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Investor Presentation

February 2019

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“ Why Invest in Us? ”

- We are a leading health food manufacturer in Taiwan with product development strength focusing on probiotics and herbal-based supplements.
- We are one of the few companies in Taiwan that possess the capability to produce our own raw materials, manufacture our product and distribute through our own brands and channels.
- We have been gaining market share in Taiwan’s health food industry and we are also the industry leader in both probiotics and mushroom-based supplements.
- We also operate the second largest direct-selling company in Taiwan – Pro-Partner – with a 2016 market share of 9.8%.
- We have delivered a solid earnings CAGR of 26% in 2008-2017 averaging a 21% ROE during the same period.
- We are committed to return our earnings back to our shareholders, we have maintained more than 60% dividend payout in the past five years.
- We strive to maintain a double digit growth rate through continuous market share gain by Pro-Partner and growth in our OEM/ODM businesses in China and overseas markets.

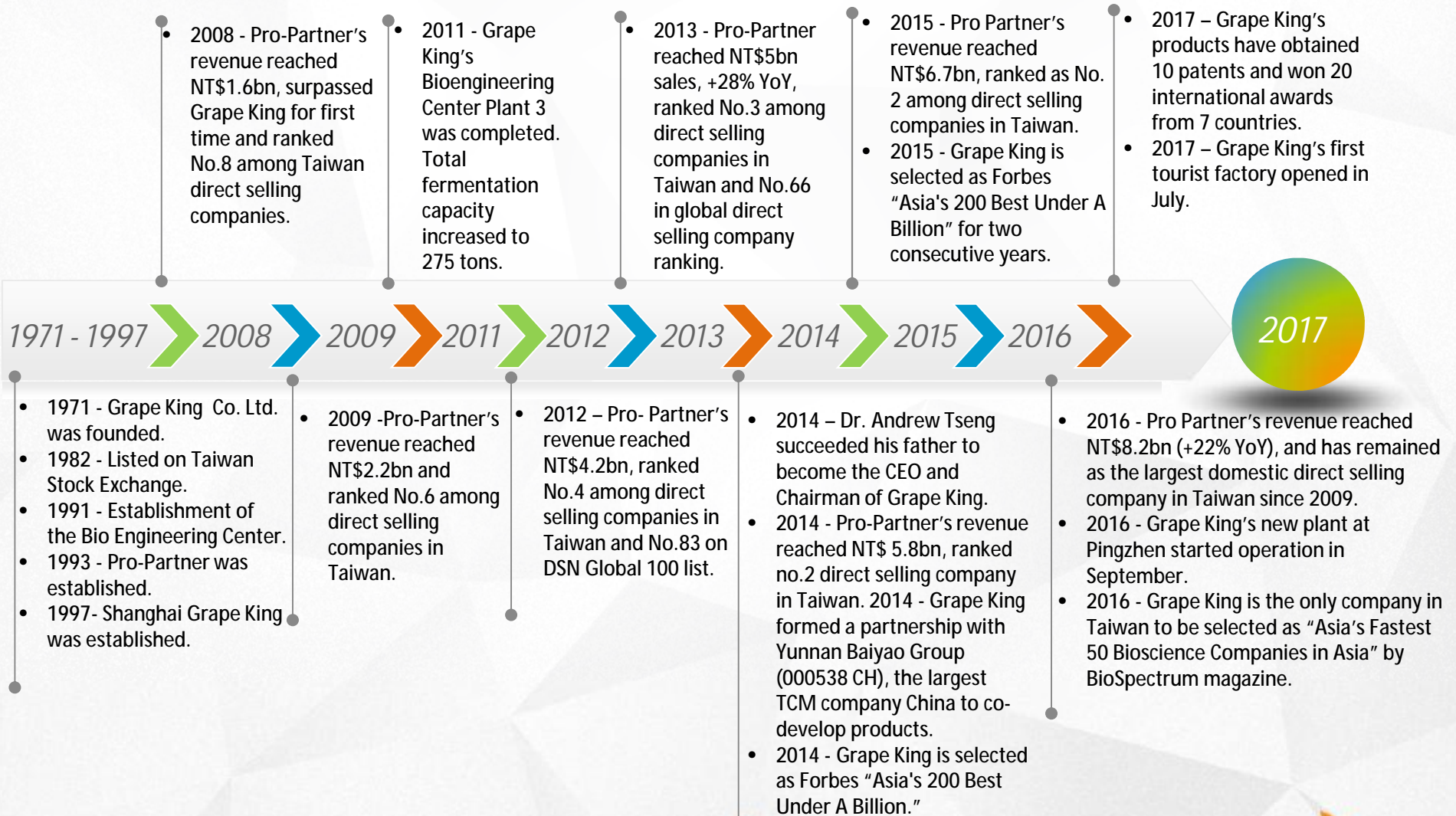




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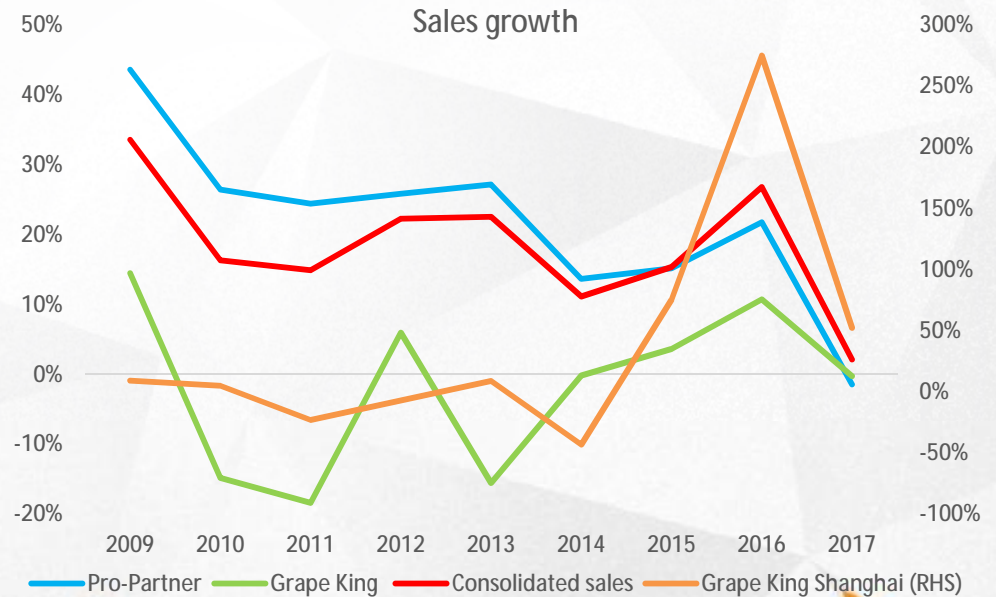
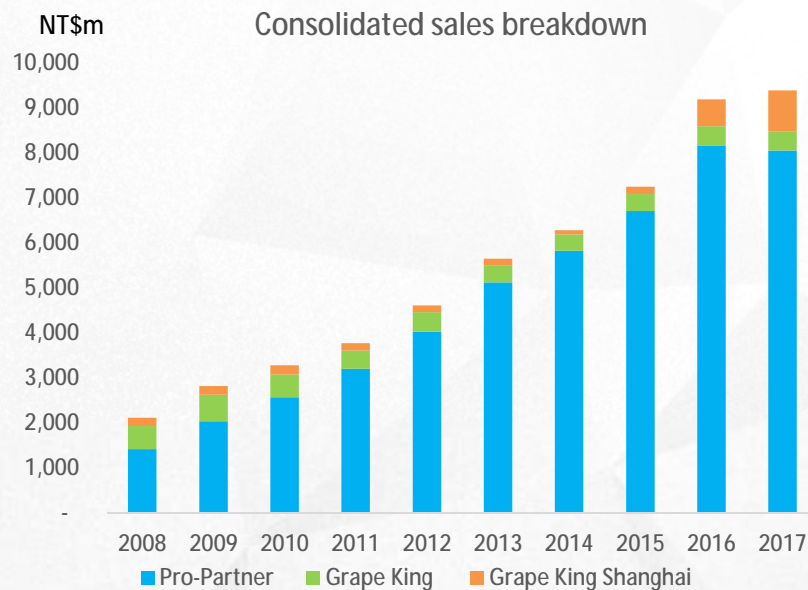
Company Background

“ Company Milestones



“ Company Overview

- Our Group is composed of three business units:
 - **Grape King Taiwan** (retail sales channel, OEM/ODM business)
 - **Pro-Partner** (direct selling channel)
 - **Grape King Shanghai** (OEM/ODM business)
- Since 2008, Pro-Partner has experienced an explosive growth thanks to robust member growth and successful product launches.
- However, Grape King is the locus of all key ingredient design, formulation, and production for the whole Group.



“ We have a Complete Product Range ”

7



“ R&D Backed by Patents and Papers ”

We have acquired more than 52 patents and published over 20 research papers

We have also acquired more than 10 TFDA Health Food certifications on our products

Recent Acquired Patent	Country	Number	Approval Date
An Active Substance for Treating Dementia, Its Preparation Method, Pharmaceutical Compound and Preparation Method	R.O.C.	I605819	2017/11/21
The Active Substance of Cicada for Promoting Hepatocyte Proliferation	R.O.C.	I601824	2017/10/11
Particles with Lactobacillus Embedded by Mycelium of Hericium Erinaceus which Can Improve the Nerve Growth- Factor	China	ZL201620459984.4	2017/6/6
The Active Substance of Antrodia Camphorate Mycelium for Protecting Nerve Cells, and Its Pharmaceutical Compounds	R.O.C.	I562782	2016/12/21
An Active Substance of Antrodia Camphorate for Reducing Drug Resistance of Cancer Cells and Its Compounds	R.O.C.	I551291	2016/10/1

Paper	Journal
Efficacy and safety of oral Antrodia cinnamomea mycelium in mildly hypertensive adults: A randomized controlled pilot clinical study.	European Journal of Integrative Medicine.2016
A 90-Day subchronic toxicological assessment of deinococcus grandis fermented soymilk in Sprague-dawley rats.	International Journal of Pharmacy and Pharmaceutical Sciences.2016. 8(6): 207-215
A 90-Day Subchronic Toxicity Study of Submerged Mycelial Culture of Cordyceps cicadae(Ascomycetes) in Rats.	International Journal of Medicinal Mushrooms. 2015. 17(8): 771-781
Toxicological evaluation of lepista nuda(BULL. EX FR.) cooke mycelium produced by an in vitro culture methodology.	International Journal of Pharmacy and Pharmaceutical Sciences.2015.7(10): 363-370
Evaluation of the toxicological safety of erinacine A-enriched Hericium erinaceus in a 28-day oral feeding study in Sprague-Dawley rats.	Food and Chemical Toxicology. 2014.70:61-67

“ State-of-the-Art Research & Production ”

Grape King Bio-Tech Research Institute



Optical microscope



High Performance Liquid Chromatography



Centrifuge



PCR Machine



Shaker

Grape King Bio-Tech Specialist Fermentation, Cultivation and Manufacturing



500 Liters Fermentor



50 Tons Fermentor



High Speed Mixer



Centrifugal Separator



Membrane Filtration System



150 Liters Freeze-Dryer



Capsule Packaging Line



Sachet Packaging Line



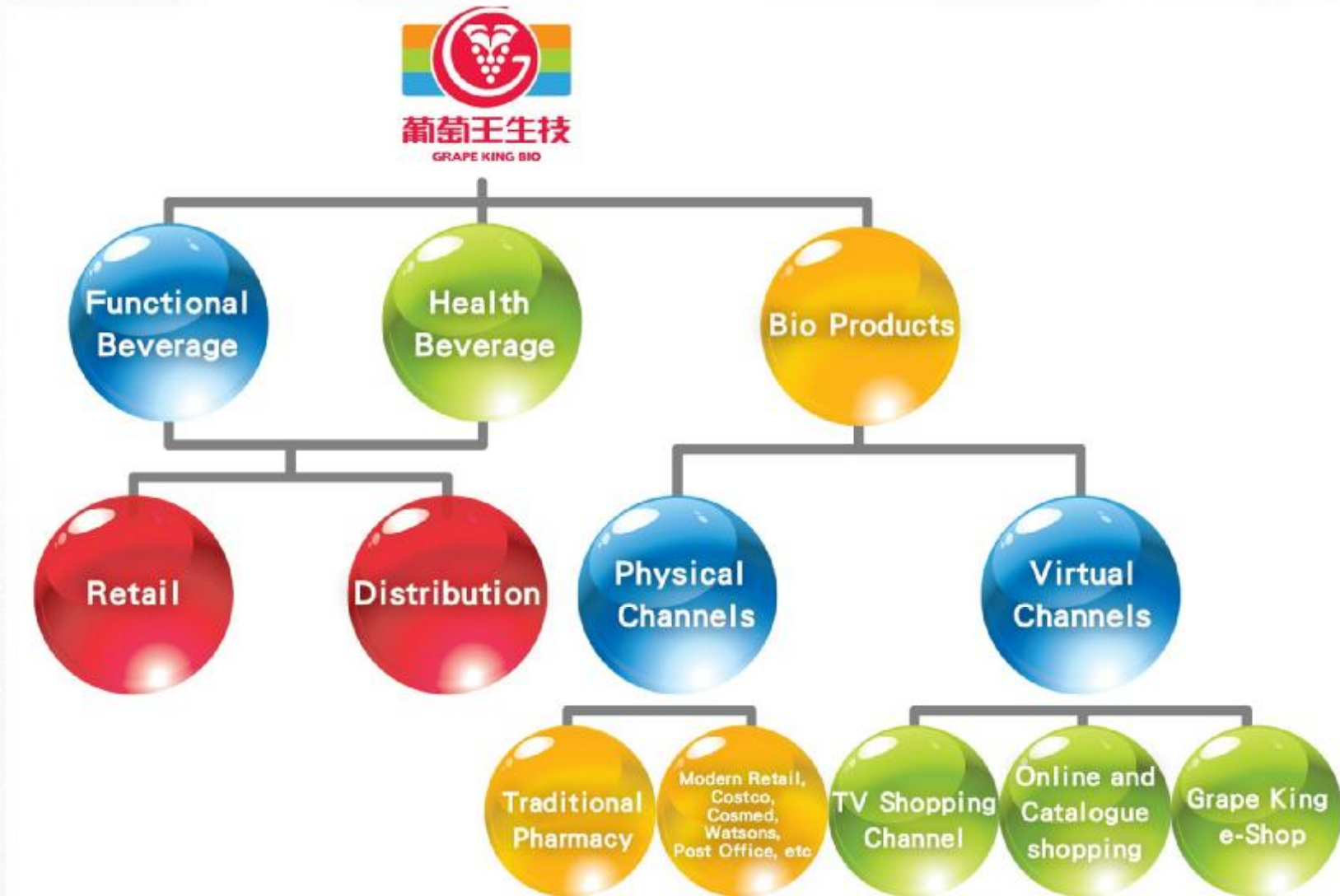
Glass Bottle Packaging Line



PKL Aseptic Packaging Line

“Grape King Brand Sales Channels

10



“ Grape King Diverse Product Portfolio

ComeBest Series/Golden ComeBest/PowerBOMB

Energy drinks that restore energy and provides necessary vitamins



Snow Brightening Essential Drink

Beauty Drink that enhance metabolism



Grape King Ling Zhi King

Strengthens the immune system and suppress allergic reactions



Grape King Antrodia King

Liver protection and hangover prevention and alleviation



Grape King Probiotics

Improves digestion and defecation



Yo-Shi Premium Lutein

Eye protection



Grape King "Sugar Safe" Roseroot pills

Balancing blood sugar

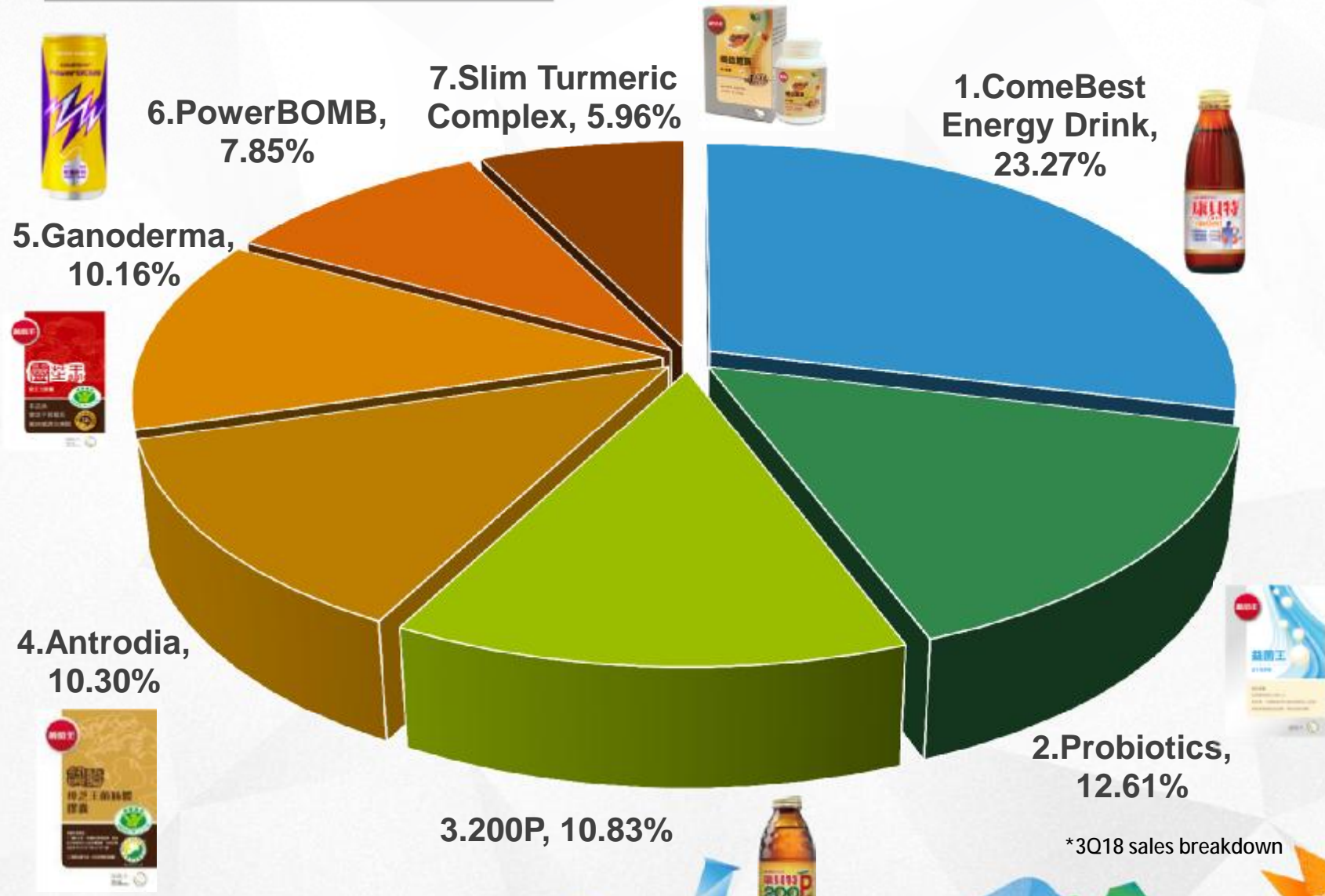


Grape King Fu Jia Ning

Helps relieve menopause symptoms



“ Grape King Key Products Sales Breakdown



*3Q18 sales breakdown



“ Pro-Partner Overview

1 • Largest domestic direct selling company in Taiwan based on revenue

2 • Second largest overall direct selling company (including global companies) in Taiwan

27 • Smallest product range – 27 Health and Beauty products among the top 5

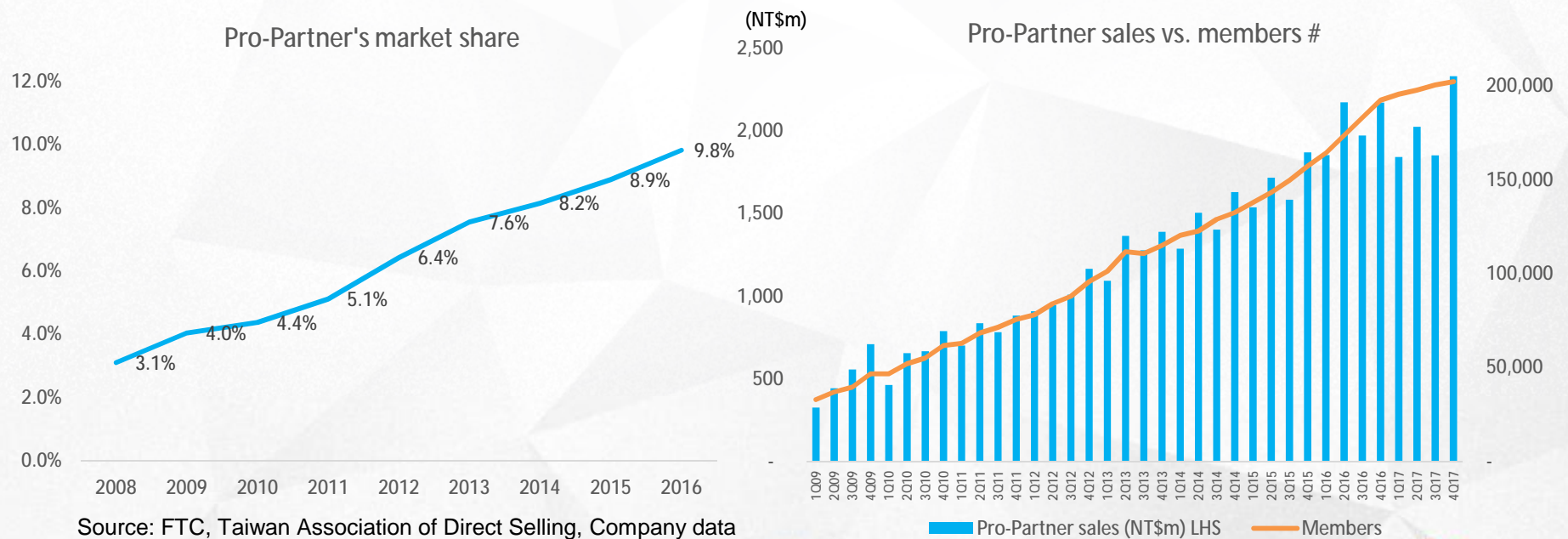
56 • No. 56 in the worldwide direct selling company rankings for 2016

210,000 • Currently have over 210,000 members



“ Pro-Partner Overview

- Established in 1993, Pro-Partner was initially 100% owned by Grape King.
- In 1998, a capital injection was completed by the new management team, with the management team now owning 40% of Pro-Partner.
- To date, Pro-Partner remains one of the fastest growing direct selling companies in Taiwan, having delivered a 21% sales CAGR from 2008 to 2017.
- Pro-Partner products are manufactured using more complicated and high-end formulas vs. Grape King brands, hence the products are also more expensive.



“ Pro-Partner Products - More Complex Formulas

Probiotics & Prebiotics

Promote healthy digestive system and suppress allergy



Super 13 Probiotics & Prebiotics

Promote healthy digestive system and suppress allergy



995 Bio-tech Nourishment

Post operative convalescence



Antrodia Bio Aid

Post operative convalescence



Pro-Partner Meal Supplement

Nutrition supply, restore physical strength



Lion's Mane Mushroom Powder

Promote brain health and cognitive function



Bai Ke Sz

Promote healthy respiratory system

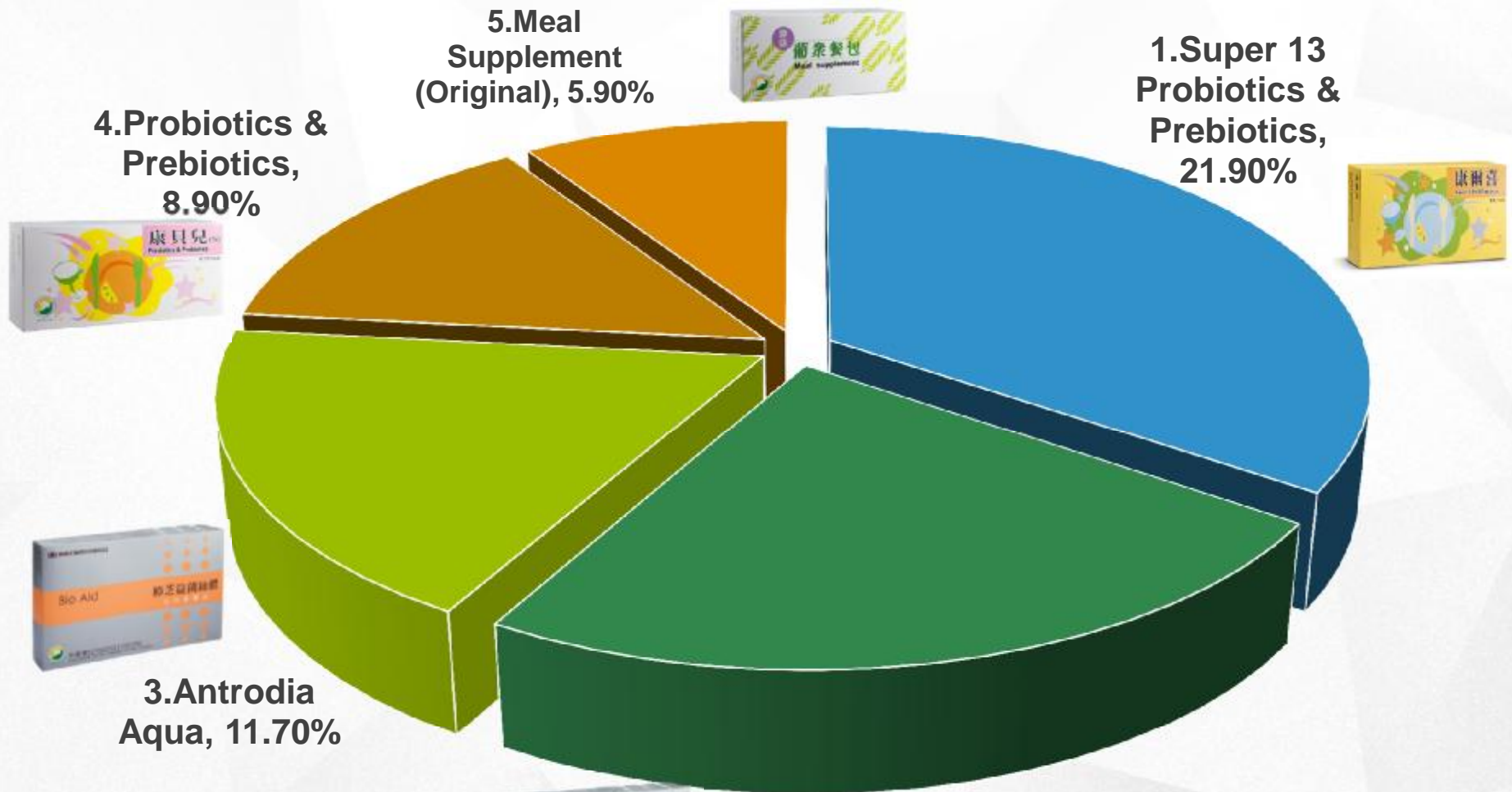


Wei-Jie

Promote stomach health



“ Pro-Partner Key Products Sales Breakdown



*3Q18 sales breakdown





How is Pro-Partner different from other direct selling companies?

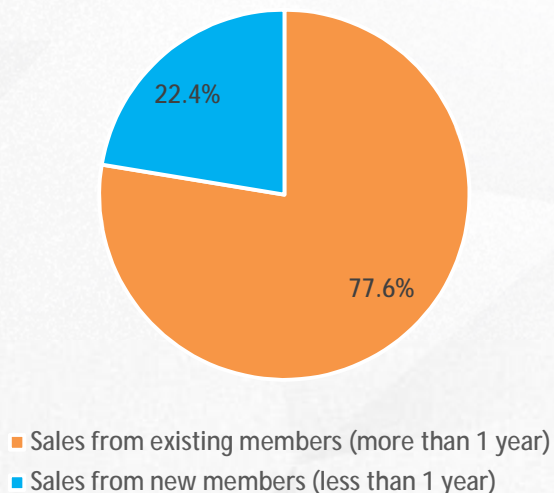
	Traditional Direct Selling Business	Pro-Partner
Products purchase	<ul style="list-style-type: none"> x Minimum purchase requirement. x Initial investment could be significant. x Members may need to bear P&L risk. 	<ul style="list-style-type: none"> ü No minimum purchase requirement. ü Members buy products directly from the company, thus, no inventory pressure.
Products' uniqueness	<ul style="list-style-type: none"> x Low entry barrier for products. x Products lack national certifications. x Production is mostly outsourced. 	<ul style="list-style-type: none"> ü Products are bio-researched and engineered. ü Symbol of National Quality (SNQ) and Taiwan FDA health food certified. ü Products are mostly manufactured in-house.
Membership/ Training	<ul style="list-style-type: none"> x Members may need to pay training fees. x High drop out rate of members. x Inconsistent training quality. 	<ul style="list-style-type: none"> ü All the trainings and venues are held by the company and free to members. ü High retention rate of members.
Compensation	<ul style="list-style-type: none"> x Opaque compensation structure. x Compensation scores can not be accumulated. x Compensation calculation and eligibility is different among membership status. 	<ul style="list-style-type: none"> ü Transparent compensation structure. ü All purchases will be recorded as scores for compensation and will not reset to zero. ü All compensation are paid accordingly to each member's sales contribution to the company. ü All compensation are paid directly to the members by the company.
Support	<ul style="list-style-type: none"> x Lack of dedicated customer services. x Lack of local office support. x Poor return and refund policies. 	<ul style="list-style-type: none"> ü Pro-Partner is supported and managed by Grape King, a well-respected health food company in Taiwan with 48 years of history.



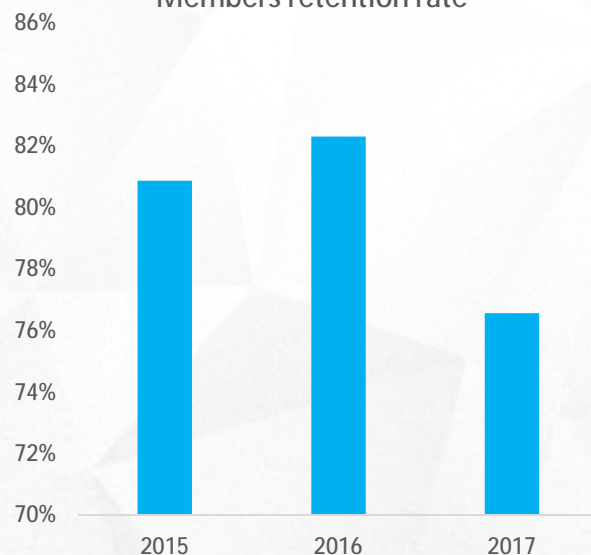
“ How is Pro-Partner different from other direct selling companies? ”

- Nearly 78% of Pro-Partner's sales are contributed by old members.
- Our members retention rate in the past three years are more than 75%, which is a remarkably high number in the direct selling industry.
- The growth rate of our executive distributors are similar to the growth rate of our members in the past five years. This imply that our members are proportionally promoted each year based on their contribution to the group.
- All of these data are proof of that we are a product-driven direct selling company.

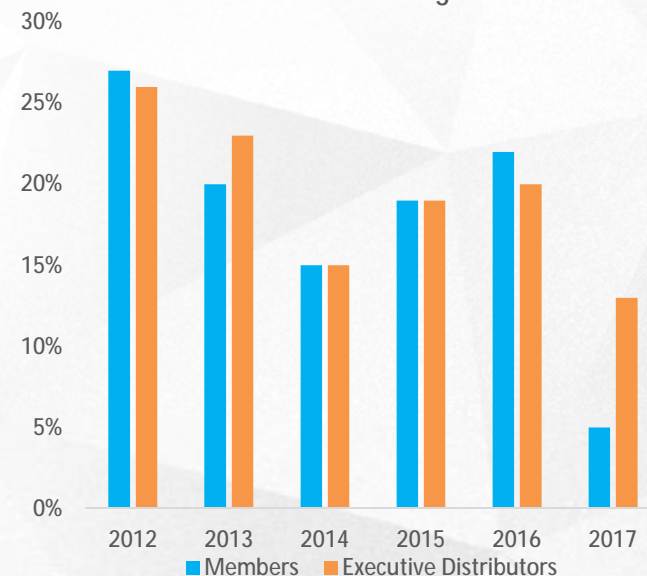
Pro-Partner sales contribution (2017)



Members retention rate



Pro-Partner members growth rate



“Grape King Shanghai Overview

- Established in 1993, Grape King Shanghai was initially targeted as the production base for Grape King’s own brand products in China.
- However, a change in strategy steered by the new management to an OEM/ODM model has reversed several years of losses and turned the operation profitable.
- The company has five products of its own brand certified by the China FDA with “Blue Hat” registration, a strict requirement for all health foods and supplement. The company is planning on launching these products to the market.



“ Grape King’s Competitive Strengths

20



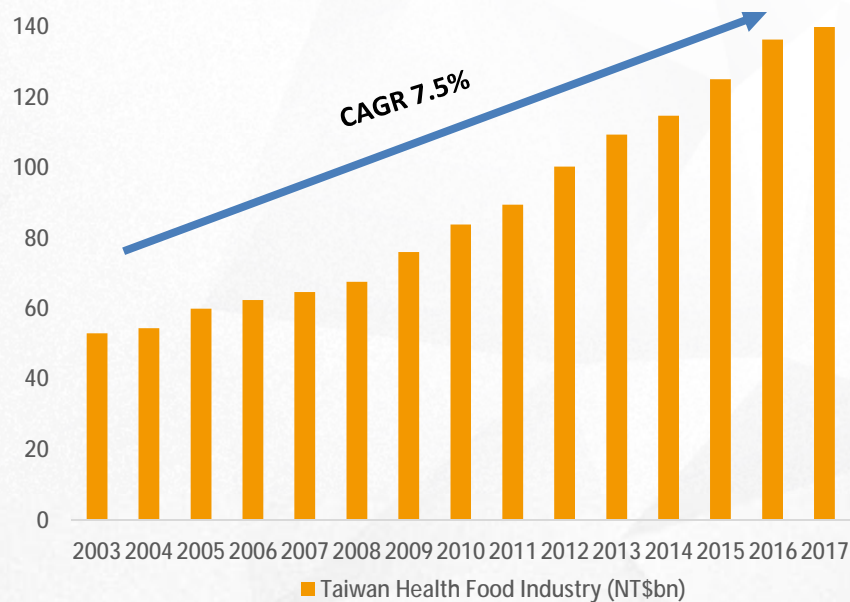


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Industry Trends

“ Taiwan Health Food Industry

- Taiwan's health food industry saw a 7.5% CAGR from 2003-2017.
- The industry will continue to be driven by consumers' increasing interest in healthier lifestyles as a cost-effective way to combat ageing and prevent modern illness.
- We have been gaining marketing share in Taiwan's health food industry and we are also the industry leader in both mushroom-based supplements and probiotics.



Source: AC Nielsen

Grape King's market share in Taiwan health food industry

	2013	2014	2015	2016	2017
Taiwan health food	4.90%	5.19%	5.44%	5.99%	5.78%
Mushroom	32.06%	31.46%	32.33%	36.61%	38.54%
Probiotics	13.89%	20.92%	31.54%	35.78%	39.57%
Energy drink	12.23%	11.70%	13.94%	14.89%	13.71%

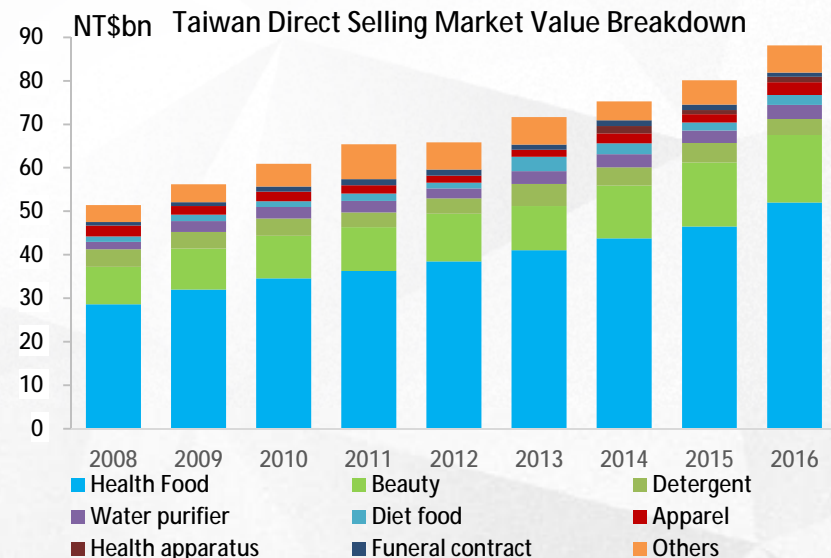
Source: AC Nielsen, Company data

“ Taiwan Direct Selling Industry

- Taiwan is ranked in the top 15 markets for direct selling globally. The direct selling industry in Taiwan delivered 6% 2010-2016 CAGR, with health food accounting for nearly 60% of the value.
- Direct selling in Taiwan is strictly regulated particularly in 1) product and price (mark-up on pricing); 2) compensation structure (distribution of profit).
- It is illegal in Taiwan to produce earnings by simply introducing new participants instead of engaging in promotion and selling goods or services at reasonable market pricing, and companies in violation of this may be subject to imprisonment and/or fines.

Rank	Country	2015 Retail sales (US\$bn)	3-Year CAGR
1	United States	36.12	4.5%
2	China	35.46	22.0%
3	South Korea	16.89	7.5%
4	Germany	15.19	5.2%
5	Japan	14.66	-0.7%
6	Brazil	9.13	2.1%
7	Mexico	6.93	4.7%
8	France	4.59	2.5%
9	Malaysia	4.44	9.4%
10	United Kingdom	4.04	9.8%
11	Taiwan	3.35	6.6%
12	Italy	2.93	4.7%

Source: World Federation of Direct Selling Association



Source: Taiwan FTC

“ Taiwan Direct Selling Industry

- While Taiwan's direct selling industry delivered a 6% CAGR during 2010-2016, Pro-Partner delivered a 22% CAGR during the same period.
- Pro-Partner is the only domestic company among the top 10, with the remainder being foreign companies. Top 10 companies accounted for roughly 60% of the industry.
- Pro-Partner currently has 203k members as at the end of Jan 2018, while market leader Amway has around 350k members.
- Among the market leaders, Pro-Partner has the highest sales per product.

Taiwan Direct Selling Ranking and Market Share %					
	2012	2013	2014	2015	2016
Amway	1 (15.1%)	1 (15.2%)	1 (14.9%)	1 (14.7%)	1 (13.45%)
Pro-Partner	4 (6.4%)	4 (7.6%)	2 (8.2%)	2 (8.9%)	2 (9.83%)
Melaleuca	2 (9.7%)	2 (9.2%)	3 (7.6%)	3 (6%)	7 (4.3%)
Herbalife	3 (6.7%)	5 (5.9%)	6 (5.1%)	4 (5.7%)	6 (5.1%)
Nu Skin	5 (6.1%)	3 (8.3%)	4 (6.1%)	5 (5.6%)	3 (5.5%)
Market America	7 (4%)	6 (4.6%)	5 (5.4%)	6 (5.3%)	5 (5.2%)
Total Swiss	9 (0.8%)	8 (1.6%)	7 (4.2%)	7 (5.3%)	4 (5.2%)
Jeunesse	10 (0.7%)	9 (1.2%)	10 (1.8%)	8 (3.3%)	8 (4.0%)
E.EXCEL	8 (2.7%)	7 (3.1%)	9 (2.9%)	9 (2.9%)	10 (2.6%)
Avon	6 (4.6%)	6 (4.6%)	8 (4%)	10 (2.6%)	> 10 (N.A.)

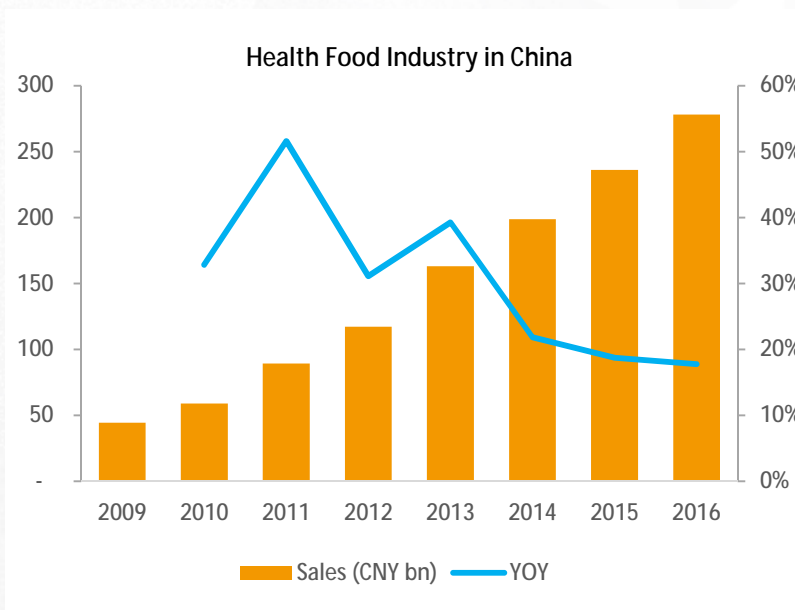
Source: Taiwan Association of Direct Selling

Company	Members ('000)	Sales contribution per member (NT\$)	# of Products	Sales contribution per product (NT\$m)
Pro-Partner	200	43,300	30	288.7
Herbalife	66	69,486	91	50.5
Nu Skin	120	40,000	219	21.9
Melaleuca	180	21,111	502	7.6
Amway	350	33,857	289	41.0
Jeunesse	180	19,444	23	152.2

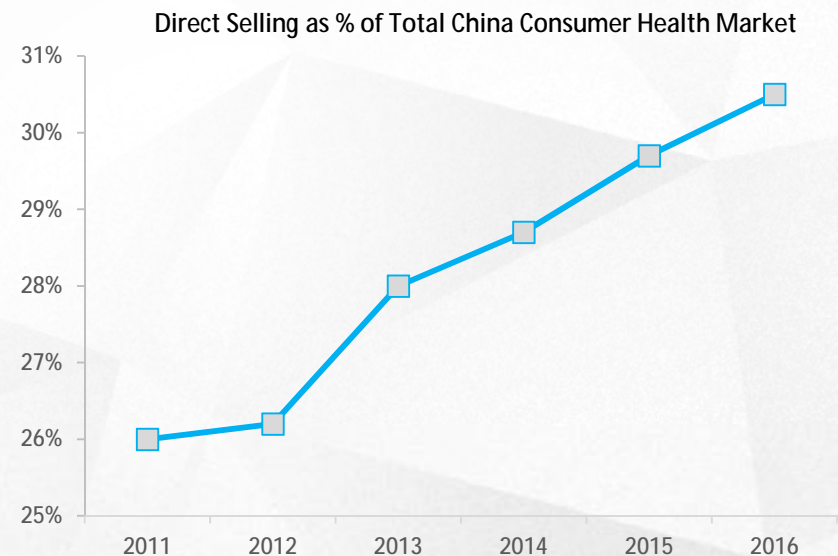
Source: Company data, FTC, Taiwan Association of Direct Selling

“ China Health Food Industry

- China's health food industry delivered a 30% CAGR between 2009-2016, mainly driven by economic growth, disposable income, and rising health awareness.
- Direct selling has become an important distribution channel as sales from direct selling has grown from 26% in 2011 to 30% in 2016, according to Euromonitor.
- Despite the latest Administrative Measure of Health Food Registration and Filing having streamlined the certification process for vitamins and minerals, other products still need to go through the “Blue Hat” certification process by the CFDA.



Source: National Bureau of Statistics of PRC



Source: Euromonitor



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Our Goals and Strategies

“ Our Group Goals

Long-term Goals

- Transform Grape King into a group enterprise.
- Continue to explore partnership or new business opportunities and take the Group to international level.
- Grape King own brand, Pro-Partner, and Grape King Shanghai each to contribute 1/3 of consolidated revenue.

Mid-term Goals

- Continue overseas expansion.
- Establish retail channels in China for the 5 Blue Hat products.
- China business to continue delivering double digit growth.

Near-term Goals

- Continue to improve brand equity.
- Continue to invest in food safety measures and protection.
- Smooth ramp-up for our capacity expansion.
- Consolidated revenue to resume to double-digit growth.

“ Integrated Marketing Strategy

Cross-Channel Integration

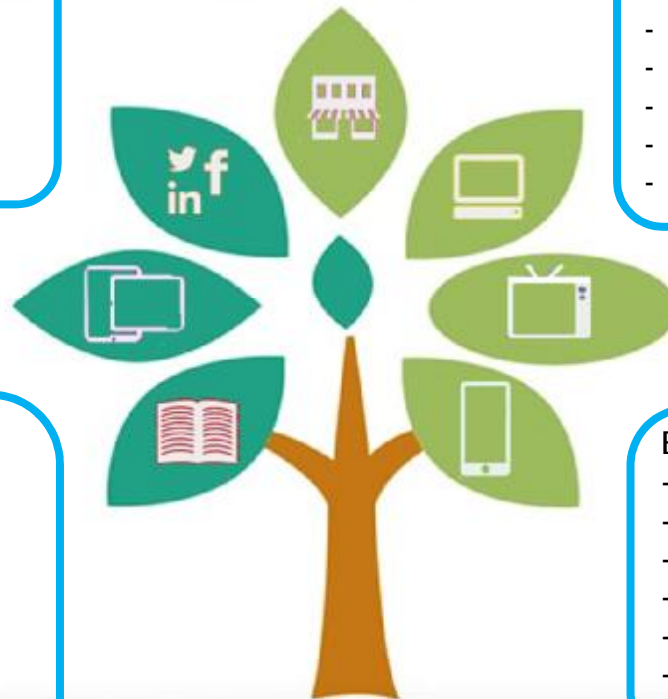
Virtual channel penetration

- Grape King online store
- Online B2C stores
- TV shopping channels
- Catalogue and mail shopping

Above the line marketing

- Internet: Promo videos, ads
- Facebook: Fan pages
- Google: Adwords, Campaigns
- Yahoo: Advertising, Campaigns
- Youtube
- Soft-selling ads by celebrities and bloggers.
- TV commercials
- Grape King websites

CRM



Loyalty Program

Retail channel penetration

- Pharmacies - Drugstores
- CVS - Department Stores
- Supermarkets - Discount Stores
- Hypermarkets - Restaurants
- GK Visitor Centre - Post offices

Below the line marketing

- Exhibitions - Billboard
- Press Conferences - Store Signs
- Magazines - Sample
- Newspaper - Giveaways
- PR - Brochures
- Mailing Campaigns - Sporting Events
- Concerts and live events

“ Creative Brand Building & Product Campaigns

Grape King Antrodia King (liver protection)
Anger causes high blood pressure but also harms liver.



Grape King Ginseng Vitamin B Complex Plus
Flight attendant no longer needs to roll her eyes for unreasonable requests

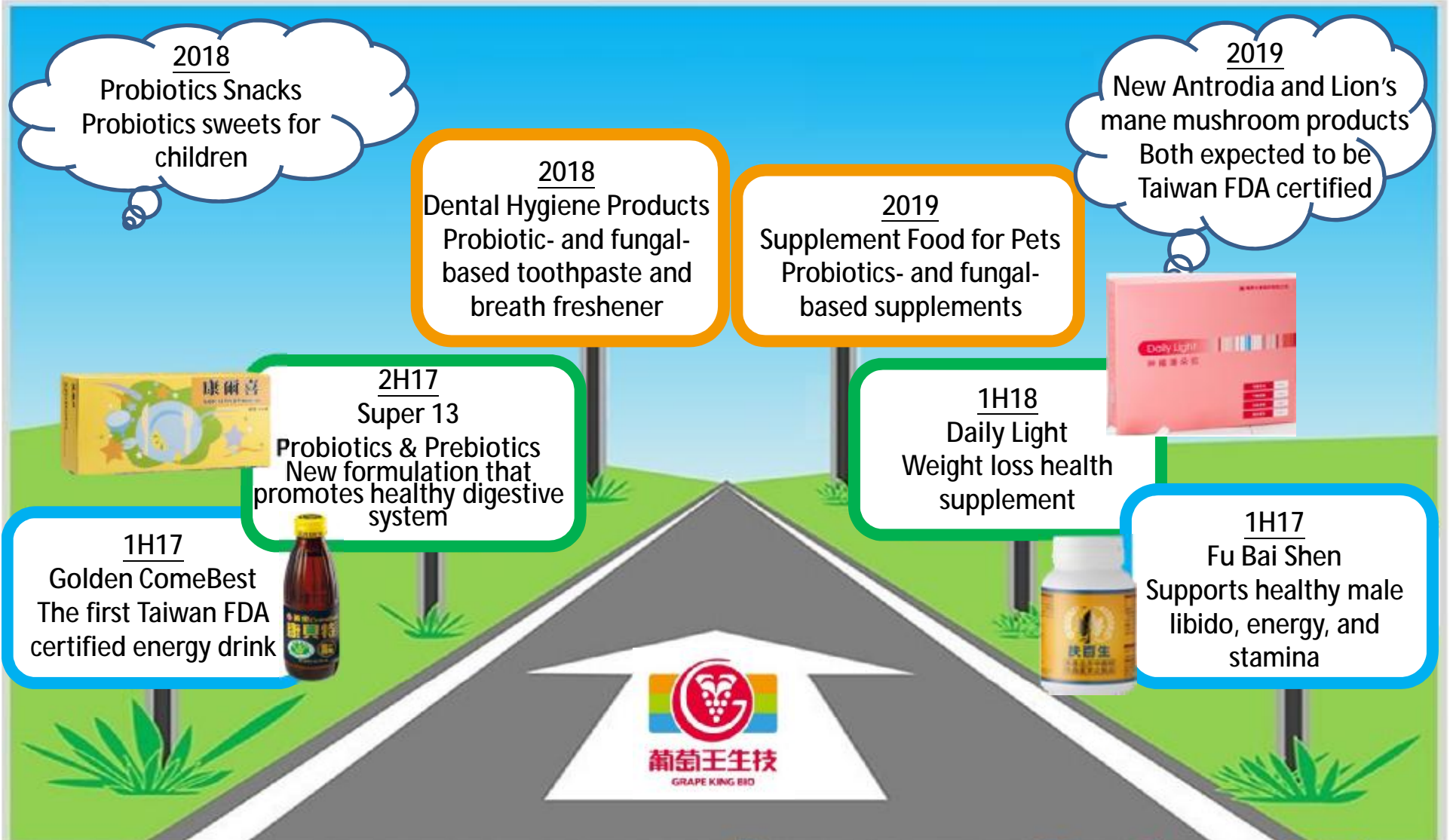


Grape King's micro film commercial series
Who do you want to deliver health to? Health is mom's handmade rice dumpling (Health is Accompanying)



Grape King's micro film commercial series
Who do you want to deliver health to? Health is a 3 bedroom house (Health is Responsibility)

“ New Products Pipeline



“ Ongoing Research for Future Products

31



On-going Clinical Trials

- Hericium Erinaceus (Lion's Mane mushroom) - Alleviate cognitive impairment (Chung Shan Medical University Hospital) - first phase unblind
- Hericium Erinaceus (Lion's Mane mushroom) - Alleviate diaplacusis (Dalin Tzu Chi Hospital)
- Hericium Erinaceus (Lion's Mane mushroom) - Alleviate Parkinson's disease (Chung Shan Medical University Hospital)
- Lactobacillus - Reduce body fat formation (China Medical University Hospital)



Probiotics-based – Animal Trials

- Super 13 Pro & Prebiotics - Desensitizes and improves intestinal flora (China Medical University)
- Selective trials of Lactobacilli lowering blood sugar (OGTT) (Food Industry Research and Development Institute)
- Selective trials of Lactobacilli preventing depression (Hungkuang University)
- Trials for prevention of cisplatin (chemotherapy medication)- induced autoimmune kidney disorder (China Medical University)



Fungal-based – Animal Trials

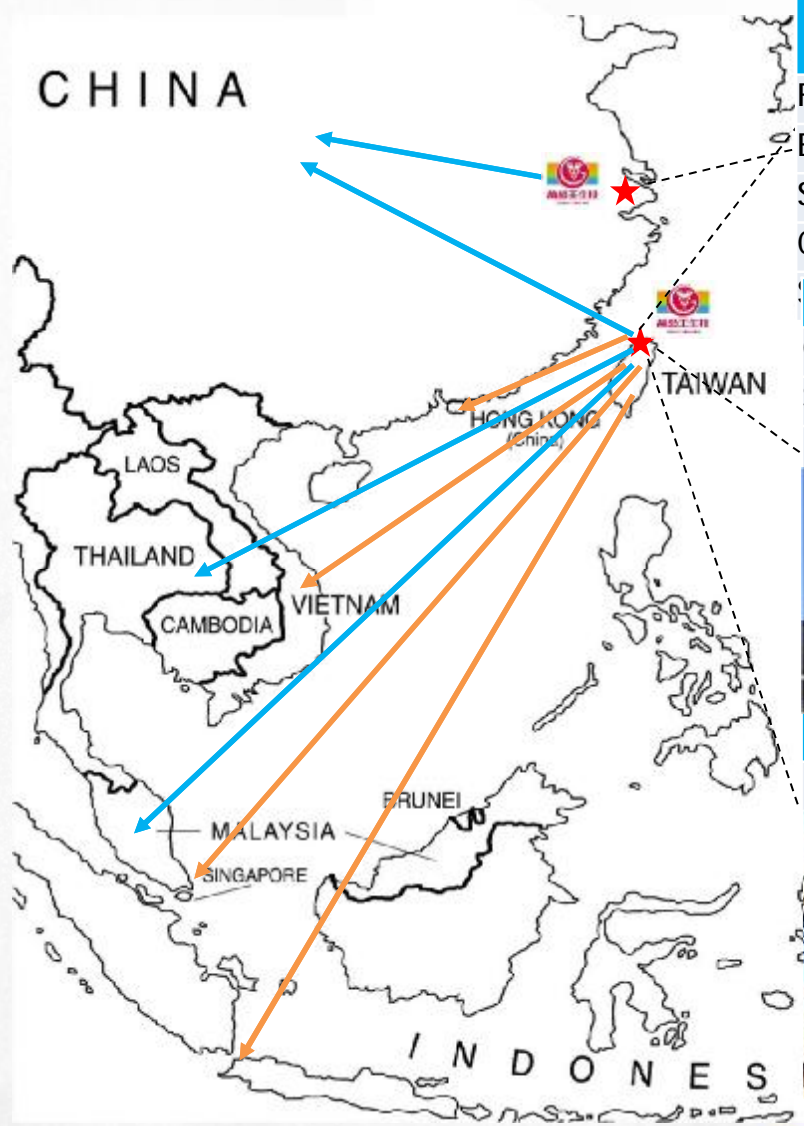
- Research on Hericium Erinaceus (Lion's Mane mushroom) mycelia related to depression and sleep disorder (National Taiwan University)
- iPSC testing of Hericium Erinaceus mycelia on Alzheimer's disease patients; potential for treating dementia (National Yang-Ming University)
- Using big data to find and develop health foods - Antrodia Camphorate substances (National Yang-Ming University)
- Protective uses of Hericium Erinaceus substances on ischemic brain injury (National Yang-Ming University)



Other substance-based – Animal Trials

- 995 alleviation of sarcopenia (Fu Jen Catholic University)
- Analysis of the prevention of spermatozoa damage and the promotion of spermatozoa quality using Morchella vulgaris
- Cicada active substance selected using mode for lowering intraocular pressure (ITRI)

Capacity and Overseas Strategy



Grape King Specialist Fermentation & Manufacturing Site

Fermentation: 285 tons (100% utilized)
 Bottling: 63k bottles/hr
 SIG Combibloc: 11k packs/hr
 Capsules: 21k capsules/hr

Grape King Bio-Tech Headquarter

Capsules: 21k capsules/hr
 Sachet: 30k packs/hr
 Powder: 16.2k pack/hr



Grape King Bio-Tech Research Institute

Fermentation capacity: 285 tons



Grape King Shanghai Headquarters

Liquids: 140,880 k bottles/year
 Powders: 98,366 k pack/year
 Troches: 639,006 k capsules/year



China Strategies

- Growing the wallet share of existing customers
- Acquire more OEM/ODM customers
- Establish retail channels for Grape King's 5 Blue Hat Products

Overseas Strategies

- Continue to grow our OEM/ODM business in by trade shows/events.
- We are waiting for product registrations in Singapore, Indonesia, HK, Vietnam, Malaysia, and Thailand.



“ Our CSR Commitments



We regularly provide free training courses and internship opportunities to more than 16 universities in Taiwan.



Employees are one of the most valuable assets of our business. We continue to look after our employees by supporting issues and causes that matter to them.



Employees



Industry and Academia Cooperation



Social Contribution



The Environment



Grape King undertakes all operations with high consideration for the environment. Our factories use waste water and air recycling systems to prevent air and water pollution.



We offer financial scholarships for students from the local community and financial support for low-income families in Taoyuan. In 2013 we formed our CSR team to take part in various public activities.

[Click here for our 2017 CSR report](#)





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Financial Performance

“ Impact from IFRS 15 starting 2018

35

	After adopting IFRS 15	
	9M18	9M17
Revenue	6,516	6,002
COGS	(1,312)	(1,036)
Gross Profit	5,204	4,966
Operating Expenses	(3,597)	(3,469)
Operating Profit	1,607	1,497
Non Operating Income	56	139
Pretax Income	1,663	1,635
Tax Expenses	(372)	(334)
Minorities	(403)	(392)
Net Profit	888	910
Key Financial Ratios (%)		
Gross Margin	80.0%	82.7%
Operating Expense Ratio	55.2%	57.8%
Operating Margin	24.7%	24.9%
Effect Tax Rate	22.4%	20.4%
Net Margin	13.6%	15.2%

Notes:

1. Effective on 1 January 2018, all companies in Taiwan need to adopt IFRS 15 (revenue from contract with customers).
2. By adopting IFRS 15, the major impact will be on Pro-Partner, as its revenue will need to deduct products discount to members.
3. As a result, the reported revenue will be smaller. The reported gross profit figure will also be smaller as cost of goods sold remain the same.

(NT\$m)	After adopting IFRS 15					
	3Q18	3Q17	YoY	2Q18	2Q17	YoY
Revenue breakdown						
Grape King Taiwan	112	102	10.1%	95	104	-8.3%
Pro-Partner	1,731	1,671	3.6%	1,925	1,826	5.4%
Grape King Shanghai	378	278	36.2%	338	214	57.9%
Consolidated Revenue	2,222	2,050	8.4%	2,358	2,144	10.0%
Revenue mix by Business						
Grape King Taiwan	5%	5%		4%	5%	
Pro-Partner	78%	82%		82%	85%	
Grape King Shanghai	17%	14%		14%	10%	
Consolidated Revenue	100%	100%		100%	100%	

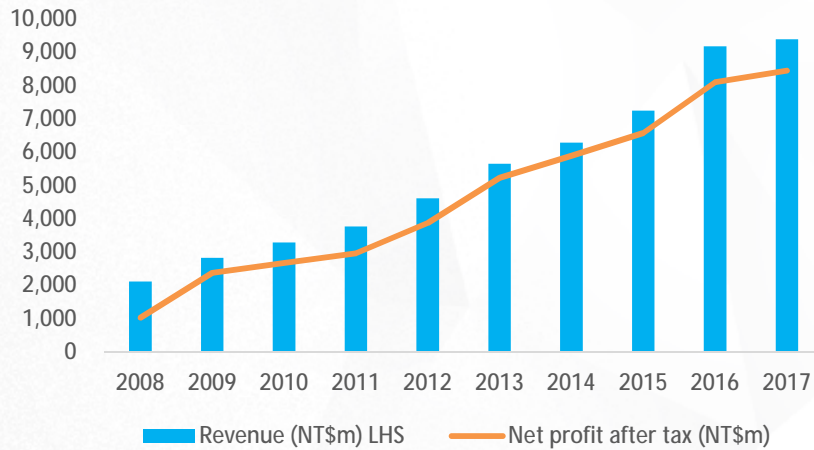
Notes:

1. With IFRS 15, Grape King Shanghai's revenue contribution has grown from 14% in 3Q17 to 17% in 3Q18, now accounting a larger share of consolidated revenue.

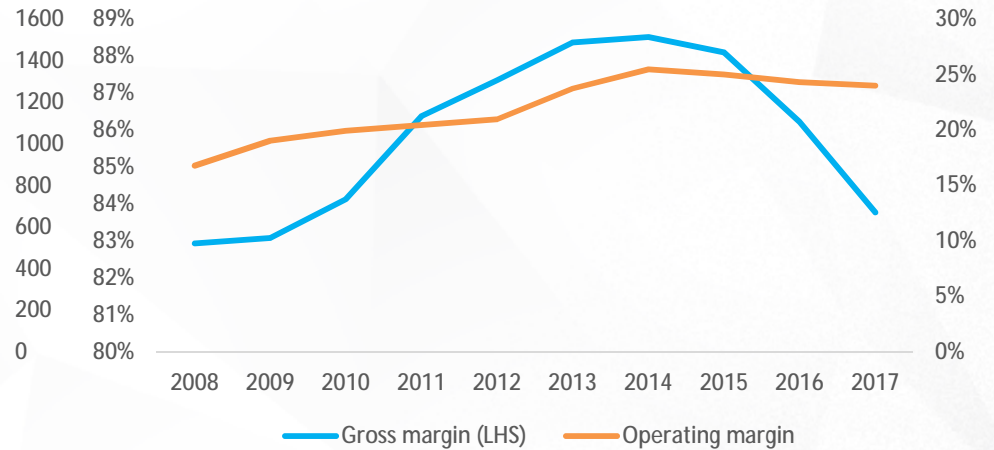


“ Financial Highlights

Historical revenue vs. net profit after tax

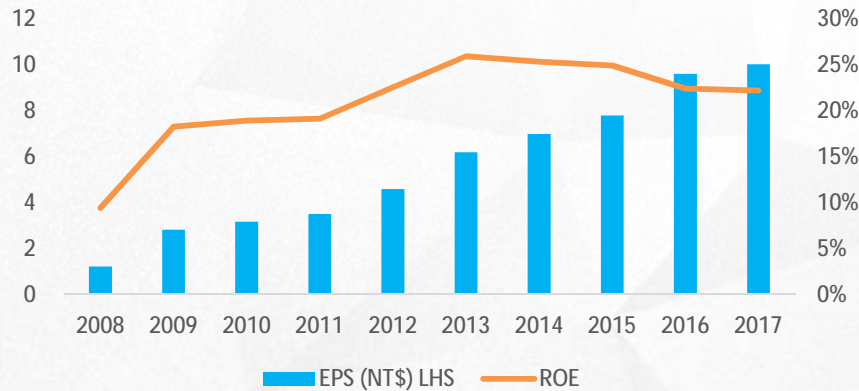


Historical gross margin vs. operating margin

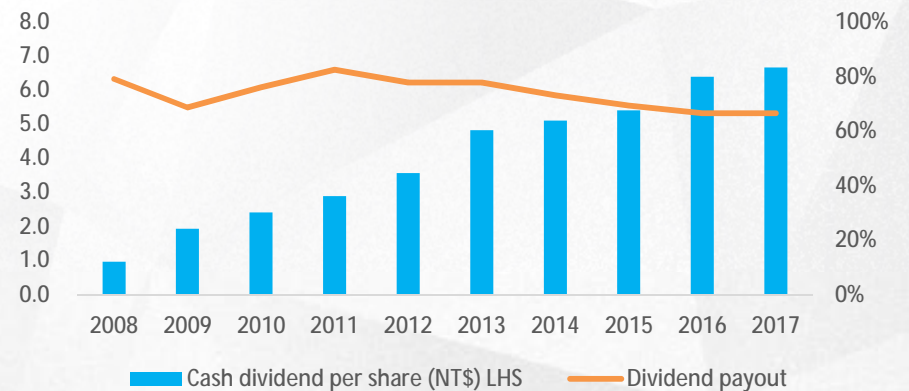


Note: The drop in gross margin is due to higher contribution from Shanghai Grape King with lower gross margin from ODM, but operating margin is around the same.

Historical EPS vs. ROE



Historical cash dividend payout



Notes: The payout ratio declined in the past three years due to capacity expansion in Taiwan and Shanghai.



“ Five-Year Income Statement

37

NT\$m	2013	2014	2015	2016	2017	9M18	YoY (%)					
							2013	2014	2015	2016	2017	9M18
Revenue	5,639	6,283	7,248	9,185	9,388	6,516	22.3	11.4	15.4	26.7	2.2	(1.3)
Gross Profit	4,983	5,561	6,385	7,919	7,865	5,204	23.7	11.6	14.8	24.0	(0.7)	(6.5)
Operating Expenses	(3,653)	(3,961)	(4,573)	(5,685)	(5,610)	(3,597)	19.4	8.4	15.4	24.3	(1.3)	(11.6)
Operating Profit	1,330	1,600	1,812	2,234	2,254	1,607	37.3	20.3	13.3	23.3	0.9	7.4
Non Operating Income/(Loss)	97	89	70	78	151	56	106.7	(8.1)	(21.5)	11.8	92.6	(59.5)
Pretax Income	1,427	1,689	1,883	2,312	2,405	1,663	40.5	18.4	11.4	22.8	4.0	1.7
Tax Expenses	(246)	(303)	(336)	(426)	(471)	(372)	36.8	23.1	10.9	26.8	10.6	11.5
Minority interest	(346)	(444)	(495)	(590)	(583)	(403)	52.0	28.4	11.5	19.2	(1.3)	2.8
Net Income to Parent	836	942	1,052	1,297	1,352	888	37.4	12.8	11.6	23.3	4.3	(2.3)
Basic EPS (NT\$)	6.42	7.24	8.07	9.82	10.03	6.57	37.5	12.8	11.5	21.7	2.1	(2.7)
Key Financial Ratios (%)												
Gross Margin	88.4	88.5	88.1	86.2	83.8	80.0						
Operating Expense Ratio	64.8	63.1	63.1	61.9	59.8	55.2						
Operating Margin	23.6	25.5	25.0	24.3	24.0	24.7						
Effect Tax Rate	17.2	17.9	17.8	18.4	19.6	22.4						
Net Margin	14.8	15.0	14.5	14.1	14.4	13.6						



“ Five-Year Balance Sheet

38

NT\$m	2013	2014	2015	2016	2017	9M18	YoY (%)					
							2013	2014	2015	2016	2017	9M18
Total Assets	4,629	5,369	8,612	9,550	9,892	9,768	19.4	16.0	60.4	10.9	3.6	7.7
Cash	1,069	1,374	1,433	1,899	1,920	1,195	(1.5)	28.6	4.3	32.6	1.1	(3.3)
AR & NR	86	98	97	204	160	147	(38.1)	14.0	(1.9)	111.6	(21.5)	(48.8)
Inventories	235	268	359	435	492	597	11.3	14.1	34.0	21.0	13.1	13.4
Fixed Assets	1,820	2,068	5,597	6,084	6,355	6,268	15.5	13.6	170.6	8.7	4.5	(0.0)
Total Liabilities	1,408	1,652	4,393	3,767	3,564	3,446	21.9	17.3	165.9	(14.3)	(5.4)	2.1
AP & NP	88	128	153	198	323	354	(0.4)	45.9	19.2	29.6	63.2	25.0
Total Borrowing	32	0	2,439	1,206	1,022	1,176	4.1	-	-	(50.6)	(15.2)	(6.7)
Total Equity	3,221	3,717	4,220	5,783	6,328	6,322	18.4	15.4	13.5	37.1	9.4	11.0
Key Financial Ratios (%)												
A/R Turnover Days	7.2	5.3	4.8	5.9	7.0	9.0						
Inventory Turnover Days	122.4	125.6	131.0	113.0	109.5	115.6						
A/P Turnover Days	48.3	53.9	58.6	49.9	61.6	65.6						
Cash Conversion Days	81.3	77.0	77.2	69.0	54.9	58.9						
ROE (%)	32.2	32.3	32.1	31.3	27.0	23.5						
ROA (%)	19.7	18.9	15.0	14.3	13.9	12.6						
Net debt (cash)/Equity %	(32.2)	(37.0)	23.9	(12.0)	(14.2)	(0.3)						

“ Dividend Payout and Capex

(NT\$m)	2012	2013	2014	2015	2016	2017	2018F
Net profit	619	836	942	1,052	1,297	1,352	
Cash dividend	482	651	690	730	862	903	
DPS (NT\$)	3.7	5.0	5.3	5.59	6.4	6.68	
Payout ratio	77.9%	77.9%	73.2%	69.4%	66.5%	66.8%	
Cash yield	3.1%	3.4%	2.4%	2.6%	3.2%	2.9%	
Capex	159	355	187	2,635	736	772	~1,890

Notes:

1. Cash yield is calculated based on Grape King's closing share price before the ex-dividend day of the following year.
2. The big spike in capex in 2015-2017 is largely due to the investment of 1) Pro-Partner's new headquarter building, 2) the new factory and tourist factory in Pingzhen (Grape King Headquarter), 3) the new factory in Longtan (Grape King Bio-Tech Research Institute), and 4) additional production lines for Grape King Shanghai.
3. The estimated capex for 2018 will be used for 1) Grape King Bio-Tech Research Institute, and 2) various upgrade and new production lines projects.



“ 2018-2019 Priorities

Taiwan Domestic Market

- Continue to work on our Brand, Products, and Business refresh through realignment of our organization structure and distribution channels
- Solidify our leadership position in Taiwan health food market
- Continue to identify and innovate quality products that meet consumers' needs
- Finding new channels (e.g. Restaurants, new distributors, Grape King visitors center)

Overseas Market

- Continue to maximize or wallet share in our existing clients in China and explore new OEM/ODM opportunities in Asia
- Looking for Global partners and OEM/ODM clients
- Complete product certifications in major Southeast Asian countries
- Establish retail channels for our own brand products in China

Financial Performance

- Positive revenue growth in 2018 with stable net profit margin
- Sustainable ROE of over 20%
- Maintain cash dividend payout of over 60%





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Thank You

For more information, please visit our
company website at
www.grapeking.com.tw