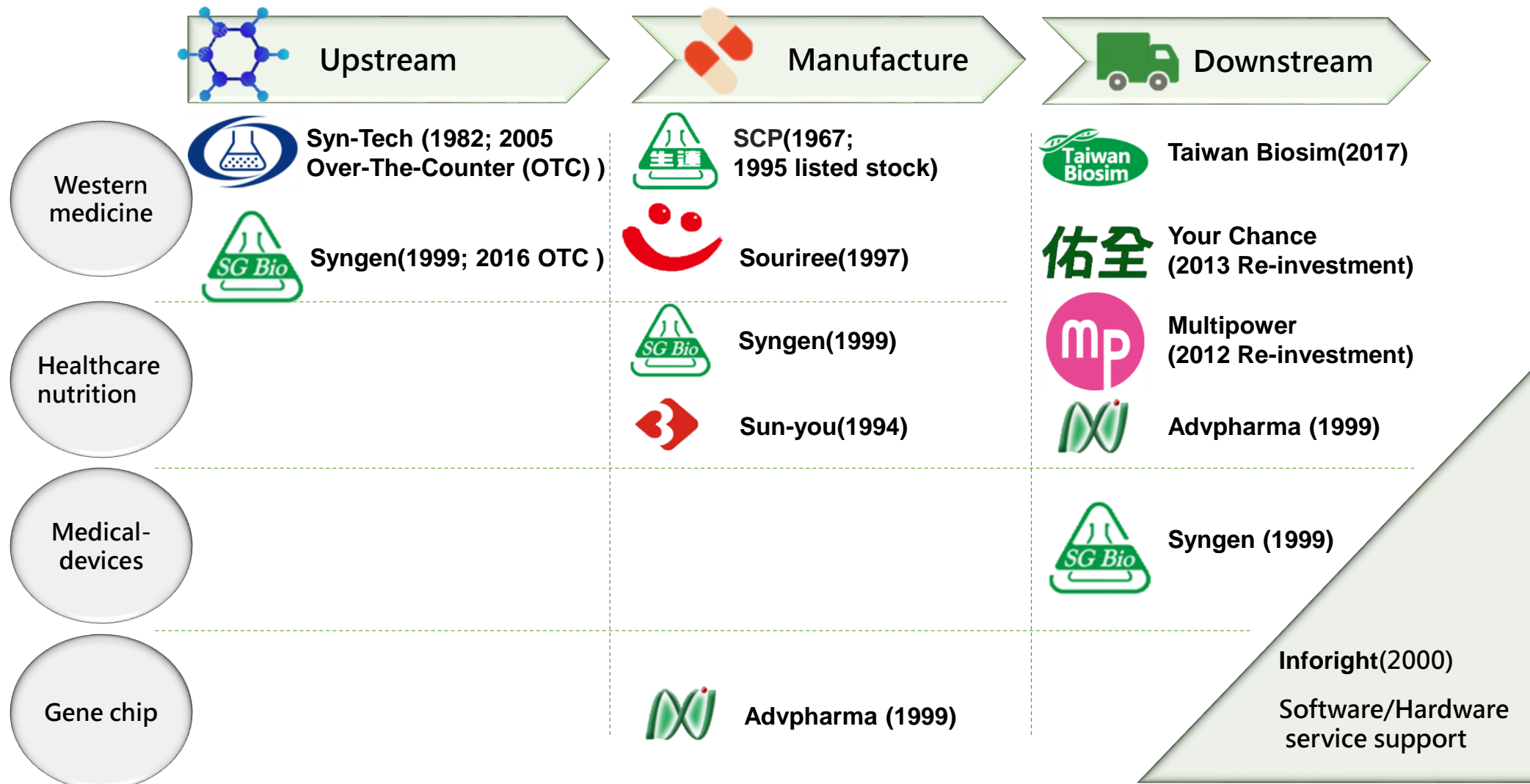


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- Introduction of Standard Group
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SCP and Related/Affiliated Companies



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International Accreditation



The first TW pharmaceutical company to be ISO9001 certified



The first TW company to pass **US** FDA inspection in 2000

SCP passed subsequent US FDA cGMP inspections without **483**



SCP received **JP** PMDA' s "Certificate of Foreign Drug Manufacturer" in 2008

FDF Plant and API Plant passed PMDA GMP Audit in 2018



2009

SCP' s API plant passed **AU** TGA inspection



2010 SCP passed TW PIC/S GMP inspection
2012 SCP is certified GDP by the T-FDA



2012 SCP passed K-FDA inspection



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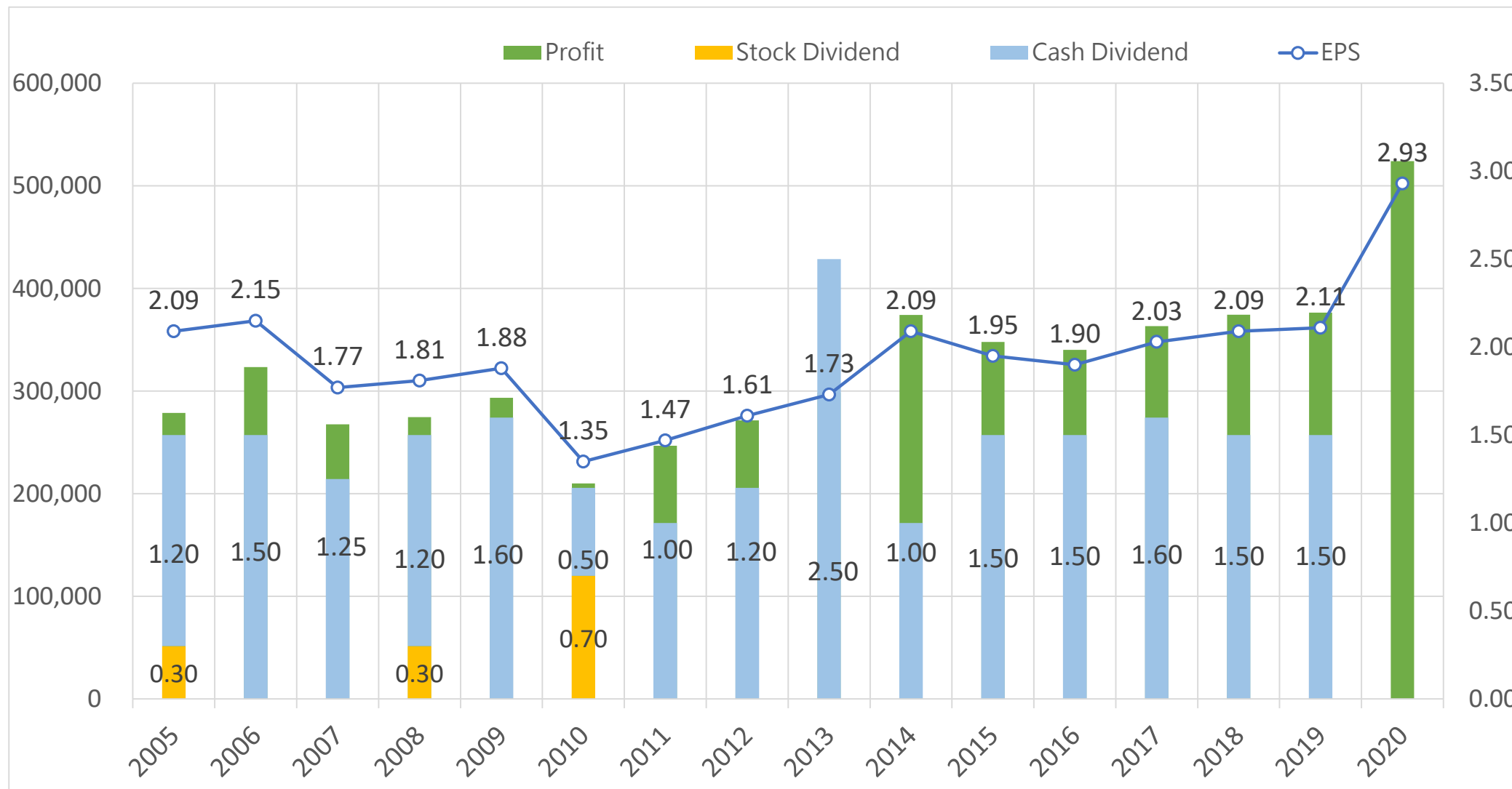


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54 Years of Continuous Profit



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Consolidated Income Statement

Items	2020	2019	Diff.	Annual changes(%)
<i>(Unless otherwise specified, expressed in thousands of New Taiwan Dollars)</i>				
Operating revenue	4,305,400	3,937,129	368,271	9%
Gross profit	1,919,838	1,709,131	210,707	12%
Gross profit rate	44.59%	43.41%		+1.2pct
Operating expenses	1,213,251	1,193,287	19,964	2%
Operating profit	706,587	515,844	190,743	37%
Non-operating income and expenses	66,340	69,966	(3,626)	(5%)
Profit before income tax	772,927	585,810	187,117	32%
Profit for the year	625,560	470,433	155,127	33%
Profit attributable to owners of the parent	524,172	376,482	147,690	39%
EPS(NTD)	2.93	2.11	0.82	39%



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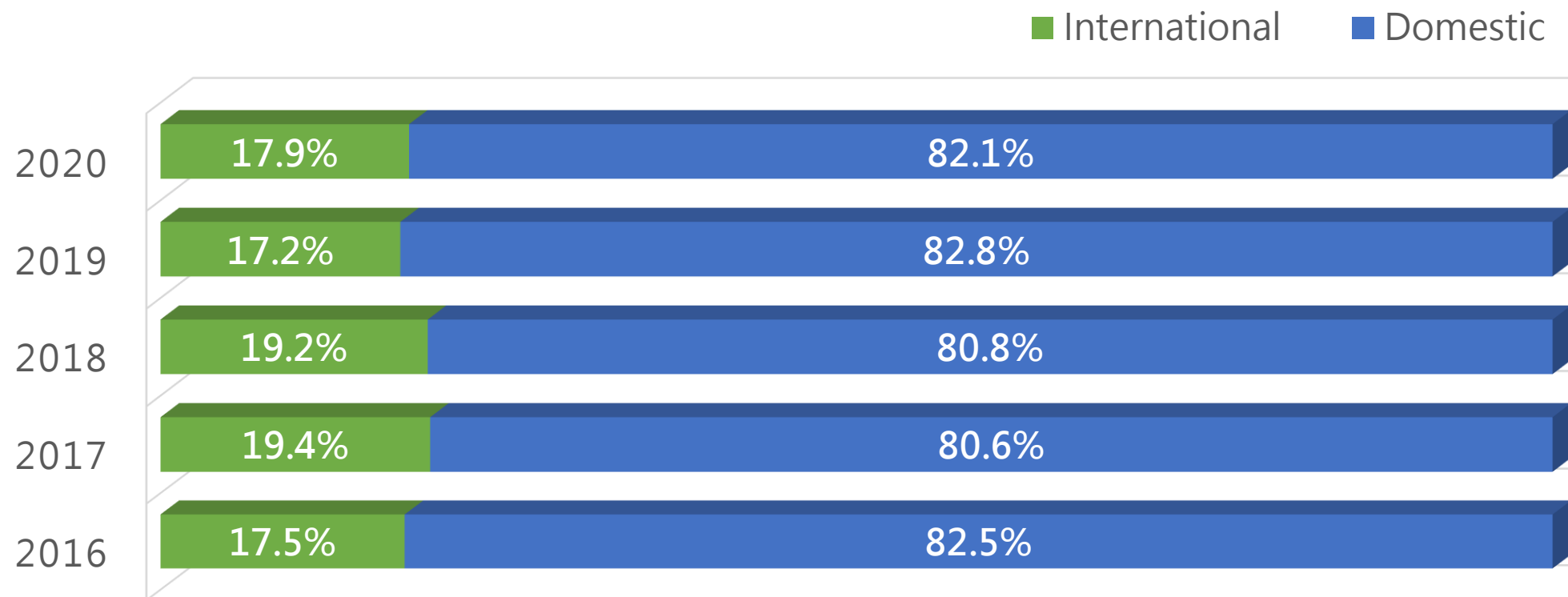


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Global Revenue Ratio of Past 5 Years (Consolidated)



<i>Expressed in thousands of NTD</i>	2020	2019	2018	2017	2016
Export revenue	768,863	678,464	686,077	745,705	644,528
Total operating revenue	4,305,400	3,937,129	3,573,093	3,848,684	3,673,801



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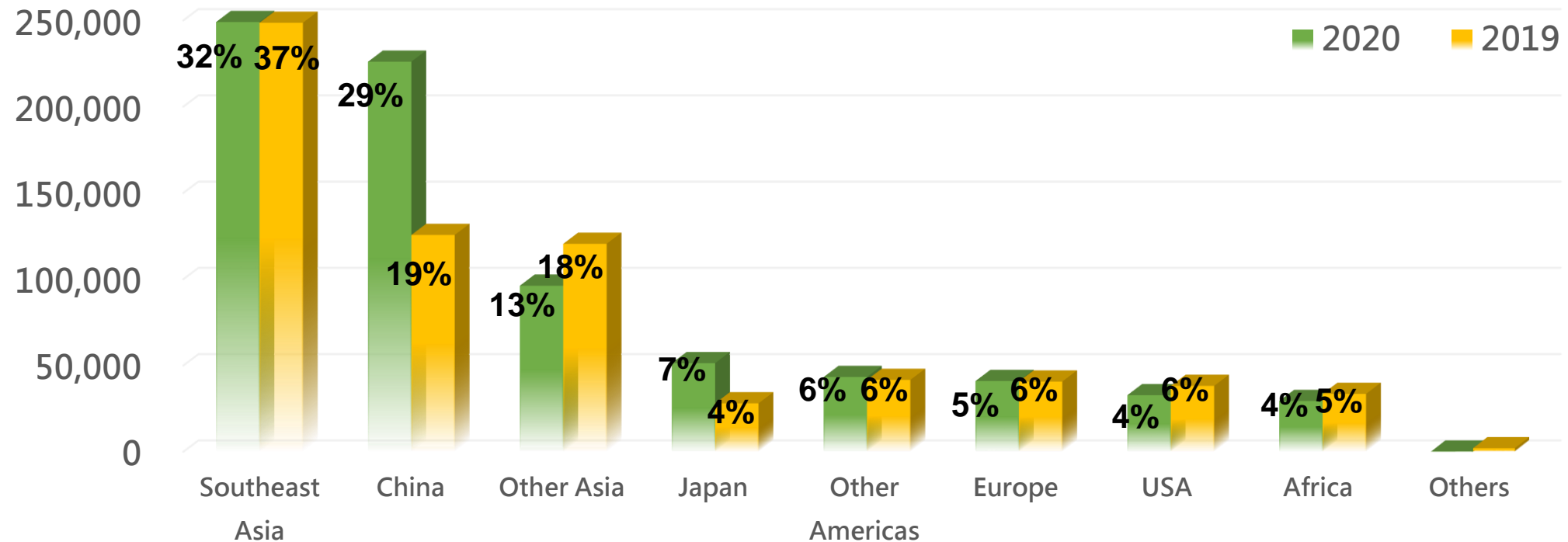


Strategy



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Global Revenue Ratio Comparison (Consolidated)



<i>Expressed in thousands of NTD</i>	Southeast Asia	China	Other Asia	Japan	Other Americas	Europe	USA	Africa	Others
2020	248,996	225,978	96,179	51,289	43,263	40,945	32,724	29,341	149
2019	248,552	125,597	120,463	28,005	41,599	40,634	38,128	33,500	1,985



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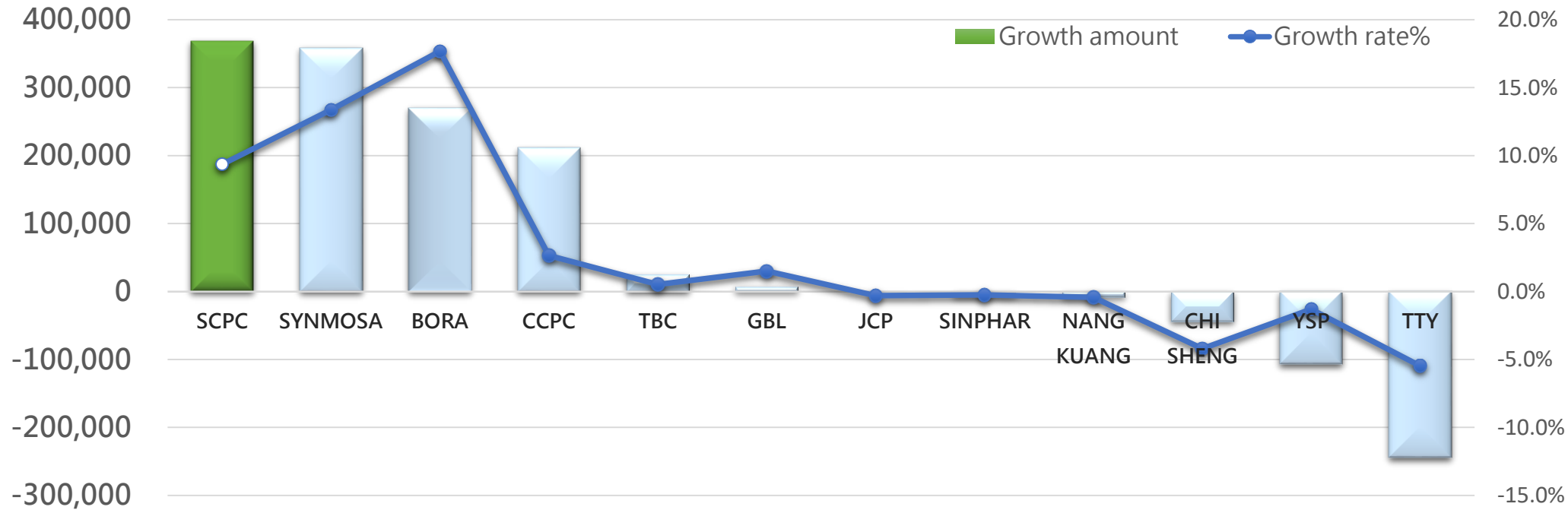
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Peer Comparison & Ranking: Revenue Growth Amount & Growth Rate (Consolidated)



<i>Expressed in thousands of NTD</i>	SCPC	SYN MOSA	BORA	CCPC	TBC	GBL	JCP	SIN PHAR	NANG KUANG	CHI SHENG	YSP	TTY
Growth amount	368,271	358,320	270,354	211,356	24,415	6,967	(1,324)	(6,137)	(7,432)	(43,597)	(106,867)	(244,472)
Growth rate%	9.4%	13.4%	17.7%	2.7%	0.5%	1.5%	(0.3%)	(0.3%)	(0.4%)	(4.3%)	(1.3%)	(5.5%)



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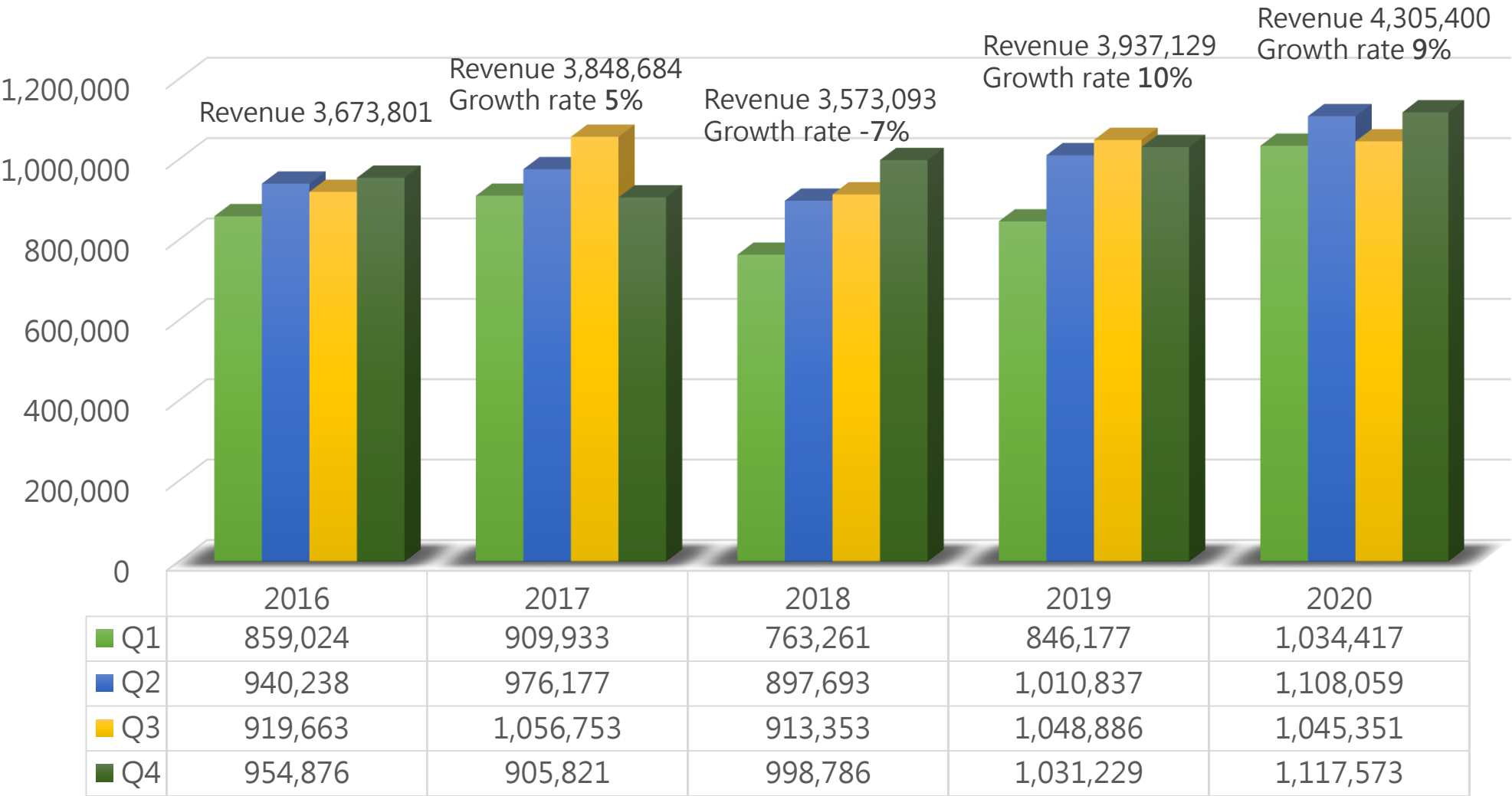
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Comparison of Quarterly Revenue of Past 5 Years (Consolidated)

Expressed in thousands of NTD



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Consolidated Balance Sheet

Items	2020		2019		Diff.	Annual changes(%)
<i>(Expressed in thousands of NTD)</i>	Amount	%	Amount	%		
Cash and cash equivalents	1,036,183	15%	1,471,902	21%	(435,719)	(30%)
Accounts receivable	967,254	14%	911,021	13%	56,233	6%
Inventories	893,512	13%	914,629	13%	(21,117)	(2%)
Investments	806,055	11%	755,474	11%	50,581	7%
Property, plant and equipment	2,125,207	30%	2,116,644	31%	8,563	0%
Others	1,221,236	17%	758,334	11%	462,902	61%
Total Assets	7,049,447	100%	6,928,004	100%	121,443	2%
Current Liabilities	1,650,616	23%	1,813,056	26%	(162,440)	(9%)
Non-current Liabilities	492,996	7%	468,527	7%	24,469	5%
Total liabilities	2,143,612	30%	2,281,583	33%	(137,971)	(6%)
Total shareholder' s equity	4,905,835	70%	4,646,421	67%	259,414	6%
Debt Ratio(Abilities/Assets)		30%		33%		(3.0pct)



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Consolidated Cash Flows

Items	2020	2019
<i>(Expressed in thousands of NTD)</i>		
Cash at beginning of year	1,471,902	1,254,061
Cash flows from operating activities	922,580	652,447
Acquisition of property, plant and equipment	(307,126)	(102,245)
Cash dividends	(268,044)	(268,044)
Short-term borrowings	(299,000)	130,000
Investment and others	(484,129)	(194,317)
Cash at end of year	1,036,183	1,471,902
Free cash flow*	615,454	550,202
<i>(Cash flows from operating activities-Acquisition of property, plant and equipment)</i>		



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Future Milestone



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SCP – Major International Businesses of the Past 2 Years

Taiwan



- Prompt delivery of drugs during COVID-19 due to well-managed production and sales coordination.
- SCP, Syn-Tech and Syngen's turnover and gross profit have hit a historic high.

China



- Continues export of antibiotic injection.
- Generic Quality Consistency Evaluation(GQCE) : 3 cases were closed; 5 ongoing applications
- Self-developed generic drug: two were submitted for review

Japan



- Bronchiolitis drug, non-steroid anti-inflammatory drugs are persistently delivery



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Revenue Growth Strategy - Taiwan

- Taiwan as Base of Operations for Global R&D and Pharmaceutical Manufacturing
 - Export sales growth in 2021
 - International marketing to create an optimization market.
- Concrete work-division enhances international competitiveness
 - Group resource integration
 - Transfer the API department to Syn-Tech
- Production-marketing coordination
 - Availability of raw material supply in order to prompt delivery during COVID-19.
 - SCP, Syn-Tech and Syngen' s turnover and gross profit have hit a historic high.



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Concrete Work-Division Enhances International Competitiveness

- In 2014, sold nutritional biochemistry department to Syngen
- In 2021, transfer the API department to Syn-Tech in October 1st.

Firm	Type	Main product
SCP	Pharmaceutical	Western medicine
Syngen	Nutritional biochemistry 、 API	Nutritional biochemistry OEM, Fermentation skills
Syn-Tech	API	API

- SCP is the largest shareholder of Syn-Tech and the shareholding percentage has increased from 10.61% to 22.32%.
- API export is approximately 90% are produced by SCP's synthesis department and Syn-Tech.
- Division specialized field, resources and vertical Integration to expend at home and abroad marketplace.



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Revenue Growth Strategy - China



Competitiveness

- SCP has successful experience with U.S. and Japan regulatory dossiers
- SCP to continue to specialize expertise in BE design and execution



NMPA review of importation



Medium-term targets

- Self-developed products submission
- Enhance profit sharing revenue



NMPA Consistency Evaluation

- 8 contracts signed, 3 cases were closed, and 5 ongoing cases



Cooperation

- Tech-transfer
- License cooperation
- Co-development
- Profit-sharing Partnerships



Strategy

- Emphasize export and tech transfer simultaneously.
- Increase the number of cooperative projects and pharmaceutical companies



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The Current Status of China- Market Trends

Brand Drugs

Transfer from centralized procurement to external market

- Approximately 80% is centralized procurement market
- Brand drug prices are high and so only minority brand drug can win the bid in centralized procurement.
- Brand drug will not decrease the prices overly even they don't win the bid, they still have high market share and profit.

China Pharmaceutical Firms

Stay at market trends of API and focus on high techniques threshold

- As centralized procurement status, the majority firms tend to develop their own API to decrease the price. Lower gross margin, but compensated with high sale volume.
- Focus on high techniques threshold and products with fewer competitor

National Healthcare Security Administration

Expend centralized procurement products

- Increased number of centralized procurement products. Second procurement is 164 items, third is 355 items, and fourth is 215 items.
- The main items of centralized procurement are hypolipidemics, antihypertensive, antithrombotic diabetes drugs.
- The products will expend to orphan drug, shortage drug, Bio-similar drugs, and Chinese medicine.



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Revenue Growth Strategy - Japan



Collaboration Model

- CDMO
- Japan marketing partner
- License Holder



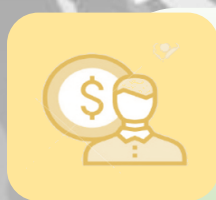
Raw Material Strategy

- Strategic alliance with API manufacturer.
- API Vertical Integration with Syn-Tech.



Current State

- Obtained marketing licenses for Montelukast (Asthma) and Celecoxib (Anti-inflammatory)



On Going

- New business is continuing development.



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Revenue Growth Strategy – U.S.A.



U.S.A. Market

- Largest Rx Market
- Characterized by lengthy review timelines and costly compilation and filing work
- SCP' s long term goals



Strategy

- Strategic alliance with API manufacturer.
- API Vertical Integration with Syn-Tech.



Current Status

- Export of diabetic and amyotrophic lateral sclerosis(ALS) drugs treatment
- Another approved drug, pending for patent expiration



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Future Operation Strategy



Increasing overseas
Marketing revenue

- Enhance overseas sales' resources
- Hire international talents

Core techniques and
professional
skills to expand
global sales turnover

Mature R&D techniques
to create turnover

Global marketing
practices

- Foundation improvement
- Create turnover rapidly
- Pay attention to different countries marketing knowledge and business role
- Seeking medium and long-term stability partnership cooperation



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The Greatest Honor with Drug Technology Development Award in 2020



- Antihypertensive drug- Co-Midis Tablet 80/5mg
- In 2020, SCP is honored with the only gold award as the greatest honor in manufacturing technology category.
- It is a compound made by Telmisartan 80mg and Amlodipine 5mg, mechanism of both two ingredients have complementary effect. It is not only use conveniently for doctors but also enhance patients drug compliance



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- **Corporate Social Responsibility (CSR)**

Fan Dao Nan Foundation



Fan Dao Nan Foundation

- Established in 1987
- Endowment Fund: NT\$196 Million
- Annual Budget: NT\$12 Million

Principal Activities

- Cultural and educational development activities
- Scholarships and Talent Cultivation
- Non-profit education
- Sponsor R&D and Innovation



Rewards and Honors Received

- 2011: Special Recognition Award – Dept. of Education
- 2012: Tainan City Govt. Grant for Scholarship Program
- 2013: National Special Selection Award for After-School Program – Dept. of Education



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Corporate Social Responsibility in 2020



Scholarships

- University (related fields)::3university/4 students
- High school :7schools/ totaled 113 students
- Middle school:61schools/totaled 807 students
- Elementary school :237schools/totaled 2,760 students

Total scholarship NTD 6.34 MM



Hope After-school Class

- Weekday afternoons
- 22 schools · 1,780students

Total scholarship NTD 1.81MM



Sunflower Wednesdays

- Every Wednesday afternoons
- 4 Schools · 243student

Total scholarship NTD 400KK



Other Sponsorships

- Sponsorship to 11 non-for-profit organization for cultural and educational advancement

Grant Total- NTD 560KK



Meal-Assistance

- In 2020, provided 4,553 meals to students during winter and summer vacation.

Assisted Total- NTD270KK



Charity

- SCP Children' s Drawing Competition
- SCP National Table Tennis Competition*

Prize Total – NT\$250KK



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The Greatest Honor with Athletic Support Award in 2020



- Held the National Standard Cup of table tennis for 34 years straight.
- Provide a healthy competition environment for the players and train future professionals with the government.
- Encourage all of the Standard family to join in the charity work and participate in the Standard Cup.



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Donated an Ambulance with the Battenburg Markings



- Battenburg usually promoted as high-visibility by busy street.
- Increase quality of emergency to rescue more injuries receive.



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The First Senior Gym in Taiwan – Athletic Training and Health Center



- In 2020, the number of users is accumulated 127,580 user.
- Conducting healthy lectures that provide disease and healthcare knowledge. 2020 had conducted 14 lectures and had 228 participated.
- Conducting competition to encourage members muscular strength training.



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Free Bone Mass Measurement and Community Health Seminar



- In 2020, 6 sessions of free bone mass measurement activity have been held and 500 people were measured.
- 5 sessions of community health lectures have been held, with a total of 700 participants.



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Q & A