

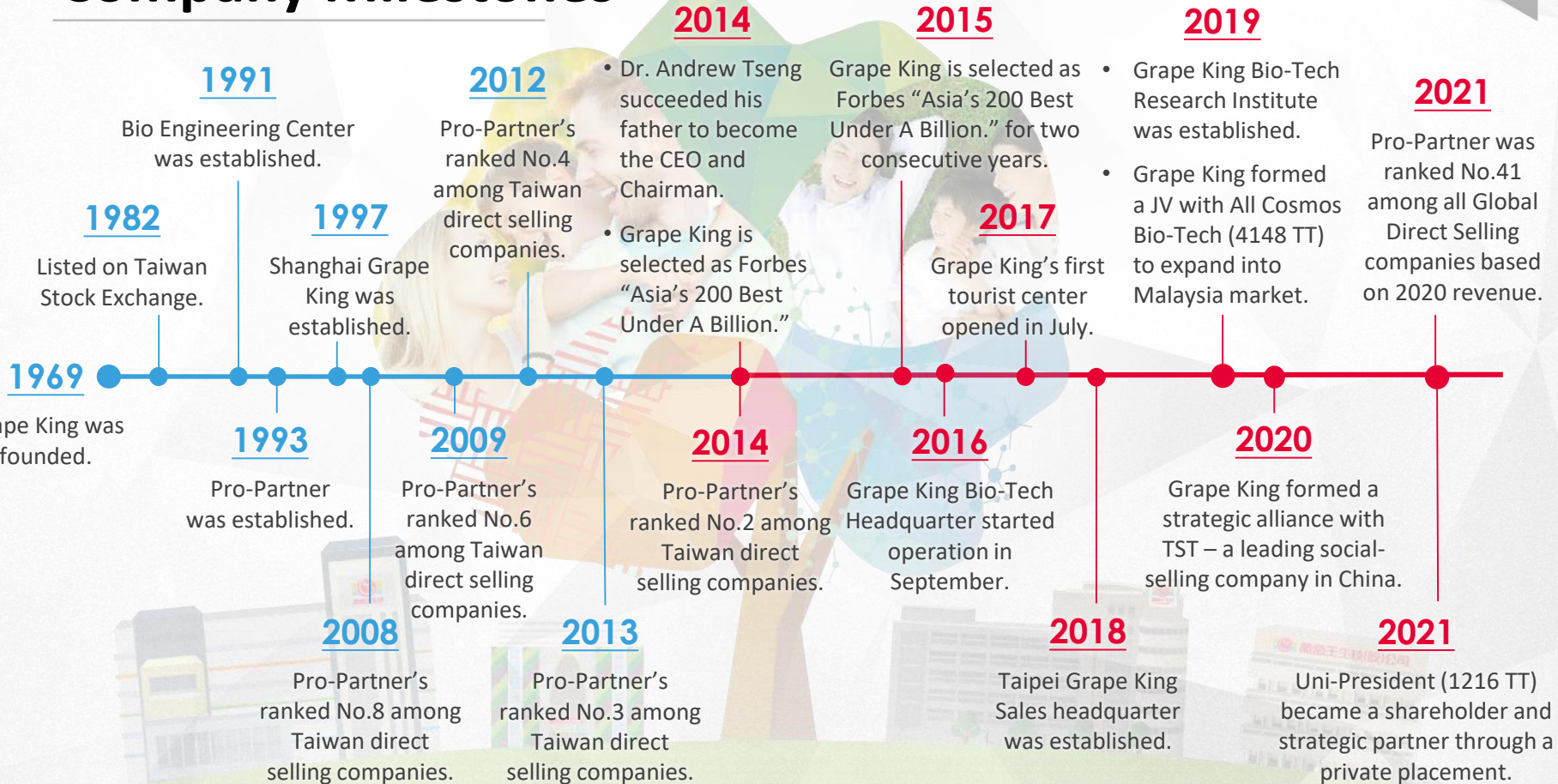


葡萄王生技

Grape King Bio (1707 TT) Investor Presentation

June 2023

“ Company Milestones





葡萄王生技

Operation Performance

“ Company Overview: Three core business units

1. Grape King Taiwan (Parent Co)

Taiwan own brand & global OEM & ODM

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

2. Pro-Partner (60%-own)

Taiwan direct selling distribution

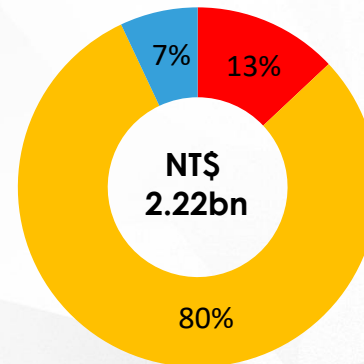
A differentiated distribution channel with products sold through direct-selling by members under the Pro-Partner brand.

3. Grape King Shanghai (100%-own)

China OEM & ODM

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

2023.Q1 Revenue

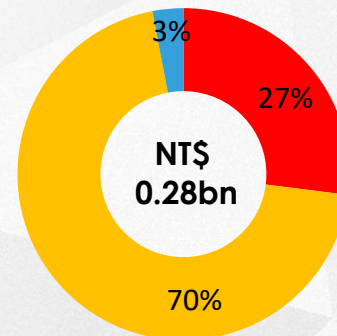


■ Taiwan Grape King

■ Pro-Partner

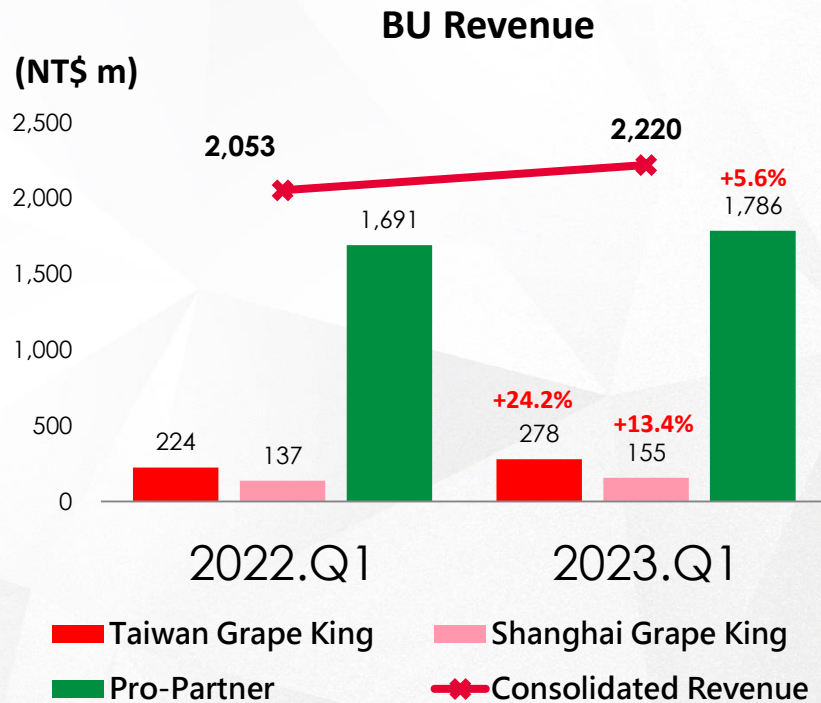
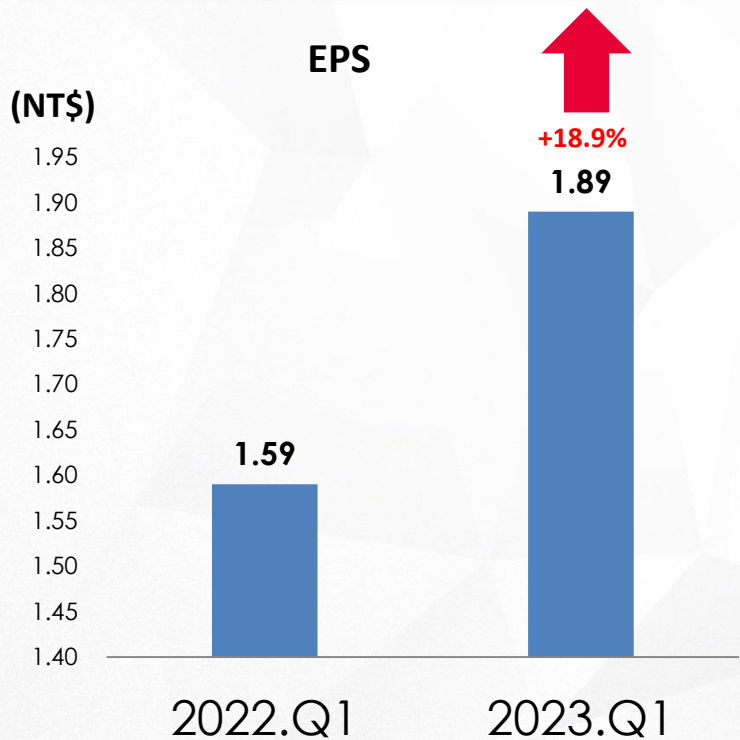
■ Shanghai Grape King

2023.Q1 Net Profit



EPS: NT\$1.89

Financial Overview (2023.Q1)



2023.Q1 **8.1% YoY**

“ Dividend Payout and Capex

(NT\$ m)	2016	2017	2018	2019	2020	2021	2022
Net Profit	1,297	1,352	1,295	1,309	1,272	1,300	1,457
Cash Dividend	862	903	883	884	948	904	1,022
Cash DPS (NT\$)	6.4	6.7	6.5	6.5	6.4	6.1	6.9
Payout Ratio	65.2%	66.6%	67.9%	67.4%	68.5%	69.2%	70.1%
EPS (NT\$)	9.82	10.03	9.57	9.63	9.34	8.81 ⁽³⁾	9.84
Capex	736	772	1,116	630	1,214	1,481	1,005

Notes:

1. 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.
2. The capex for 2021 is mainly used for building of the new Pingzhen plant for new production facilities.
3. 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 14, 2021.

“ Five-Year Income Statement

7

(NT\$ m)	2017	2018	2019	2020	2021	2022	YoY (%)					
							2017	2018	2019	2020	2021	2022
Revenue	9,388	9,183	9,239	9,168	9,798	10,391	2.2	(2.2)	0.6	(0.8)	6.9	6.1
Gross Profit	7,865	7,329	7,566	7,537	7,855	8,481	(0.7)	(6.8)	3.2	(0.4)	4.2	8.0
Operating Expenses	(5,610)	(4,979)	(5,231)	(5,232)	(5,543)	(5,929)	(1.3)	(11.2)	5.0	0.0	5.9	7.0
Operating Profit	2,254	2,350	2,335	2,305	2,312	2,552	0.9	4.2	(0.6)	(1.3)	0.3	10.4
Non Operating Income/(Loss)	151	77	105	73	103	136	92.6	(49.2)	36.8	(30.2)	41.1	31.8
Pretax Income	2,405	2,427	2,440	2,378	2,415	2,688	4.0	0.9	0.6	(2.5)	1.6	11.3
Tax Expenses	(471)	(537)	(502)	(483)	(467)	(518)	10.6	14.0	(6.5)	(3.7)	(3.3)	11.0
Minority Interest	(583)	(595)	(630)	(623)	(647)	(713)	(1.3)	2.1	5.9	(1.1)	3.9	10.0
Net income to Parent	1,352	1,295	1,309	1,272	1,300	1,457	4.3	(4.2)	1.1	(2.8)	2.2	12.0
Basic EPS (NT\$)	10.03	9.57	9.63	9.34	8.81	9.84	2.1	(4.6)	0.6	(3.0)	(5.7)	11.7
Key Financial Ratios (%)												
Gross Margin	83.8	79.8	81.9	82.2	80.2	81.6						
Operating Expense Ratio	59.8	54.2	56.6	57.1	56.6	57.1						
Operating Margin	24.0	25.6	25.3	25.1	23.6	24.6						
Effective Tax Rate	19.6	22.1	20.6	20.3	19.3	19.3						
Net Margin	14.4	14.1	14.2	13.9	19.9	20.9						

“ Five-Year Balance Sheet

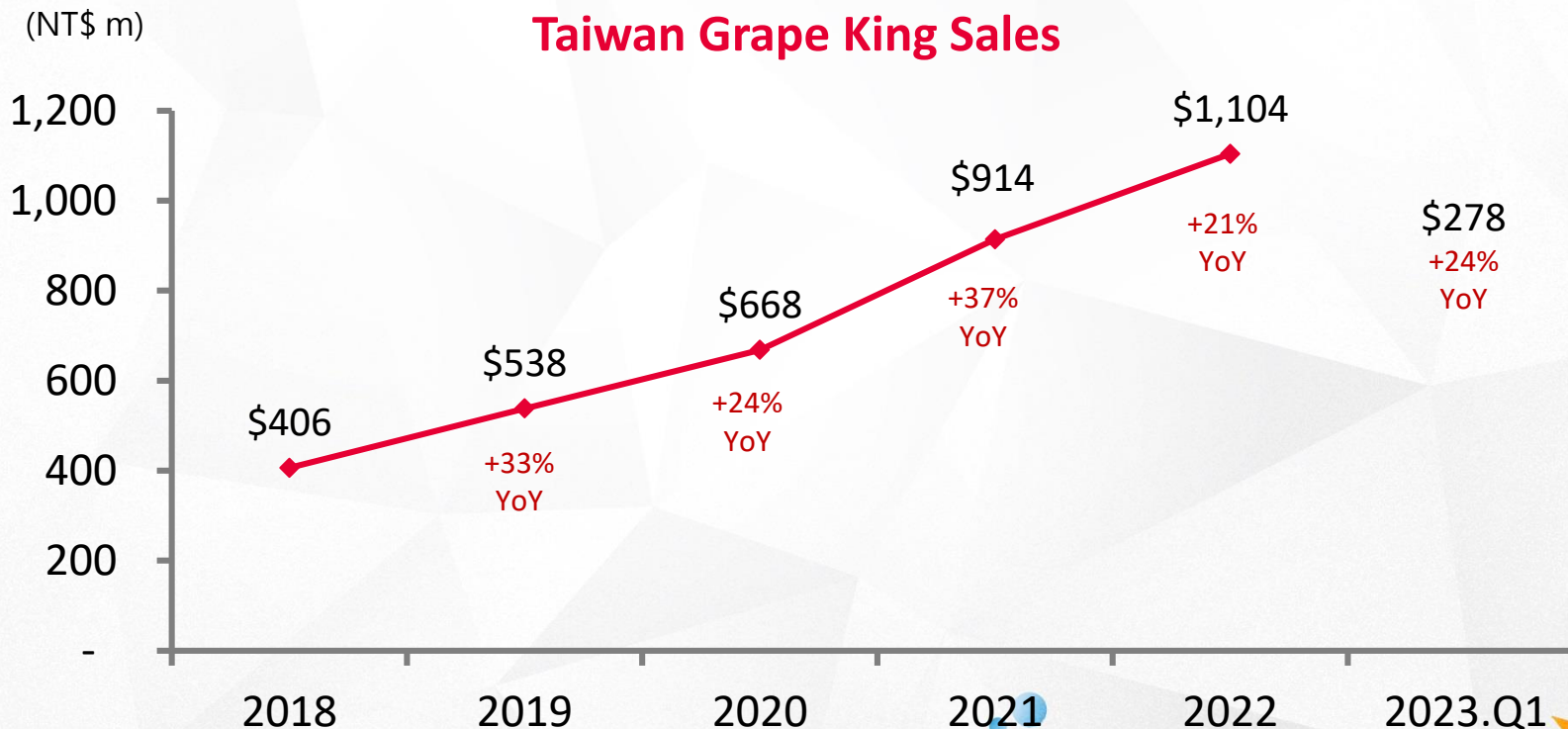
(NT\$ m)	2017	2018	2019	2020	2021	2022	YoY (%)					
							2017	2018	2019	2020	2021	2022
Total Assets	9,892	10,648	11,359	13,104	14,061	15,053	3.6	7.6	6.7	15.4	7.3	7.1
Cash	1,920	2,050	2,146	2,927	3,635	4,673	1.1	6.8	4.7	36.4	24.2	28.6
AR & NR	160	171	202	202	301	270	(21.5)	6.8	18.0	(0.2)	49.0	(10.3)
Inventories	492	563	546	689	719	688	13.1	14.4	(2.9)	26.2	4.4	(4.3)
Fixed Assets	6,355	5,927	6,454	7,308	7,208	7,360	4.5	(6.7)	8.9	13.2	(1.4)	2.1
Total Liabilities	3,564	3,715	3,888	5,126	3,632	3,912	(5.4)	4.2	4.7	31.8	(29.2)	7.7
AP & NP	323	262	223	255	269	294	63.2	(18.9)	(15.1)	14.7	5.5	9.3
Total Borrowings	1,022	1,119	1,177	1,921	94	0	(15.2)	9.5	5.2	63.3	(95.1)	(100.0)
Total Equity	6,328	6,933	7,471	7,978	10,429	11,141	9.4	9.6	7.8	6.8	30.7	6.8
Total Financial Ratios (%)												
A/R Turnover Days	7.0	6.5	7.3	7.9	9.5	10.1						
Inventory Turnover Days	109.5	102.4	119.3	136.4	135.2	139.8						
A/P Turnover Days	61.6	56.8	52.2	52.7	49.3	53.8						
Cash Conversion	54.9	52.1	74.4	91.6	95.4	96.1						
ROE (%)	27.0	23.7	22.0	19.9	21.2	20.1						
ROA (%)	13.9	12.6	11.9	10.4	14.4	14.9						
Net debt (cash)/Equity %	(14.2)	(13.4)	(13.0)	(12.6)	(34.0)	(41.9)						



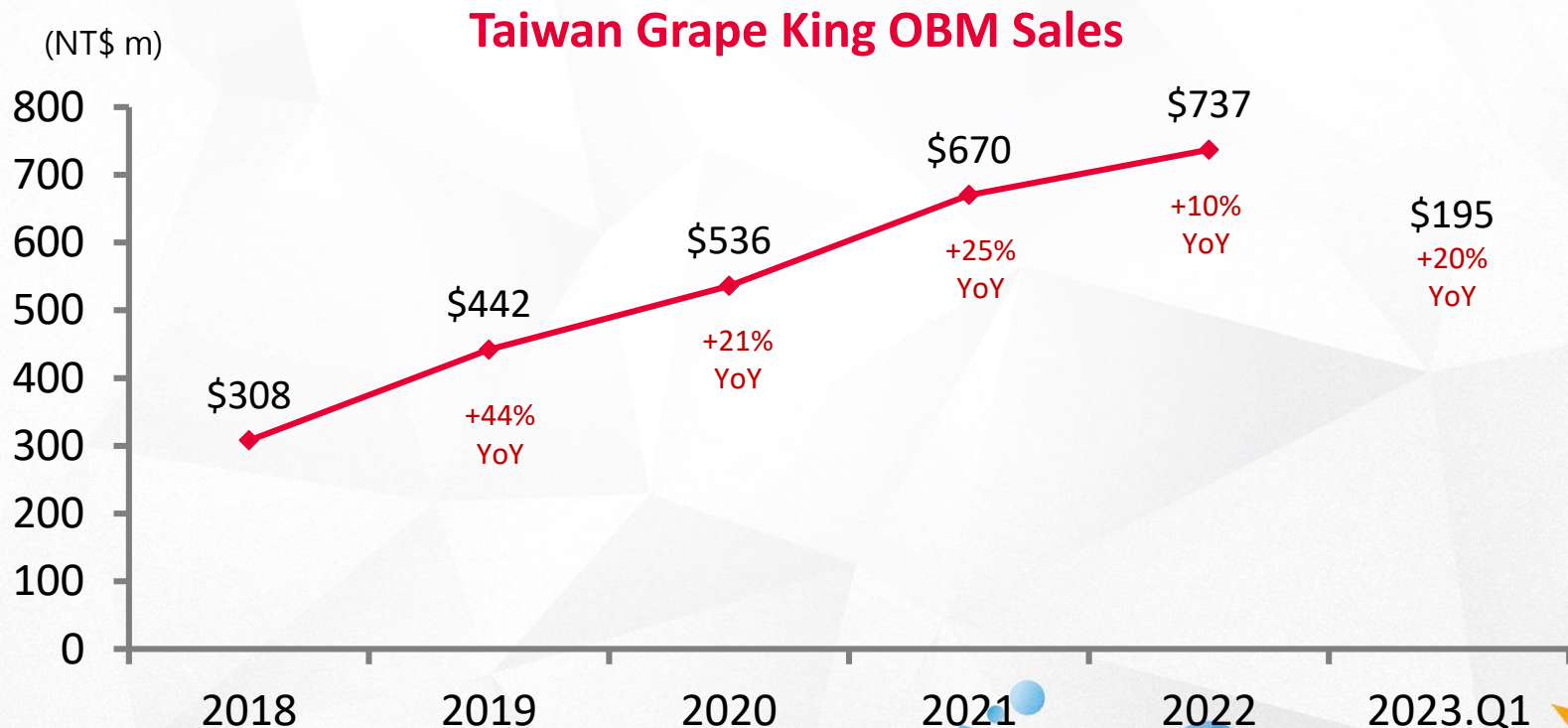
1. Taiwan Grape King



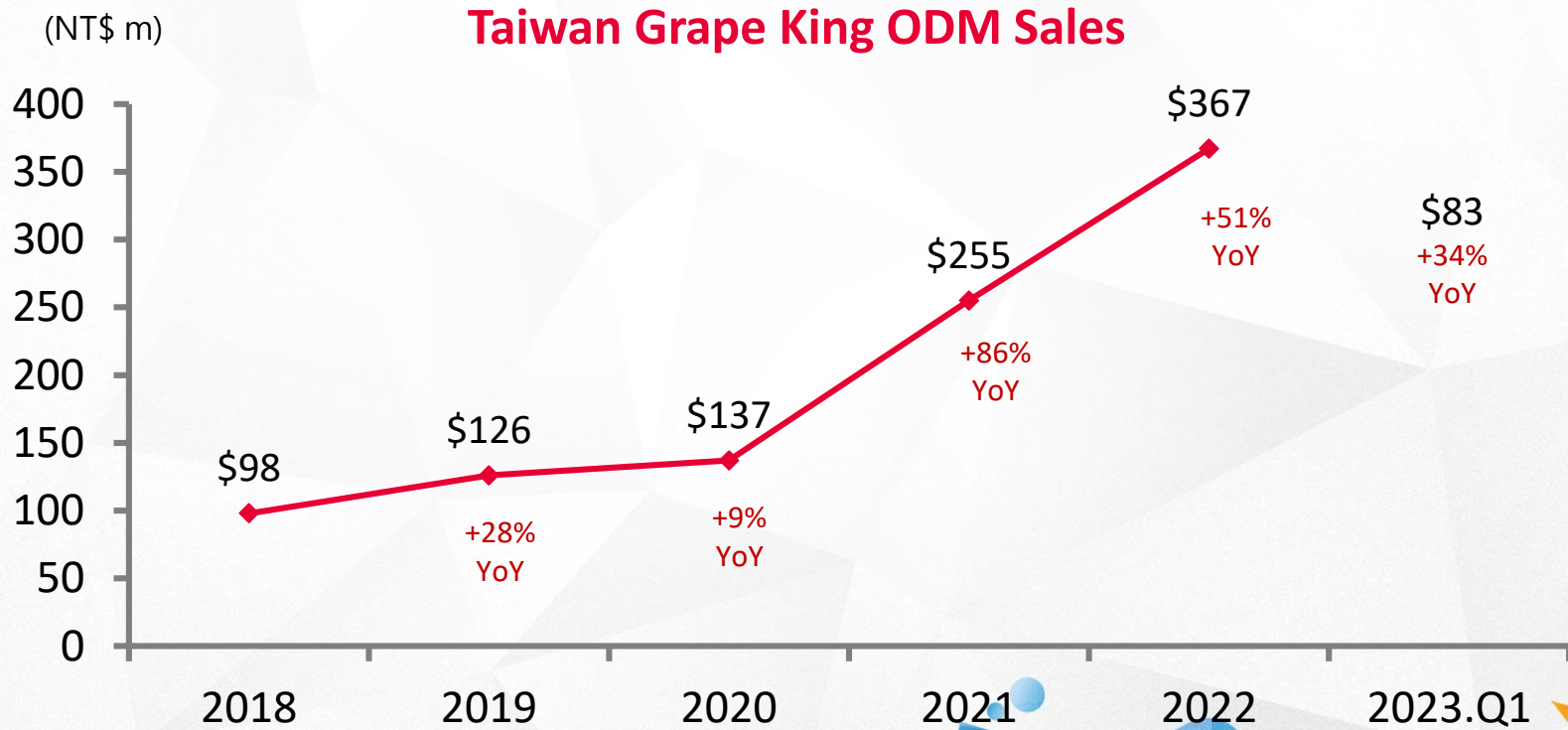
“ Taiwan Grape King – Five-Year Overview



“ Taiwan Grape King – Five-Year OBM Overview



“ Taiwan Grape King – Five-Year ODM Overview

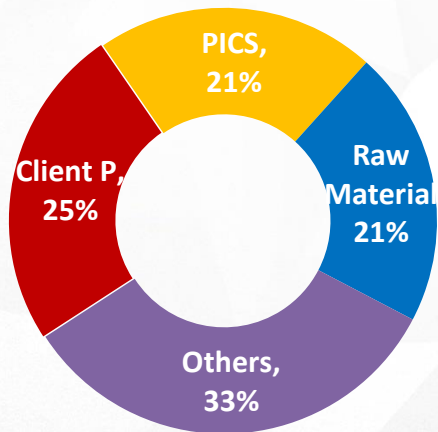


“ Taiwan Grape King – 2023.Q1 ODM Sales Comparison

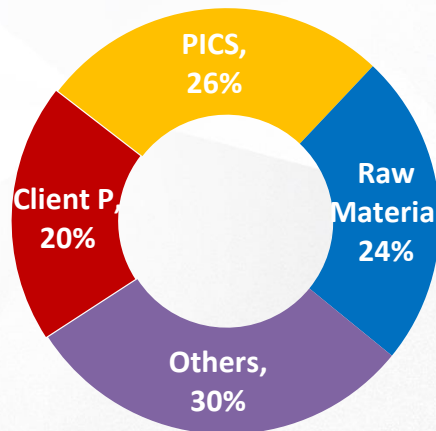
2023.Q1 ↑ 34%

2022.Q1

2023.Q1



62 M



83 M



“Grape King’s Botanical Drug “GKAC” Has Applied to the US Food and Drug Administration (USFDA) for a Phase II Clinical Trial Review



- Ganoderma lucidum is a unique fungus in Taiwan, known as the "Forest Ruby," and it has significant effects in liver protection and cancer prevention and treatment.
- Grape King has been involved in Ganoderma lucidum research for over 20 years, conducting numerous studies on its efficacy and obtaining several patents. It is the leading brand in Taiwan.
- Grape King’s botanical drug “GKAC”, which has been independently developed by our Grape King Biotech Research Institute, has applied to the US Food and Drug Administration (USFDA) for a Phase II clinical trial review (IND) for nonalcoholic steatohepatitis in humans.
- According to Report Ocean's forecast, the global market size of non-alcoholic fatty liver disease drugs is expected to reach 21.478 billion US dollars by 2025, with a compound annual growth rate (CAGR) of 58.4% from 2021 to 2025.
- “GKAC” (based on Antrodia camphorata mycelium) is a 100% exclusive material of Grape King Biotechnology. Key components were found in clinical pre-experiments, which can significantly improve liver function in patients with non-alcoholic fatty liver disease (NAFLD).
- If our botanical drug is passed by USFDA, it will be the first drug of its kind to treat non-alcoholic fatty liver disease (NAFLD).





2. Pro-Partner



“ Pro-Partner – Business Overview

4 Key Numbers of Pro-Partner

1

- Taiwan's No.1 local direct selling company (ranked by revenue).
- One of the fastest growing direct selling companies in Taiwan (2008-2020 revenue CAGR: 15%).

3

- Ranked No.3 among Taiwan direct selling companies (2021 Market Share: 8.9%)

43

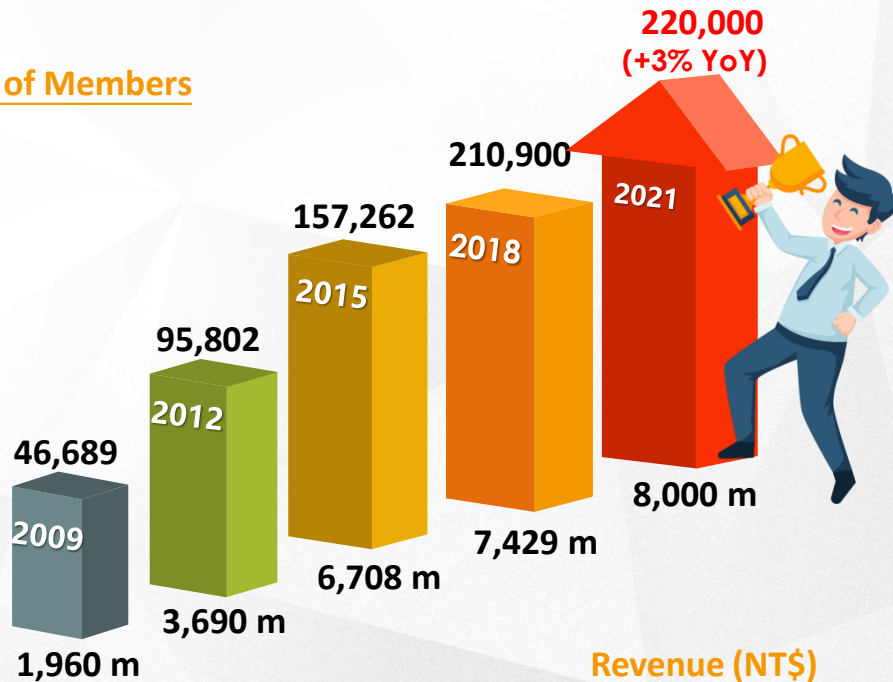
- 43 health and beauty products.

37

- Ranked No.37 among all Global Direct Selling companies based on 2022 revenue.
(Source: 2022 DSN Global 100 – ranked by 2021 revenue)

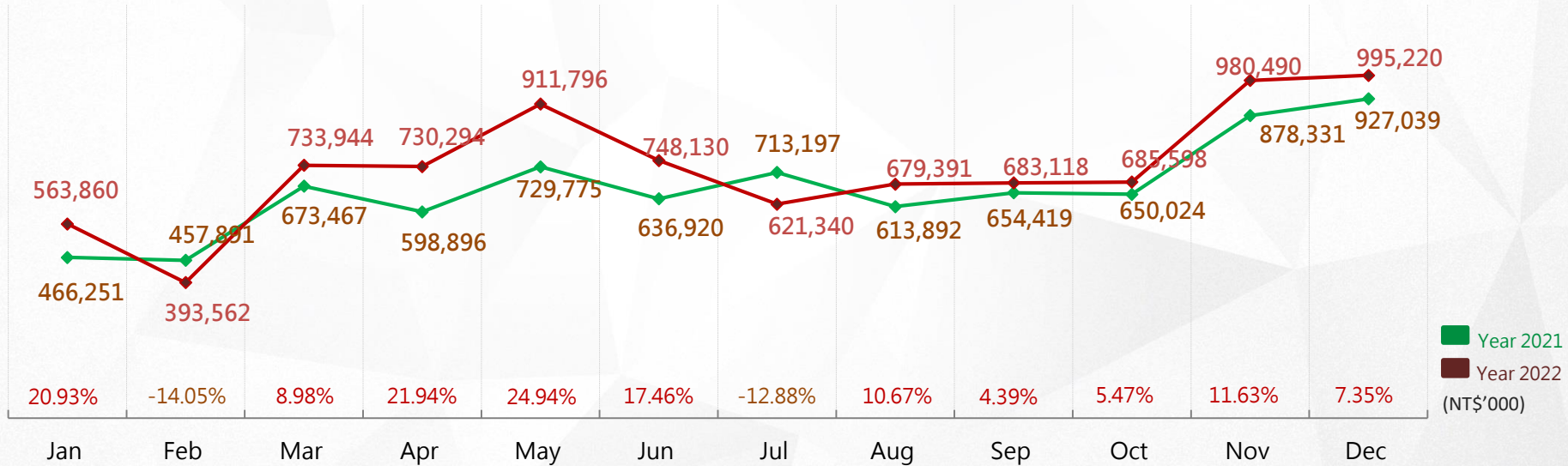
Both Revenue and Members Keep Growing Up

of Members



“ Pro-Partner – 2022 Revenue Performance

2022 YOY ↑ 9.08%



Year	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
2021	466,251	457,891	673,467	598,896	729,775	636,920	713,197	613,892	654,419	650,024	878,331	927,039	8,000,102
2022	563,860	393,562	733,944	730,294	911,796	748,130	621,340	679,391	683,118	685,598	980,490	995,220	8,726,743

“ Deeply Cultivating Taiwan and Going International

Pro-Partner

- Pro-Partner is ready to open up overseas markets. Considering the vigorous developments of the direct selling industry in Malaysia, where will be chosen as the first preparation location to expand into.
- There are 5 products have been submitted for MAL certification at present.
- Expecting to start global market sales by the end of 2023.



葡眾企業
PRO-PARTNER





3. Shanghai Grape King



Shanghai Grape King

Plant Size

Covers area of

170 hectares

GMP plant of

12,500 sqm

100K-level
manufacturing site

(Liquid filling 10K-level)

GMP qualified
manufacturing plant

(Conform to the hygiene standards of productions for the health care products and food.)

科技
Technology

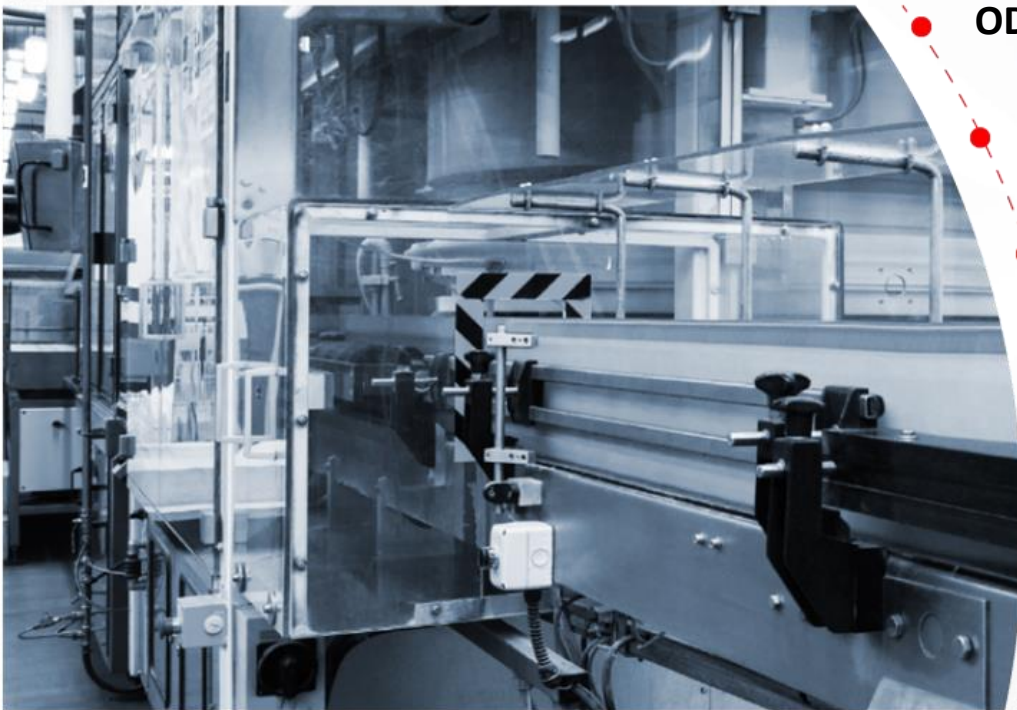
健康
Health

希望
Hope

“

One-stop OEM Service Platform

One-stop service



ODM/OEM

R&D

Formulation design

Package design

Production

Logistics

Regulation assistance

Training assistance

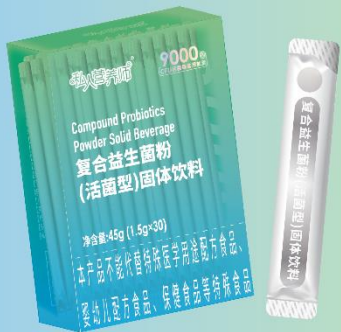
Declaration assistance



“Customers of Shanghai Grape King



“ Own Brands of Shanghai Grape King





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Plan and Strategy

“ Taiwan Grape King – Growth Strategies



Sustainable
growth on
top-line and
bottom-line

01

Extending Virtual Channels on Own Brand Business

- **Telemarketing Team**
- Membership Management

- ✓ Continue to extend Telemarketing team with improvements on revenue and profit efficiency.
- ✓ Keep increasing the number of members and deepening the loyalty and repurchase rate.

02

Expanding ODM Business

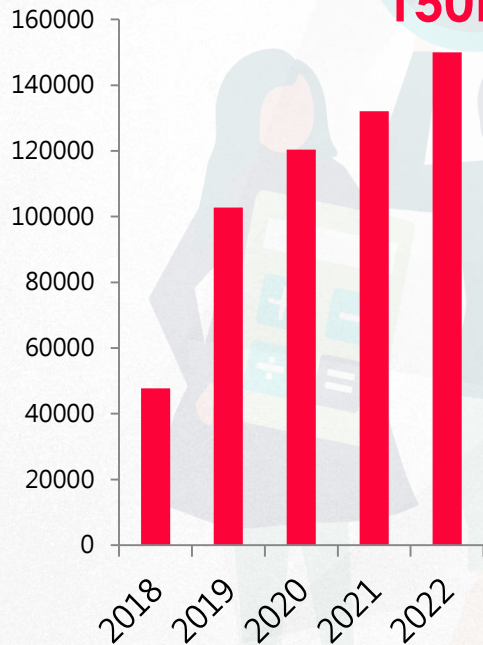
- **Diversified Expansion on Products**
- Accelerate overseas ODM & raw materials businesses

- ✓ Introduce more dosage forms of products to attract business opportunities.
- ✓ Continue to promote Grape King's raw material technology and R&D capabilities in probiotics and medicinal mushrooms.

Own Brand Revenue from Virtual Channels – Actual Results

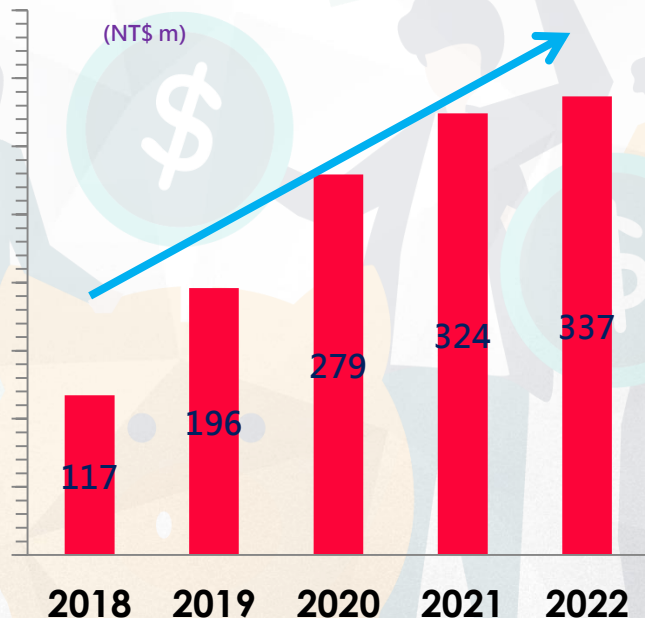
Total members
exceeded 150,000

150K



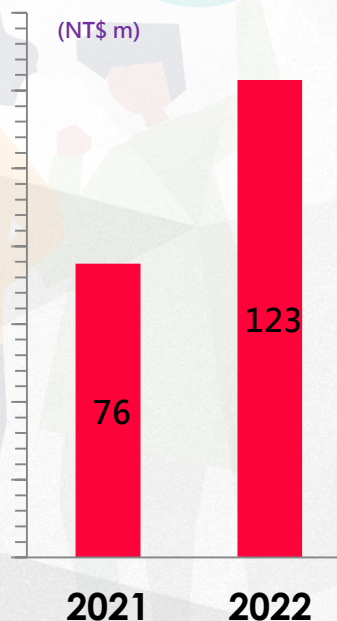
Virtual channel revenue up
Profit contribution up 4.3X

2.9X



Telemarketing team
start injecting revenue

- Early 2021: Established
- Year 2022: Growth by 62%



“ Taiwan Grape King – Diversified Expansion on Products

- **Soft Capsule** line: Expects to complete trial mass production by July 2023.
- **Jelly Glue** line: Expects to complete trial mass production by August 2023.
- **Gastric Milk** line: Doubles and expands production at the first phase, and expects to put into operation by September 2023.
- **Tablet** line: Production line in planning.





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GRAPE KING BIO

Thank You

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

