



葡萄王生技
GRAPE KING BIO

2020 Shareholders Meeting Handbook

TSE 1707



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Grape King Bio Ltd.

Agenda for the 2020 Annual General Meeting of Shareholders

Time: 9:00 a.m. May 28, 2020

Place: No.402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City, Taiwan (R.O.C.), (8F of Pingzhen Headquarters)

1. Commencement of Meeting
2. Chairman's Statement
3. Report Items
 - (1) 2019 Business Report
 - (2) Supervisors' Review Report on the 2019 Financial Statements
 - (3) Report on Remuneration Distribution for Employees, Directors and Supervisors for the Year 2019
 - (4) Amendments to the Rules for Transferring Share Repurchases to Employees
4. Matters for Ratification
 - (1) Adoption of the 2019 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2019 Profits
5. Matters for Discussion
 - (1) To amend the Company's Articles of Incorporation
 - (2) To amend the Company's Procedures for Election of Directors and Supervisors
 - (3) To amend the Company's Rules of Procedure for Shareholders' Meetings
 - (4) To amend the Company's Procedures for Loaning Funds to Others
 - (5) To amend the Company's Procedures for Endorsements and Guarantees
6. Extempore motion
7. Adjournment

1. 2019 Business Report

2019 marked the 50th Anniversary of Grape King Bio and with it our continued long-term stable business operations. The implementation of three new strategies: "New Products, New Marketing, and New Consumers Groups," will enable us to expand our products and brands further, both locally and internationally, thus moving towards our goal of greater operational sustainability. We also continue to focus on ever strengthening our Corporate Governance by way of our solid corporate governance structure to protect shareholders' rights and interests. We are pleased to inform you that we once again the Company has been ranked in the top 20% of listed companies in Taiwan with regards to Corporate Governance.

The financials of the Company for 2019 continued to grow with the consolidated revenue increasing by 0.6%, and net profit, attributable to the parent company, increasing by 1.1%. Therefore the Company was able to achieve an EPS of NT\$ 9.63 per share. Once again we would like to thank all of the Company's employees for their loyal work commitment, and to our Shareholders, thank you for your support and trust in us.

2019 was a great year for the awards and international recognition we received for both Corporate and Product, Raw Materials Innovation parts of our business. These included "The Sixth National Industrial Innovation Award-Outstanding Innovation Enterprise" award and a gold medal at the "2019 Biotechnology Development Industry Award" from the Taiwan Biotechnology Development Association Awards. For our Technology Research and Development alone we were awarded with; 16 Gold, 3 Silver, 2 Copper and 13 Special prizes for patent technologies such as Hericium Erinaceus, Antrodia, Probiotics, and Cicada. Furthermore our involvement in Corporate Social Responsibility and for promoting a healthy workplace was recognized by the "Friendly Enterprise Model Award" from

the Taiwan Immunization Vision and Strategy and “Outstanding Healthy Work-place Award” from the Ministry of Health and Welfare.

Our subsidiary Pro-Partner Ltd., led by the excellent leadership of Chairwoman Chang-Yeh Tseng, General Manager Mei-Ching Tseng and the six Consultants, has been growing at a steady rate for years and once again claimed the 2nd ranked placing on the Taiwan Multilevel Marketing listing based on revenue. Furthermore, in 2019 Direct Selling Media published Pro-Partner as being ranked 49th on the top 100 listing of Global Direct Selling, based on revenue.

With the continuing growth of the Company, we not only attach importance to the Company’s operating performance, but are also grateful to Society for its assistance and support, and will continue to actively strive towards a sustainable operating environment that is beneficial to social welfare. Under our core values of "Technology, Health and Hope", the Company strongly upholds the commitment of "Contribute and build a better future for society".

Lastly, we would like to wish you all good health and prosperity.

Chairman: Andrew Tseng General Manager: Andrew Tseng Chief Accountant: Nick Hung

2. Supervisors’ Review Report on the 2019 Financial Statements

Description: The Supervisors’ Review Report is attached as Appendix 1. (page 31).

3. Report on Remuneration Distribution for Employees, Directors and Supervisors for the Year 2019

Description:

- (1) The profit of the Company is NT\$1,537,055,904 (i.e., pre-tax profit before deducting the remuneration of employees, directors and supervisors). In accordance with Article 29 of the Articles of Incorporation, it has been proposed that the Company disburses 8% in cash, amounting to NT\$122,964,472, to employees and 2%, amounting to NT\$30,741,118, to directors and supervisors.
- (2) There is no difference between the amount of distribution and the amount of recognized expenses in 2019.

4. Amendments to the Rules for Transferring Share Repurchases to Employees

Description:

- (1) The amendments of the Company's Rules for Transferring Share Repurchases to Employees were proposed to tailor the actual needs of the Company according to the amendments of the Securities and Exchange Act.
- (2) Comparison Table on the Amendments to the Rules for Transferring Share Repurchases to Employees:

Clause	After Amendment	Before Amendment	Explanation
Article 3	(Period of transfer) In accordance with these Rules, the shares in the present share repurchase may be transferred to employees in a single transfer or multiple transfers within <u>five</u> years from the date of the share repurchase.	(Period of transfer) In accordance with these Rules, the shares in the present share repurchase may be transferred to employees in a single transfer or multiple transfers within three years from the date of the share repurchase.	In accordance with Securities and Exchange Act in order to meet the actual needs of the Company to amend



Item 1

Proposed by the Board of Directors

Item: Adoption of the 2019 Business Report and Financial Statements.

Description:

- (1) The Company's 2019 Financial Statements have been audited by Yu Feng Huang and Ming Yuan Chung, Certified Public Accountants of Deloitte & Touche, and an audit report has been issued.
- (2) The Business Report and Financial Statements have been examined by the supervisors.

Business Report (Please refer to page 3 to 4)

Financial Statements (Please refer to page 32 to 51)

Resolution:

Item 2

Proposed by the Board of Directors

Item: Adoption of the Proposal for Distribution of 2019 Profits.

Description:

- (1) The Company's 2019 Profit Distribution Table was approved by the 11th meeting of the 19th Board of Directors on February 24, 2020. It was proposed that the Company disburses cash dividend amounting to NT\$884,210,425 which is obtained from retained earnings, valued at NT\$6.5 per share, and estimated by rounding down to the dollar unit. The fractional amount will be included in the Company's other income. Upon approval during the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues.
- (2) In the event that the subsequent changes in capital affect the number of outstanding shares and cause changes in the dividend payout ratio, it is proposed that the Board of Directors be authorized to adjust the payout ratio.
- (3) Profit Distribution Table for 2019 please refer to Page 52.

Resolution:

Item 1

Proposed by the Board of Directors

Item: To amend the Company's Articles of Incorporation.

Description:

(1) The amendments of the Company's Articles of Incorporation were proposed to tailor the actual needs of the Company and the Audit Committee established by the shareholder's meeting in 2021.

(2) Comparison Table on the Amendments to Articles of Incorporation:

Clause	After Amendment	Before Amendment	Explanation
Chapter 4	Director, Supervisor <u>and Audit Committee</u>	Director and Supervisor	In accordance with the Audit Committee established by the shareholder's meeting in 2021 to amend.
Article 20	The Company shall have nine (9) to <u>thirteen (13)</u> directors. The number of directors is authorized by the Board of Directors. The term of office shall be three (3) years. Directors shall be elected <u>from a list of candidates</u> and appointed by the shareholders during the shareholders' meetings. Directors may also be re-elected for succeeding terms. The number of independent directors shall not be less than <u>three</u> , and shall not be less than one fifth of the directors' seats. The election of directors and supervisors entails a nomination system. The nomination, notice and other matters relating to the candidates	The Company shall have nine (9) to eleven (11) directors. The number of directors is authorized by the Board of Directors. The term of office shall be three (3) years. Directors shall be individuals with legal capacity and shall be elected and appointed by the shareholders during the shareholders' meetings. Directors may also be re-elected for succeeding terms. The number of independent directors shall not be less than two , and shall not be less than one fifth of the directors' seats. The election of directors and supervisors entails a nomination system in accordance with Article 192-1 of the Company	In accordance with the Audit Committee established by the shareholder's meeting in 2021 in order to meet the actual needs of the Company to amend.

	<p>for directors and supervisors shall be in accordance with the Company Act, securities trading law, related laws and regulations. Independent directors and non-independent directors should be elected together to determine their designation. The total shares of nominal stocks held by either directors or supervisors shall not be less than the specified percentage regulated by the relevant competent authority.</p>	<p>Act. The nomination, notice and other matters relating to the candidates for directors and supervisors shall be in accordance with the Company Act, securities trading law, related laws and regulations. Independent directors and non-independent directors should be elected together to determine their designation. The total shares of nominal stocks held by either directors or supervisors shall not be less than the specified percentage regulated by the relevant competent authority.</p>	
Article 20-2	<p><u>The Board of Directors of the Company may set up functional committees, the qualifications, exercise of their power, and related matters for the committee members shall be handled in accordance with the relevant laws and regulations and set out by the Board of Directors. Pursuant to Article 14-4 of the Securities and Exchange Act, the Company establishes Audit Committee beginning from 2021's shareholder's meeting. The Audit Committee powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors. The Audit Committee shall be composed of the entire number of independent directors, one of whom shall be committee</u></p>	<p><u>Add</u></p>	<p>In accordance with the Audit Committee established by the shareholder's meeting in 2021 and set the effective date of the deletion of the supervisor.</p>

	<u>convener, and at least one of whom shall have accounting or financial expertise. The relevant regulations for supervisors of the Articles will invalid since Audit Committee established.</u>		
Article 32	The Article is stipulated on March 6, 1971. The 1st amendment was on July 31, 1973.... The 41th revision was made on May 29, 2019. <u>The 42th revision was made on May 28, 2020.</u>	The Article is stipulated on March 6, 1971. The 1st amendment was on July 31, 1973.... The 41th revision was made on May 29, 2019.	Add revision date.

Resolution:

Item 2

Proposed by the Board of Directors

Item: To amend the Company's Procedures for Election of Directors and Supervisors.

Description:

- (1) The amendments of the Procedures for Election of Directors and Supervisors were proposed to tailor the needs of the Company.
- (2) Comparison Table on the Amendments to Procedures for Election of Directors and Supervisors:

Clause	After Amendment	Before Amendment	Explanation
Article 2	<p>The single-named cumulative voting <u>system</u> shall be used for election of the directors and supervisors at the Company. Except as otherwise provided by law and regulation, each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.</p> <p>Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p> <p><u>The shareholders may be exercising their voting rights via electronic or physically present for the election of directors at the Company. Upon above exercise voting rights via electronic, shall be via electronic voting platform appointed by the Company.</u></p>	<p>The single-named cumulative voting method shall be used for election of the directors and supervisors at the Company. Except as otherwise provided by law and regulation, each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.</p> <p>Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p>	In accordance with the needs of business requirements to amend.
Article 3	<p>Elections of directors and supervisors shall be elected by the shareholders' meetings from a list of candidates, in accordance with the candidate nomination system. The number of directors and supervisors will be as</p>	<p>Elections of directors and supervisors shall be elected by the shareholders' meetings from a list of candidates, in accordance with the candidate nomination system. The number of directors and supervisors will be as</p>	In accordance with the needs of business requirements to amend.

	<p>specified in the Company's articles of incorporation, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance. If single candidate is elected as director and supervisor at the same time, then that certain individual shall decide which seat to fill. Where, upon above decision, the candidate receiving second most votes to such director or supervisor shall be elected to fill the vacancy.</p>	<p>specified in the Company's articles of incorporation, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance. If single candidate is elected as director and supervisor at the same time, then that certain individual shall decide which seat to fill. Where, upon above decision, the candidate receiving second most votes to such director or supervisor shall be elected to fill the vacancy.</p>	
Article 10	<p>For the events not stipulated in the Article, it complies with the regulations of the Company Act. and related laws. <u>The relevant regulations for supervisors of the Procedures will be invalid since Audit Committee established.</u></p>	<p>For the events not stipulated in the Article, it complies with the regulations of the Company Act. and related laws.</p>	<p>In accordance with the needs of business requirements to amend.</p>

Resolution:

Item 3

Proposed by the Board of Directors

Item: To amend the Company's Rules of Procedure for Shareholders' Meetings.

Description:

(1) The amendments of the Rules of Procedure for Shareholders' Meetings were proposed to tailor the actual needs of the Company in accordance with the 1080024221 letter issued by TWSE on January 2, 2020.

(2) Comparison Table on the Amendments to Rules of Procedure for Shareholders' Meetings:

Clause	After Amendment	Before Amendment	Explanation
Article 2	The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed <u>in plus the number of shares whose voting rights are exercised by electronically.</u>	The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed.	In accordance with the needs of business requirements to amend.
Article 4	The venue for shareholders' meetings shall be the premises of the Company, or a place easily accessible to shareholders and suitable for shareholders' meetings. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>The place and time of the meeting shall be in full consideration of the opinions of the independent directors.</u>	The venue for shareholders' meetings shall be the premises of the Company, or a place easily accessible to shareholders and suitable for shareholders' meetings. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.	In accordance with the needs of business requirements to amend.
Article 8	The Chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a	The Chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a	In accordance with the needs of business

	<p>majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. <u>If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned.</u> If the quorum is not met after two postponements <u>as referred to in the preceding paragraph, but the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meetings pursuant to Article 174 of the Company Act.</p>	<p>majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meetings pursuant to Article 174 of the Company Act.</p>	<p>requirements to amend.</p>
Article 9	<p>If shareholders' meetings are convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, <u>and related proposal (including extempore motions and revised proposal) shall be followed by a poll for each proposal.</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a</p>	<p>If shareholders' meetings are convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meetings.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to</p>	<p>In accordance with the 1080024221 letter issued by TWSE on January 2, 2020 to amend.</p>

	<p>resolution of the shareholders' meetings.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to shareholders' meetings convened by a party with the power to convene that is not the Board of Directors.</p> <p>The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meetings.</p> <p>If the Chair declares the meeting adjourned in violation of the rules of procedure, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>After the meeting is adjourned, shareholders may not separately elect a Chair and resume the meeting at the original or another venue.</p>	<p>shareholders' meetings convened by a party with the power to convene that is not the Board of Directors.</p> <p>The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meetings.</p> <p>If the Chair declares the meeting adjourned in violation of the rules of procedure, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>After the meeting is adjourned, shareholders may not separately elect a Chair and resume the meeting at the original or another venue.</p>	
Article 14	<p>When the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed, call for a vote <u>and properly arrange the vote time.</u></p>	<p>When the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and call for a vote-</p>	<p>In accordance with the 1080024221 letter issued by TWSE on January 2, 2020 to amend.</p>
Article 15	<p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. <u>Vote counting for</u></p>	<p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting</p>	<p>In accordance with the needs of business requirements to amend.</p>

	<p><u>proposals or elections shall be conducted in public at the place of the shareholders' meetings.</u></p> <p><u>Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</u></p>	<p>shall be announced on-site at the meeting, and a record made of the vote.</p>	
Article 17	<p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. <u>At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.</u></p>	<p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.</p>	<p>In accordance with the needs of business requirements to amend.</p>
Article 19	<p>The Chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."</p>	<p>The Chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."</p>	<p>In accordance with the needs of business requirements to amend.</p>

Resolution:

Item 4

Proposed by the Board of Directors

Item: To amend the Company's Procedures for Loaning Funds to Others.

Description:

(1) The amendments of the Company's Procedures for Loaning Funds to Others were proposed according to no. 1080304826 by the Financial Supervisory Commission R.O.C (Taiwan) announced on March 7, 2019.

(2) Comparison Table on the Amendments to Procedures for Loaning Funds to Others:

Clause	After Amendment	Before Amendment	Explanation
Article 4	<p>The aggregate amount of loans and the maximum amount permitted to a single borrower:</p> <p>1. The total amount of the loans for funds to others provided by the Company to others shall not exceed 40% of the Company's net worth of the latest financial statements.</p> <p>2. In the case of lending funds to companies or firms who have a business relationship with the Company, the total lending amount of an individual borrower shall not exceed the total amount of the business transactions between the Company and the borrower. The "total amount of the business transactions" refers the amount of purchases or sales during the prior year.</p> <p>3. In the case of lending funds to the companies or firms in need of short-term financing, the total lending amount to an individual borrower shall not exceed 80% of lending funds. The above restriction shall not apply to inter-company loans of funds</p>	<p>The aggregate amount of loans and the maximum amount permitted to a single borrower:</p> <p>1. The total amount of the loans for funds to others provided by the Company to others shall not exceed 40% of the Company's net worth of the latest financial statements.</p> <p>2. In the case of lending funds to companies or firms who have a business relationship with the Company, the total lending amount of an individual borrower shall not exceed the total amount of the business transactions between the Company and the borrower. The "total amount of the business transactions" refers the amount of purchases or sales during the prior year.</p> <p>3. In the case of lending funds to the companies or firms in need of short-term financing, the total lending amount to an individual borrower shall not exceed 80% of lending funds. The above restriction shall not apply to inter-company loans of funds</p>	<p>In accordance with No. Financial-Supervisory-Securities-Corporate-1080304826 of the Financial Supervisory Commission on March 7, 2019 to amend.</p>

	<p>between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, <u>nor to loans of funds to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>Lending funds of short term financing, the total amount shall not exceeding 50% of the Company's net worth of the latest financial statements, the individual amount shall not exceeding 50% of the Company's net worth of the latest financial statements.</p> <p><u>When a responsible person of the Company violates Article 2 or the paragraph 1, subparagraph 1 of the Procedures, the responsible person shall bear joint and several liability with the borrower for repayment; if the Company suffers damage, the responsible person also shall be liable for damages.</u></p>	<p>between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares-</p> <p>Lending funds of short term financing, the total amount shall not exceeding 50% of the Company's net worth of the latest financial statements, the individual amount shall not exceeding 50% of the Company's net worth of the latest financial statements.</p>	
Article 7	<p>Announcement and reporting procedures:</p> <p>1. The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.</p> <p>2. The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(1) The aggregate balance of loaning funds to others by the Company and</p>	<p>Announcement and reporting procedures:</p> <p>1. The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.</p> <p>2. The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(1) The aggregate balance of loaning funds to others by the Company and</p>	<p>In accordance with No. Financial-Supervisory-Securities-Corporate-1080304826 of the Financial Supervisory Commission on March 7, 2019 to amend.</p>

	<p>subsidiaries reaches 20 percent or more of the Company's net worth as stated in latest financial statement.</p> <p>(2) The balance of loans by the Company and subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in latest financial statement.</p> <p>(3) The amount of new loans of funds by the Company or subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.</p> <p>"Date of occurrence" means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the <u>loan of funds</u>, whichever date is earlier.</p> <p>The term "announce and report" means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p>	<p>subsidiaries reaches 20 percent or more of the Company's net worth as stated in latest financial statement.</p> <p>(2) The balance of loans by the Company and subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in latest financial statement.</p> <p>(3) The amount of new loans of funds by the Company or subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.</p> <p>"Date of occurrence" means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p> <p>The term "announce and report" means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p>	
Article 8	<p>Management for Loaning Funds to Others:</p> <p>1. The Company shall prepare a memorandum book for fund-loaning</p>	<p>Management for Loaning Funds to Others:</p> <p>1. The Company shall prepare a memorandum book for fund-loaning</p>	<p>In accordance with No. Financial-</p>

	<p>activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated.</p> <p>2. The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors <u>and independent directors</u> in writing of any material violation found.</p> <p>3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors <u>and independent directors</u>, and shall complete the rectification according to the timeframe set out in the plan.</p> <p>4. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.</p> <p>5. <u>If the Company has established an</u></p>	<p>activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated.</p> <p>2. The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.</p> <p>3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.</p> <p>4. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.</p>	<p>Supervisory-Securities-Corporate-1080304826 of the Financial Supervisory Commission on March 7, 2019 to amend.</p>
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	<u>Audit Committee, the Articles 8 regarding supervisors shall apply mutatis mutandis to the Audit Committee.</u>		
Article 12	<p>Amendment for effect and resolve:</p> <p>1. The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders' meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meetings. The same shall apply to any amendments to the Procedures.</p> <p>2. The matters that shall be submitted to the Company's Board of Directors for a resolution, the Board of Directors shall take into full consideration each independent director's opinions, <u>if an independent director expresses any dissent or reservation, it shall be noted in the minutes of the Board of Directors.</u></p> <p>3. <u>If the Company has established an Audit Committee, when it adopts or amends its Procedures for Loaning Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of subparagraph 2 shall not apply.</u></p>	<p>Amendment for effect and resolve:</p> <p>1. The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders' meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meetings. The same shall apply to any amendments to the Procedures.</p> <p>2. The matters that shall be submitted to the Company's Board of Directors for a resolution, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors.</p>	<p>In accordance with No. Financial-Supervisory-Securities-Corporate-1080304826 of the Financial Supervisory Commission on March 7, 2019 to amend.</p>

	<p><u>4. If the approval of one-half or more of all Audit Committee members as required in the preceding subparagraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors.</u></p> <p><u>5. The terms "all Audit Committee members" in subparagraph 3 and "all directors" in subparagraph 4 shall be counted as the actual number of persons currently holding those positions.</u></p>		
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Resolution:

Item 5

Proposed by the Board of Directors

Item: To amend the Company's Procedures for Endorsements and Guarantees.

Description:

(1) The amendments of the Company's Procedures for Endorsements and Guarantees were proposed according to no. 1080304826 by the Financial Supervisory Commission R.O.C (Taiwan) announced on March 7, 2019.

(2) Comparison Table on the Amendments to Procedures for Endorsements and Guarantees:

Clause	After Amendment	Before Amendment	Explanation
Article 5-2	<p>The Limits and conditions on endorsements and guarantees:</p> <p>(1)The total amount of the endorsements/guarantees provided by the Company to others shall not exceed 48% of the Company's net value of the latest financial statements. The total amount of the endorsement/guarantee provided by the Company and its subsidiaries shall not exceed 48% of the Company's net value of the latest financial statements.</p> <p>(2)The amount of the endorsement/guarantee provided by the Company to any individual entity shall not exceed 45% of the Company's net value of the latest financial statements. The amount of endorsement/guarantee provided by the Company and its subsidiaries to any single entity shall not exceed 45% of the Company's net value of the latest financial statements.</p> <p>(3)The amount of the endorsement/guarantee by business relationship with the Company shall</p>	<p>The Limits and conditions on endorsements and guarantees:</p> <p>(1)The total amount of the endorsements/guarantees provided by the Company to others shall not exceed 48% of the Company's net value of the latest financial statements. The total amount of the endorsement/guarantee provided by the Company and its subsidiaries shall not exceed 48% of the Company's net value of the latest financial statements.</p> <p>(2)The amount of the endorsement/guarantee provided by the Company to any individual entity shall not exceed 45% of the Company's net value of the latest financial statements. The amount of endorsement/guarantee provided by the Company and its subsidiaries to any single entity shall not exceed 45% of the Company's net value of the latest financial statements.</p> <p>(3)The amount of the endorsement/guarantee by business relationship with the Company shall</p>	<p>In accordance with No. Financial-Supervisory-Securities-Corporate-1080304826 of the Financial Supervisory Commission on March 7, 2019 to amend.</p>

	<p>be not exceed the total amount of translation by recent year. The amount of the endorsement/guarantee by business relationship with the Company is that the higher between purchases or sales amounts prior year.</p> <p>(4)Where the Company needs to exceed the limits set out in the Procedures for Endorsements and Guarantees to satisfy its business requirements, and where the conditions set out in the Procedures for Endorsements and Guarantees are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Procedures for Endorsements and Guarantees accordingly and submit the same to the shareholders' meetings for ratification after the fact. If the shareholders' meetings do not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.</p> <p>(5)If, as a result of a change in circumstances, an entity for which an endorsements/guarantees is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans, submit the rectification plans to all the supervisors <u>and independent</u></p>	<p>be not exceed the total amount of translation by recent year. The amount of the endorsement/guarantee by business relationship with the Company is that the higher between purchases or sales amounts prior year.</p> <p>(4)Where the Company needs to exceed the limits set out in the Procedures for Endorsements and Guarantees to satisfy its business requirements, and where the conditions set out in the Procedures for Endorsements and Guarantees are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Procedures for Endorsements and Guarantees accordingly and submit the same to the shareholders' meetings for ratification after the fact. If the shareholders' meetings do not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.</p> <p>(5)If, as a result of a change in circumstances, an entity for which an endorsements/guarantees is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the</p>	
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	<p><u>directors</u>, and shall complete the rectification according to the timeframe set out in the plan.</p> <p>(6)For circumstances in which an entity for which the Company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, shall review periodically if offer the financial support continually and improve the finance and business, and an explanation of the necessity and reasonableness thereof shall be given at the Board of Directors.</p> <p>(7)If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders' meetings.</p> <p>(8)In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under 2-(6), the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	<p>rectification according to the timeframe set out in the plan.</p> <p>(6)For circumstances in which an entity for which the Company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, shall review periodically if offer the financial support continually and improve the finance and business, and an explanation of the necessity and reasonableness thereof shall be given at the Board of Directors.</p> <p>(7)If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders' meetings.</p> <p>(8)In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under 2-(6), the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	
<p>Article 5-7</p>	<p>The process of announce and report:</p> <p>(1)The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.</p> <p>(2)The Company whose balance of endorsements/guarantees reaches</p>	<p>The process of announce and report:</p> <p>(1)The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.</p> <p>(2)The Company whose balance of endorsements/guarantees reaches</p>	<p>In accordance with No. Financial-Supervisory-Securities-Corporate-1080304826</p>

	<p>one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(a) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(b)The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(c)The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>carrying value of equity method</u> investment in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(d)The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p>	<p>one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(a) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(b)The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(c)The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(d)The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3)The Company shall announce and</p>	<p>of the Financial Supervisory Commission on March 7, 2019 to amend.</p>
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	<p>(3)The Company shall announce and report on behalf of any subsidiary thereof that is not the Company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to 5-7-2-4 of the preceding paragraph.</p> <p>(4)“Date of occurrence” in these Regulations means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the <u>endorsement/guarantee</u>, whichever date is earlier.</p>	<p>report on behalf of any subsidiary thereof that is not the Company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to 5-7-2-4 of the preceding paragraph.</p> <p>(4)“Date of occurrence” in these Regulations means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p>	
Article 5-8	<p>The management of endorsements and guarantees:</p> <p>(1)The Company shall prepare a [memorandum book] for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the results of the matters to be evaluated.</p> <p>(2)The Company's internal auditors shall audit the Procedures for Endorsements and Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the</p>	<p>The management of endorsements and guarantees:</p> <p>(1)The Company shall prepare a [memorandum book] for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the results of the matters to be evaluated.</p> <p>(2)The Company's internal auditors shall audit the Procedures for Endorsements and Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the</p>	<p>In accordance with No. Financial-Supervisory-Securities-Corporate-1080304826 of the Financial Supervisory Commission on March 7, 2019 to amend.</p>

	<p>supervisors <u>and independent directors</u> in writing of any material violation found.</p> <p>(3)The Company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.</p> <p>(4) This Company’s managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of this Company.</p>	<p>supervisors in writing of any material violation found.</p> <p>(3)The Company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.</p> <p>(4) This Company’s managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of this Company.</p>	
Article 5-9	<p>Amendment for effect and resolve:</p> <p>(1)The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders’ meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders’ meetings. The same shall apply to any amendments to the Procedures.</p> <p>(2)The matters that shall be submitted to the Company’s Board of Directors for a resolution, the Board</p>	<p>Amendment for effect and resolve:</p> <p>(1)The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders’ meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders’ meetings. The same shall apply to any amendments to the Procedures.</p> <p>(2)The matters that shall be submitted to the Company’s Board of Directors for a resolution, the Board</p>	<p>In accordance with No. Financial-Supervisory-Securities-Corporate-1080304826 of the Financial Supervisory Commission on March 7, 2019 to amend.</p>

	<p>of Directors shall take into full consideration each independent director's opinions, <u>if an independent director expresses any dissent or reservation, it shall be noted in the minutes of the Board of Directors.</u></p> <p><u>(3) If the Company has established an Audit Committee, when it adopts or amends its Procedures for Endorsements and Guarantees, the procedures or amended procedures shall require the approval of one-half or more of all Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of Article 5-9(2) shall not apply.</u></p> <p><u>(4) If the approval of one-half or more of all Audit Committee members as required in Article 5-9(3) is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors.</u></p> <p><u>(5) The terms "all Audit Committee members" in Article 5-9(3) and "all directors" in Article 5-9(4) shall be counted as the actual number of persons currently holding those positions.</u></p> <p><u>(6) If the Company has established an Audit Committee, the Articles 5-8(2) and 5-2(5) regarding supervisors shall apply mutatis mutandis to the Audit Committee.</u></p>	<p>of Directors shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors.</p>	
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Resolution:

V. Extempore motion

VI. Adjournment

Appendix 1**Grape King Bio Ltd
Supervisors' Review Report**

Approved

The Board of Directors submit the 2019 Business Report, Financial Statements and Profit Distribution Table which were inspected and affirmed by the Supervisors to ensure that there was no violation of the law and the Company is in compliance with all regulations.

For review

Sincerely,

Grape King Bio Ltd
2020 Annual Shareholders' Meetings

Chi-Sheng Chang

Supervisors:

Hsing-Chun Chen

February 24, 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Grape King Bio Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Grape King Bio Ltd. (the "Company"), which comprise the parent company only balance sheet as of December 31, 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the year ended then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Company's parent company only financial statements for the year ended December 31, 2019 is stated as follows:

Valuation of Inventory

The products of the Company mainly include health foods and beverages. Such products have shelf-lives and are sold in a highly competitive consumer market, resulting in greater exposure to risk of loss on inventory due to damage or expiration. The estimation for loss on inventory is based on market conditions, historical sales experience of similar products, and the net realizable value of inventory. Refer to Notes 4, 5, and 10 to the parent company only financial statements for the details on the valuation of inventory. The net carrying value of inventory as of December 31, 2019 for the Company amounted to NT\$404,182 thousand, which was significant to the parent company only financial statements, and the criteria to determine loss on inventory vary according

to different categories of inventories which require critical accounting estimates. Consequently, the valuation of inventory was identified as a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

1. We understood and tested the design and operating effectiveness of key controls over the valuation of inventory;
2. We understood and assessed the reasonableness of inventory valuation policy and estimates used by the management;
3. We performed an observation on the Company's annual physical count of inventory to assess for any indications of damaged or expired inventories not listed in the allowance for inventory loss;
4. We sampled and recalculated the accuracy of net realizable value of inventory as well as performed calculation of validity period from the year-end subsidiary ledgers and aging report of inventories, to verify that the allowance for inventory loss was appropriately recognized based on the about policy.

Other Matter

The parent company only financial statements of the Company for the year ended December 31, 2018 were audited by other auditor who issued an unmodified opinion with other matter paragraph on those statements on February 25, 2019.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yu Feng Huang and Ming Yuan Chung.



Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2020

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' audit report and financial statements shall prevail.

GRAPE KING BIO LTD.

BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

ASSETS	2019		2018		LIABILITIES AND EQUITY	2019		2018	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Note 6)	\$ 276,731	3	\$ 270,624	4	Short-term borrowings (Notes 17 and 31)	\$ 350,000	4	\$ 800,000	11
Financial assets at amortized cost (Note 8)	8,640	-	8,970	-	Contract liabilities (Note 22)	123	-	2,973	-
Accounts and receivables receivable, net (Note 9)	41,889	1	29,240	-	Accounts payable	159,278	2	127,192	2
Accounts receivable from related parties (Notes 9, 22 and 30)	261,891	3	233,334	3	Other payables (Note 18)	412,233	5	364,702	5
Other receivables	672	-	1,202	-	Other payables to related parties (Note 30)	1,387	-	72	-
Other receivables from related parties (Note 30)	75,697	1	69,846	1	Current tax liabilities (Note 24)	56,599	1	57,597	1
Inventories (Note 10)	404,182	5	320,362	5	Lease liabilities (Note 13)	15,319	-	-	-
Other current assets (Note 16)	59,564	1	35,577	1	Other current liabilities (Note 18)	24,294	-	11,682	-
Total current assets	1,129,566	14	969,355	14	Total current liabilities	1,019,453	12	1,364,218	19
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income (Note 7)	11,782	-	10,892	-	Long-term borrowings (Notes 17 and 31)	700,000	9	-	-
Financial assets at amortized cost (Notes 8 and 31)	9,600	-	9,600	-	Deferred tax liabilities (Note 24)	68,675	1	68,628	1
Investments accounted for using the equity method (Note 11)	2,889,928	36	2,668,412	37	Lease liabilities (Note 13)	82,855	1	-	-
Property, plant and equipment (Notes 12, 31 and 32)	3,622,360	45	3,088,696	43	Other non-current liabilities (Notes 18 and 30)	11,402	-	11,726	-
Right-of-use assets (Note 13)	96,656	1	-	-	Total non-current liabilities	862,932	11	80,354	1
Investment properties (Note 14)	234,822	3	235,088	3	Total liabilities	1,882,385	23	1,444,572	20
Intangible assets (Note 15)	10,902	-	16,362	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
Deferred tax assets (Note 24)	1,129	-	1,334	-	Share capital	1,362,864	17	1,362,864	19
Other non-current assets (Notes 16 and 20)	49,061	1	175,128	3	Capital surplus	968,724	12	965,244	13
Total non-current assets	6,926,240	86	6,205,512	86	Retained earnings	939,947	12	810,407	11
					Legal reserve	74,671	1	74,671	1
					Special reserve	2,973,497	37	2,676,265	38
					Unappropriated earnings	3,988,115	50	3,561,343	50
					Total retained earnings	(100,152)	(1)	(68,094)	(1)
					Other equity	(45,530)	(1)	(91,062)	(1)
					Treasury stock	6,173,421	77	5,730,295	80
					Total equity	8,055,806	100	7,174,867	100
TOTAL	\$ 8,055,806	100	\$ 7,174,867	100	TOTAL	\$ 8,055,806	100	\$ 7,174,867	100

The accompanying notes are an integral part of the parent company only financial statements.
(With Deloitte & Touche auditor's report dated February 24, 2020)

GRAPE KING BIO LTD.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
NET REVENUE (Notes 22 and 30)	\$ 2,015,823	100	\$ 1,821,840	100
COST OF REVENUE (Notes 10 and 23)	<u>(968,370)</u>	<u>(48)</u>	<u>(887,878)</u>	<u>(49)</u>
GROSS PROFIT	1,047,453	52	933,962	51
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>(3,552)</u>	<u>-</u>	<u>(5,078)</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>1,043,901</u>	<u>52</u>	<u>928,884</u>	<u>51</u>
OPERATING EXPENSES (Notes 20, 23, 26 and 30)				
Selling and marketing	(361,420)	(18)	(315,038)	(17)
General and administrative	(268,835)	(13)	(253,348)	(14)
Research and development	<u>(165,240)</u>	<u>(8)</u>	<u>(166,690)</u>	<u>(9)</u>
Total operating expenses	<u>(795,495)</u>	<u>(39)</u>	<u>(735,076)</u>	<u>(40)</u>
INCOME FROM OPERATIONS	<u>248,406</u>	<u>13</u>	<u>193,808</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 11, 23 and 30)				
Other income	85,391	4	89,729	5
Other gains and losses	(78)	-	(9,355)	(1)
Finance costs	(11,637)	(1)	(6,400)	-
Share of profit or loss of subsidiaries and associates	<u>1,061,268</u>	<u>53</u>	<u>1,111,222</u>	<u>61</u>
Total non-operating income	<u>1,134,944</u>	<u>56</u>	<u>1,185,196</u>	<u>65</u>
PROFIT BEFORE INCOME TAX	1,383,350	69	1,379,004	76
INCOME TAX EXPENSE (Note 24)	<u>(74,330)</u>	<u>(4)</u>	<u>(83,610)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>1,309,020</u>	<u>65</u>	<u>1,295,394</u>	<u>71</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	236	-	935	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	890	-	(7,495)	-
Remeasurement of defined benefit plans for subsidiaries recognized using the equity method	153	-	(72)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(78)	-	(169)	-

(Continued)

GRAPE KING BIO LTD.
**STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2019		2018	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ (33,078)	(2)	\$ (16,355)	(1)
Exchange differences on translating foreign operations of associate	<u>(470)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive loss for the period, net of income tax	<u>(32,347)</u>	<u>(2)</u>	<u>(23,156)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>\$ 1,276,673</u></u>	<u><u>63</u></u>	<u><u>\$ 1,272,238</u></u>	<u><u>70</u></u>
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	<u>9.63</u>		<u>9.57</u>	
Diluted earnings per share	<u>9.58</u>		<u>9.50</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditor's report dated February 24, 2020)

(Concluded)

GRAPE KING BIO LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	Share Capital - Common Stock		Retained Earnings			Unappropriated Earnings		Others		Total Equity
	Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	
BALANCE, JANUARY 1, 2018	135,221	\$ 1,352,211	\$ 800,246	\$ 675,213	\$ 74,671	\$ 2,418,570	\$ (34,603)	\$ -	\$ (91,062)	\$ 5,195,246
Effect of retrospective application	-	-	-	-	-	-	-	(9,641)	-	(9,641)
ADJUSTED BALANCE, JANUARY 1, 2018	135,221	1,352,211	800,246	675,213	74,671	2,418,570	(34,603)	(9,641)	(91,062)	5,185,605
Appropriation of 2017 earnings	-	-	-	135,194	-	(135,194)	-	-	-	-
Legal reserve	-	-	-	-	-	(903,199)	-	-	-	(903,199)
Cash dividends	-	-	-	-	-	-	-	-	-	-
Convertible bonds converted to common stock	1,065	10,653	158,547	-	-	-	-	-	-	169,200
Other changes in capital surplus	-	-	6,451	-	-	-	-	-	-	6,451
Net income for the year ended December 31, 2018	-	-	-	-	-	1,295,394	-	-	-	1,295,394
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	694	(16,355)	(7,495)	-	(23,156)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	1,296,088	(16,355)	(7,495)	-	1,272,238
BALANCE, DECEMBER 31, 2018	136,286	1,362,864	965,244	810,407	74,671	2,676,265	(50,958)	(17,136)	(91,062)	5,730,295
Appropriation of 2018 earnings	-	-	-	129,540	-	(129,540)	-	-	-	-
Legal reserve	-	-	-	-	-	(882,559)	-	-	-	(882,559)
Cash dividends	-	-	-	-	-	-	-	-	-	-
Share-based payment arrangements	-	-	3,480	-	-	-	-	-	45,532	49,012
Net income for the year ended December 31, 2019	-	-	-	-	-	1,309,020	-	-	-	1,309,020
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	311	(33,548)	890	-	(32,347)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	1,309,331	(33,548)	890	-	1,276,673
BALANCE, DECEMBER 31, 2019	136,286	1,362,864	968,724	939,947	74,671	2,973,497	(84,506)	(16,246)	(45,530)	6,173,421

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditor's report dated February 24, 2020)

GRAPE KING BIO LTD.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,383,350	\$ 1,379,004
Adjustments for:		
Depreciation expenses	176,267	168,292
Amortization expenses	6,855	6,640
Expected credit loss recognized	-	87
Gain on financial assets at fair value through profit	-	(364)
Finance costs	11,637	6,400
Interest income	(424)	(453)
Dividend income	(2)	(2)
Compensation costs of share-based payment agreements	3,806	-
Share of profit of associate	(1,061,268)	(1,111,222)
Loss on disposal of property, plant and equipment, net	5,723	495
Unrealized gain on transactions with subsidiaries and associates	3,552	5,078
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	427
Notes and accounts receivable, net	(12,649)	3,127
Accounts receivable from related parties	(28,557)	(53,150)
Other receivables	530	2,438
Other receivables from related parties	(5,851)	(3,989)
Inventories	(83,620)	1,283
Other current assets	(23,987)	(15,842)
Contract liabilities	(2,650)	1,680
Notes payable	-	(11)
Accounts payable	32,086	22,999
Other payables	32,382	12,386
Other payables to related parties	1,315	72
Other current liabilities	12,288	(7,162)
Net defined benefit liabilities	(2,538)	(4,287)
Cash generated from operations	448,245	413,926
Interest received	424	453
Interest paid	(10,587)	(4,941)
Income tax paid	(75,123)	(81,082)
Net cash generated from operating activities	<u>362,959</u>	<u>328,356</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(8,940)	(15,970)
Repayment of financial assets at amortized cost	8,970	-
Acquisition of investments accounted for using the equity method	(6,810)	(23,200)
Acquisition of property, plant and equipment	(561,436)	(733,777)
Proceeds from disposal of property, plant and equipment	92	72
Increase in refundable deposits	(3,748)	(3,818)

(Continued)

GRAPE KING BIO LTD.**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	2019	2018
Decrease in refundable deposits	\$ 6,907	\$ 4,426
Acquisition of intangible assets	(1,395)	(1,117)
Decrease in other non-current assets	-	15,000
Interest received	<u>810,174</u>	<u>786,589</u>
Net cash generated from investing activities	<u>243,814</u>	<u>28,205</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,450,000	5,550,000
Repayments of short-term borrowings	(3,900,000)	(5,050,000)
Repayments of bond payables	-	(3,325)
Proceeds from long-term borrowings	1,150,000	-
Repayments of long-term borrowings	(450,000)	-
Proceeds from guarantee deposits received	-	472
Refund of guarantee deposits received	-	(2,479)
Repayment of the principal portion of lease liabilities	(12,725)	-
Dividends paid	(882,559)	(903,199)
Proceeds from reissuance of treasury stock	44,618	-
Other financing activities	<u>-</u>	<u>6,451</u>
Net cash used in financing activities	<u>(600,666)</u>	<u>(402,080)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,107	(45,519)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>270,624</u>	<u>316,143</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 276,731</u>	<u>\$ 270,624</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditor's report dated February 24, 2020)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Grape King Bio Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Grape King Bio Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheet as of December 31, 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2019 is stated as follows:

Valuation of Inventory

The products of the Group mainly include health foods and beverages. Such products have shelf-lives and are sold in a highly competitive consumer market, resulting in greater exposure to risk of loss on inventory due to damage or expiration. The estimation for loss on inventory is based on market conditions, historical sales experience of similar products, and the net realizable value of inventory. Refer to Notes 4, 5, and 10 to the

consolidated financial statements for the details on the valuation of inventory. The net carrying value of inventory as of December 31, 2019 for the Group amounted to NT\$546,444 thousand, which was significant to the consolidated financial statements, and the criteria to determine loss on inventory vary according to different categories of inventories which require critical accounting estimates. Consequently, the valuation of inventory was identified as a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

1. We understood and tested the design and operating effectiveness of key controls over the valuation of inventory;
2. We understood and assessed the reasonableness of inventory valuation policy and estimates used by the management;
3. We performed an observation on the Group's annual physical count of inventory to assess for any indications of damaged or expired inventories not listed in the allowance for inventory loss;
4. We sampled and recalculated the accuracy of net realizable value of inventory as well as performed calculation of validity period from the year-end subsidiary ledgers and aging report of inventories, to verify that the allowance for inventory loss was appropriately recognized based on the about policy.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2018 were audited by other auditor who issued an unmodified opinion with other matter paragraph on those statements on February 25, 2019.

We have also audited the parent company only financial statements of Grape King Bio Ltd. as of and for the year ended December 31, 2019 on which we have issued an unmodified opinion with other matter paragraph. The parent company only financial statements for the year ended December 31, 2018 were audited by other auditor who issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yu Feng Huang and Ming Yuan Chung.



Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2020

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' audit report and consolidated financial statements shall prevail.

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	\$ 2,146,207	19	\$ 2,050,224	19	\$ 350,000	3	\$ 800,000	8
Financial assets at amortized cost (Note 8)	85,818	1	38,214	1	65,014	1	106,317	1
Notes and accounts receivable, net (Note 9)	199,453	2	171,245	2	778	-	1,756	-
Accounts receivable from related parties (Notes 24 and 32)	2,603	-	-	-	221,848	2	260,479	2
Other receivables	2,141	-	3,818	-	1,745,424	15	1,686,465	16
Inventories (Note 10)	546,444	5	562,831	5	38,130	-	35,622	-
Other current assets (Note 17)	83,667	-	66,651	1	277,737	3	303,844	3
Total current assets	3,066,333	27	2,892,983	27	43,656	-	49,514	1
NON-CURRENT ASSETS								
Financial assets at fair value through other comprehensive income (Note 7)	11,782	-	10,892	-	60,446	1	60,446	1
Financial assets at amortized cost (Notes 8 and 33)	11,460	-	11,460	-	7,304	-	26,012	-
Investments accounted for using the equity method (Note 12)	5,591	-	-	-	2,810,317	25	3,270,009	31
Property, plant and equipment (Notes 13, 33 and 34)	6,453,533	57	5,926,655	56	819,241	7	292,795	3
Right-of-use assets (Note 14)	207,298	2	-	-	5,317	-	-	-
Investment properties (Note 15)	1,475,868	13	1,485,928	14	68,675	-	68,628	-
Intangible assets (Note 16)	34,786	-	20,141	-	122,034	1	-	-
Deferred tax assets (Note 26)	9,337	-	8,032	-	62,652	-	83,347	1
Other non-current assets (Notes 17, 22 and 32)	83,083	1	291,958	3	1,077,902	9	444,270	4
Total non-current assets	8,292,738	73	7,755,066	73	3,888,219	34	3,714,779	35
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Short-term borrowings (Notes 18 and 33)								
Contract liabilities (Note 24)								
Notes payable								
Accounts payable								
Other payables (Note 19)								
Other payables to related parties (Note 32)								
Current tax liabilities (Note 26)								
Lease liabilities (Notes 14 and 32)								
Other current liabilities (Notes 19 and 32)								
Current portion of long-term borrowings (Notes 18 and 33)								
Total current liabilities								
NON-CURRENT LIABILITIES								
Long-term borrowings (Notes 18 and 33)								
Provisions (Note 21)								
Deferred tax liabilities (Note 26)								
Lease liabilities (Notes 14 and 32)								
Other non-current liabilities (Notes 19, 22 and 32)								
Total non-current liabilities								
Total liabilities								
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)								
Share capital								
Capital surplus								
Retained earnings								
Legal reserve								
Special reserve								
Unappropriated earnings								
Total retained earnings								
Other equity								
Treasury stock								
Total equity attributable to owners of the Company								
NON-CONTROLLING INTERESTS (Notes 11 and 23)								
Total equity								
TOTAL								

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditor's report dated February 24, 2020)

GRAPE KING BIO LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
NET REVENUE (Notes 24 and 32)	\$ 9,239,070	100	\$ 9,183,321	100
COST OF REVENUE (Notes 10 and 25)	<u>(1,673,182)</u>	<u>(18)</u>	<u>(1,854,057)</u>	<u>(20)</u>
GROSS PROFIT	<u>7,565,888</u>	<u>82</u>	<u>7,329,264</u>	<u>80</u>
OPERATING EXPENSES (Notes 22, 25, 28 and 32)				
Selling and marketing	(4,505,253)	(49)	(4,274,566)	(47)
General and administrative	(535,543)	(6)	(520,292)	(6)
Research and development	<u>(190,091)</u>	<u>(2)</u>	<u>(184,569)</u>	<u>(2)</u>
Total operating expenses	<u>(5,230,887)</u>	<u>(57)</u>	<u>(4,979,427)</u>	<u>(55)</u>
INCOME FROM OPERATIONS	<u>2,335,001</u>	<u>25</u>	<u>2,349,837</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES (Notes 12, 25 and 32)				
Other income	129,417	1	151,370	2
Other gains and losses	(5,873)	-	(60,430)	(1)
Finance costs	(17,690)	-	(14,113)	-
Share of profit or loss of associate	<u>(749)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income	<u>105,105</u>	<u>1</u>	<u>76,827</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,440,106	26	2,426,664	26
INCOME TAX EXPENSE (Note 26)	<u>(501,540)</u>	<u>(5)</u>	<u>(536,592)</u>	<u>(6)</u>
NET PROFIT FOR THE PERIOD	<u>1,938,566</u>	<u>21</u>	<u>1,890,072</u>	<u>20</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	491	-	816	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	890	-	(7,495)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(98)	-	(160)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(33,078)	-	(16,355)	-
Exchange differences on translating foreign operations of associate	<u>(470)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive loss for the period, net of income tax	<u>(32,265)</u>	<u>-</u>	<u>(23,194)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,906,301</u>	<u>21</u>	<u>\$ 1,866,878</u>	<u>20</u>

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GRAPE KING BIO LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2019		2018	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,309,020	14	\$ 1,295,394	14
Non-controlling interests	<u>629,546</u>	<u>7</u>	<u>594,678</u>	<u>7</u>
	<u>\$ 1,938,566</u>	<u>21</u>	<u>\$ 1,890,072</u>	<u>21</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,276,673	14	\$ 1,272,238	14
Non-controlling interests	<u>629,628</u>	<u>7</u>	<u>594,640</u>	<u>6</u>
	<u>\$ 1,906,301</u>	<u>21</u>	<u>\$ 1,866,878</u>	<u>20</u>
EARNINGS PER SHARE (Note 27)				
Basic earnings per share	<u>\$ 9.63</u>		<u>\$ 9.57</u>	
Diluted earnings per share	<u>\$ 9.58</u>		<u>\$ 9.50</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditor's report dated February 24, 2020)

(Concluded)

GRAPE KING BIO LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Share Capital - Common Stock			Retained Earnings			Others					
	Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2018	135,221	\$ 1,352,211	\$ 800,246	\$ 675,213	\$ 74,671	\$ 2,418,570	\$ (34,603)	\$ -	\$ (91,062)	\$ 5,195,246	\$ 1,132,726	\$ 6,327,972
Effect of retrospective application	-	-	-	-	-	-	-	(9,641)	-	(9,641)	-	(9,641)
ADJUSTED BALANCE, JANUARY 1, 2018	135,221	1,352,211	800,246	675,213	74,671	2,418,570	(34,603)	(9,641)	(91,062)	5,185,605	1,132,726	6,318,331
Appropriation of 2017 earnings	-	-	-	135,194	-	(135,194)	-	-	-	(903,199)	-	(903,199)
Cash dividends distributed by the Company	-	-	-	-	-	(903,199)	-	-	-	-	-	-
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	(524,391)	(524,391)
Convertible bonds converted to common stock	1,065	10,653	158,547	-	-	-	-	-	-	169,200	-	169,200
Other changes in capital surplus	-	-	6,451	-	-	-	-	-	-	6,451	-	6,451
Net income for the year ended December 31, 2018	-	-	-	-	-	1,295,394	-	-	-	1,295,394	594,678	1,890,072
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	694	(16,355)	(7,495)	-	(23,156)	(38)	(23,194)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	1,296,088	(16,355)	(7,495)	-	1,272,238	594,640	1,866,878
BALANCE, DECEMBER 31, 2018	136,286	1,362,864	965,244	810,407	74,671	2,676,265	(50,958)	(17,136)	(91,062)	5,730,295	1,202,975	6,933,270
Appropriation of 2018 earnings	-	-	-	129,540	-	(129,540)	-	-	-	(882,559)	-	(882,559)
Legal reserve	-	-	-	129,540	-	(882,559)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payment arrangements	-	-	3,480	-	-	-	-	-	45,532	49,012	-	49,012
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	(535,172)	(535,172)
Net income for the year ended December 31, 2019	-	-	-	-	-	1,309,020	-	-	-	1,309,020	629,546	1,938,566
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	311	(33,548)	890	-	(32,347)	82	(32,265)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	1,309,331	(33,548)	890	-	1,276,673	629,628	1,906,301
BALANCE, DECEMBER 31, 2019	136,286	1,362,864	968,724	939,947	74,671	2,973,497	(84,506)	(16,246)	(45,530)	6,173,421	1,297,431	7,470,852

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditor's report dated February 24, 2020)

GRAPE KING BIO LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,440,106	\$ 2,426,664
Adjustments for:		
Depreciation expenses	308,790	254,140
Amortization expenses	10,299	7,330
Expected credit loss recognized (reversed)	2,845	(117)
Gain on financial assets at fair value through profit	-	(489)
Finance costs	17,690	14,113
Interest income	(5,039)	(7,204)
Dividend income	(2)	(2)
Compensation costs of share-based payment agreements	4,394	-
Share of profit (loss) of associate	749	-
Loss on disposal of property, plant and equipment, net	6,597	3,739
Loss arising from lease modification	444	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	205,019
Notes and accounts receivable, net	(28,208)	(10,759)
Accounts receivable from related parties	(2,603)	-
Other receivables	(1,320)	2,436
Inventories	16,387	(70,773)
Other current assets	(17,616)	(3,466)
Contract liabilities	(41,303)	23,232
Notes payable	(978)	(5,451)
Accounts payable	(38,631)	(55,629)
Other payables	35,253	152,825
Other payables to related parties	2,508	2,849
Other current liabilities	2,878	(25,530)
Net defined benefit liabilities	(2,732)	(5,116)
Cash generated from operations	<u>2,710,508</u>	<u>2,907,811</u>
Interest received	5,191	7,061
Interest paid	(15,308)	(12,678)
Income tax paid	<u>(528,952)</u>	<u>(484,765)</u>
Net cash generated from operating activities	<u>2,171,439</u>	<u>2,417,429</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(56,908)	(15,970)
Repayment of financial assets at amortized cost	8,970	19,926
Acquisition of investments accounted for using the equity method	(6,810)	-
Acquisition of property, plant and equipment	(630,310)	(1,116,483)
Proceeds from disposal of property, plant and equipment	594	73
Increase in refundable deposits	(10,998)	(11,492)
Decrease in refundable deposits	11,554	8,044
Acquisition of intangible assets	(25,006)	(5,028)

(Continued)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Decrease (increase) in other non-current assets	\$ 19,397	\$ (7,208)
Dividend received	<u>2</u>	<u>2</u>
Net cash used in investing activities	<u>(689,515)</u>	<u>(1,128,136)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,450,000	5,550,000
Repayments of short-term borrowings	(3,900,000)	(5,050,000)
Repayments of bond payables	-	(3,325)
Proceeds from long-term borrowings	1,150,000	-
Repayments of long-term borrowings	(642,262)	(231,837)
Proceeds from guarantee deposits received	2,645	13,684
Refund of guarantee deposits received	(14,905)	(3,255)
Repayment of the principal portion of lease liabilities	(40,972)	-
Dividends paid to owners of the Company	(882,559)	(903,199)
Proceeds from reissuance of treasury stock	44,618	-
Dividends paid to non-controlling interests	(535,172)	(524,391)
Other financing activities	<u>-</u>	<u>6,451</u>
Net cash used in financing activities	<u>(1,368,607)</u>	<u>(1,145,872)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(17,334)</u>	<u>(13,694)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	95,983	129,727
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,050,224</u>	<u>1,920,497</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,146,207</u>	<u>\$ 2,050,224</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche audit reportor's dated February 24, 2020)

(Concluded)

Appendix 3

Grape King Bio Ltd
Profit Distribution Table
Year 2019

(Unit: NTD \$)

Items	Amount	Note
Beginning retained earnings	1,664,166,081	
Add (Minus):		
Other Comprehensive Income (Remeasurements of defined benefit plans,2019)	188,735	
Other Comprehensive Income (Investment adjustments for Using Equity Method)	122,067	
2019 Net Profit after Tax	1,309,020,205	
Subtotal	2,973,497,088	
Designated item:		
10% Legal Reserve	(130,933,101)	
Special Reserve	(26,080,905)	
Distributable net profit	2,816,483,082	
Distributable items:		
Cash dividend to shareholders-NT\$6.5 per share	(884,210,425)	
Unappropriated retained earnings	1,932,272,657	

- Note: 1. Profit distribution was first allocated in the 2019 unallocated earnings.
2. The above dividend is based on the number of common shares issued by the Company as of February 15, 2020 (excluding 254,000 treasury shares); 136,032,373 shares were the bases for the calculation.

Chairman: **Andrew Tseng** General Manager: **Andrew Tseng** Chief accountant: **Nick Hung**

Appendix 4

Grape King Bio Ltd.
Articles of Incorporation

Chapter 1 General Principles

Article 1: The Company is named by GRAPE KING BIO LTD, which is organized in accordance with the regulation of company limited by share in the Company Act.

Article 2: Business items of the Company are shown as follows:

1. C103050 Canned, Frozen, Dehydrated Food Manufacturing
2. C106010 Flour Milling
3. F203010 Retail sale of Food and Grocery
4. F102170 Wholesale of Food and Grocery
5. C201010 Prepared Animal Feeds Manufacturing
6. F202010 Retail sale of Animal Feeds
7. F102040 Wholesale of Nonalcoholic Beverages
8. C114010 Food Additives Manufacturing
9. F121010 Wholesale of food additives
10. F221010 Retail of food additives
11. C109010 Seasoning Manufacturing
12. F501030 Coffee/Tea Shops and Bars
13. C802041 Drugs and Medicines Manufacturing
14. F108021 Wholesale of Drugs and Medicines
15. F208021 Retail Sale of Drugs and Medicines
16. F208050 Retail Sale of the Second Type Patent Medicine
17. F108031 Wholesale of Drugs, Medical Goods
18. F208031 Retail sale of Medical Equipment's
19. C802100 Cosmetics Manufacturing
20. F108040 Wholesale of Cosmetics
21. F208040 Retail Sale of Cosmetics
22. C802090 Cleaning Products Manufacturing
23. F207030 Retail Sale of Cleaning Preparations
24. F107030 Wholesale of Cleaning Preparation
25. C105010 Edible Oil Manufacturing
26. C102010 Dairy Products Manufacturing
27. F206020 Retail Sale of Articles for Daily Use
28. F106020 Wholesale of Articles for Daily Use

29. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
30. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
31. F401010 International Trade
32. H201010 Investment
33. H701010 Residence and Buildings Lease Construction and Development
34. C110010 Beverage Manufacturing
35. C199990 Other Food Manufacturing Not Elsewhere Classified
36. F102030 Wholesale of Tobacco Products and Alcoholic Beverages
37. F203020 Retail Sale of Tobacco and Alcoholic Beverages
38. I401010 General Advertising Services
39. JE01010 Rental and Leasing Business
40. IZ12010 Manpower Services
41. A101040 Edible Fungus and Algae
42. A101030 Special Crops
43. A101050 Flower Gardening
44. IG01010 Biotechnology Services
45. F401171 Alcohol Drink Import
46. F107080 Wholesale of Environment Medicines
47. F207080 Retail Sale of Environment Medicine
48. C802080 Pesticides Manufacturing
49. H703100 Real Estate Rental and Leasing
50. F601010 Intellectual Property
51. I101090 Food Consultancy
52. C201020 Pet food processing
53. F106060 Wholesale of pet food and appliances
54. F206050 Retail of pet food and appliances
55. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company is situated in Taoyuan City and may set up a subsidiary company at home and abroad through the resolution of Board of Directors and depends on the demand of business.

Article 3-1

In the case of investment abroad for the Company, the total investment amount may be over 40% of paid-in capital, and it shall authorize Board of Directors to handle with investment related affairs.

Article 3-2

The Company shall make endorsement and guarantee externally and the procedure shall be handled according to the regulation of endorsement and guarantee for the Company.

Article 4: Deleted

Chapter 2 Shares

Article 5

The total capital of the Company is 1.8 billion NTD, divided into 180 million shares with per vale of 10 NTD. It authorizes Board of Directors to issue the share separately if necessary.

Article 5-1

When the Company issues new shares, there shall be reserved for employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The treasury shares bought back by the Company under the laws, there shall be transferred to employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Company issues a share subscription warrant to employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Company issues restricted stock for employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The above specific requirements shall authorize the Board of Directors to establish.

Article 6

The Company adopts registered stock system and issue shares without printing out of share but it shall contact and register at the Institute of Chartered Secretaries & Administrators.

Article 7: Deleted

Article 8

The Shareholder shall take his/her seal to make registration to the Company. The Shareholders exercises every right depends on the seal kept in the Company.

Article 9

Unless otherwise specified in ordinance or regulation of securities, for the Shareholder of the Company handles Shareholder affairs such as stock transfer, setting the pledge, inheritance, favor, report the loss of seal, change of seal or change of address, it shall be handled according to "The Company Act" and "Criteria Governing Handling of Stock Affairs by Public Stock Companies".

Article 10

In the event of missing or destroying shares, the Company will handle according to “The Company Act” and “Criteria Governing Handling of Stock Affairs by Public Stock Companies” issued by the competent authority.

Article 11: Deleted

Article 12

In the case of performing negotiable endorsement of shares, shareholder cannot go against the change of the shareholders’ list unless recording the name or tile of transferee on the share, recording the name or tile and address of transferee on the shareholders’ list 60 days prior to shareholder’s regular meeting/ 30 days prior to provisional shareholder’ meeting or 5 days prior to base date of determining distribution of stock dividend or other interests.

Article 13: Deleted

Chapter 3 Shareholders’ Meetings

Article 14

Shareholders’ meetings consist of two types, one is regular shareholders’ meetings, the other is provisional shareholders’ meetings. The regular shareholders’ meetings will be conducted by the Chairman of the board and may be held within six months after the end of fiscal year every year. The provisional shareholders’ meetings may be held if necessary.

Article 15

The convening of regular shareholders’ meetings shall be conducted according to the regulations of the Company Act.

Article 16

Unless other regulations in law, the shareholder of the Company has the voting right, and one stock for one voting right.

Article 17

On the occasion of being unable to attend shareholders’ meetings, a shareholder can issue a power of attorney listing range of authorization with his/her signature or seal to delegate a deputy for attendance. Authority for the regulations of delegating attendance of a shareholder, in addition to conducting according to the regulations of Article 177, the Company Act, it shall handle according to

“Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” proclaimed by competent authority.

Article 18

There solutions during the shareholders’ meetings except those stipulated in the Company Act, shall be decided by the majority of shareholders who represent the total number of issued shares, and whose voting rights shall prevail. Attendance is less than the previous one and the number of shareholders representing more than one third of the total number of issued shares is present in accordance with the provisions of the Company Act. 175. Shareholders of the Company are also allowed to exercise their voting rights electronically. Shareholders who exercise their voting rights electronically shall be deemed physically present. All relevant matters are governed by existing laws and regulations.

Article 19

The resolution events of shareholders’ meetings shall be made as meeting minutes, and then signed or sealed by the chairperson and dispatched the meeting minutes to each shareholder within 20 days after the meeting. The dispatch of the previous meeting minutes shall be performed through announcement to those whom signed the sign-in book for attending shareholders’ meetings. The power of attorney acting on behalf of other Director’s attendance shall be kept in the Company according to Article 183, the Company Act.

Chapter 4 Director and Supervisor

Article 20

The Company shall have nine (9) to eleven (11) directors. The number of directors is authorized by the Board of Directors. The term of office shall be three (3) years. Directors shall be individuals with legal capacity and shall be elected and appointed by the shareholders during the shareholders’ meetings. Directors may also be re-elected for succeeding terms. The number of independent directors shall not be less than two, and shall not be less than one fifth of the directors' seats. The election of directors and supervisors entails a nomination system in accordance with Article 192-1 of the Company Act. The nomination, notice and other matters relating to the candidates for directors and supervisors shall be in accordance with the Company Act, securities trading law, related laws and regulations. Independent directors and non-independent directors should be elected together to determine their designation. The total shares of nominal stocks held by either directors or supervisors shall not be less than the specified percentage regulated by the relevant competent authority.

Article 20-1: Deleted

Article 21

Upon Directors organize Board of Directors it shall elect one of them within Board of Directors as the Chairman of the board. The Chairman of the Board holds shareholders' meetings internally and acts on behalf of the Company externally. In the event of absence, the Chairman of the board shall designate a Director to be deputed. Directors may elect one of them in case of no designation hereof.

Article 22

The Directors may issue a power of attorney when unable attend the Directors' meeting to delegate other Director for acting on behalf of the Director to attend the meeting. However, the deputy is subjected to be delegated by one person. When holding video conference, the Director may be regarded as attending in person for the case that Director attending the video conference.

Article 22-1

Directors' meeting shall be convened once a quarter with the written purpose to inform every Director and supervisor seven days prior to the meeting date. In the event of emergency, Directors may convene at any time. The convening of the previous paragraph may be made at any time by written mail, facsimile, and E-mail etc.

Article 23

Unless other regulations in the Company Act or Article of Association, it shall be made a resolution by Directors' meeting for all its business policies and important events, on occasion of resolution, it shall be made by over a half of the Directors' attendances and over a half of the agreement of attending Directors.

Article 24

The proceedings of Directors' meeting shall be made as meeting minutes and then issued to every Director within 20 days after the meeting.

Article 25

The Supervisor shall take charge of auditing all businesses of the Company according to the regulations of the Company Act.

Article 25-1

Board of Directors is authorized to determine the transportation allowance and remuneration based on reference of the industrial compensation level but not over the standard of highest level salary according to Guideline for Remuneration Criteria.

Article25-2: Deleted

Article 25-3

The Company shall purchase liability insurance for Directors and Supervisors to guarantee Director or Supervisor to take potential legal responsibility occurring from the implementation of duties thereof.

Chapter 5 Manager

Article 26

The Company shall set up managers, and the appointment, discharge and remuneration shall be handled in accordance with the regulations of Article 29, the Company Act.

Chapter 6 Accounting

Article 27

The fiscal year of the Company begins on January 1 and ends on December 31 every year.

Article 28

Board of Directors shall prepare the following financial reports according to the regulations of the Company Act at the end of fiscal year of the Company and hand over to the Supervisor for auditing or delegating certified public accountant to certify and issue relevant reports by the Supervisor, and propose in shareholders' meetings for admission.

1. Annual Business Report
2. Financial Report
3. Proposal for Appointment of Profit or Loss

Article 29

The Company shall make appropriate provisions for Employee bonus and remuneration to Director and Supervisor according to the proportion as below on the occasion of a profit making year. However, it shall preserve amount to cover the deficit and then make appropriate provisions to employee bonuses and remunerations to Directors and Supervisors by following proportion in case that there is accumulated deficits in the Company.

(1) Employee Bonus:

The Company shall make appropriate provisions based on Income Before Tax (Employee Bonus and Remuneration to Director and Supervisor excluded) for 6-8% as employee bonus and distribute and issue stock or cash depends on the resolution of Board of Directors. The

distributed targets include the employees of parents or subsidiary of the Company meeting certain specific requirements and specific requirements shall authorize the Board of Directors to establish.

(2) Remuneration to Director and Supervisor:

The Company shall make appropriate provisions but not more than 2% based on Income before Tax (Employee Bonus and Remuneration to Director and Supervisor excluded) for Remuneration to Director and Supervisor).

The distribution proposal of employee bonus and remuneration to Director and Supervisor shall be proposed in Directors' meeting.

Article 30

The Company shall pay taxes and cover accumulated deficits and then make appropriate provisions of about 10% for legal reserve. In the case of making profit earnings at the close of business year after settlement, while the legal reserve reaches the paid-in capital of the Company, it may not make an provision anymore. The Company may make appropriate provision or reverse to special reserve for the surplus. In the event of an undistributed earnings of current year, it shall combine with accumulated undistributed earnings to apply for formulating earning distribution proposal to Board of Directors and propose it in the shareholders' meetings for distribution of dividends to shareholders. The dividend policy of the Company shall conform to the current and future development plans and consider the investment environment. Capital demand and domestic and international competitive conditions in addition to taking into account of shareholder's interest. It shall make an appropriate provision but not lower than 60% of the undistributed earnings of current year for distributing dividends to shareholders. The Company may not distribute when the accumulated undistributed earnings is lower than paid-in capital. It may adopt cash or stock for distribution of dividends to shareholders. The cash dividend is subjected to not lower than 10% of stock dividends.

Chapter 7 Supplementary Articles

Article 31

For the events not stipulated in the Article, it comply with the regulations of the Company Act.

Article 32

The Article is established on March 6, 1971. The 1st amendment was on July 31, 1973. The 2nd amendment was on January 20, 1974. The 3rd amendment was on April 11, 1977. The 4th amendment was on February 5, 1979. The 5th amendment was on May 6, 1979. The 6th amendment was on March 29, 1980. The 7th amendment was on March 29, 1981. The 8th amendment was on February 21, 1982. The 9th amendment was on May 3, 1985. The 10th amendment was on June 17, 1986. The 11th amendment was on November 20, 1986. The twelve amendment was on May 23,

1987. The 13th amendment was May 25, 1988. The 14th amendment was on May 24, 1989. The 15th amendment was on November 3, 1989. The 16th amendment was on April 19, 1990. The 17th amendment was on September 9, 1991. The 18th amendment was on May 25, 1992. The 19th amendment was on April 23, 1993. The 20th amendment was on May 30, 1994. The 21st amendment was on May 31, 1995. The 22nd amendment was on May 29, 1996. The 23rd amendment was on June 16, 1997. The 24th amendment was on June 26, 1998. The 25th amendment was on June 26, 1998. The 26th amendment was on June 25, 1999. The 27th amendment was on June 12, 2000. The 28th amendment was on June 14, 2001. The 29th amendment was on June 12, 2002. The 30th amendment was on June 18, 2003. The 31st amendment was on June 21, 2004. The 32nd amendment was on June 17, 2005. The 33rd amendment was on June 14, 2006. The 34th amendment was on June 18, 2008. The 35th amendment was on June 19, 2009. The 36th amendment was June 13, 2012. The 37th amendment was on June 23 2014. The 38th amendment was on June 26, 2015. The 39th amendment was on June 16, 2016. The 40th amendment was on June 13, 2017. The 41th revision was made on May 29, 2019.

Appendix 5**GRAPE KING BIO LTD
Procedures for Election of Directors and Supervisors**

Approved by the Shareholder's Meeting held on May 29, 2018

Article 1

Elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 2

The single-named cumulative voting method shall be used for election of the directors and supervisors at the Company. Except as otherwise provided by law and regulation, each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 3

Elections of directors and supervisors shall be elected by the shareholders' meetings from a list of candidates, in accordance with the candidate nomination system. The number of directors and supervisors will be as specified in the Company's articles of incorporation, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance. If single candidate is elected as director and supervisor at the same time, then that certain individual shall decide which seat to fill. Where, upon above decision, the candidate receiving second most votes to such director or supervisor shall be elected to fill the vacancy.

Article 4

The election begins, the Chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.

Article 5

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or

juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. The shareholders' meetings convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided.

Article 6

A ballot is invalid under any of the following circumstances:

1. The ballot will be as specified in the Procedures.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or other words or marks are entered in addition to the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Contains two or more candidates.
6. Other words or marks are entered in addition to the candidate's account name and shareholder account number or identity card number and the number of voting rights allotted.
7. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 7

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the Chair on the site.

Article 8

The Board of Directors of the Company shall issue notifications to the persons elected as directors or supervisors.

Article 9

These Procedures shall be implemented after approval by a shareholders' meeting.

Article 10

For the events not stipulated in the Article, it complies with the regulations of the Company Act. and related laws.

Appendix 6**Grape King Bio Ltd.
Rules of Procedure for Shareholders' Meetings**

Approved by the Shareholders' Meeting held on June 13, 2012

Article 1

The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, shall be as provided in these Rules.

Article 2

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed.

Article 3

A shareholder except as otherwise provided by law, shall be entitled to one vote for each share held.

Article 4

The venue for shareholders' meetings shall be the premises of the Company, or a place easily accessible to shareholders and suitable for shareholders' meetings. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5

If shareholders' meetings are convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairperson does not make such a designation, the Managing Directors or the directors shall select from among themselves one person to serve as chair.

If shareholders' meetings are convened by a party with power to convene but other than the Board of Directors the convening party shall Chair the meeting.

Article 6

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend shareholders' meetings in a non-voting capacity.

Staff handling administrative affairs of shareholders' meetings shall wear identification cards or arm bands.

Article 7

The Company shall make an audio or video recording of the shareholders' meetings and retained for at least 1 year.

Article 8

The Chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meetings pursuant to Article 174 of the Company Act.

Article 9

If shareholders' meetings are convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meetings.

The provisions of the preceding paragraph apply mutatis mutandis to shareholders' meetings convened by a party with the power to convene that is not the Board of Directors.

The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meetings.

If the Chair declares the meeting adjourned in violation of the rules of procedure, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the meeting is adjourned, shareholders may not separately elect a Chair and resume the meeting at the original or another venue.

Article 10

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chair and the shareholder that has the floor; the Chair shall stop any violation.

Article 11

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.

Article 12

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend shareholders' meetings, only one of the representatives so appointed may speak on the same proposal.

Article 13

After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.

Article 14

When the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and call for a vote.

Article 15

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 16

When a meeting is in progress, the Chair may announce a break based on time considerations.

Article 17

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.

Article 18

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19

The Chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 20

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Appendix 7**GRAPE KING BIO LTD
Procedures for Loaning Funds to Others**

Approved by the Shareholder's Meeting held on May 29, 2018

Article 1 Purpose:

These Regulations are adopted for the procedural rules and standards to strengthen its internal management of the financing provided to others.

Article 2 Entities to which the Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement; or
2. Where an inter-company or inter-firm short-term financing facility is necessary. The term "short-term" means one year, or one operating cycle (whichever is longer).

Article 3 Evaluation standards for Loaning Funds to Others:

The Company shall not loans of funds to other companies or enterprises except under the following circumstances:

1. Where more than 20% of the equity is in need of short-term financing in connection with its financial and operational demands.
2. Where an inter-company or inter-firm business transaction is in need of short-term financing in connection with its material-purchasing or operational needs.

Article 4 The aggregate amount of loans and the maximum amount permitted to a single borrower:

1. The total amount of the loans for funds to others provided by the Company to others shall not exceed 40% of the Company's net value of the latest financial statements.
2. In the case of lending funds to companies or firms who have a business relationship with the Company, the total lending amount of an individual borrower shall not exceed the total amount of the business transactions between the Company and the borrower. The "total amount of the business transactions" refers the amount of purchases or sales during the prior year.
3. In the case of lending funds to the companies or firms in need of short-term financing, the total lending amount to an individual borrower shall not exceed 80% of lending funds.

The above restriction shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares. Lending funds of short-term financing, the total amount shall not exceeding 50% of the Company's net value of the latest financial statements, the individual amount shall not exceeding 50% of the Company's net value of the latest financial statements.

Article 5 Duration of loans and calculation of interest:

The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle.

The interest rate of the load shall not be lower than the highest interest of the Company from its short-term loan with the financial institution. The interest of loans of funds shall be adjusted variably according to the funding cost of the Company. Any adjustment of the interest rates shall be submitted by the financial department to the chairman for approval and then be executed.

The above restriction shall not apply to the terms of the load and the way of calculate interest when the offshore companies which are 100% owned directly and indirectly by the Company. The funding offered by the Company shall not exceed six years and the interest of loans of funds shall be adjusted variably according to the funding cost of the Company.

Article 6 Procedures for handling loans of funds:

1. Credit status

The borrower applying for the loan shall present a written application specifying the credit line of the loan to the Company with the necessary documents. The Finance Department shall conduct an investigation and evaluation on the application with respect to the borrower's business, financial status, ability to repay the debt, credit, profitability and purpose for lending.

(1) The necessity of and reasonableness of extending loans to others.

(2) Borrower credit status and risk assessment.

(3) Impact on the Company's business operations, financial condition, and shareholders' equity.

(4) Whether collateral must be obtained and appraisal of the value thereof.

2. Pledge

When lending funds to others, the Company shall require the borrower to provide guarantee notes or receipt for a loan and if necessary, shall require the borrower to provide personal property or real property as collaterals and to perfect the liens on the collaterals.

With regards to the aforementioned collateral, the borrower could provide guarantee from individual or corporation with considerable financial capability and credit worthiness as a substitute for the collaterals; in the case of corporate guarantee, it is required to review if the guarantor's articles of incorporation provide that the provision of corporate guarantee is allowed.

3. Scope of authority

Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with these Regulations and the Company's Procedures for Loaning Funds to Others. The Company may loan funds to others only after the evaluation results under this Article 6, have been submitted to and resolved upon by the Board of Directors. The Company shall not empower any other person to make such decision.

Loans of funds between the Company and parent company or subsidiaries, or between subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

The "certain monetary limit" mentioned in the preceding paragraph shall be in compliance with Article 4, paragraph 2. In addition, the authorized limit on loans extended by the Company or any of subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company.

4. "Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 7 Announcement and reporting procedures:

1. The Company announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.
2. The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
 - (1) The aggregate balance of loaning funds to others by the Company and subsidiaries reaches 20 percent or more of the Company's net worth as stated in latest financial statement.
 - (2) The balance of loans by the Company and subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in latest financial statement.
 - (3) The amount of new loans of funds by the Company or subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in latest financial statement.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

"Date of occurrence" means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

The term "announce and report" means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

Article 8 Management for Loaning Funds to Others:

1. The Company shall prepare a memorandum book for fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated.
2. The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.
3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.
4. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 9 Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights:

Upon the release of the funds, the Company shall pay attention to the borrower's and guarantor's financial, business and credit status, etc. In cases involving collateral, the Company shall pay attention to its guarantee value and any change thereto. In case of material change in the value of the collateral, the chairman of the Board of Directors shall immediately be notified and proper measures be taken as instructed by the chairman. When the loan is due or the borrower pays the load before the due date, the borrower shall calculate the payable interests and pay the interests with the principal before the notes or other collaterals may be rescinded and returned to the lender or the mortgage registration may be cancelled. The lender shall demand repayment of principals and interests when the loan becomes due. If the borrower fails to pay back the load within the time limit as scheduled, the Company will dispose the collateral or lodge a claim with the guarantor in accordance with the law.

Article 10

This Company's managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of this Company.

Article 11

The subsidiary could own its Procedures for Loaning Funds to Others in accordance with the Company's procedures, and report the implement status to the Company by monthly.

Article 12 Amendment for effect and resolve:

1. The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders' meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meetings. The same shall apply to any amendments to the Procedures.
2. The matters that shall be submitted to the Company's Board of Directors for a resolution, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors.

Appendix 8**GRAPE KING BIO LTD
Procedures for Endorsements and Guarantees**

Approved by the Shareholders' Meeting held on June 13, 2017

Article 1 Purpose:

These Regulations are adopted for the procedural rules and standards of the endorsements / guarantees.

Article 2 Scope:

The items of endorsements / guarantees:

The "endorsements / guarantees" refers to the following:

1. Financing endorsements/guarantees, including, bill discount financing. Endorsement or guarantee made to meet the financing needs of another company. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.
2. Customs duty endorsement / guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
3. Other endorsements / guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

Article 3 Responsibility:

1. Financial department: Responsible for the evaluation of endorsements / guarantees.

Article 4 Definition:

1. The latest financial statement: is subject to the latest financial statements most recently reviewed by the CPA.
2. Subsidiary and parent company: as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. Net worth: in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Announce and report: as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

Article 5 Contents:

1. Entities to which the Company may make endorsements / guarantees for the following companies:
 - (1) A company with which it does business.
 - (2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
 - (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
 - (4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements / guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements / guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
 - (5) Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements / guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements / guarantees may be made free of the restriction of the 1.(1)-(4).
2. The Limits and conditions on endorsements and guarantees:
 - (1) The total amount of the endorsements / guarantees provided by the Company to others shall not exceed 48% of the Company's net value of the latest financial statements. The total amount of the endorsement / guarantee provided by the Company and its subsidiaries shall not exceed 48% of the Company's net value of the latest financial statements.
 - (2) The amount of the endorsement/guarantee provided by the Company to any individual entity shall not exceed 45% of the Company's net value of the latest financial statements. The amount of endorsement / guarantee provided by the Company and its subsidiaries to any single entity shall not exceed 45% of the Company's net value of the latest financial statements.
 - (3) The amount of the endorsement / guarantee by business relationship with the Company shall be not exceed the total amount of translation by recent year. The amount of the endorsement/guarantee by business relationship with the Company is that the higher between purchases or sales amounts prior year.

- (4) Where the Company needs to exceed the limits set out in the Procedures for Endorsements and Guarantees to satisfy its business requirements, and where the conditions set out in the Procedures for Endorsements and Guarantees are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement / guarantee. It shall also amend the Procedures for Endorsements and Guarantees accordingly and submit the same to the shareholders' meetings for ratification after the fact. If the shareholders' meetings do not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.
 - (5) If, as a result of a change in circumstances, an entity for which an endorsement / guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.
 - (6) For circumstances in which an entity for which the Company makes any endorsement / guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, shall review periodically if offer the financial support continually and improve the finance and business, and an explanation of the necessity and reasonableness thereof shall be given at the Board of Directors.
 - (7) If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders' meetings.
 - (8) In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under 2-(6), the sum of the share capital plus paid-in capital in excess of par shall be substituted.
3. Procedures for making endorsements / guarantees:
- (1) Submit for review
The management of endorsement/guarantee or cancellation, shall fill the guarantee apply or cancellation apply to explain the guarantee company, types, reason and amount by requesting department, sent to the financial department for pre-review and submit to the board chairman.
 - (2) Before making an endorsement/guarantee for others, the Company shall carefully evaluate by Finance Department refers to the following:
 - (a) The necessity of and reasonableness of endorsements / guarantees.
 - (b) Credit status and risk assessment of the entity for which the endorsement / guarantee is made.

- (c) The impact on the Company's business operations, financial condition, and shareholders' equity.
 - (d) Whether collateral must be obtained and appraisal of the value thereof.
- 4. Subsidiaries for endorsement / guarantee:
Subsidiaries to establish relevant procedures for endorsement / guarantee could be referred to the Company's procedures and should follow the procedures, but shall be not making an endorsement / guarantee for others without the Board of Directors approval.
- 5. Procedures for custody of corporate chops:
 - (1) The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements / guarantees.
 - (2) The corporate chop for endorsements / guarantee shall be kept by the management supervisor; the person may be used to seal only in got the approved guarantee apply.
 - (3) When making a guarantee for a foreign company, the Company shall have the Guarantee Agreement signed by the chairman of the board on behalf of the Company.
- 6. Decision-making authority and delegation:
 - (1) Before making an endorsement/guarantee for others, the Company shall carefully evaluate whether the endorsement/guarantee is in compliance with the Company's Procedures for Endorsements and Guarantees. The Company may make an endorsement/guarantee only after the evaluation results have been submitted to and resolved upon by the Board of Directors.
 - (2) To satisfy its business requirements, within a specific limit not to exceed the limits on endorsements and guarantees of the Article 5-2, and within a period not to exceed one year approved by the Chairman of the board, for subsequent submission to and ratification by the next Board of Directors.
 - (3) Before making any endorsement/guarantee pursuant to Article 1, paragraph 4, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's Board of Directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
- 7. The process of announce and report:
 - (1) The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.
 - (2) The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

- (a) The aggregate balance of endorsements / guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.
 - (b) The balance of endorsements / guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
 - (c) The balance of endorsements / guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.
 - (d) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.
- (3) The Company shall announce and report on behalf of any subsidiary thereof that is not the Company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to 5-7-2-4 of the preceding paragraph.
- (4) (4)“Date of occurrence” in these Regulations means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.
8. The management of endorsement / guarantee:
- (1) The Company shall prepare a [memorandum book] for its endorsement / guarantee activities and record in detail the following information for the record: the entity for which the endorsement / guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the results of the matters to be evaluated.
 - (2) The Company's internal auditors shall audit the Procedures for Endorsements and Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.
 - (3) The Company shall evaluate or record the contingent loss for endorsements / guarantees, and shall adequately disclose information on endorsements / guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.
 - (4) This Company's managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of this Company.

9. Amendment for effect and resolve:
 - (1) The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders' meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meetings. The same shall apply to any amendments to the Procedures.
 - (2) The matters that shall be submitted to the Company's Board of Directors for a resolution, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors.

Appendix 9

Shareholdings of All Directors and Supervisors

1. Minimum shares held by the Directors & Supervisors and recorded shares held

Title	Minimum legally-held shares	Recorded shares held
Directors	8,177,182 shares	14,651,747
Supervisors	817,718 shares	3,254,553

2. Directors and Supervisors Shareholding Structure in detail

Account number	Title	Name	Recorded shares held	Note
5	Chairman	Andrew Tseng	6,167,244	
4	Director	Mei-Ching Tseng	4,797,117	
94724	Director	Yanxiang Huang	203,000	
16	Director	Zhijia Chang	1,538,386	
99831	Director	Zhiwei Lai	653,000	
129223	Director	Ding Fu Investment Co., Ltd.	1,293,000	
	Independent Director	Fengyi Lin	0	
	Independent Director	Ching-Fu Chen	0	
	Independent Director	Yifan Miao	0	
15	Supervisor	Chih-Sheng Chang	2,093,957	
68613	Supervisor	Hsing-Chun Chen	1,160,596	

Note: as of March 30, 2020



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