

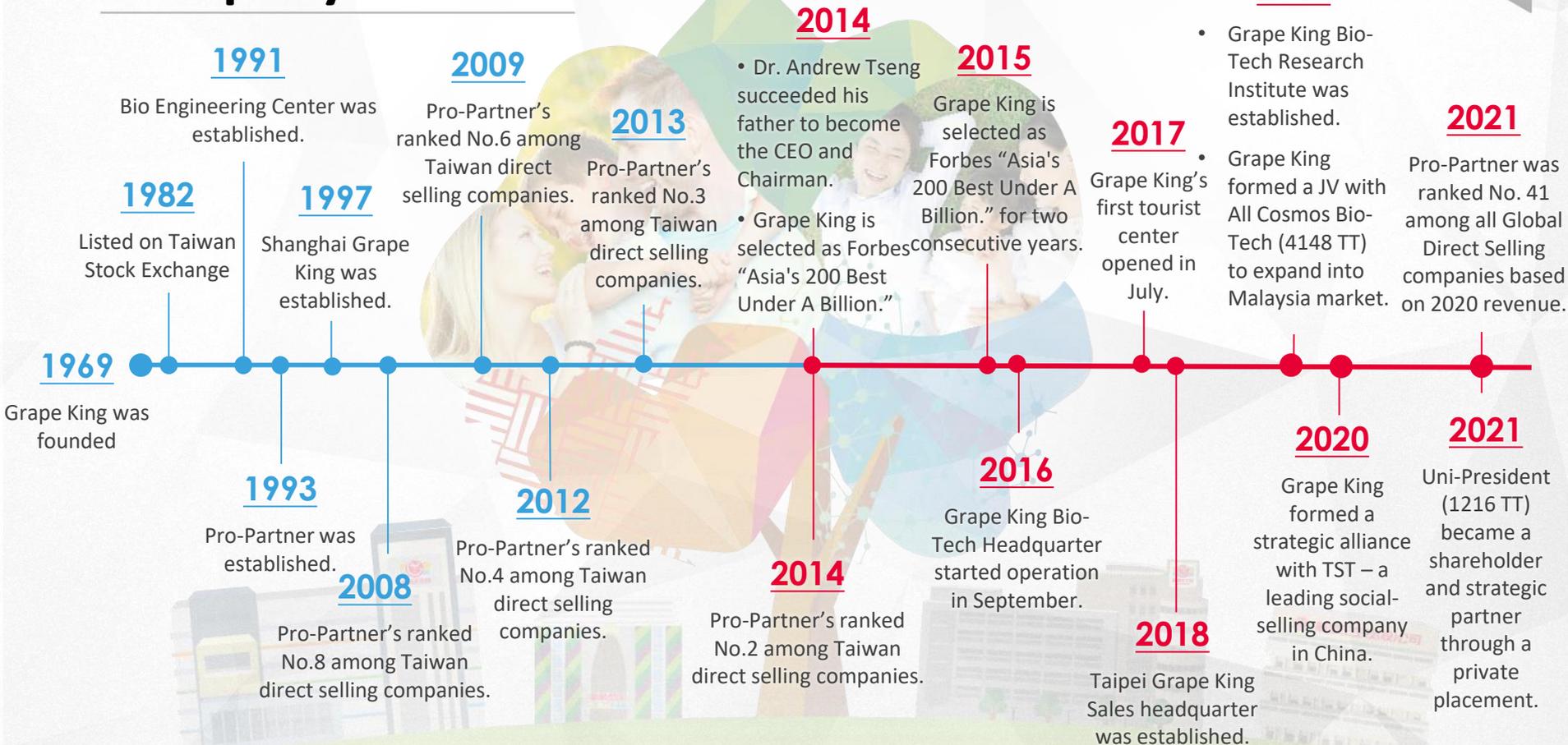


葡萄王生技

Grape King Bio (1707TT/TW) Investor Presentation

December 8th, 2023

“ Company Milestones





葡萄王生技

9M2023

Operation Results

“ Grape King Three Core Business Units

1. Grape King Taiwan (Parent Co)

Taiwan own brand & global OEM & ODM

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

2. Pro-Partner (60%-own)

Taiwan direct selling distribution

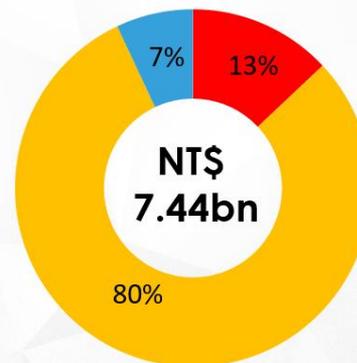
A differentiated distribution channel with products sold through direct-selling by members under the Pro-Partner brand.

3. Grape King Shanghai (100%-own)

China OEM & ODM

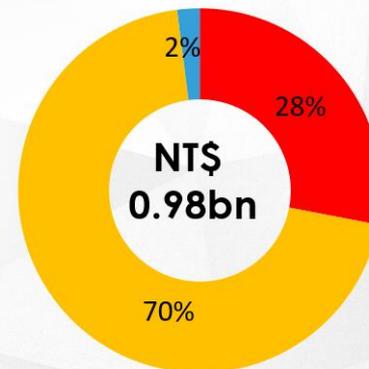
Our manufacturing in China that focuses on OEM and ODM for domestic and global health food companies.

2023.Q3 Revenue



■ Taiwan Grape King
■ Pro-Partner
■ Shanghai Grape King

2023.Q3 NI



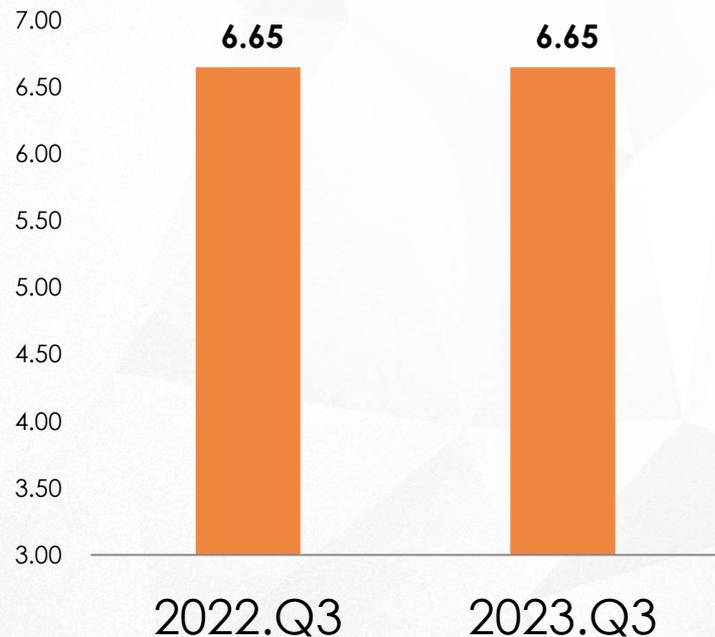
EPS : 6.65元

“ 2023Q3 Profit and Revenue

EPS

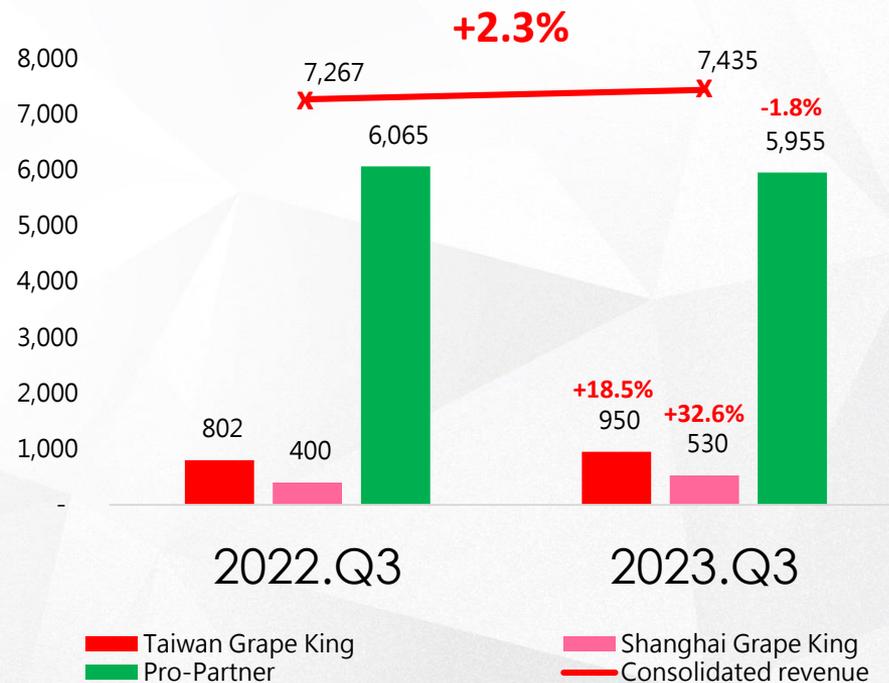
Unit : NT\$

-%Flattish



Revenue by BU

Unit : NT\$m



“ Five-year & 2023Q3 Income Statement

(Unit : NT\$mn)	2018	2019	2020	2021	2022	2022Q3	2023Q3	YoY(%)
Revenue	9,183	9,239	9,168	9,798	10,391	7,267	7,435	2.3
Gross Profit	7,329	7,566	7,537	7,855	8,481	5,910	5,981	1.2
Operating Expenses	(4,979)	(5,231)	(5,232)	(5,543)	(5,929)	(4,181)	(4,307)	3.0
Operating Profit	2,350	2,335	2,305	2,312	2,552	1,729	1,674	(3.2)
Non Operating Income/(Loss)	77	105	73	103	136	93	124	33.3
Pretax Income	2,427	2,440	2,378	2,415	2,688	1,822	1,798	(1.3)
Tax Expenses	(537)	(502)	(483)	(467)	(518)	(348)	(356)	2.3
Minority Interest	(595)	(630)	(623)	(647)	(713)	(488)	(458)	(6.1)
Net income to Parent	1,295	1,309	1,272	1,300	1,457	986	984	(0.2)
Basic EPS (NT\$)	9.57	9.63	9.34	8.81	9.84	6.65	6.65	0.00
2023Q2 EPS as % of the full year	43%	44%	43%	43%	43%			
Key Financial Ratios (%)								
Gross Margin	79.8	81.9	82.2	80.2	81.6	81.3	80.4	
Operating Expense Ratio	54.2	56.6	57.1	56.6	57.1	57.5	57.9	
Operating Margin	25.6	25.3	25.1	23.6	24.6	23.8	22.5	
Effective Tax Rate	22.1	20.6	20.3	19.3	19.3	19.1	19.8	
Net Margin	14.1	14.2	13.9	19.9	20.9	20.3	19.4	

“ Dividend Payout and Capex

(NT\$m)	2018	2019	2020	2021	2022	2023
Net Profit	1,295	1,309	1,272	1,300	1,457	Un-disclosed Financial Forecasts
Cash Dividend	883	884	948	904	1,022	
Cash DPS (NT\$)	6.5	6.5	6.4	6.1	6.9	
Payout Ratio	67.9%	67.4%	68.5%	69.2%	70.1%	
EPS (NT\$)	9.57	9.63	9.34	8.81 ^(*1)	9.84	
Capex	1,116	630	1,214	1,481 ^(*2)	1,005 ^(*2)	

Notes(*):

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

“ Five-year & 2023Q3 Balance Sheet

(Unit : NT\$m)	2018	2019	2020	2021	2022	2023Q3
Total Asset	10,648	11,359	13,104	14,061	15,053	14,081
Cash	2,050	2,146	2,927	3,635	4,673	3,519
Account Receivables	171	202	202	301	270	332
Inventory	563	546	689	719	688	758
Fixed Asset	5,927	6,454	7,308	7,208	7,360	7,318
Total Liabilities	3,715	3,888	5,126	3,632	3,912	3,126
Account Payable	262	223	255	269	294	323
Total borrowings	1,119	1,177	1,921	94	0	0
Total Equity	6,933	7,471	7,978	10,429	11,141	10,955
Financial Ratio (%)						
Days of Account Receivables	6.5	7.3	7.9	9.5	10.1	11.1
Days of Inventory Turnovers	102.4	119.3	136.4	135.2	139.8	142.0
Days of Account Payable	56.8	52.2	52.7	49.3	53.8	58.1
Cash Conversion Cycle	52.1	74.4	91.6	95.4	96.1	95.0
ROE (%)	23.7	22.0	19.9	21.2	20.1	17.4
ROA (%)	12.6	11.9	10.4	14.4	14.9	13.2
Net Debt(Cash)/Equity%	(13.4)	(13.0)	(12.6)	(34.0)	(41.9)	(32.1)

Note :

- (1) 2023Q3 financial ratios are annualized
- (2) 1H23 profit may account for 43%~45% of total earnings.



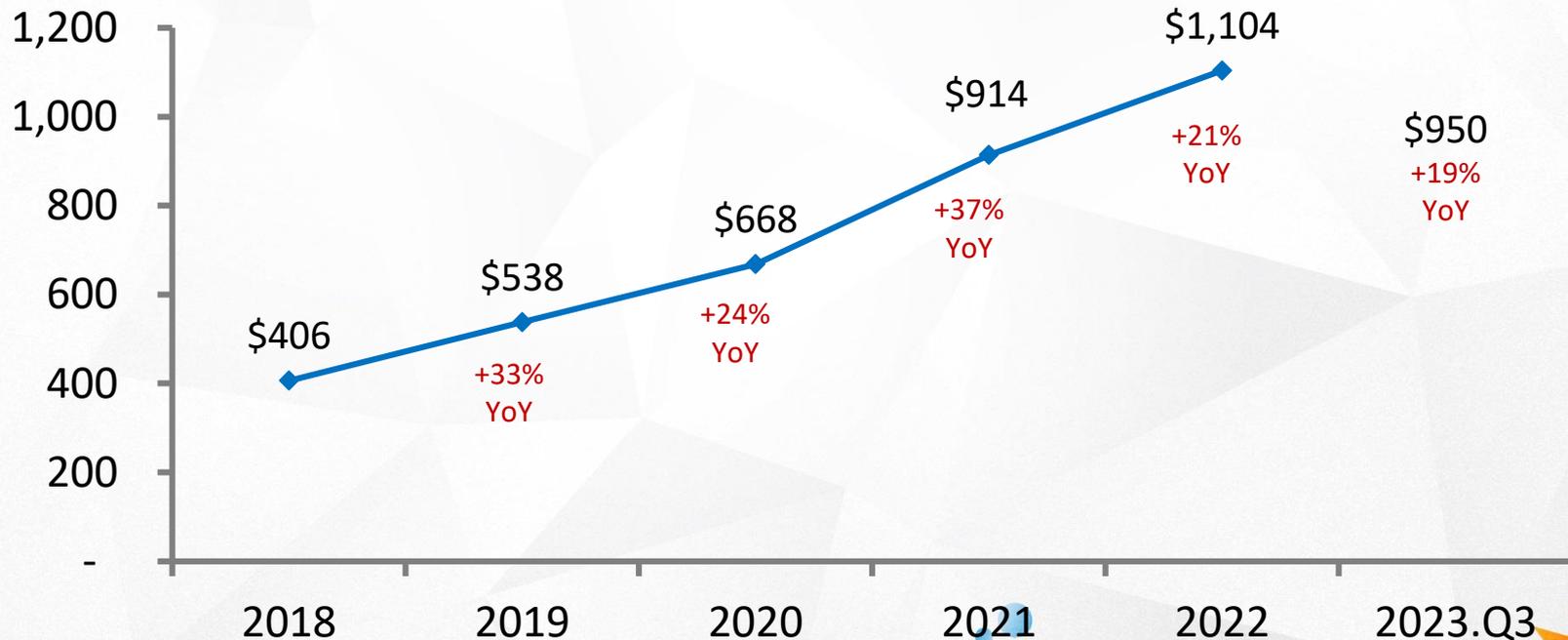
1. Taiwan Grape King



“ Taiwan Grape King-Five-year & 2023Q3 Sales Trend

Unit : NT\$m

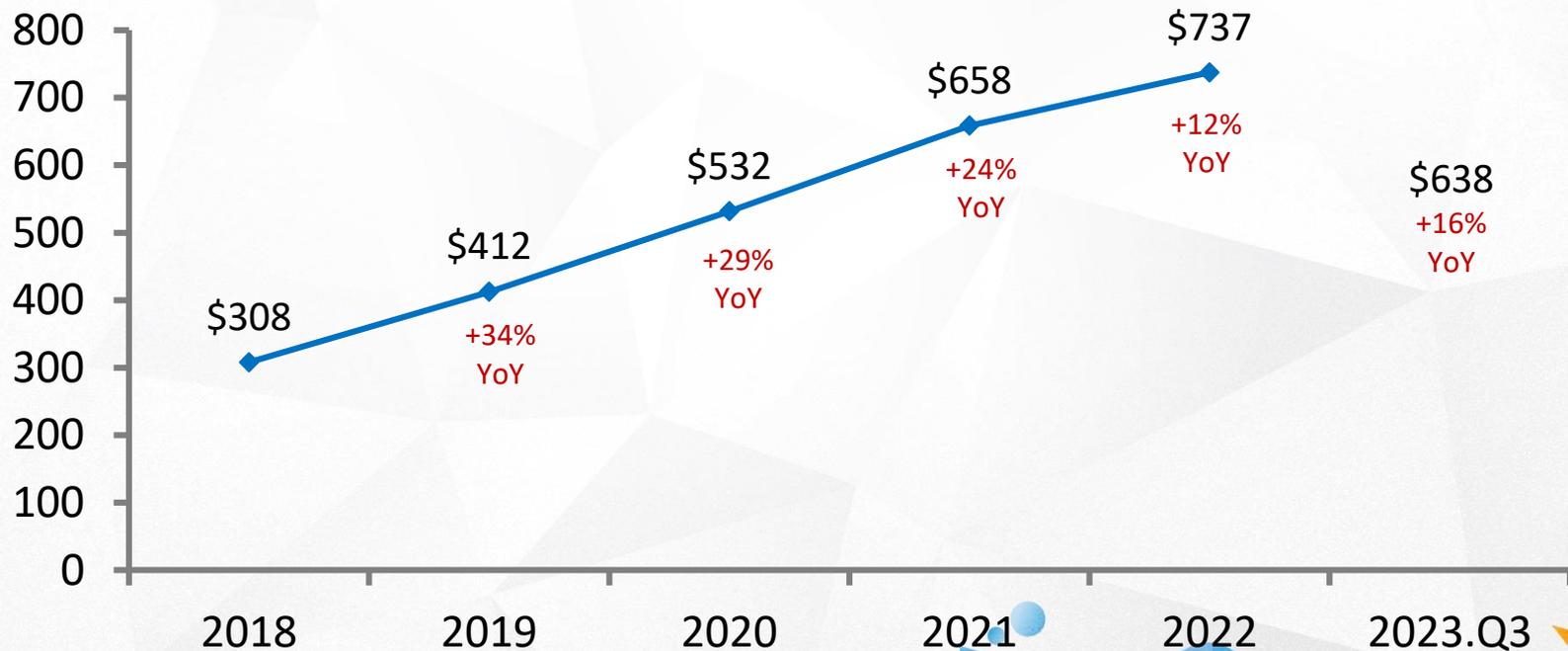
Grape King Taiwan Sales



“ Taiwan Grape King –Five-year & 2023Q3 OBM Trend

Grape King Taiwan OBM Sales

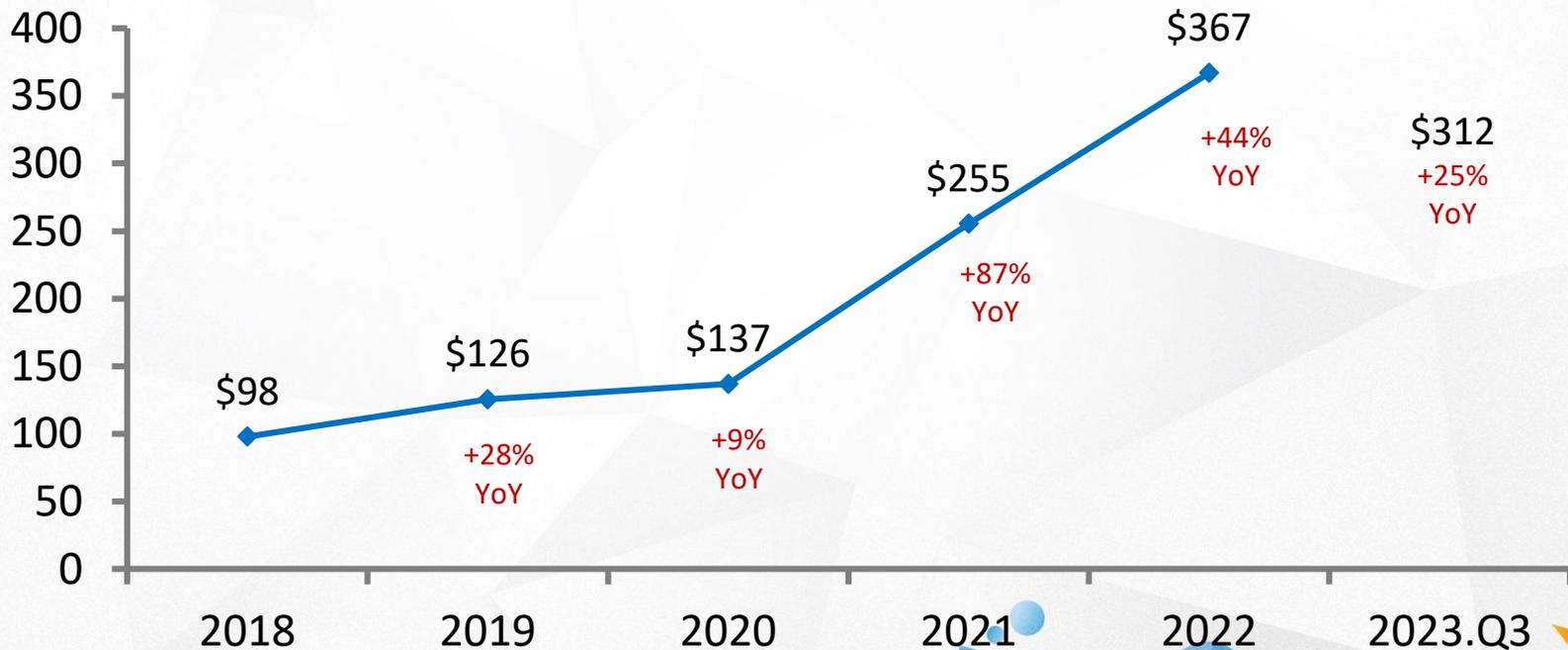
Unit : NT\$mn



“ Taiwan Grape King –Five-year & 2023Q3 ODM Trend

Unit : NT\$mn

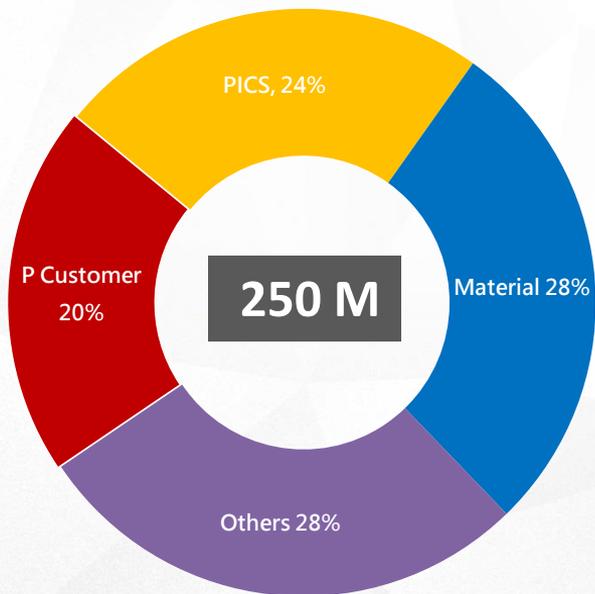
Grape King Taiwan ODM Sales



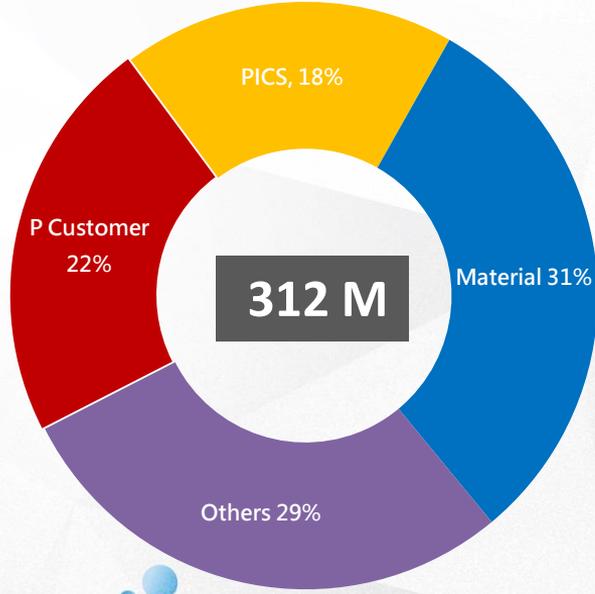
“ Taiwan Grape King – ODM Business Comparison

2023.Q3 ↑ 25%

2022.Q3



2023. Q3



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



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





2. Pro-Partner



“ Pro-Partner Overview

Four Key Figures for Pro-Partner

1

- Largest Taiwanese owned direct selling company in Taiwan based on revenue.
- One of the fastest growing direct selling companies in Taiwan. (15% sales CAGR from 2008 to 2020)

3

- 3rd largest overall direct selling company in Taiwan. (2022 market share: 9.85%)

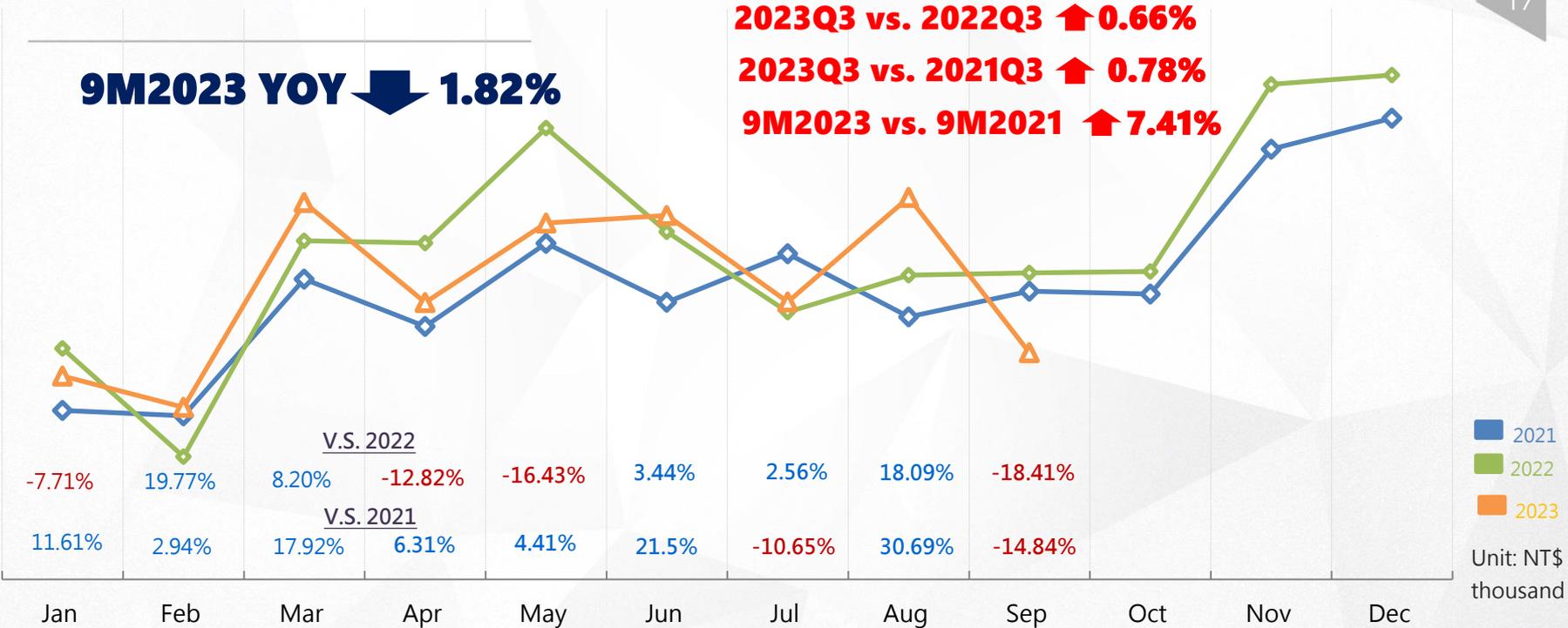
43

- 43 Health and Beauty products for the whole family.

33

- No. 33 in the worldwide direct selling company rankings for 2022.
(Source: 2023 DSN Global 100- based on 2022 revenues)

“ Pro-Partner 9M2023 Sales



Year	January	February	Mar	April	May	June	July	August	September	October	November	December	1-11月合計
2021	466,251	457,891	673,467	598,896	729,775	636,920	713,197	613,892	654,419	650,024	878,331	927,039	5,544,708
2022	563,860	393,562	733,944	730,294	911,796	748,130	621,340	679,391	683,118	685,598	980,490	995,220	6,065,435
2023	520,372	471,366	794,149	636,695	761,982	773,859	637,255	802,292	557,327	640,206	978,631		7,574,134

“ Deeply Cultivating Taiwan and Going International

18

Pro-Partner

- Pro-Partner is ready to open up overseas markets. Considering the vigorous developments of the direct selling industry in Malaysia, where will be chosen as the first preparation location to expand into.
- There are 5 products that have been submitted for MAL certification.
- Expecting to start global market sales by 2025.



葡眾企業
PRO-PARTNER





3. Shanghai Grape King



Grape King Shanghai

Plant Size

Covers area of

170 hectares

GMP plant of

12,500 sqm

100K-level
manufacturing site

(Liquid filling 10K-level)

GMP qualified
manufacturing plant

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

科技
Technology

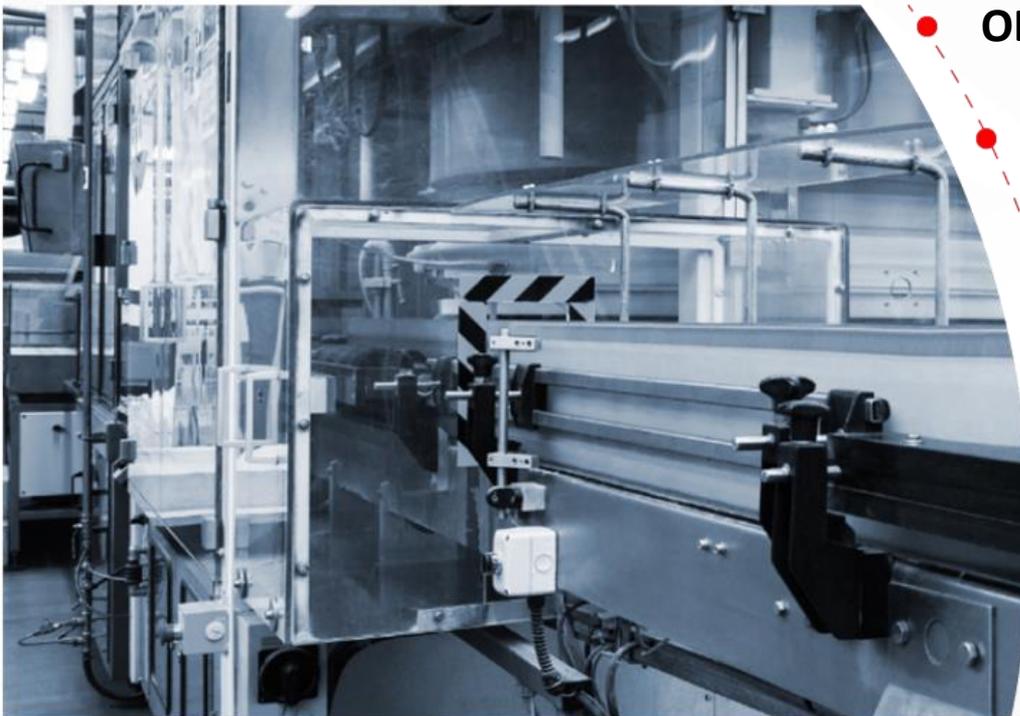
健康
Health

希望
Hope

“

One-stop OEM Service Platform

One-stop service



● ODM/OEM

● R&D

● Formulation design

● Package design

● Production

● Logistics

Regulatory assistance

Training assistance

Declaration assistance



“Customers of Shanghai Grape King



“ Own Brands of Shanghai Grape King





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Plan & Strategy

“ Taiwan Grape King – Growth Strategies



Sustainable growth on top-line and bottom-line

01

Extending Virtual Channels on Own Brand Business

- **Telemarketing Team**
- Membership Management

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

02

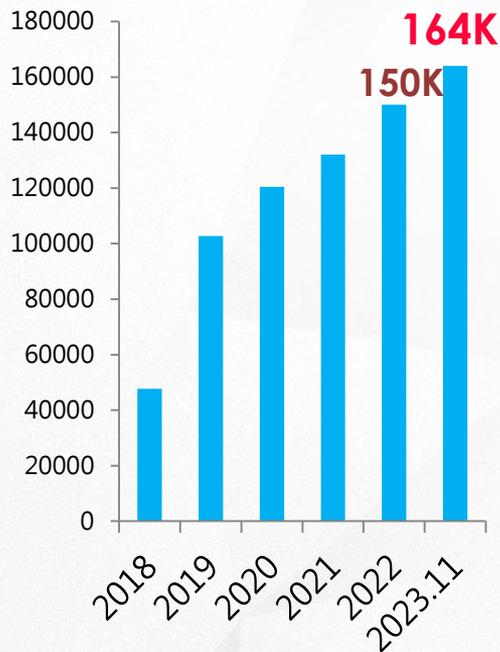
Expanding ODM Business

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

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

“ Own Brand Revenue from Virtual Channels – Actual Results

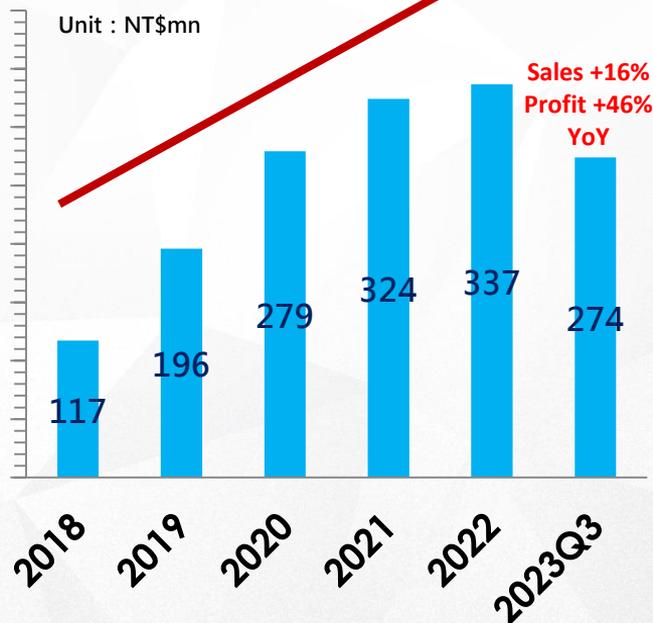
Total Members Reach 164K



Virtual Channel Sales Growth

Profit Contribution up 4.3x

2.9x

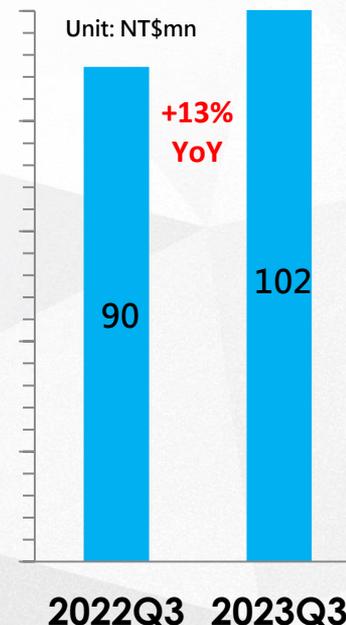


Telemarketing

Established in 2021

Sales Grew 62% in 2022

Profit Improvement in 2023Q3



“ Taiwan Grape King – Diversified Expansion on Products

- **Soft Capsule** line: Completed trial production in July 2023. Delivered to Customer for Certification.
- **Jelly** line: Expects to complete trial mass production by Q1 2024.
 - Delay reasons: Originally planned to purchase domestic equipment, but due to higher demand for the target product, the decision was made to re-issue the procurement to foreign suppliers.
- **Gastric Milk** line: Doubles and expanded production at the first phase and put into operation in September 2023.
 - Raw material supplier temporarily suspended supply, expected to resume production with deliveries scheduled between February and April 2024.
- **Tablet** line: Production line in planning.



“



Thank You

For more information : www.grapeking.com.tw