



GRAPE KING BIO



2022 Shareholders Meeting Handbook

TSE 1707



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This translated document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

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I. Meeting Agenda

Grape King Bio Ltd.

Agenda for the 2022 Annual General Meeting of Shareholders

Time: 9:00 a.m. May 27, 2022

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

Method of Convening the Meeting: Physical shareholders meeting

1. Commencement of Meeting
2. Chairman's Statement
3. Report Items
 - (1) 2021 Business Report
 - (2) Audit committee's Review Report on the 2021 Financial Statements
 - (3) Report on Remuneration Distribution for Employees and Directors for the Year 2021
4. Matters for Ratification
 - (1) Adoption of the 2021 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2021 Profits
5. Matters for Discussion
 - (1) To amend the Company's Articles of Incorporation
 - (2) To amend the Company's Procedure for the Acquisition and Disposal of Assets
6. Extempore motion
7. Adjournment

II. Report Items

1. 2021 Business Report

In 2021, Taiwan was placed under level-3 Alert during the COVID-19 epidemic. With increasing prices of raw materials as well as shortage of labor and materials, many industries faced huge challenges. Grape King Bio still managed to generate earnings of NT\$8.81 per share by capitalizing on its quality products and expanding its original design manufacturing (ODM) business. The Company also formed a strategic partnership with Uni-President Enterprises Corporation (“UPEC”) to improve sales channel visibility and expand its domestic and overseas markets. As a brand leader in the biotechnology industry, Grape King Bio is committed to innovation, research and product development in order to provide our consumers with a more comprehensive experience. To meet the demands of future operational growth, we have started the construction of a factory in Pingzhen Industrial Park to increase production capacity and expand its business niche.

Along with continuous growth, Grape King Bio values operational performance and responds to stakeholders’ expectations and communicates our corporate philosophy. We continue to practice corporate sustainability and integrate ESG into our overall operations, and are committed to comprehensive cultivation of a green environment, R&D innovation, food safety, social co-prosperity and a happy workplace. In addition, we strive to keep information and communication channels open to safeguard the rights and interests of the public and shareholders. Grape King Bio was recognized as one of the Top 5% listed companies in Taiwan for the first time based on corporate governance assessment results in 2021. We were the only Biotech company on the list, successfully responding to the expectations of the public and shareholders.

2021 was another great year for Grape King Bio as we received many awards and international recognition for innovation in business, products, and raw materials, i.e., TOP 5% in Corporate Governance Assessment, “Strategy Excellence Award” from Daily View Best Reviewed Online Awards - Health Industry-Biomedical Healthcare

Category, etc. In the field of Technology Research and Development alone, we received 33 Gold, 2 Silver, 1 Copper and 7 Special awards for our patented technologies such as Probiotics, Cicada, Antrodia, Phellinus linteus, Morchella esculenta and Lignosus Rhinocerus Mycelia. Furthermore, our efforts in promoting Corporate Social Responsibility and a healthy workplace we were presented the “Influenza Prevention Pioneer Gold Award” from the Taiwan Immunization Vision and Strategy as well as a Gold Medal at the “TCSA Corporate Sustainability Report Awards” for the 4th consecutive year. Chairman & CEO, Dr. Shenglin Andrew Tseng was also honored with the “Digital Transformation Award” at the Harvard Business Review’s “Digital Makeover in a Changing World” for his dedication and commitment to the Company’s digital transformation.

Our subsidiary Pro-Partner Ltd., under the leadership of Chairwoman Chang-Yeh Tseng, General Manager Mei-Ching Tseng and six Consultants, has been growing at a steady pace over the years and ranks 3rd on the Taiwan Multilevel Marketing listings based on revenue. In the 2021 DSN Global 100 list, the Subsidiary ranked 41st among global direct selling companies, which is considered a great achievement in Taiwan.

In addition to meeting the expectations and requirements of shareholders and customers, Grape King Bio also prioritizes social welfare by emphasizing and fulfilling its role in society as a whole. We believe that through continuous learning and improvement, we will be able to achieve our ESG goals for the best interest of the Company, employees and society, while contributing to future sustainable development.

Lastly, we would like to wish you all good health and prosperity for 2022.

Chairman: **Shenglin Andrew Tseng** CEO: **Shenglin Andrew Tseng** Chief Accountant: **Nick Hung**

2. Audit Committee’s Review Report on the 2021 Financial Statements

Description: The Audit Committee’s Review Report is attached as Appendix 1. (page 18).

3. Report on Remuneration Distribution for Employees and Directors for the Year 2021

Description:

- (1) The profit of the Company is NT\$1,491,207,624 (i.e., pre-tax profit before deducting the remuneration of employees and directors). In accordance with Article 29 of the Articles of Incorporation, it has been proposed that the Company disburses 8% in cash, amounting to NT\$119,296,609, to employees and 2%, amounting to NT\$29,824,152, to directors.
- (2) There is no difference between the amount of distribution and the amount of recognized expenses in 2021.

III. Matters for Ratification

Item 1 Proposed by the Board of Directors

Item: Adoption of the 2021 Business Report and Financial Statements.

Description:

- (1) The Company's 2021 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 Audit committees'.

Business Report (Please refer to page 3 to 4)

Financial Statements (Please refer to page 19 to 38)

Resolution:

Item 2 Proposed by the Board of Directors

Item: Adoption of the Proposal for Distribution of 2021 Profits.

Description:

- (1) The Company's 2021 Profit Distribution Table was approved by the 4th meeting of the 20th Board of Directors on February 23, 2022. It was proposed that the Company disburses cash dividend amounting to NT\$903,637,975 which is obtained from retained earnings, valued at NT\$6.1 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 2021 please refer to Page 39.

Resolution:

IV. Matters for Discussion

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 in accordance with Article 172-2 of the Company Act and Company requirements.
- (2) Comparison Table on the Amendments to Articles of Incorporation:

Clause	After Amendment	Before Amendment	Explanation
Article 15	The convening of shareholders' meetings shall be conducted according to the regulations of the Company Act. <u>The Company's shareholders' meeting can be held via visual communication network or other methods specified by the Ministry of Economic Affairs, ROC.</u>	The convening of regular shareholders' meetings shall be conducted according to the regulations of the Company Act.	In accordance with Article 172-2 of the Company Act and Company requirements.
Article 32	The Article was stipulated on March 6, 1971. The 1st amendment was on July 31, 1973.... The 43th revision was made on July 15, 2021. <u>The 44th revision was made on May 27, 2022.</u>	The Article was stipulated on March 6, 1971. The 1st amendment was on July 31, 1973.... The 43th revision was made on July 15, 2021.	Add revision date.

Resolution:

Item 2

Proposed by the Board of Directors

Item: To amend the Company's Procedure for the Acquisition and Disposal of Assets:

(1) In compliance with Rule No. Financial-Supervisory-Securities-Issuing-1110380465 issued by the Financial Supervisory Commission on January 28, 2022, the amendments to the "Procedures for Acquisition and Disposal of Assets" were proposed.

(2) Comparison Table on the Amendments to Procedure for the Acquisition and Disposal of Assets:

Clause	After Amendment	Before Amendment	Explanation
Article 6	<p>Appraisal procedures</p> <p>1. In acquiring or disposing of real property ,equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1)~(2) omitting (unrevised)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower</p>	<p>Appraisal procedures</p> <p>1. In acquiring or disposing of real property ,equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1)~(2) omitting (unrevised)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower</p>	<p>For amendment in compliance with Rule No. Financial-Supervisory-Securities-Issuing-1110380465 issued by the Financial Supervisory Commission on January 28, 2022.</p>

	<p>than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) omitting (unrevised)</p> <p>2. Acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not</p>	<p>than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No.20 published by the ROC Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) omitting (unrevised)</p> <p>2. Acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA</p>	
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	<p>apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p>3. Acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>4-5. omitting (unrevised)</p> <p>6. Engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a</p>	<p>needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however,</p> <p>to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p>3. Acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>4-5. omitting (unrevised)</p> <p>6. Engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a</p>	
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	<p>professional appraiser or a CPA's opinion in compliance with the above provisions of the Article. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the Article, subparagraph 4 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. Intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p>	<p>professional appraiser or a CPA's opinion in compliance with the above provisions of the Article. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the Article, subparagraph 4 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. Intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p>	
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	<p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the competent authority.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the type of transactions listed below, when to be conducted between the Company and subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors</p>	<p>(2) The reason for choosing the Related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the competent authority.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 19, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that</u></p>	
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	<p>may delegate the Board Chairman to decide such matters when the transaction is within/included NT\$300 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to the subparagraph, paragraph 3, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. The matters for which the subparagraph, paragraph 3 shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution. If approval of more</p>	<p><u>have been agreed by the Audit Committee and approved by the Board of Directors need not be counted toward the transaction amount.</u></p> <p>With respect to the type of transactions listed below, when to be conducted between the Company and subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may delegate the Board Chairman to decide such matters when the transaction is within/included NT\$300 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to the subparagraph,</p>	
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	<p>than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p><u>If the transaction amount listed in Paragraph 1 between the Company and its subsidiaries reaches 10% or more of the Company's total assets, the Company shall submit all documents listed in Paragraph 1 at the shareholders' meeting for approval before signing a transaction contract or making payment. This shall not apply to transactions between the Company and its subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amount specified in Paragraph 1 and the preceding paragraph shall be made in accordance with Article 19, paragraph 2, and the term "within the preceding year" indicated herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the audit committee and approved by the board of directors and shareholders during</u></p>	<p>paragraph 3, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. The matters for which the subparagraph, paragraph 3 shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	
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	<p><u>the meeting need not be counted toward the transaction amount.</u></p> <p>7. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or under writer's opinions shall meet the following requirements:</p> <p>(1)~(3) omitting (unrevised)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the industry code of their respective membership associations</u> <u>and</u> the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal</p>	<p>7. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or under writer's opinions shall meet the following requirements:</p> <p>(1)~(3) omitting (unrevised)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement</p>	
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	<p>report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</p>	<p>attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	
Article 19	<p>Under any of the following circumstances, acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>1~6. omitting (unrevised)</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(a) Trading of domestic government bonds or a foreign government bond with a credit rating not lower than the sovereign rating of the ROC.</p> <p>(b) Where done by professional investors securities trading on securities exchanges or OTC markets, or subscription of foreign bonds or</p>	<p>Under any of the following circumstances, acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>1~ 6. omitting (unrevised)</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(a) Trading of domestic government bonds.</p> <p>(b) Where done by professional investors securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or of general bank debentures without equity characteristics</p>	<p>In compliance with Rule No. Financial-Supervisory-Securities-Issuing-11 10380465 issued by the Financial Supervisory Commission on January 28, 2022 to amend.</p>

	<p>ordinary corporate bonds or of general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription and sellback of exchange traded notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(c) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Omitting (Following unrevised)</p>	<p>(excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(c) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Omitting (Following unrevised)</p>	
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Resolution:

V. Extempore motion

VI. Adjournment

Appendix 1**Grape King Bio Ltd**

Audit Committee's Review Report

The Company's 2021 Business Report, Parent Company Only and Consolidated Financial Statements and Profit Distribution Table, the CPA Yu Feng Huang and Ming Yuan Chung of Deloitte & Touche were retained to audit Grape King Bio Ltd's Financial Statements and have issued an audit report relating to the Financial Statements.

The Business Report, Parent Company Only and Consolidated Financial Statements and Profit Distribution Table have been reviewed and determined to be correct and accurate by the Audit Committee members of Grape King Bio Ltd. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

For review

Sincerely,

Grape King Bio Ltd
2022 Annual Shareholders' Meetings

Chairman of the Audit Committee: Feng-I Lin

February 23, 2022

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 sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years 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, 2021 and 2020, and its financial performance and its cash flows for the years 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, 2021. 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.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2021 is described 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 11 to the parent company only financial statements for the details on the valuation of inventory. The net carrying amount of inventory as of December 31, 2021 for the Company amounted to NT\$568,177 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 the design and tested the operating effectiveness of the 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 calculations of the 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.

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 the audit committees, 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:

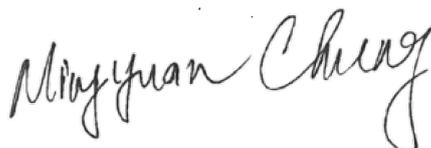
1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The 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, 2021 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 23, 2022

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' report and financial statements shall prevail.

GRAPE KING BIO LTD.

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 531,713	5	\$ 341,406	4
Financial assets at fair value through profit or loss (Note 7)	200,379	2	-	-
Financial assets at fair value through other comprehensive income (Note 8)	13,940	-	8,940	-
Financial assets at amortized cost (Note 9)	53,822	1	46,816	-
Notes and accounts receivable, net (Notes 10 and 22)	303,853	3	239,622	3
Accounts receivable from related parties (Notes 22 and 30)	1,315	-	1,073	-
Other receivables	74,151	1	72,185	1
Other receivables from related parties (Note 30)	568,177	6	545,301	6
Inventories (Note 11)	35,564	-	50,455	-
Other current assets (Note 17)	-	-	-	-
Total current assets	1,782,914	18	1,305,798	14
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 8)	11,390	-	9,338	-
Financial assets at amortized cost (Notes 9 and 31)	9,600	-	9,600	-
Investments accounted for using the equity method (Note 12)	3,302,566	33	3,062,199	33
Property, plant and equipment (Notes 13, 31 and 32)	4,461,666	45	4,481,146	48
Right-of-use assets (Note 14)	63,452	1	73,571	1
Investment properties (Note 15)	294,169	2	234,556	3
Intangible assets (Note 16)	17,627	-	19,019	-
Deferred tax assets (Note 24)	405	-	1,027	-
Other non-current assets (Notes 17 and 20)	84,278	1	50,731	1
Total non-current assets	8,184,953	82	7,941,187	86
TOTAL	<u>\$ 9,967,867</u>	<u>100</u>	<u>\$ 9,246,985</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 31)	\$ -	-	\$ 500,000	5
Contract liabilities (Note 22)	18,284	-	-	-
Notes and accounts payable	192,060	2	175,949	2
Other payables (Note 19)	402,521	4	362,380	4
Other payables to related parties (Note 30)	1,102	-	1,322	-
Current tax liabilities (Note 24)	129,135	2	110,639	1
Lease liabilities (Note 14)	14,078	-	13,695	-
Other current liabilities (Note 19)	2,856	-	16,751	-
Current portion of long-term borrowings (Notes 18 and 31)	6,990	-	41,533	1
Total current liabilities	766,826	8	1,222,269	13
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 31)	87,375	1	1,260,700	13
Deferred tax liabilities (Note 24)	69,001	1	68,804	1
Lease liabilities (Note 14)	50,883	-	61,521	1
Other non-current liabilities (Notes 19 and 30)	5,488	-	9,217	-
Total non-current liabilities	212,747	2	1,400,242	15
Total liabilities	979,573	10	2,622,511	28
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
Share capital	1,481,374	15	1,362,864	15
Ordinary shares	2,869,691	29	971,717	11
Capital surplus	-	-	-	-
Retained earnings	1,198,125	12	1,070,880	11
Legal reserve	86,465	1	100,752	1
Special reserve	3,444,844	34	3,204,726	35
Unappropriated earnings	4,729,434	47	4,376,358	47
Total retained earnings	(92,202)	(1)	(66,465)	(1)
Other equity	-	-	-	-
Total equity	8,988,294	90	6,624,474	72
TOTAL	<u>\$ 9,967,867</u>	<u>100</u>	<u>\$ 9,246,985</u>	<u>100</u>

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

GRAPE KING BIO LTD.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET REVENUE (Notes 22 and 30)	\$ 2,451,872	100	\$ 2,175,969	100
COST OF GOODS SOLD (Notes 11 and 23)	<u>(1,290,204)</u>	<u>(52)</u>	<u>(1,051,819)</u>	<u>(49)</u>
GROSS PROFIT	1,161,668	48	1,124,150	51
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>6,575</u>	<u>-</u>	<u>(7,162)</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>1,168,243</u>	<u>48</u>	<u>1,116,988</u>	<u>51</u>
OPERATING EXPENSES (Notes 20, 23 and 30)				
Selling and marketing	(433,269)	(18)	(374,549)	(17)
General and administrative	(318,850)	(13)	(290,508)	(13)
Research and development	<u>(245,045)</u>	<u>(10)</u>	<u>(217,615)</u>	<u>(10)</u>
Total operating expenses	<u>(997,164)</u>	<u>(41)</u>	<u>(882,672)</u>	<u>(40)</u>
INCOME FROM OPERATIONS	<u>171,079</u>	<u>7</u>	<u>234,316</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 12, 23 and 30)				
Interest income	272	-	279	-
Other income	90,730	4	79,857	4
Other gains and losses	1,675	-	(947)	-
Finance costs	(1,328)	-	(10,931)	(1)
Share of profit of subsidiaries and associates	<u>1,079,659</u>	<u>44</u>	<u>1,030,915</u>	<u>47</u>
Total non-operating income	<u>1,171,008</u>	<u>48</u>	<u>1,099,173</u>	<u>50</u>
PROFIT BEFORE INCOME TAX	1,342,087	55	1,333,489	61
INCOME TAX EXPENSE (Note 24)	<u>(41,664)</u>	<u>(2)</u>	<u>(61,464)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>1,300,423</u>	<u>53</u>	<u>1,272,025</u>	<u>58</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	983	-	646	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	2,052	-	(2,444)	-
Remeasurement of defined benefit plans for subsidiaries recognized using the equity method	(67)	-	(111)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(184)	-	(107)	-

(Continued)

GRAPE KING BIO LTD.
**STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (7,325)	-	\$ 16,941	1
Exchange differences on translating the financial statements of foreign operations of associate	<u>(467)</u>	<u>-</u>	<u>(210)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(5,008)</u>	<u>-</u>	<u>14,715</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>\$ 1,295,415</u></u>	<u><u>53</u></u>	<u><u>\$ 1,286,740</u></u>	<u><u>59</u></u>
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	<u>8.81</u>		<u>9.34</u>	
Diluted earnings per share	<u>8.76</u>		<u>9.29</u>	

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

(Concluded)

GRAPE KING BIO LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Share Capital - Ordinary Shares		Retained Earnings			Unappropriated Earnings			Others			Total Equity
	Number of Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity		
BALANCE AT JANUARY 1, 2020	136,286	\$ 1,362,864	\$ 968,724	\$ 939,947	\$ 74,671	\$ 2,973,497	\$ (84,506)	\$ (16,246)	\$ (45,530)	\$ 6,173,421		
Appropriation of 2019 earnings	-	-	-	130,933	-	(130,933)	-	-	-	-		
Legal reserve	-	-	-	-	26,081	(26,081)	-	-	-	-		
Special reserve	-	-	-	-	-	(884,210)	-	-	-	(884,210)		
Cash dividends	-	-	-	-	-	-	-	-	-	-		
Share-based payment arrangements	-	-	1,578	-	-	-	-	-	45,530	47,108		
Change in other capital surplus	-	-	1,415	-	-	-	-	-	-	1,415		
Net profit for the year ended December 31, 2020	-	-	-	-	-	1,272,025	-	-	-	1,272,025		
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	428	16,731	(2,444)	-	14,715		
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	1,272,453	16,731	(2,444)	-	1,286,740		
BALANCE AT DECEMBER 31, 2020	136,286	1,362,864	971,717	1,070,880	100,752	3,204,726	(67,775)	(18,690)	-	6,624,474		
Appropriation of 2020 earnings	-	-	-	127,245	-	(127,245)	-	-	-	-		
Legal reserve	-	-	-	-	(14,287)	14,287	-	-	-	-		
Special reserve	-	-	-	-	-	(948,079)	-	-	-	(948,079)		
Cash dividends	-	-	-	-	-	-	-	-	-	-		
Change in other capital surplus	-	-	1,814	-	-	-	-	-	-	1,814		
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,300,423	-	-	-	1,300,423		
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	732	(7,792)	2,052	-	(5,008)		
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,301,155	(7,792)	2,052	-	1,295,415		
Issuance of ordinary shares for cash	11,851	118,510	1,896,160	-	-	-	-	-	-	2,014,670		
BALANCE AT DECEMBER 31, 2021	148,137	\$ 1,481,374	\$ 2,869,691	\$ 1,198,125	\$ 86,465	\$ 3,444,844	\$ (75,567)	\$ (16,638)	\$ -	\$ 8,988,294		

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

GRAPE KING BIO LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,342,087	\$ 1,333,489
Adjustments for:		
Depreciation expenses	271,311	257,572
Amortization expenses	5,367	5,422
Expected credit loss	-	4,841
Net gain on financial assets at fair value through profit or loss	(799)	-
Finance costs	1,328	10,931
Interest income	(272)	(279)
Dividend income	(2)	(2)
Compensation costs of share-based payment agreements	-	1,597
Share of profit of subsidiaries and associates	(1,079,659)	(1,030,915)
Loss on disposal of property, plant and equipment, net	-	29
Gain on disposal of investment properties	(1,261)	-
(Realized) unrealized gain on transactions with subsidiaries and associates	(6,575)	7,162
Changes in operating assets and liabilities		
Notes and accounts receivable, net	(7,006)	(4,918)
Accounts receivable from related parties	(64,231)	22,269
Other receivables	(242)	(401)
Other receivables from related parties	(1,966)	3,512
Inventories	(22,876)	(141,119)
Other current assets	14,891	9,109
Contract liabilities	18,284	(323)
Notes and accounts payable	16,111	16,671
Other payables	2,959	(26,613)
Other payables to related parties	(220)	(65)
Other current liabilities	(13,895)	(4,393)
Net defined benefit liabilities	(2,488)	(5,010)
Cash generated from operations	470,846	458,566
Interest received	272	279
Interest paid	(1,204)	(9,828)
Income tax paid	(22,546)	(7,322)
Net cash generated from operating activities	<u>447,368</u>	<u>441,695</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(5,000)	-
Acquisition of financial assets at fair value through profit or loss	(1,200,000)	-
Proceeds from sale of financial assets at fair value through profit or loss	1,000,420	-
Acquisition of property, plant and equipment	(241,412)	(1,125,349)
Proceeds from disposal of property, plant and equipment	-	18
Increase in refundable deposits	(1,514)	(407)
Decrease in refundable deposits	3,122	1,001

(Continued)

GRAPE KING BIO LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Acquisition of intangible assets	\$ (1,106)	\$ (11,249)
Proceeds from disposal of investment properties	1,382	-
Increase in other non-current assets	(151)	(7,272)
Interest received	<u>845,496</u>	<u>869,018</u>
Net cash generated from (used in) investing activities	<u>401,237</u>	<u>(274,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	2,350,000
Repayments of short-term borrowings	(500,000)	(2,200,000)
Proceeds from long-term borrowings	-	873,000
Repayments of long-term borrowings	(1,207,868)	(270,767)
Proceeds from guarantee deposits received	794	-
Refund of guarantee deposits received	(4,523)	(2,185)
Repayment of the principal portion of lease liabilities	(15,106)	(14,652)
Dividends paid to owners of the Company	(948,079)	(884,210)
Proceeds from issuance of ordinary shares	2,014,670	-
Proceeds from reissuance of treasury shares	-	44,619
Other financing activities	<u>1,814</u>	<u>1,415</u>
Net cash used in financing activities	<u>(658,298)</u>	<u>(102,780)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	190,307	64,675
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>341,406</u>	<u>276,731</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 531,713</u>	<u>\$ 341,406</u>

The accompanying notes are an integral part of the parent company only financial statements. (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 sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years 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 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 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, 2021. 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, 2021 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 11 to the

consolidated financial statements for the details on the valuation of inventory. The net carrying amount of inventory as of December 31, 2021 for the Group amounted to NT\$719,257 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 tested the operating effectiveness of the 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 calculations of the 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 policy.

Other Matter

We have also audited the parent company only financial statements of Grape King Bio Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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 the audit committees, 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, 2021 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 23, 2022

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' report and consolidated financial statements shall prevail.

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	\$ 3,635,197	26	\$ 2,927,029	22	\$ -	-	\$ 500,000	4
Financial assets at fair value through profit or loss (Note 7)	200,379	1	-	-	129,174	1	96,240	1
Financial assets at fair value through other comprehensive income (Note 8)	61,858	-	77,662	-	268,964	2	255,318	2
Notes and accounts receivable, net (Notes 10 and 24)	232,957	2	199,448	1	1,817,560	13	1,753,884	14
Accounts receivable from related parties (Notes 24 and 32)	67,739	1	2,248	-	66,810	1	37,641	-
Other receivables	13,125	-	3,533	-	925,723	7	723,261	6
Other receivables from related parties (Note 32)	-	-	-	-	48,311	-	41,796	-
Inventories (Note 11)	719,257	5	689,464	5	30,766	-	43,323	-
Other current assets (Note 18)	54,785	-	72,028	1	6,990	-	49,111	-
Total current assets	4,985,297	35	3,971,424	30	3,294,298	24	3,500,574	27
NON-CURRENT ASSETS								
Financial assets at fair value through other comprehensive income (Note 8)	11,390	-	9,338	-	87,375	1	1,372,150	10
Financial assets at amortized cost (Notes 9 and 33)	13,320	-	13,320	-	7,362	-	7,322	-
Investments accounted for using the equity method (Note 13)	25,353	-	7,115	-	69,001	-	68,804	1
Property, plant and equipment (Notes 14, 33 and 34)	7,207,655	51	7,307,695	56	129,082	1	120,933	1
Right-of-use assets (Note 15)	209,768	2	202,113	2	44,346	-	55,884	-
Investment properties (Note 16)	1,459,577	11	1,467,018	11	-	-	-	-
Intangible assets (Note 17)	33,340	-	38,341	-	337,166	2	1,625,093	12
Deferred tax assets (Note 26)	8,705	-	10,872	-	3,631,464	26	5,125,667	39
Other non-current assets (Notes 18, 22 and 32)	106,474	1	76,885	1	-	-	-	-
Total non-current assets	9,075,582	65	9,132,697	70	-	-	-	-
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Short-term borrowings (Notes 19 and 33)	-	-	-	-	-	-	-	-
Contract liabilities (Note 24)	-	-	-	-	-	-	-	-
Notes and accounts payable	-	-	-	-	-	-	-	-
Other payables to related parties (Note 32)	-	-	-	-	-	-	-	-
Current tax liabilities (Note 26)	-	-	-	-	-	-	-	-
Lease liabilities (Notes 15 and 32)	-	-	-	-	-	-	-	-
Other current liabilities (Notes 20 and 32)	-	-	-	-	-	-	-	-
Current portion of long-term borrowings (Notes 19 and 33)	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES								
Long-term borrowings (Notes 19 and 33)	-	-	-	-	-	-	-	-
Provisions (Note 21)	-	-	-	-	-	-	-	-
Deferred tax liabilities (Note 26)	-	-	-	-	-	-	-	-
Lease liabilities (Notes 15 and 32)	-	-	-	-	-	-	-	-
Other non-current liabilities (Notes 20 and 32)	-	-	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)								
Share capital	1,481,374	11	1,481,374	11	1,481,374	11	1,362,864	11
Capital surplus	2,869,691	20	2,869,691	20	2,869,691	20	971,717	8
Retained earnings	1,198,125	9	1,198,125	9	1,198,125	9	1,070,880	8
Legal reserve	86,465	1	86,465	1	86,465	1	100,752	1
Special reserve	3,444,844	24	3,444,844	24	3,444,844	24	3,204,726	24
Unappropriated earnings	4,729,434	34	4,729,434	34	4,729,434	34	4,376,358	33
Total retained earnings	(92,205)	(1)	(92,205)	(1)	(92,205)	(1)	(86,465)	(1)
Other equity	-	-	-	-	-	-	-	-
Total equity attributable to owners of the Company	8,988,294	64	8,988,294	64	8,988,294	64	6,624,474	51
NON-CONTROLLING INTERESTS (Notes 12 and 23)								
Total equity	10,429,415	74	10,429,415	74	10,429,415	74	7,978,454	61
TOTAL	<u>\$ 14,060,879</u>	<u>100</u>	<u>\$ 13,104,121</u>	<u>100</u>	<u>\$ 14,060,879</u>	<u>100</u>	<u>\$ 13,104,121</u>	<u>100</u>

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

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET REVENUE (Notes 24 and 32)	\$ 9,798,246	100	\$ 9,168,195	100
COST OF GOODS SOLD (Notes 11 and 25)	<u>(1,942,319)</u>	<u>(20)</u>	<u>(1,631,457)</u>	<u>(18)</u>
GROSS PROFIT	7,855,927	80	7,536,738	82
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH ASSOCIATE	<u>(570)</u>	<u>-</u>	<u>53</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>7,855,357</u>	<u>80</u>	<u>7,536,791</u>	<u>82</u>
OPERATING EXPENSES (Notes 22, 25 and 32)				
Selling and marketing	(4,650,569)	(47)	(4,424,840)	(48)
General and administrative	(600,976)	(6)	(554,312)	(6)
Research and development	<u>(292,228)</u>	<u>(3)</u>	<u>(252,857)</u>	<u>(3)</u>
Total operating expenses	<u>(5,543,773)</u>	<u>(56)</u>	<u>(5,232,009)</u>	<u>(57)</u>
INCOME FROM OPERATIONS	<u>2,311,584</u>	<u>24</u>	<u>2,304,782</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 25 and 32)				
Interest income	6,287	-	4,633	-
Other income	99,847	1	88,365	1
Other gains and losses	(1,031)	-	(6,930)	-
Finance costs	(4,011)	-	(14,341)	-
Share of profit of associate	<u>2,230</u>	<u>-</u>	<u>1,681</u>	<u>-</u>
Total non-operating income	<u>103,322</u>	<u>1</u>	<u>73,408</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,414,906	25	2,378,190	26
INCOME TAX EXPENSE (Note 26)	<u>(466,917)</u>	<u>(5)</u>	<u>(483,095)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>1,947,989</u>	<u>20</u>	<u>1,895,095</u>	<u>21</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	870	-	462	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	2,052	-	(2,444)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(174)	-	(93)	-

(Continued)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (7,325)	-	\$ 16,941	-
Exchange differences on translating the financial statements of foreign operations of associate	<u>(467)</u>	<u>-</u>	<u>(210)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(5,044)</u>	<u>-</u>	<u>14,656</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,942,945</u>	<u>20</u>	<u>\$ 1,909,751</u>	<u>21</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,300,423	13	\$ 1,272,025	14
Non-controlling interests	<u>647,566</u>	<u>7</u>	<u>623,070</u>	<u>7</u>
	<u>\$ 1,947,989</u>	<u>20</u>	<u>\$ 1,895,095</u>	<u>21</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,295,415	13	\$ 1,286,740	14
Non-controlling interests	<u>647,530</u>	<u>7</u>	<u>623,011</u>	<u>7</u>
	<u>\$ 1,942,945</u>	<u>20</u>	<u>\$ 1,909,751</u>	<u>21</u>
EARNINGS PER SHARE (Note 27)				
Basic earnings per share	<u>\$ 8.81</u>		<u>\$ 9.34</u>	
Diluted earnings per share	<u>\$ 8.76</u>		<u>\$ 9.29</u>	

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

(Concluded)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											Total Equity
	Share Capital - Ordinary Shares				Retained Earnings			Others				
	Number of Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Statement of Total	Non-controlling Interests	
BALANCE AT JANUARY 1, 2020	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
Appropriation of 2019 earnings	-	-	-	130,933	-	(130,933)	-	-	-	-	-	-
Legal reserve	-	-	-	-	26,081	(26,081)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(884,210)	-	-	-	(884,210)	-	(884,210)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payment arrangements	-	-	1,578	-	-	-	-	-	45,530	47,108	-	47,108
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	(566,462)	(566,462)
Change in other capital surplus	-	-	1,415	-	-	-	-	-	-	1,415	-	1,415
Net profit for the year ended December 31, 2020	-	-	-	-	-	1,272,025	-	-	-	1,272,025	623,070	1,895,095
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	428	16,731	(2,444)	-	14,715	(59)	14,656
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	1,272,453	16,731	(2,444)	-	1,286,740	623,011	1,909,751
BALANCE AT DECEMBER 31, 2020	136,286	1,362,864	971,717	1,070,880	100,752	3,204,726	(67,775)	(18,690)	-	6,624,474	1,353,980	7,978,454
Appropriation of 2020 earnings	-	-	-	127,245	-	(127,245)	-	-	-	-	-	-
Legal reserve	-	-	-	-	(14,287)	14,287	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(948,079)	-	-	-	(948,079)	-	(948,079)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	(560,389)	(560,389)
Change in other capital surplus	-	-	1,814	-	-	-	-	-	-	1,814	-	1,814
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,300,423	-	-	-	1,300,423	647,566	1,947,989
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	732	(7,792)	2,052	-	(5,008)	(36)	(5,044)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,301,155	(7,792)	2,052	-	1,295,415	647,530	1,942,945
Issuance of ordinary shares for cash	11,851	118,510	1,896,160	-	-	-	-	-	-	2,014,670	-	2,014,670
BALANCE AT DECEMBER 31, 2021	148,137	\$ 1,481,374	\$ 2,869,691	\$ 1,198,125	\$ 86,465	\$ 3,444,844	\$ (75,567)	\$ (16,638)	\$ -	\$ 8,988,294	\$ 1,441,121	\$ 10,429,415

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

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,414,906	\$ 2,378,190
Adjustments for:		
Depreciation expenses	416,401	403,854
Amortization expenses	11,052	11,151
Expected credit loss	373	4,841
Net gain on financial assets at fair value through profit or loss	(799)	-
Finance costs	4,011	14,341
Interest income	(6,287)	(4,633)
Dividend income	(2)	(2)
Compensation costs of share-based payment agreements	-	2,489
Share of profit of associate	(2,230)	(1,681)
Loss on disposal of property, plant and equipment, net	437	484
Gain on disposal of investment property	(1,261)	-
Realized (unrealized) gain on transactions with associate	570	(53)
Reversal of provisions	-	(267)
Changes in operating assets and liabilities		
Notes and accounts receivable, net	(33,882)	14
Accounts receivable from related parties	(65,491)	355
Other receivables	(9,537)	(1,254)
Other receivables from related parties	12	(12)
Inventories	(29,793)	(143,020)
Other current assets	17,243	11,639
Contract liabilities	32,934	31,226
Notes and accounts payable	13,646	32,692
Other payables	30,127	38,124
Other payables to related parties	29,169	(489)
Provisions	(40)	(490)
Other current liabilities	(18,093)	(6,753)
Net defined benefit liabilities	(2,565)	(5,209)
Cash generated from operations	<u>2,800,901</u>	<u>2,765,537</u>
Interest received	6,232	4,495
Interest paid	(2,641)	(11,736)
Income tax paid	<u>(262,288)</u>	<u>(39,106)</u>
Net cash generated from operating activities	<u>2,542,204</u>	<u>2,719,190</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(5,000)	(3,720)
Proceeds from sale of financial assets at amortized cost	19,926	5,900
Repayment of financial assets at amortized cost	-	1,860
Acquisition of financial assets at fair value through profit or loss	(1,200,000)	-
Proceeds from sale of financial assets at fair value through profit or loss	1,000,420	-
Acquisition of investments accounted for using the equity method	(9,722)	-

(Continued)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Acquisition of property, plant and equipment	\$ (275,198)	\$ (1,213,735)
Proceeds from disposal of property, plant and equipment	10	964
Increase in refundable deposits	(4,822)	(9,476)
Decrease in refundable deposits	11,011	10,287
Acquisition of intangible assets	(3,203)	(12,382)
Acquisition of investment property	(724)	-
Proceeds from disposal of investment properties	1,382	-
Decrease (increase) in other non-current assets	3,574	(7,067)
Dividends received	<u>2</u>	<u>2</u>
Net cash used in investing activities	<u>(462,344)</u>	<u>(1,227,367)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	2,350,000
Repayments of short-term borrowings	(500,000)	(2,200,000)
Proceeds from long-term borrowings	-	873,000
Repayments of long-term borrowings	(1,326,896)	(278,284)
Proceeds from guarantee deposits received	2,369	5,890
Refund of guarantee deposits received	(8,384)	(19,810)
Repayment of the principal portion of lease liabilities	(44,118)	(48,957)
Dividends paid to owners of the Company	(948,079)	(884,210)
Proceeds from issuance of ordinary shares	2,014,670	-
Proceeds from reissuance of treasury shares	-	44,619
Dividends paid to non-controlling interests	(560,389)	(566,462)
Other financing activities	<u>1,814</u>	<u>1,415</u>
Net cash used in financing activities	<u>(1,369,013)</u>	<u>(722,799)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>(2,679)</u>	<u>11,798</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	708,168	780,822
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,927,029</u>	<u>2,146,207</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,635,197</u>	<u>\$ 2,927,029</u>

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

(Concluded)

Appendix 3

Grape King Bio Ltd

Profit Distribution Table

Year 2021

(Unit: NTD \$)

Items	Amount	Note
Beginning retained earnings	2,143,688,840	
Add (Minus):		
Other Comprehensive Income (Re-measurements of defined benefit plans,2021)	786,636	
Other Comprehensive Income (Investment adjustments for Using Equity Method)	(54,088)	
2021 Net Profit after Tax	1,300,422,522	
Subtotal	3,444,843,910	
Designated item:		
10% Legal Reserve	(130,115,507)	
Special Reserve	(5,740,274)	
Distributable net profit	3,308,988,129	
Distributable items:		
Cash dividend to shareholders-NT\$6.1 per share	(903,637,975)	
Unappropriated retained earnings	2,405,350,154	

Note: 1. Profit distribution was first allocated in the 2021 unallocated earnings.

2. The above dividend is based on the number of common shares issued by the Company as of February 15, 2022; 148,137,373 shares were the bases for the calculation.

Chairman: **Shenglin Andrew Tseng** General Manager: **Shenglin 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 Audit Committee

Article 20

The Company shall have between nine (9) to thirteen (13) 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 from a list of candidates 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 three, 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 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 20-2

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. The Audit Committee powers conferred by the Securities and Exchange Act, the Company Act, any other law, and the procedure of corporation.

The Audit Committee shall be composed of the entire number of independent directors, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise.

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: Deleted

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.

Article 25-2: Deleted

Article 25-3

The Company shall purchase liability insurance for Directors to guarantee Directors 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 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 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 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 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:

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

The distribution proposal of employee bonus and remuneration to Director 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 12th amendment was on May 23, 1987. The 13th amendment was on 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 on 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 41st revision was made on May 29, 2019. The 42th revision was made on May 28, 2020. The 43th revision was made on July 15, 2021.

Appendix 5

Grape King Bio Ltd. Procedures for Acquisition and Disposal of Assets

Approved by the shareholders' meeting held on July 15, 2021

Chapter I General Principles

Article 1

These Regulations are adopted for the procedural rules and standards of the acquisition or disposal of the Company's assets.

Article 2

The Procedures shall be subject to the "Guidelines for Handling Acquisition or Disposal of Assets by Public Companies" announced by the regulatory authority.

Article 3

The term "assets" as used in these Procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 4

Terms are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, , foreign exchange rates, indexes of prices or rates, credit rating or credit index, or other

variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156,-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Chapter II Disposition Procedures and Appraisal

Article 5

Acquisition or disposal of assets, and handle the acquisition or disposal matters in compliance with the procedures as the following:

1. Acquisition or disposal of assets shall be no more than the range of Article 3 of the procedures.
2. With respect to the acquisition or disposal of assets, the each transaction amount reaches 10 percent of the Company's paid-in capital, after conducted by the financial department and requesting department, have the decisions submitted to the Board of Directors in accordance with trade terms. The Company's Board of Directors may delegate the Board Chairman to decide such matters and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting. If not exceed the above rules, the Company shall handle in accordance with the Company's authorization routine. Deal with the same person by separate continuously the same year, the cumulative transaction amount also in accordance with above rules.
3. The total investment of securities of the Company shall be no more than 80% net value of the Company. The amount that is invested in an individual security shall be no more than 20% net value of the Company.
4. The total investment of securities of the subsidiaries shall be no more than 80% net value of the Company. The amount that is invested in an individual security shall be no more than 20% net value of the Company.
5. The Company and Subsidiaries could invest in non-business real estate and right-of-use assets that shall not exceed the limit of more than 40% net value of the Company. "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 6

Appraisal procedures

1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors the same procedure shall also be followed whenever there is any subsequent changes to the terms and conditions of the transaction.

(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No.20 published by the ROC Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

2. Acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

3. Acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

4. The calculation of the transaction amounts referred to in the preceding three subparagraphs shall be done in accordance with Article 19, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

5. Acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

6. Engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the above provisions of the Article. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the Article, subparagraph 4 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. Intentions to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters shall first be approved by the Audit Committee and then submitted to the Board of Directors for a resolution:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the competent authority.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 19, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The procedure shall first be approved by the Audit Committee members and then submitted to the Board of Directors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and subsidiaries, or between its subsidiaries in which it

directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may delegate the Board Chairman to decide such matters when the transaction is within/included NT\$300 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

(2) Acquisition or disposal of real property right-of-use assets held for business use.

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

When a matter is submitted for discussion by the Board of Directors pursuant to the subparagraph, paragraph 3, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. The matters for which the subparagraph, paragraph 3, shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

7. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or under writer's opinions shall meet the following requirements:

(1) May not have previously received a final and un-appealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

(2) May not be a related party or de facto related party of any party to the transaction.

(3) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.

(2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

(3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Chapter III Engaging in Derivatives Trading

Article 7

Trading principles and strategies of Engaging in Derivatives Trading

1. The types of traded:

The types of derivatives transactions that the Company is engaged in accordance with the range of subparagraph 1 of Article 4 of the procedures.

2. Operating or hedging strategies:

(1) Financial derivatives are mainly used for hedging and to raise fund management purpose.

(2) For the credit and market risks of derivatives, if it's difficult to evaluate by reasonably and objectively due to the uncertainty of finance, economy, politics environment, shall be stopped the related trading.

3. Segregation of duties and authorization:

The above derivatives transactions that the Company is engaged in, the types of traded, issued amount, conditions and evaluated items shall be handled after approved by the Board Chairman that submitted by the Financial Supervisor. It shall be submitted by the next Board of Directors meeting.

4. Essentials of performance evaluation:

Periodically evaluate and review the performance of engagement and evaluation reports shall be submitted to the Board Chairman for review.

5. Total amount of contracts:

With respect of the total contract amount of derivatives transactions the Company is engaged in, shall not exceed 30% of the net value of the Company.

6. The loss limit on trading:

With respect of the loss limit for all contracts of derivatives transactions the Company is engaged in, shall not exceed NT\$30 million, and the loss limit for individual shall not exceed NT\$10 million.

Article 8

The Company engaging in derivatives trading shall adopt the following risk management measures:

1. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or Senior Management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
5. Other important risk management measures.

Article 9

The supervise and manage of Engaging in derivatives trading

1. The Board of Directors shall faithfully supervise and manage such trading in accordance with the following principles:

- (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
- (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

2. Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:

- (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
- (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion.

3. The Company shall report to the soonest meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

Article 10

The internal audit of Engaging in derivatives trading

1. Shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 8 and subparagraph 1-(1) of Article 9, and s subparagraph 1-(2) shall be recorded in detail in the log book.
2. The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, Audit committee shall be notified in writing.

Chapter IV

Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

Article 11

Conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 12

The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 13

The Company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs..

Article 14

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 15

The Companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 16

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 17

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased

and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 18

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 13, Article 14, and Article 17.

Chapter V Public Disclosure of Information

Article 19

Under any of the following circumstances, acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore, the transaction counterparty is not a related party, and the transaction amount is not less than NT\$500 million.
5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.
6. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area

reaches 20 percent or more of paid in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

- (a) Trading of domestic government bonds.
- (b) Where done by professional investors – securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or of general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
- (c) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

Article 20

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of

relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 21

Information required to be publicly announced and reported in accordance with the provisions of acquisitions and disposals of assets by a subsidiary of the Company that is not itself a public company in Taiwan shall be reported by the Company.

The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding article requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.

Chapter VI Additional

Article 22

Subsidiaries to establish relevant procedures for acquisition or disposal of assets could be referred to the Company's procedures and should follow the procedures. Information relating to any acquisition or disposal of assets by the Subsidiaries shall be provided regularly to this Company for inspection.

Article 23

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. If subsidiaries do not to establish relevant procedures for acquisition or disposal of assets, should follow the procedures of the Company.

Article 24

Approval and amendment

1. When the procedures are adopted or amended they shall be approved by the audit committee and submitted to the Board of Directors for resolution. After the procedures have been approved by the Board of Directors, they shall be submitted to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the Director's dissenting opinion to audit committee.

2. When the procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.
3. When the procedures are adopted or amended they shall be approved by more than half of all audit committee members and submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all audit committee members" in this paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Appendix 6

Grape King Bio Ltd.

Rules of Procedure for Shareholders' Meetings

Approved by the Shareholders' Meeting held on May 28, 2020

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 in plus the number of shares whose voting rights are exercised by electronically.

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. The place and time of the meeting shall be in full consideration of the opinions of the independent directors.

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, the Chair shall declare the meeting adjourned. If the quorum is not met after two postponements 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.

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, and related proposal (including extempore motions and revised proposal) shall be followed by a poll for each proposal. 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 and properly arrange the vote time.

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. Vote counting for proposals or elections shall be conducted in public at the place of the shareholders' meetings. 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.

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. 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.

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

Shareholdings of All Directors

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

Title	Minimum legally-held shares	Recorded shares held
Directors	8,888,242 shares	27,346,300 shares

2. Directors Shareholding Structure in detail

Title	Name	Recorded shares held
Chairman	Shenglin Andrew Tseng	6,511,244
Director	Mei-Ching Tseng	2,954,117
Director	UNI-PRESIDENT ENTERPRISES CORP. Representative: Kao Shioh Ling	11,851,000
Director	Yen-Shiang Huang	203,000
Director	Jue-Jia Chang	1,538,386
Director	Chih-Sheng Chang	2,093,957
Director	Hsing-Chun Chen	1,541,596
Director	Chih-Wei Lai	653,000
Independent Director	Feng-I Lin	0
Independent Director	Ching-Pu Chen	0
Independent Director	I-Fan Miao	0
Independent Director	Chen Jing Ning	0

Note: as of March 29, 2022



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