

United Orthopedic Corporation

2017 Investor Conference

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Integrity Responsibility
Happiness Innovation

Safe Harbor Notice

Except for historical information set forth herein, this presentation contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from what may be expressed or implied by such statements. Investors shall assess the potential impact of uncertainties and conduct risk control.

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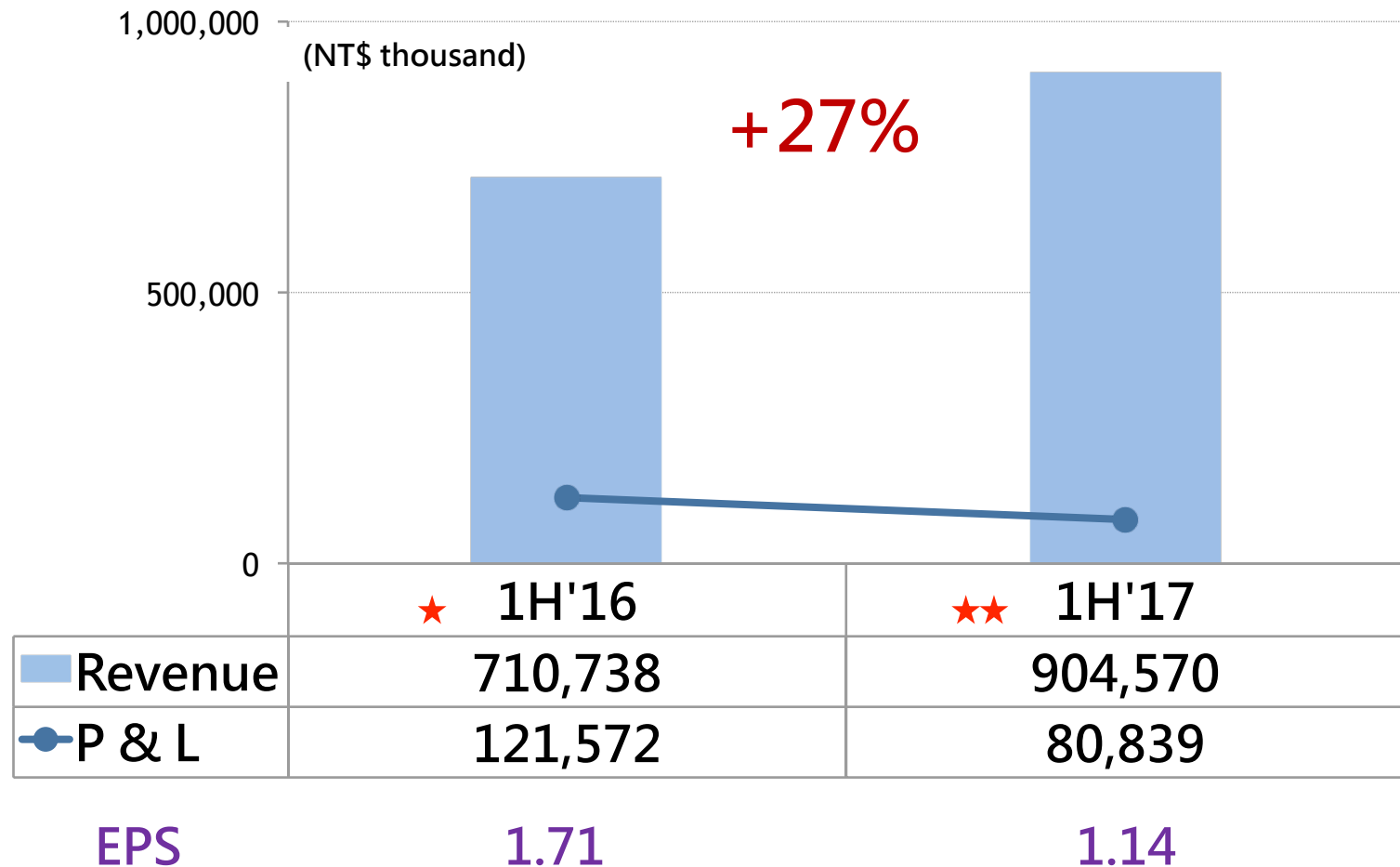


Agenda

- **2017 1H Financial Results**
- **Business Update**
- **Q & A**



Consolidated Revenue & Net Profit (2017 1H)



★ 2016 1H increase a gain on China business unit disposal

★★ 2017 1H increase OP expense for new subsidiaries in Europe and Japan

2017 1H increase a loss on foreign currency exchange

Monthly Revenue Trend

(Jan'16~Jun'17)

(NT\$ million)

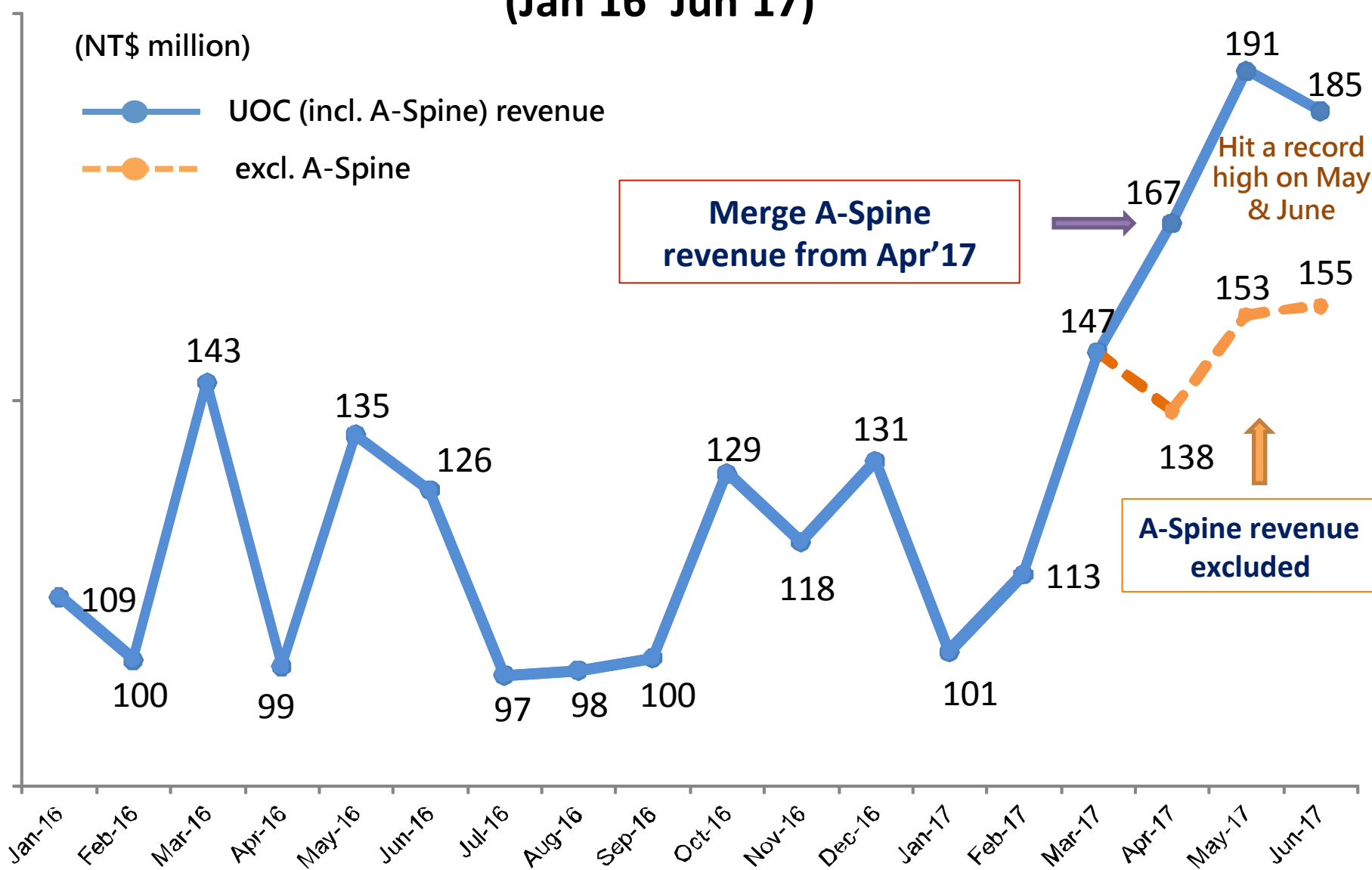
—●— UOC (incl. A-Spine) revenue

- -●- - excl. A-Spine

Merge A-Spine
revenue from Apr'17

Hit a record
high on May
& June

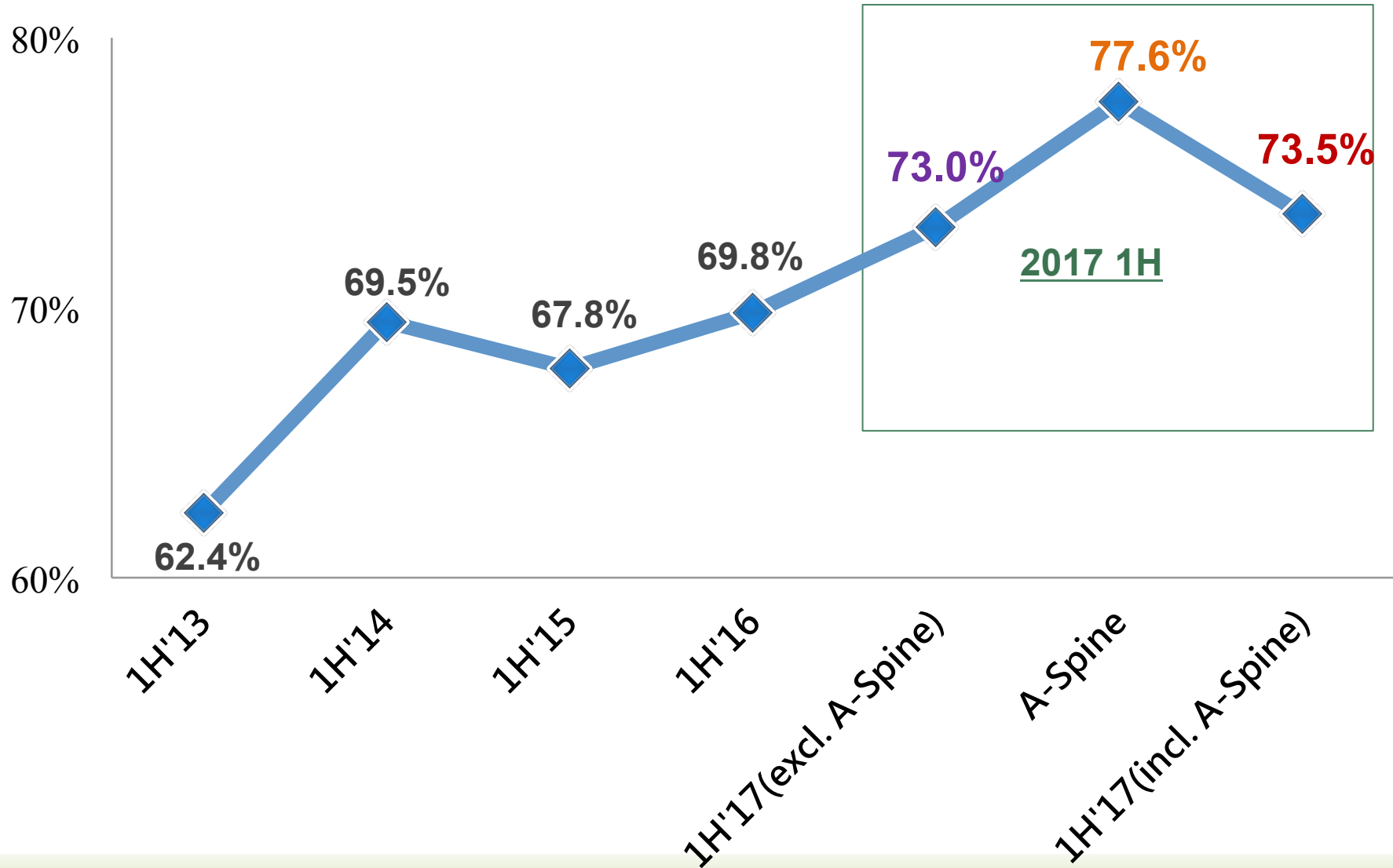
A-Spine revenue
excluded



Remark : A-Spine revenue was included from 2017 2Q.

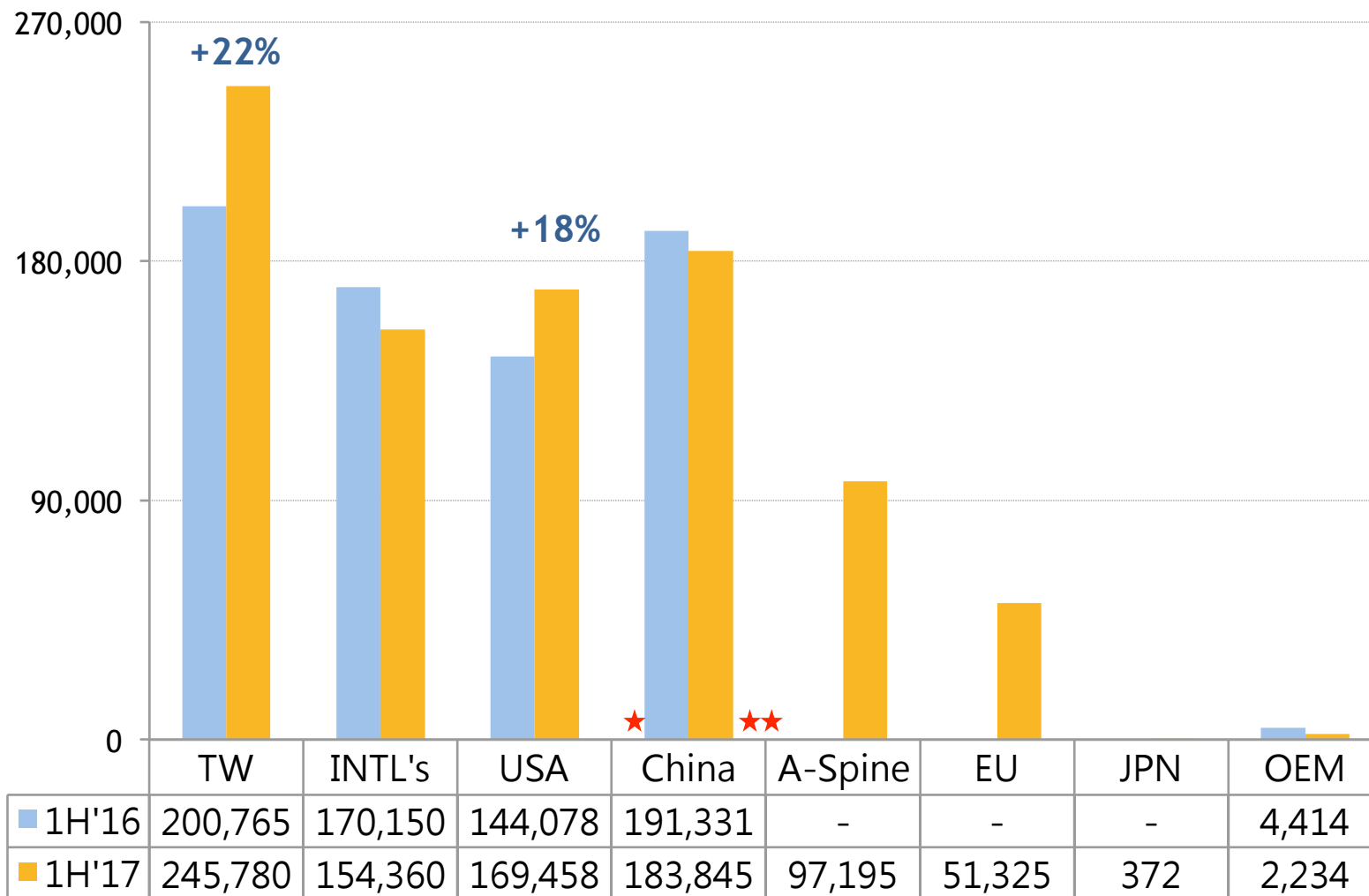
Gross Margin YoY Comparisons

(5-Year Period)



Revenue Breakdown (1H'16 vs. 1H'17)

(NT\$ thousand)



★ From 2016, China BU revenue was excluded.

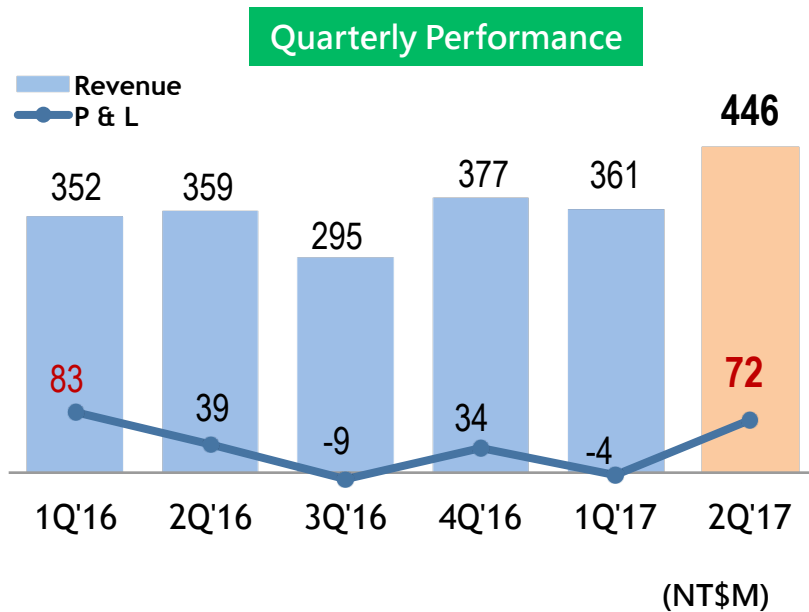
★★ From 2017 Q2, A-Spine revenue was included.

2017 Q2 Performance Analysis

UOC (A-Spine excluded)

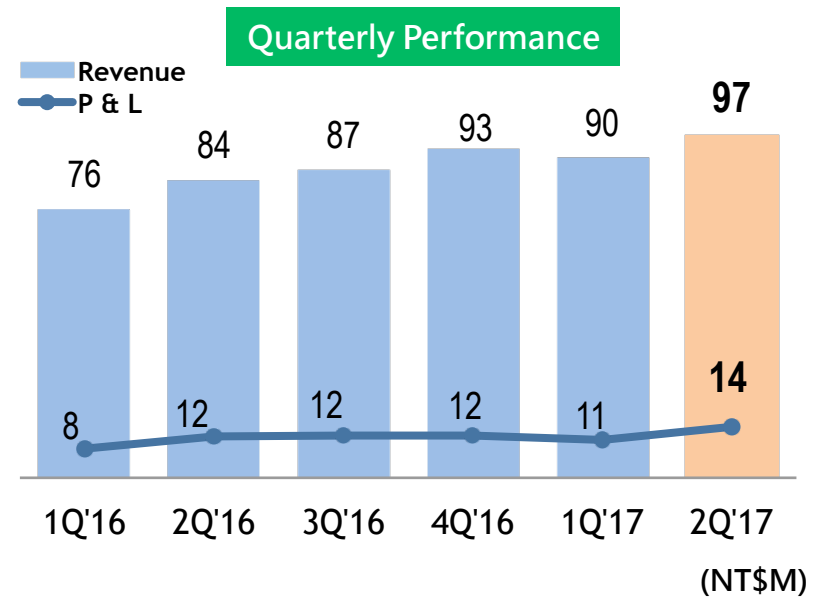
- (1) 2017 Q2 revenue hit record high
- (2) 2017 Q2 **profit** hit record high

exclude the gain on China BU disposal \$44M



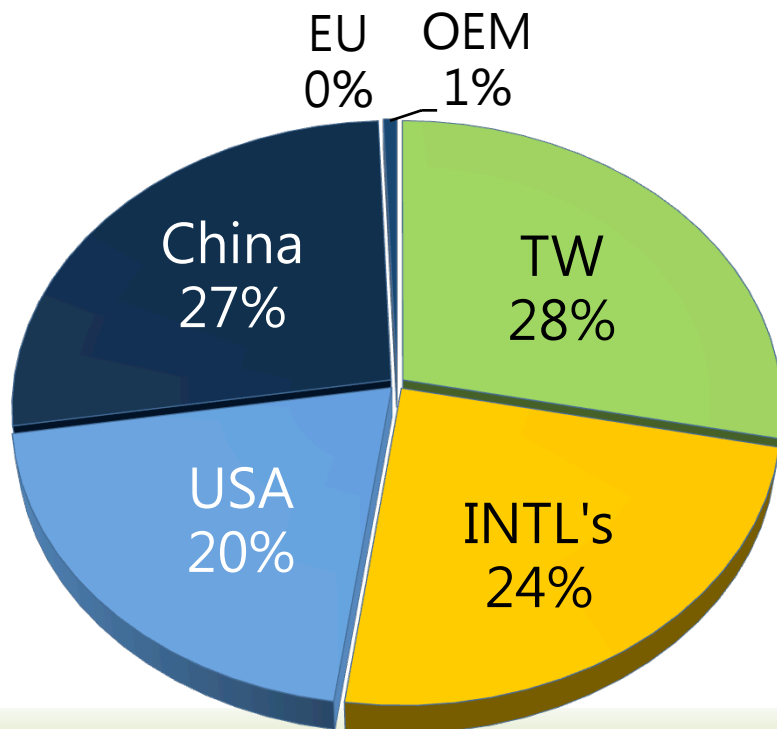
A-Spine

- (1) 2017 Q2 revenue achieved 2nd highest record
- (2) 2017 Q2 **profit** achieved 2nd highest record

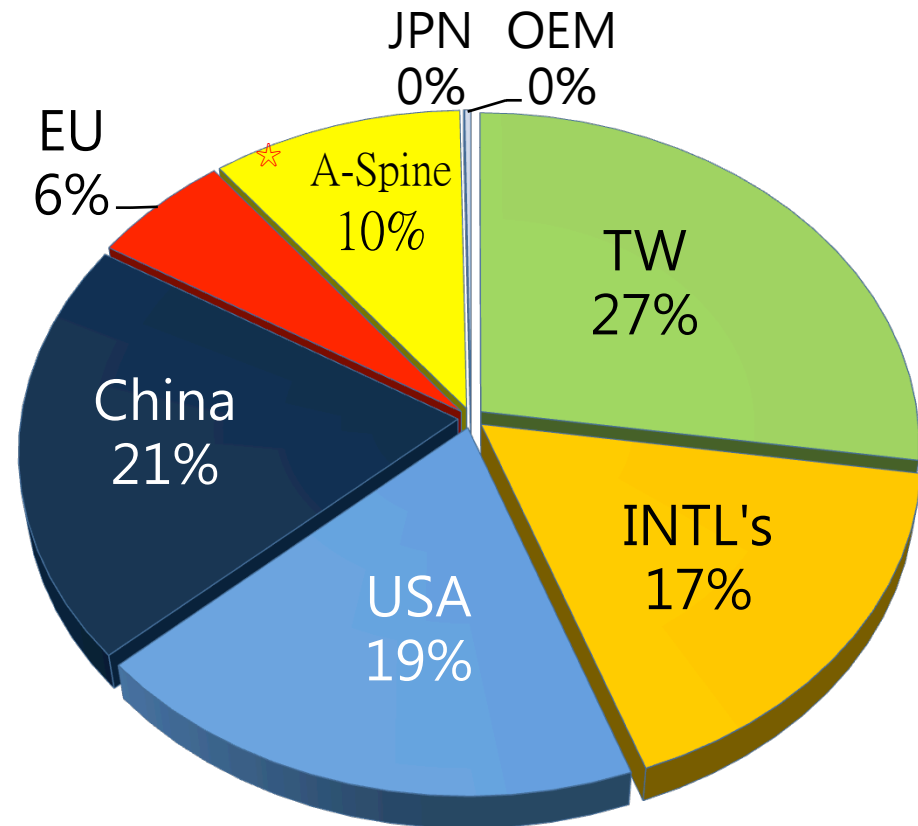


Revenue by Regions (1H'16 vs. 1H'17)

1H'16



1H'17

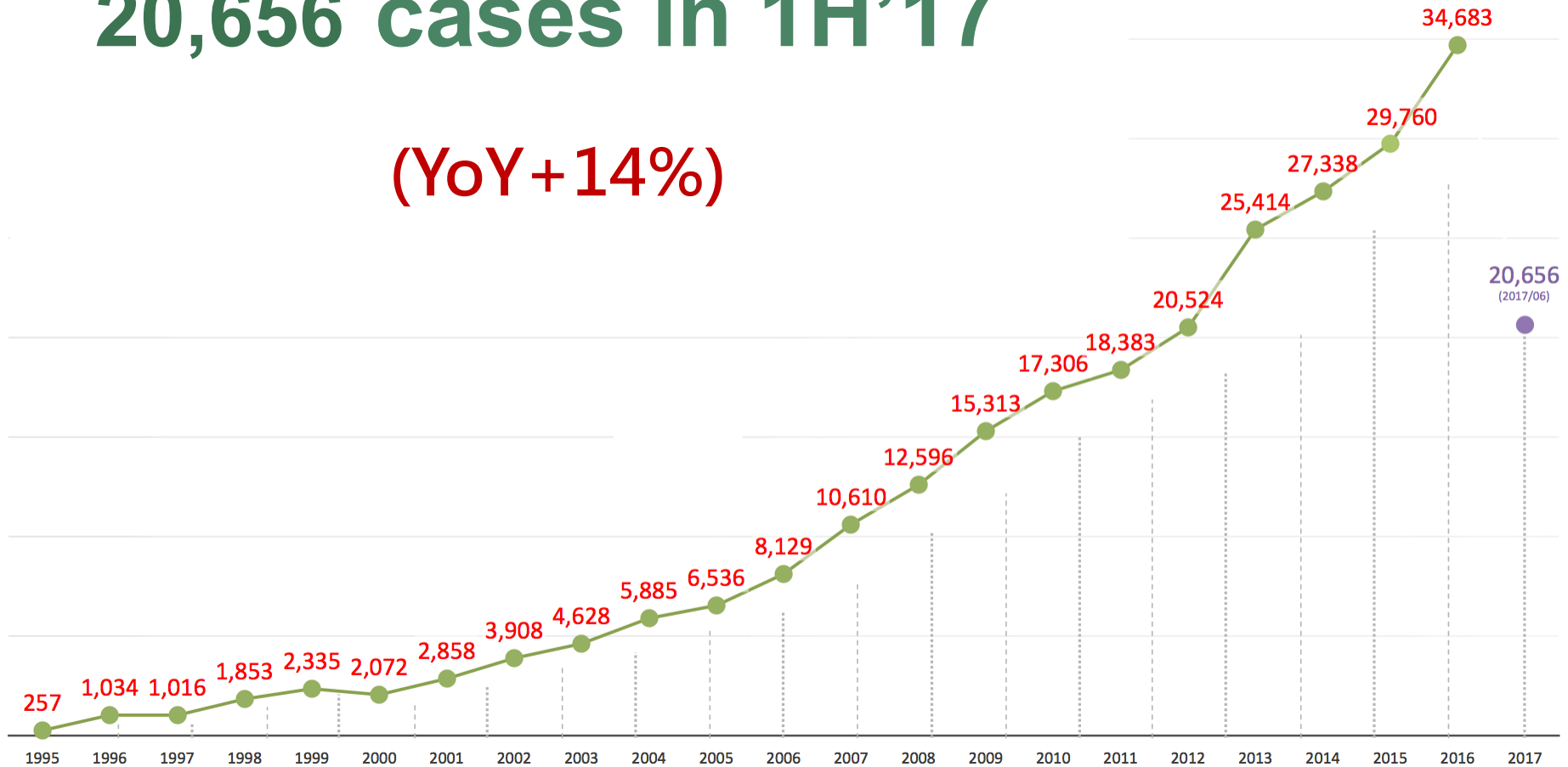


☆ From 2017 Q2, A-Spine revenue was included.

Numbers of Surgery

20,656 cases in 1H'17

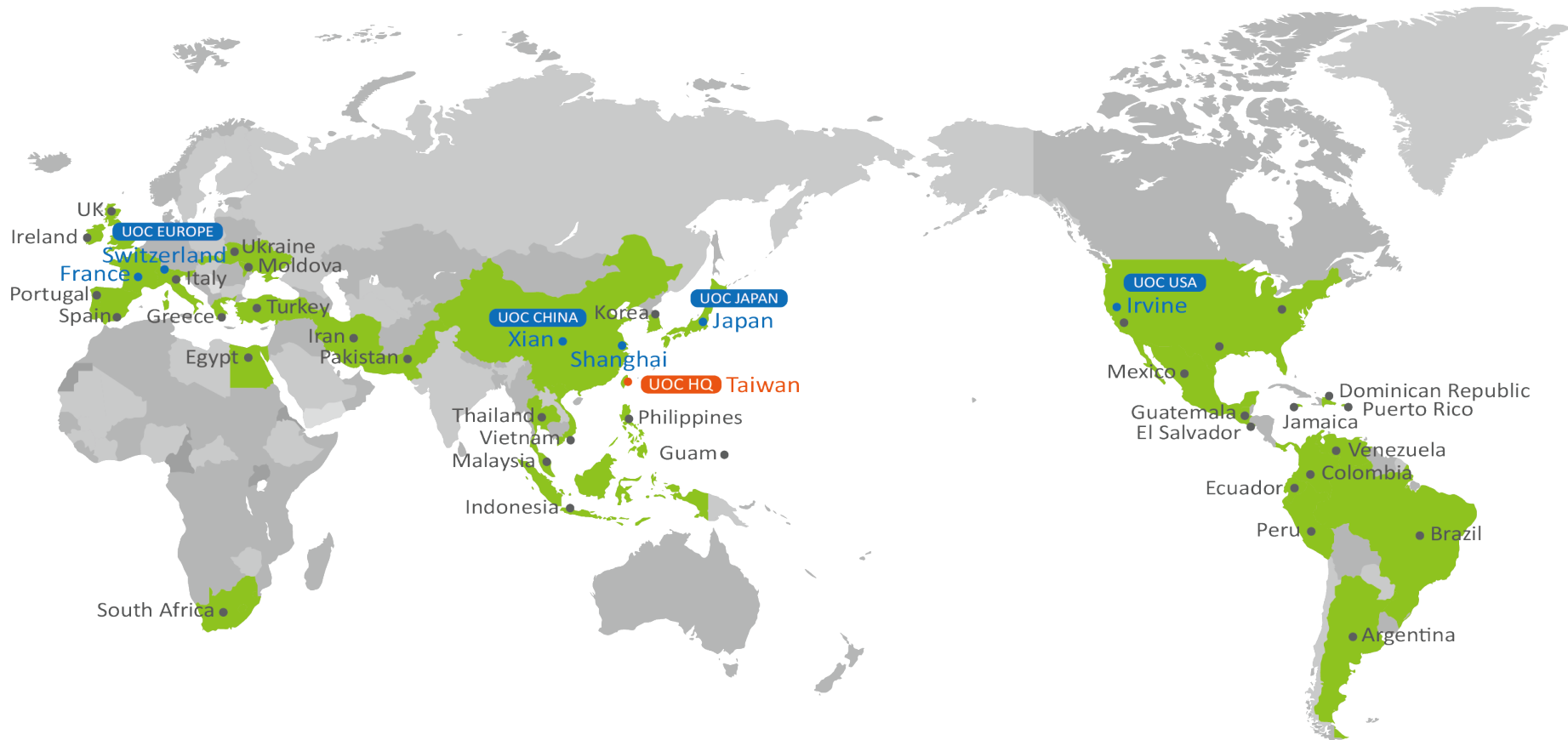
(YoY+14%)



Worldwide Sales Network

38 COUNTRIES

Over **273,000** cases
Implanted Worldwide



UOC Europe Holding SA

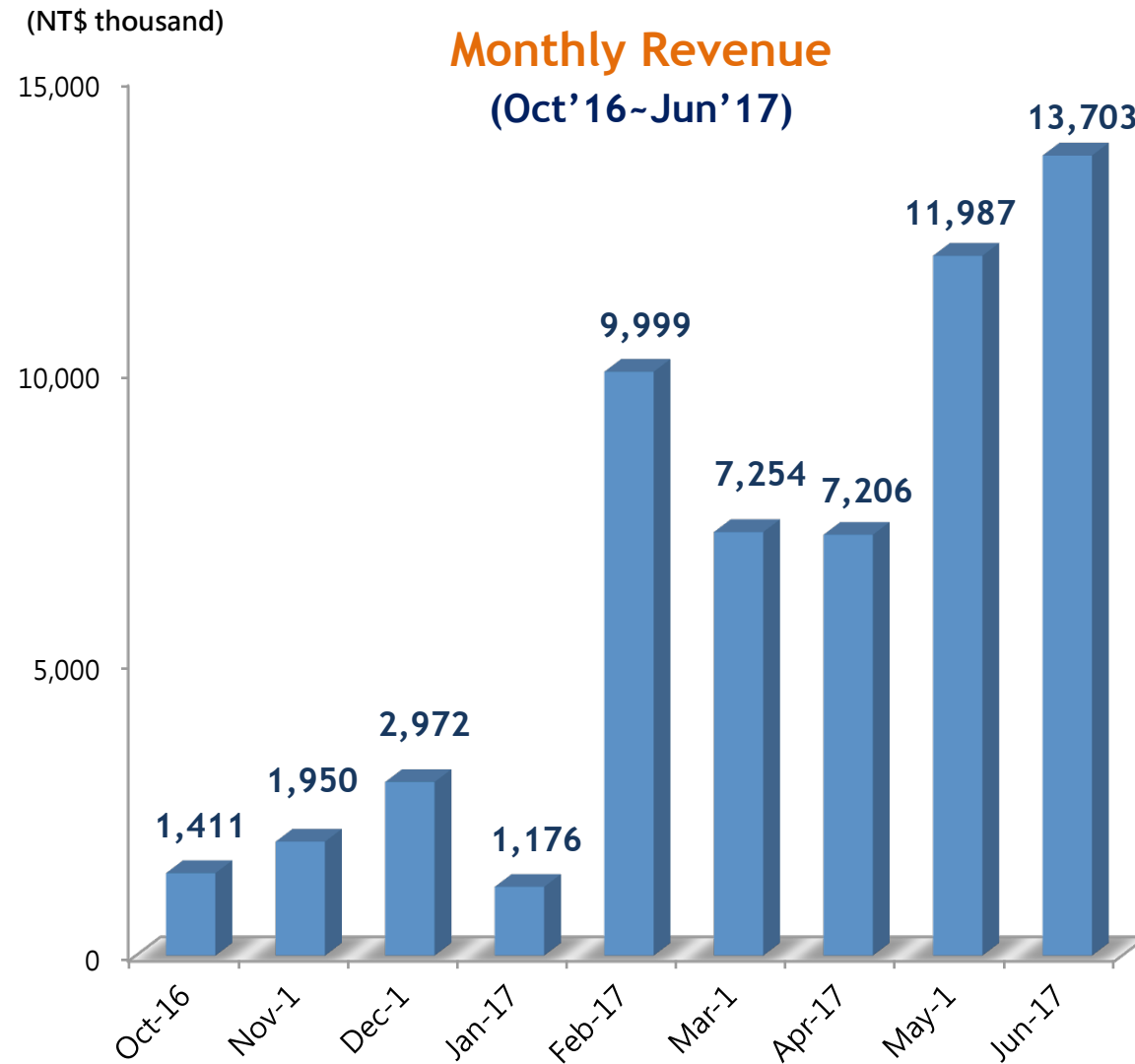
Switzerland



France



Monthly Revenue (Oct'16~Jun'17)



United Biomech Japan Inc.

Product Certification Schedule

Hip

Bipolar II + UCP Stem

Dec-17

U Motion II

Apr-18

Knee

U2 PS Knee system

Apr-18

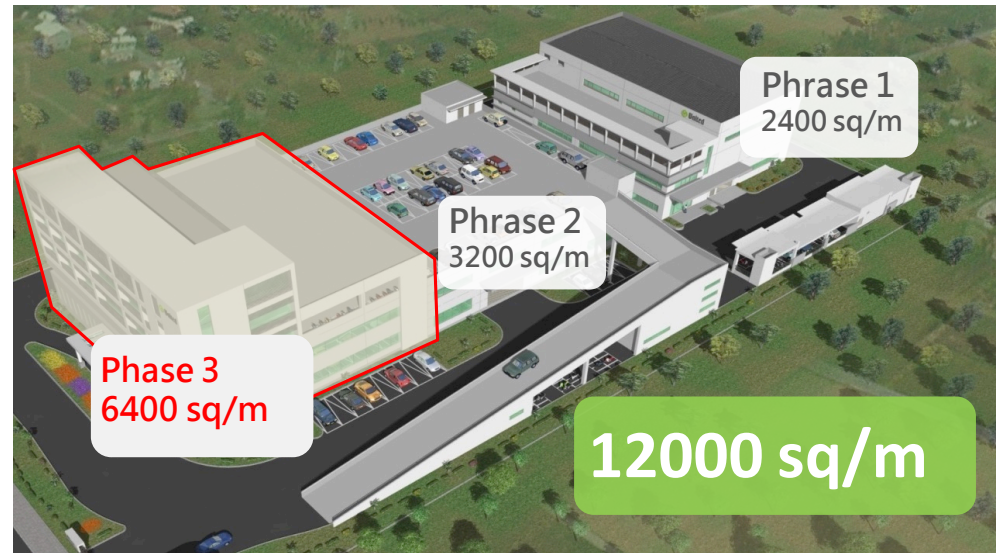
U2 CR Knee system

Apr-18



Kaohsiung Plant Phase 3

- Jun'17: acquire "Building Use Permit"
- 3Q'17: place in operation



ShinvaUnited Orthopedic Corporation

New Plant Construction-in-progress

- 4Q'17: tools set-up ; place in operation



Capital Increase Project

- **Use of Proceeds :**

- (1)Repay bank loans (for the acquisition of A-Spine)

- (2)Raise working capital

- **Amount : NT\$ 784M**

- (convertible bond: \$400M ; issuance of new shares: \$384M)

- **Status Update :**

- (1)Convertible Bond : completed (8.11 listed in OTC)

- (2)Issuance of new shares : 8,000,000 shares ; NT\$48_(per share)

- Ex-right trading date : 2017.08.23

- Payment period : 2017.09.01~10.02

<http://www.uoc.com.tw>

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