



葡萄王生技

**Grape King Bio (1707 TT/TW)
Investor Presentation**

Nov 12, 2024

“ Company Milestones



GrapeKing
Longtan Plant
In Zhongli



葡眾企業
PRO-PARTNER

Pro-Partner
was established



Grape King Bio-Tech
Headquarter in Pingzhen
started operation in September



Taipei Grape King
Sales Headquarter
was established.



統一企業
Uni-President (1216 TT)
became a shareholder and
strategic partner through a
private placement.



Pro-Partner's ranked
No.38 among worldwide
direct selling companies

1969 1997 1998 2014 2016 2017 2018 2019 2021 2023 2024

Shanghai Grape King was established



- Dr. Andrew Tseng succeeded his father to become the CEO and Chairman.
- Grape King is selected as Forbes "Asia's 200 Best Under A Billion."
- Pro-Partner's ranked No.2 among Taiwan direct selling companies.



Grape King's first
Tourist Center



- Grape King Bio-Tech **Research Institute** was established.
- Grape King formed a JV with All Cosmos Bio-Tech (4148 TT) to expand into Malaysia market.



- Grape King **Health Bio Park**
- The first phase of Grape King Health Bio Park was inaugurated and began production.





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1Q-3Q24 Results

“ Company Overview : Three core business units

1. Taiwan Grape King (Parent Co)

Taiwan own brand & global OEM & ODM

Focus of all key ingredient design, formulation, and production for the whole Group.

2. Pro-Partner (60%-own)

Taiwan direct selling distribution

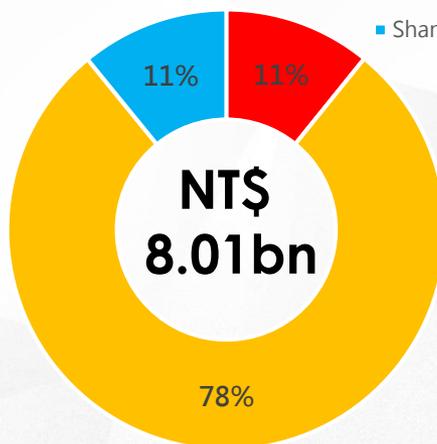
A differentiated distribution channel with products sold through direct-selling by members under the Pro-Partner brand.

3. Shanghai Grape King (100%-own)

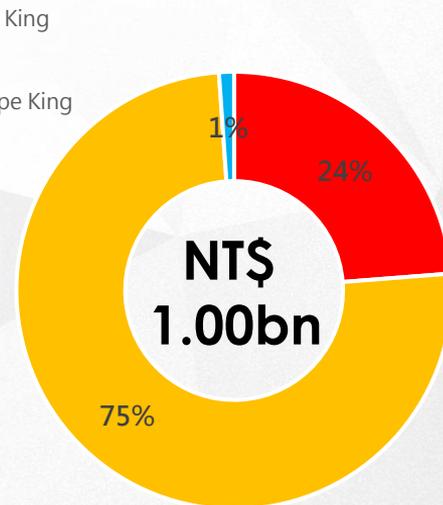
China OEM & ODM

Our manufacturing in China that focuses on OEM and ODM for domestic and global health food companies.

1Q-3Q24 Revenue

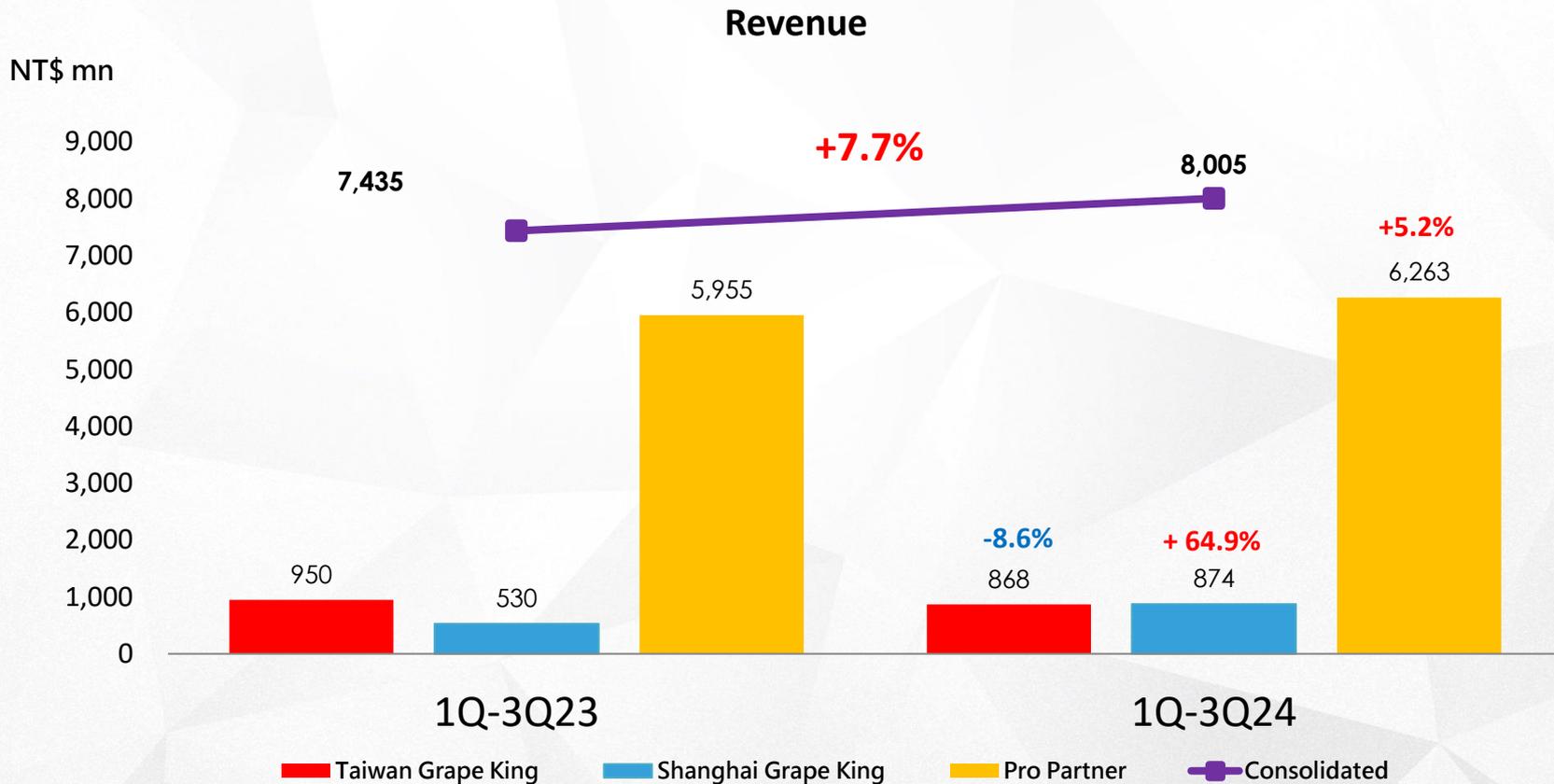


1Q-3Q24 Profit



EPS : NT\$ 6.76

“ 1Q-3Q24 Revenue Up 7.7%



“ 2024 1Q-3Q EPS Surpasses Last Year

Cumulative EPS (NT\$)

	1Q	1Q-2Q	1Q-3Q	1Q-4Q
2021	1.60	3.8	5.84	8.82
2022	1.59	4.19	6.65	9.83
2023	1.89	4.17	6.65	9.81
2024	1.74	3.95	6.76	

“ Income Statement

(NT\$ mn)	2019	2020	2021	2022	2023	1Q-3Q23	1Q-3Q24	YoY(%)
Revenue	9,239	9,168	9,798	10,391	10,635	7,435	8,005	7.7%
Gross Profit	7,566	7,537	7,855	8,481	8,534	5,981	6,185	3.4%
Operating Expenses	(5,231)	(5,232)	(5,543)	(5,929)	(6,037)	-4,307	-4,450	3.3%
Operating Profit	2,335	2,305	2,312	2,552	2,497	1,674	1,735	3.6%
Non Operating Income/(Loss)	105	73	103	136	164	124	118	-4.8%
Pretax Income	2,440	2,378	2,415	2,688	2,661	1,798	1,853	3.1%
Tax Expenses	(502)	(483)	(467)	(518)	(519)	-356	-353	-0.8%
Minority Interest	(630)	(623)	(647)	(713)	(689)	-458	-498	8.7%
Net income to Parent	1,309	1,272	1,300	1,457	1,453	984	1,002	1.8%
Basic EPS (NT\$)	9.63	9.34	8.81	9.84	9.81	6.65	6.76	1.7%
1H EPS as % of FY EPS	44%	43%	43%	43%	43%			
Key Financial Ratios (%)								
Gross Margin	81.9	82.2	80.2	81.6	80.2	80.4	77.3	
Operating Expense Ratio	56.6	57.1	56.6	57.1	56.8	57.9	55.6	
Operating Margin	25.3	25.1	23.6	24.6	23.5	22.5	21.7	
Effective Tax Rate	20.6	20.3	19.3	19.3	19.5	19.8	19.1	
Net Margin	14.2	13.9	19.9	20.9	20.1	19.4	18.7	

“ Dividend Payout and Capex

(NT\$ mn)	2019	2020	2021	2022	2023	2024
Net Profit	1,309	1,272	1,300	1,457	1,453	To Be Announced
Cash Dividend	884	948	904	1,022	1,022	
Cash DPS (NT\$)	6.5	6.4	6.1	6.9	6.9	
Payout Ratio	67.4%	68.5%	69.2%	70.1%	70.3%	
EPS (NT\$)	9.63	9.34	8.81	9.84 ^(*1)	9.81	
Capex	630	1,214	1,481	1,005 ^(*2)	1,078 ^(*3)	504 ^(*4)

Notes(*):

1. Grape King decided to apply for rights issue of 11,851,000 shares through a private placement for Uni-President (1216 TT) to become a shareholder and strategic partner on January 14th, 2021.
2. Capex of 2021 and 2022 include: factory and equipment for the first phase of Yongfeng Plant in Pingzhen.
3. Capex of 2023 include: factory and equipment for Longtan Plant Phase II, new soft capsule production line, new jelly gel production line, and PIC/S line expansion.
4. The phase I of Yongfeng Plant in Pingzhen and the phase II Longtan Plant are on-going projects from 2023, relevant Capex highlighted in 2022 and 2023.

“ Balance Sheet

(NT\$ mn)	2019	2020	2021	2022	2023	1Q-3Q24
Total Assets	11,359	13,104	14,061	15,053	15,512	14,406
Cash	2,146	2,927	3,635	4,673	4,819	3,294
AR & NR	202	202	301	270	291	285
Inventories	546	689	719	688	688	810
Fixed Assets	6,454	7,308	7,208	7,360	7,539	7,745
Total Liabilities	3,888	5,126	3,632	3,912	3,882	2,875
AP & NP	223	255	269	294	290	379
Total Borrowings	1,177	1,921	94	0	0	0
Total Equity	7,471	7,978	10,429	11,141	11,630	11,531
Key Financial Ratios (%)						
A/R turnover days	7.3	7.9	9.5	10.1	9.7	9.8
Inv turnover days	119.3	136.4	135.2	139.8	124.6	112.7
A/P turnover days	52.2	52.7	49.3	53.8	50.7	50.7
Cash conversion cycle	74.4	91.6	95.4	96.1	83.6	71.8
ROE (%)	26.9	24.5	21.2	20.1	18.8	19.0
ROA (%)	17.6	15.5	14.3	14.9	14.0	15.0
Net Debt to Equity (%)	(13.0)	(12.6)	(34.0)	(41.9)	(41.4)	(28.6)

*Key Financial Ratios for 1Q-3Q24 Expressed on an Annualized Basis

“ 3Q24 Income Statement

(NT\$ mn)	3Q23	3Q24	YoY(%)
Revenue	2,551	2,899	13.7%
Gross Profit	2,009	2,265	12.6%
Operating Expenses	(1,375)	(1,518)	10.4%
Operating Profit	634	747	17.8%
Non Operating Income/(Loss)	47	30	-36.8%
Pretax Income	681	777	14.0%
Tax Expenses	(134)	(153)	13.6%
Minority Interest	(180)	(208)	15.4%
Net income to Parent	367	416	13.5%
Basic EPS (NT\$)	2.48	2.81	13.3%
Key Financial Ratios (%)			
Gross Margin	78.8	78.1	
Operating Expense Ratio	53.9	52.4	
Operating Margin	24.9	25.8	
Effective Tax Rate	19.7	19.7	
Net Margin	21.4	21.5	

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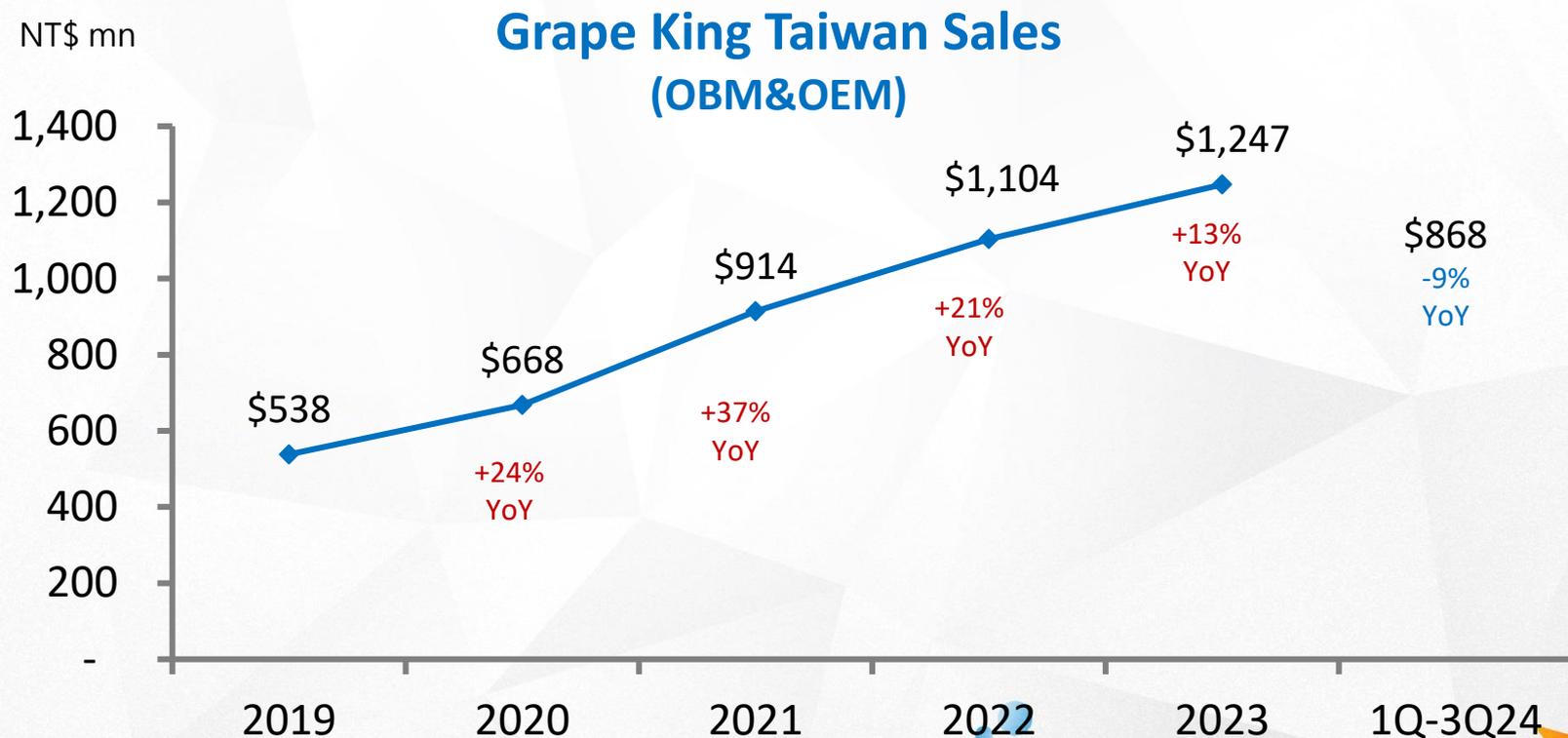
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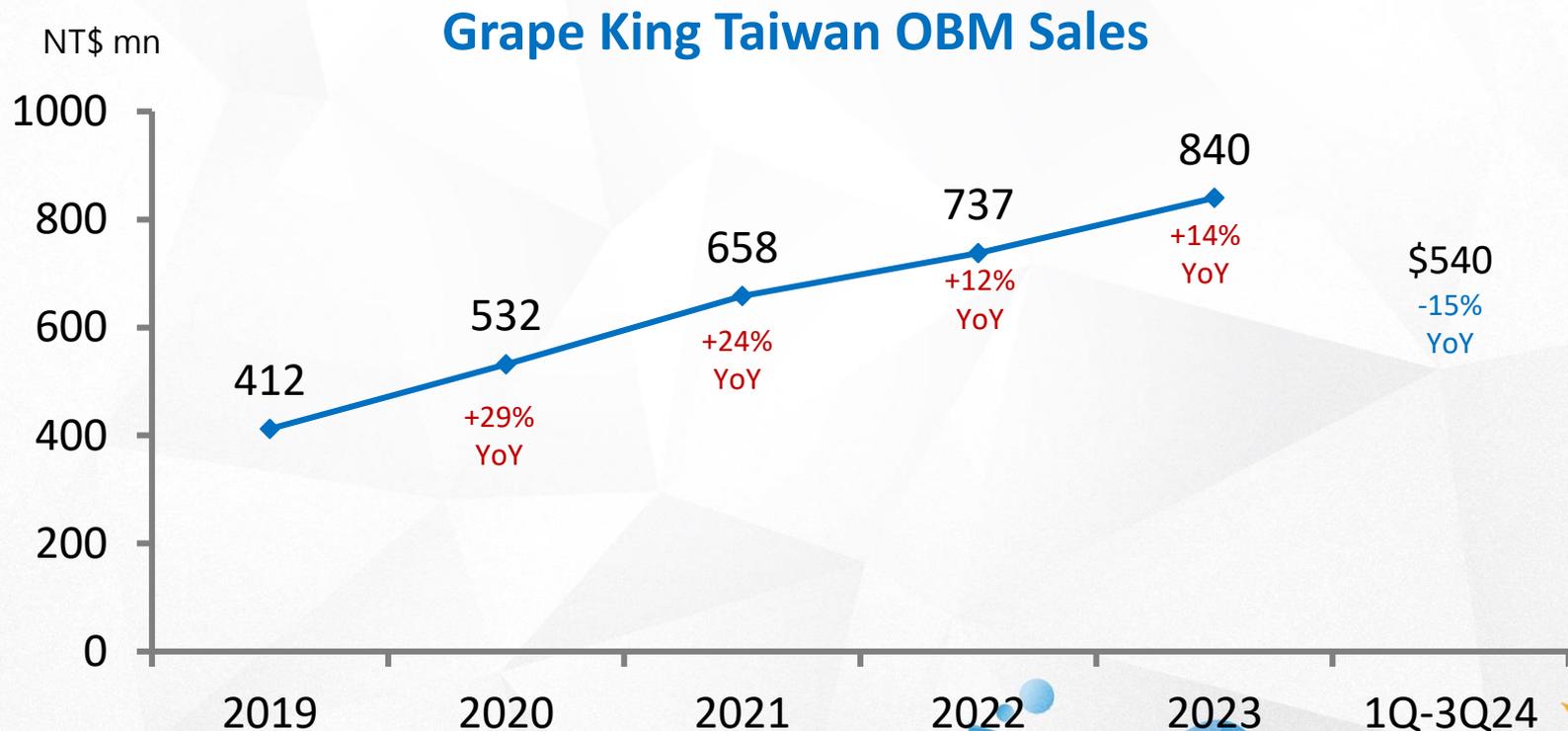
1. Taiwan Grape King



“ Grape King Taiwan - Business Overview

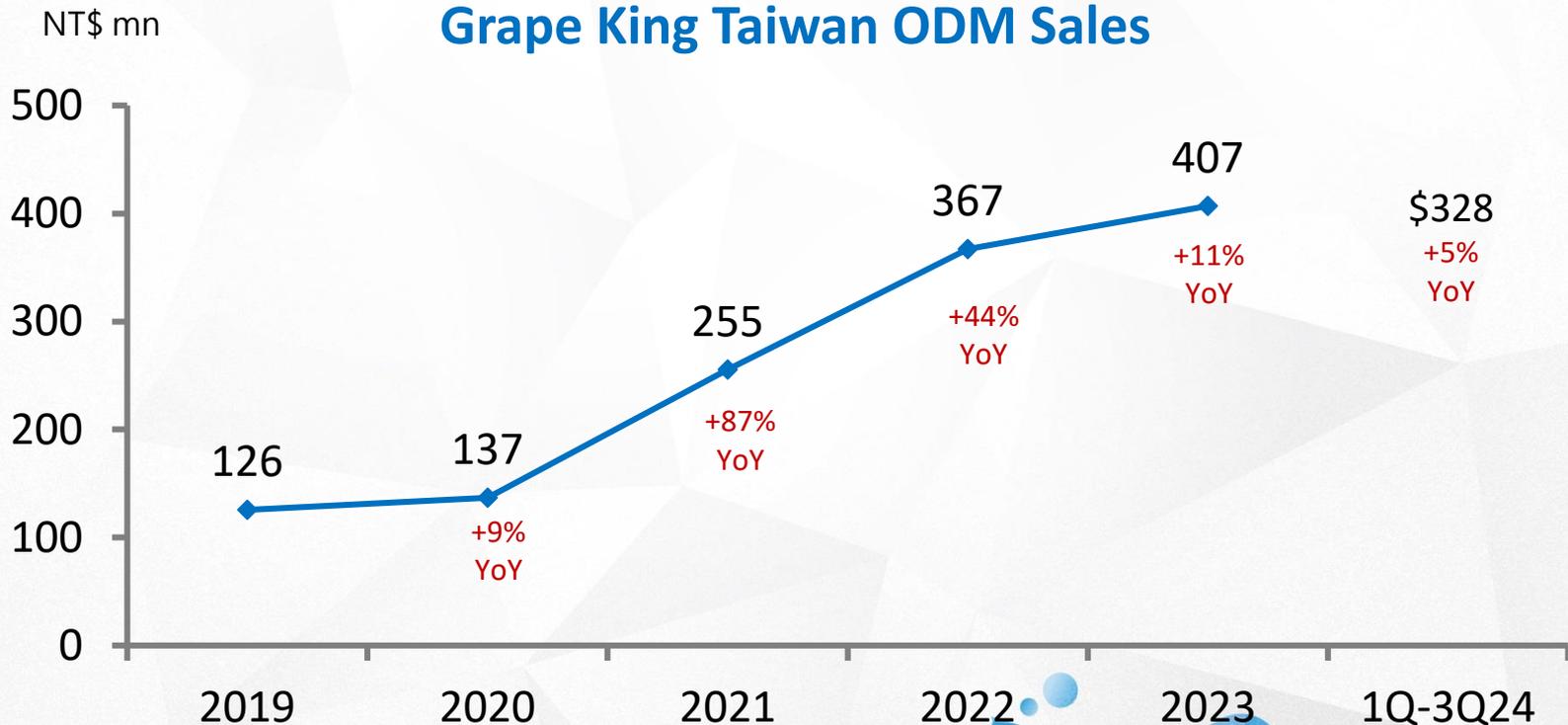


“ Grape King Taiwan - OBM Business Overview



“ Grape King Taiwan - OEM Business Overview

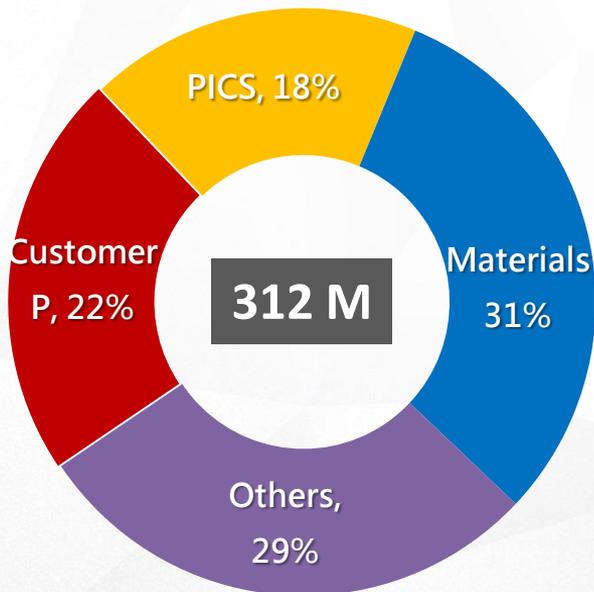
Grape King Taiwan ODM Sales



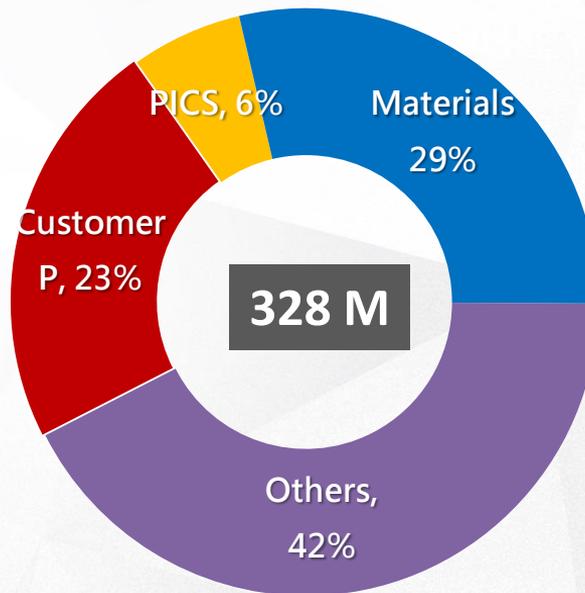
“ Grape King Taiwan -1Q-3Q24 OEM Performance

1Q-3Q24 ↑ 5%

1Q-3Q23



1Q-3Q24



***PIC/S halted production in the first half of 2024 due to material shortages, but normal shipments have resumed as of July.**

“ Botanical Drug Has Entered the 2nd Phase of Testing by the USFDA

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- Antrodia is a traditional Chinese mushroom unique to Taiwan, often referred to as the "Forest Ruby." It is renowned for its liver-protective properties and cancer-fighting benefits.
- Grape King Bio has dedicated over 20 years to researching Antrodia, completing numerous efficacy studies and securing patents, which positions us as the leading brand in Taiwan.
- We have developed a new botanical medicine, GKAC, targeting non-alcoholic fatty liver disease (NAFLD). Currently, it is in Phase II clinical trials with the US FDA.
- According to a forecast by Report Ocean, the global NAFLD drug market is projected to reach \$21.5 billion by 2025, growing at a compound annual growth rate (CAGR) of 58.4%.
- Grape King Bio's Antrodia extract is shown to improve liver function and prevent cirrhosis and liver cancer in patients with NAFLD. Our goal is to be the first company to introduce a plant-based NAFLD drug following US FDA approval.
- **Current progress:**
 - (1) Undergoing GLP animal testing (rats & beagles).
 - (2) Next step: Human clinical trials.





2. Pro-Partner



“ Pro-Partner Overview - 4 Key Numbers

1

**Taiwan's 1st
Local Direct Sales Company**

(Based on Revenue Rankings)

3

**Taiwan's 3rd Largest
Direct Sales Company**

(2023 Market Share: 9.36%)

38

**Ranked 38th in the
World Direct Sales Rankings for 2024**

*(Source: 2024 DSN Global 100-
Based on Revenue Rankings for 2023)*

47

**47 products, including health
supplements, skincare solutions
& oral care essentials.**

“ Pro-Partner Revenue



(NT\$m)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan- Sep
2023	520.4	471.4	794.1	636.7	762.0	773.9	637.3	802.3	557.3	640.2	978.6	996.8	5,955.3
2024	573.2	449.7	759.3	726.0	762.3	708.9	627.4	631.4	1,024.9	-	-	-	6,263.1

“ Deepening Our Roots in Taiwan, Expanding Globally

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- Pro-Partner is gearing up to expand into international markets, starting with Malaysia, which has a robust direct sales industry.
- We are currently planning 20 products, of which 5 have already been submitted for MAL certification.
- We expect to launch global market sales in 2025.



葡 衆 企 業
PRO-PARTNER



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3. Shanghai Grape King



Shanghai Grape King

Plant Size

Covers area of

170
hectares

GMP plant of

12,500
sqm

10K-level
manufacturing site

(Liquid filling
10K-level)

GMP
qualified
manufacturing plant

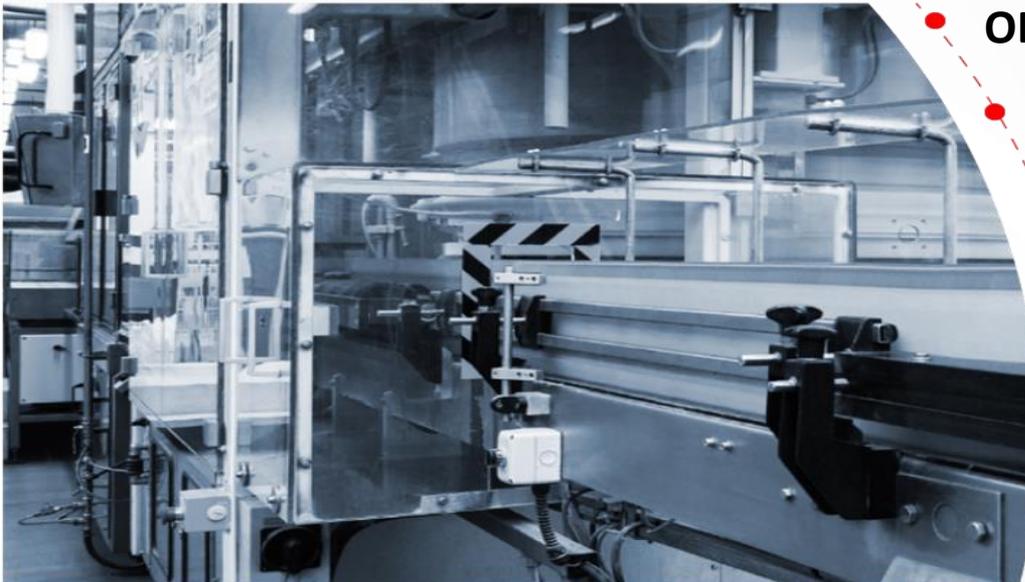
(Compliant with health
food product and food
safety standards)



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Integrated OEM Services Platform

One-stop service



• ODM/OEM

• R&D

• Formulation design

• Package design

• Production

• Logistics *

Regulatory Support

Training Solutions

Declaration Support

* **Note: Drop Shipping**

1. Commencing in June 2024
2. Offering services to enhance OEM opportunities
3. Maximizing the utilization of available warehouse space

“Customers of Shanghai Grape King



“ Own Brands of Shanghai Grape King

康贝特

人参维生素饮品

运动营养食品—耐力类

CANBET

0 添加防腐劑*

0 添加人工色素*



新!

小棕瓶
运动营养饮品界的
牛磺酸+维生素B族

喝了再上!

牛磺酸·维生素B₁·维生素B₂·速溶红茶·长白山人参粉

运动随时GO ↗

ComeBest Ginseng Vitamin Drinks!

- 1) **Distribution Points:** Gas stations, Chess rooms, Logistics centers, Harbors, 7-Eleven, Vending machines*, etc.
- 2) **Revenue Generation:** Launched in 7-Eleven in 2Q24.
- 3) **Strategy:** Focus on selling fast-moving products through our own distribution channels.

* *Vending Machine Business:*

- *Launching in September.*
- *Increase brand visibility.*
- *Enter the unmanned retail market in China.*





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Plans and Strategies

“ Outlooks

- **Integration of Chinese Distribution Resources:** Grape King will expand its OBM products into mainland China via cross-border e-commerce. The Tmall International flagship store is set to launch on July 1st, followed by the JD International flagship store at the end of July.
- **Establishment of a Subsidiary in Malaysia:** This has been successfully completed.
- **ODM Capacity and Shipping:** Production and shipping for PIC/S-approved ODM products commenced in July.
- **High Season for Pro-Partner:** The peak season for Pro-Partner runs from September to December. During this period, we will host various events, including the Dream Come True Challenge and numerous speaking engagements.
- **Semi-Annual Dividend Distribution:** Grape King plans to distribute the first half of 2024 dividends between January and February 2025, followed by the second half of 2024 dividends in July 2025.



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Thank you!

For more information, please refer to our website. :

www.grapeking.com.tw