



Stock Code 1233



# Ten Ren Tea Co., Ltd. Investment Forum

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**Natural, Healthy, Hospitality**



# Topic Outline

- ◆ **Development of Corporate Group & Brand**
- ◆ **About Ten Ren**
- ◆ **2019 Marketing & Production Events**
- ◆ **Financial Status of the Last Five Years (financial information such as financial structure, solvency and profitability, dividend distribution), Profit & Loss in recent years**
- ◆ **Ten Ren's LOHAS Claim**
- ◆ **Implement “Safe Tea Sense Happiness” (Food Safety Lab)**
- ◆ **Short-, Medium- & Long-Term Development Plan and Conclusion**



# Development of Corporate Group & Brand



# About Ten Ren

## Domestic chain system

108 Domestic direct sales stores

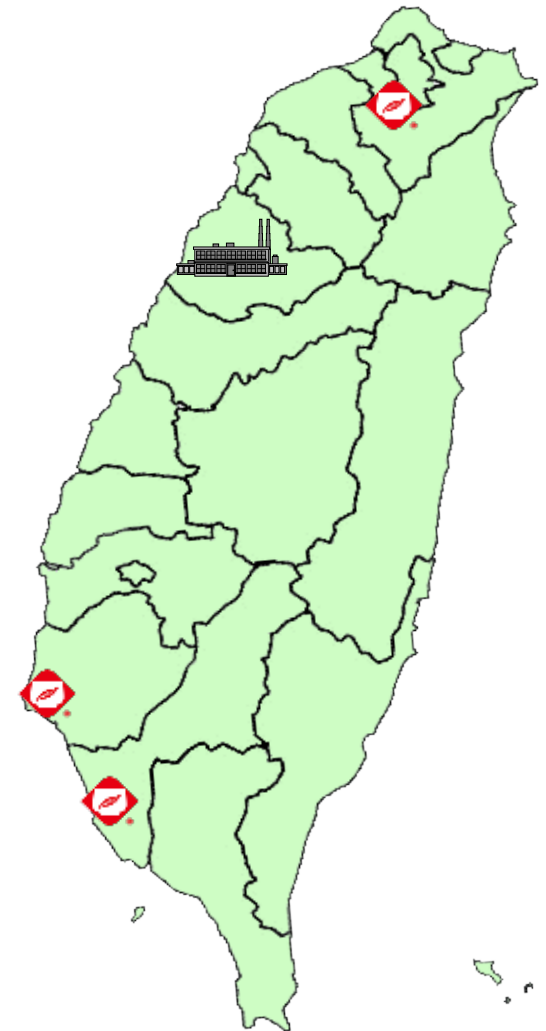
48 Ten Ren Tea stores

43 Department store counters

11 Cha for Tea

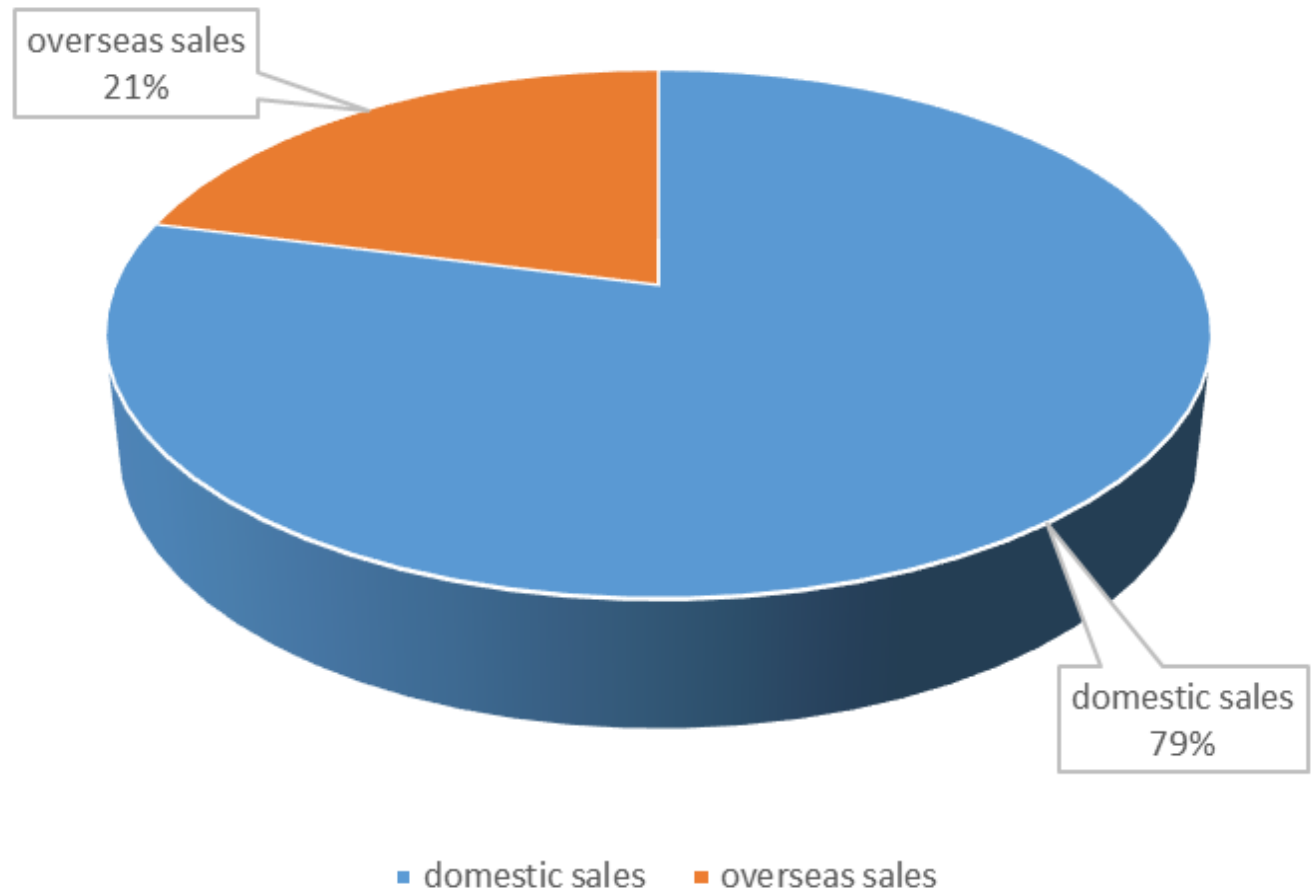
6 CHAFFEE stores

3 Business centers

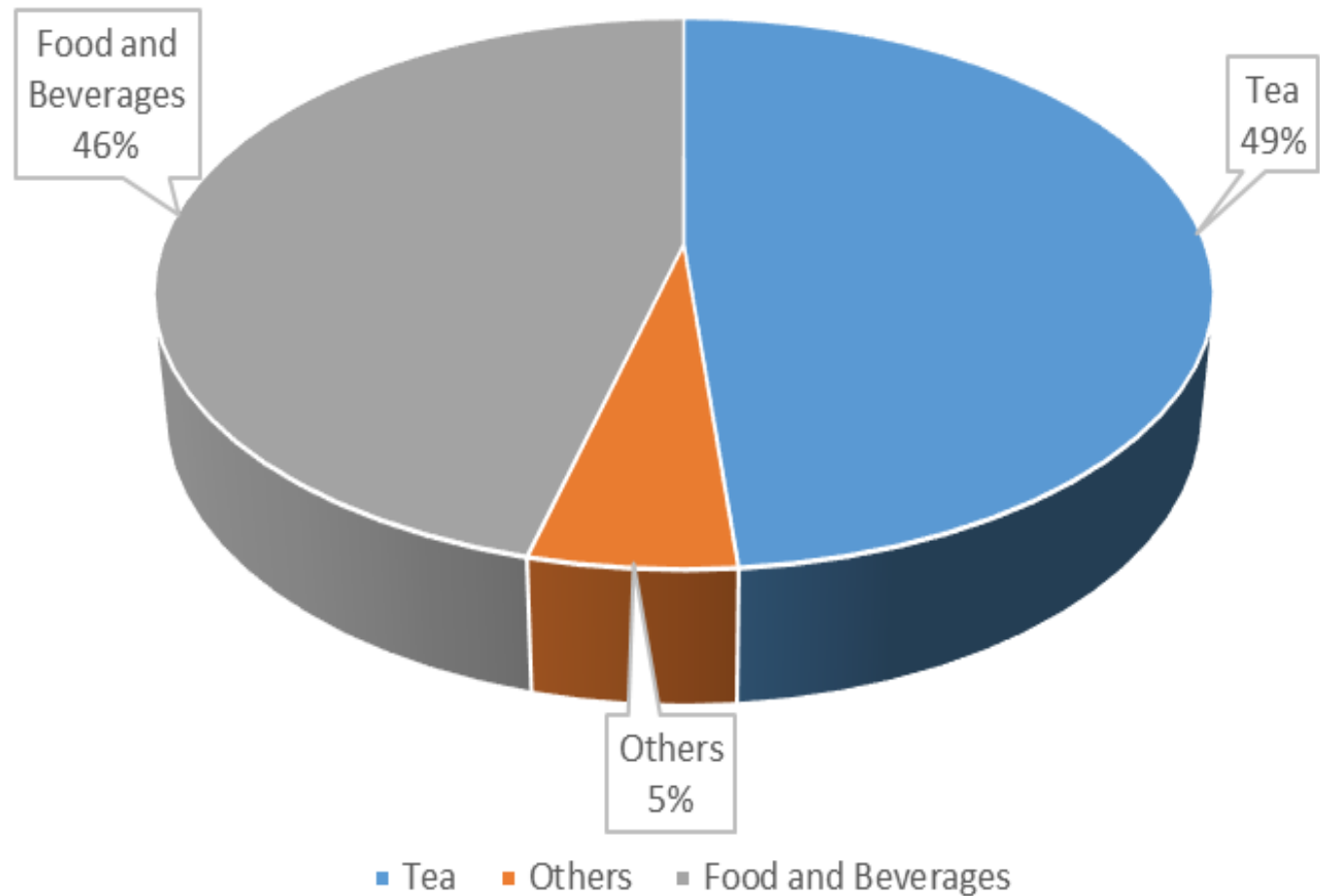


# Analysis of Domestic & Overseas Sales

## Domestic and Overseas Sales Ratio



# Main Product Combination



# Active Development in Foreign Chain System

## Current status of foreign franchises

### ◆ 128 oversea franchises

Set up sales stores in US, Canada, Hong Kong, Macao, Singapore, Japan, Malaysia, Australia, ...

### ◆ 1,169 Tenfu Tea in China

Note: For series of products of Ten Ren Tea, Tenfu Tea is the selling agent in China.



# Active Development in Foreign Chain System

- ◆ Omotesando store in Japan opened on November 24, 2019
- ◆ Expected to set up stores at Vietnam Ho Chi Minh City during Q1 in 2020





# 2019 Marketing Events

## Importing Delivery Platform

Dec. 2018 Uber Eats was imported, and Foodpanda was imported the next August till today, cooperating with 42 stores.

Nov. 2019 The sales in delivery platform accounted in total sales are around 5.5% and accounted in total sales of the stores are 17.5%.

Delivery platform brings purchase convenience for consumers and brings visibility for the brand to enhance the contacting scope of consumers.



# 2019 Marketing Events

## **Diverse Product Development**

Develop diverse bar additional products to enhance single price per client.

In 2019, we consecutively developed Matcha caramel popcorn, Ti Kuan Yin cocoa popcorn, Plum Green Tea sweet potato chips with total sales reached 125 thousand packs.

Develop oversea exclusive popcorns with total sales reached 161 thousand packs.



# Promotion of Tea Culture

## Ten Ren Tea Cultural Centers

Established in 2006, we held the spirit of “What is taken by the tea is used in tea”, and hence, provided free visits, free guide and free tea service. We had over 40 thousand visitors each year.

To carry forward tea pottery, we became the publication platform for Taiwan creation pottery in recent years and cultivated local creators.

We actively participate in public welfare and care the minorities, such as career experience teaching for graduates of Jian Shi Junior High School in Hsinchu County, family tea art classes for the new inhabitant families in Miaoli County and tea art classes for Beipu Junior High School in Hsinchu County, etc.

We hosted people from all over the world in cooperation with the government, school, agencies and groups, arranged tea art experience program and promoted and introduced Taiwan tea to contribute efforts in Taiwan’s diplomatic. Currently, we have hosted visitors for over 30 countries.



# 2019 Production Events

To improve the inclusion of sundries in the tea product, we introduced brand-new technologies of infrared color selector; and we hope to boost the common growth in the whole industrial chain by introducing new technologies. The original factory provides clients with real-time online services and creates brand-new service “zero distance” era by cloud IoT technology system.

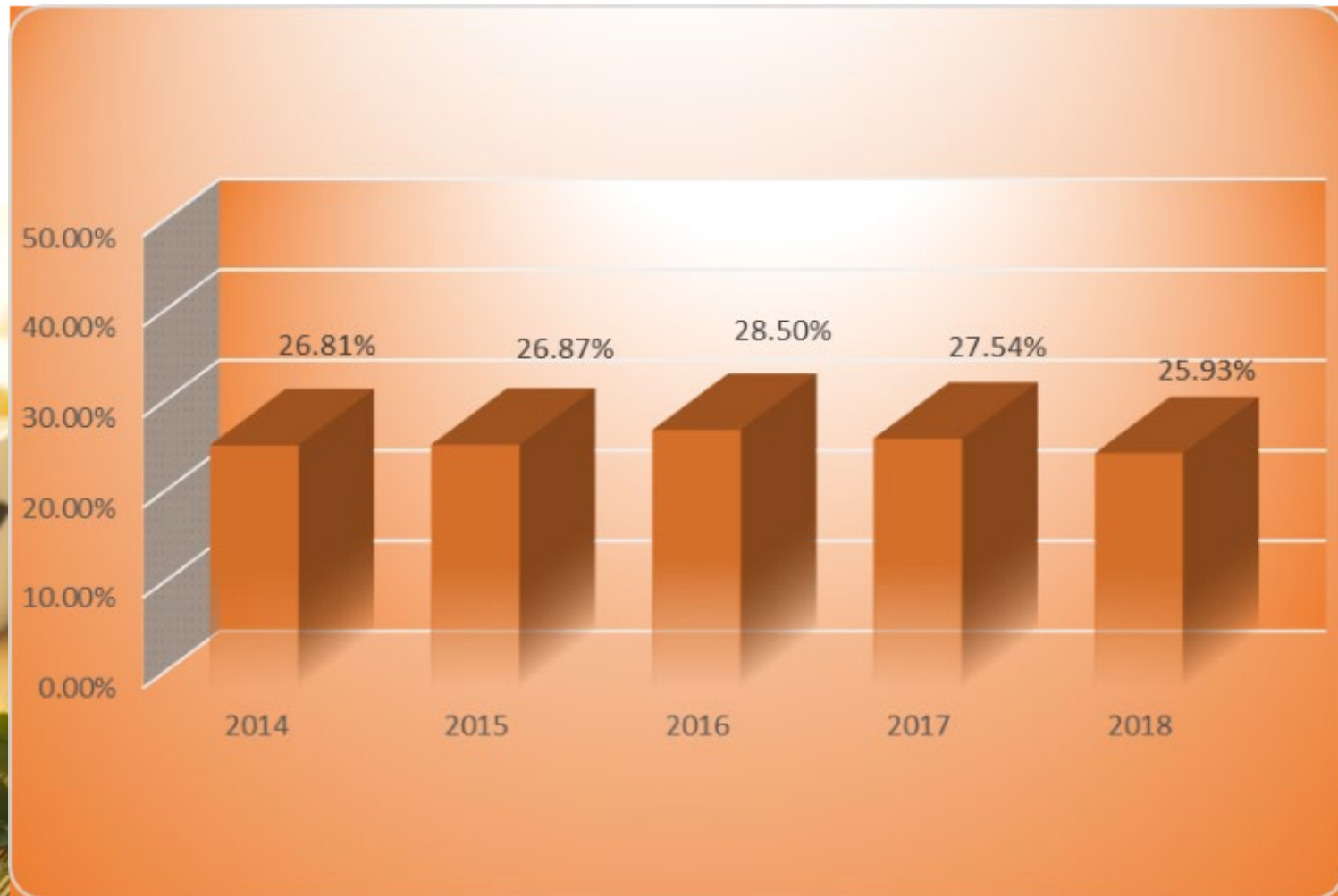


**Testing for  
sundries in tea**



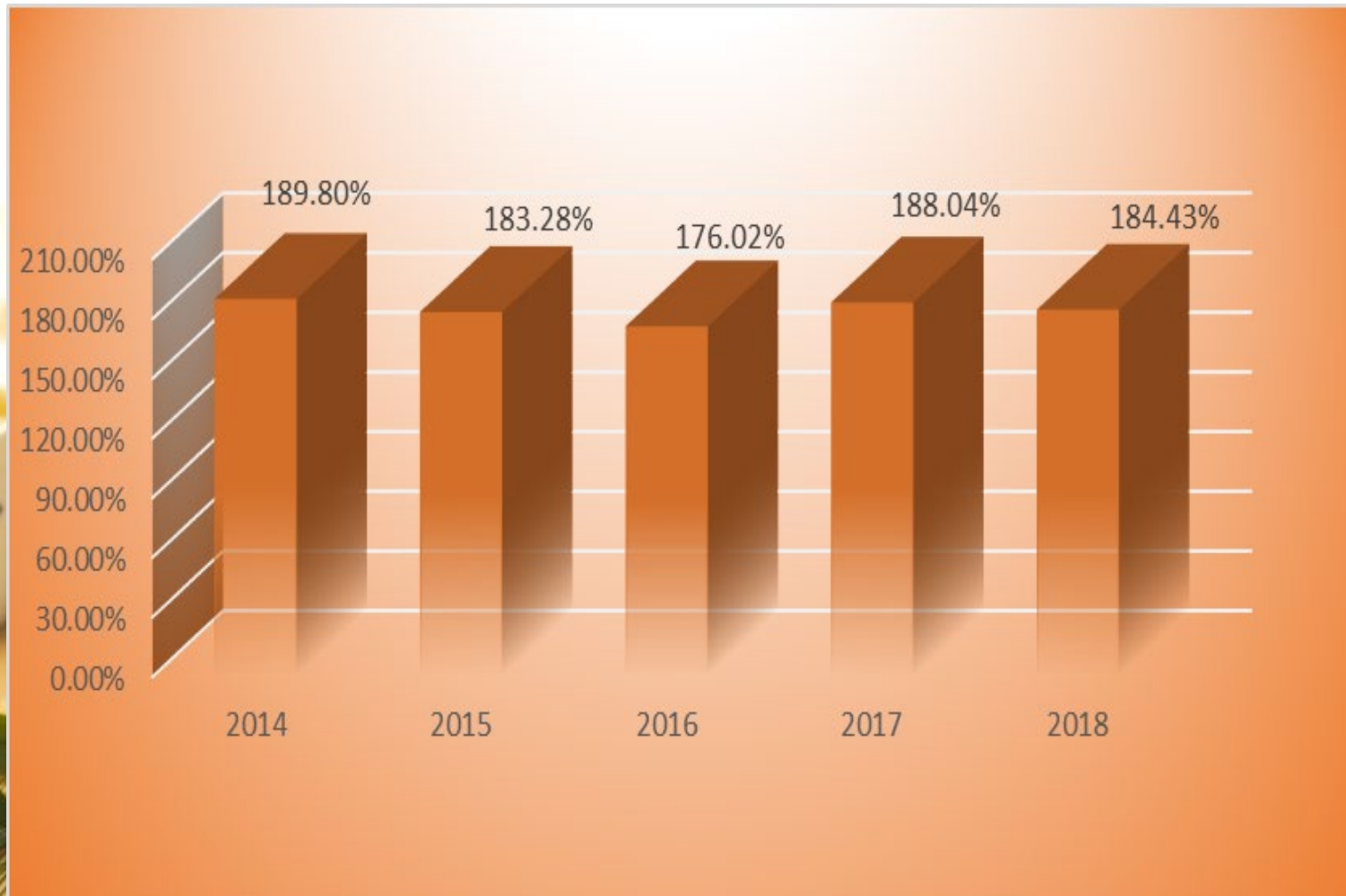
# FINANCIAL STRUCTURE IN THE LAST FIVE YEARS

## Liability Ratio



# SOLVENCY IN THE LAST FIVE YEARS (I)

## Current Ratio



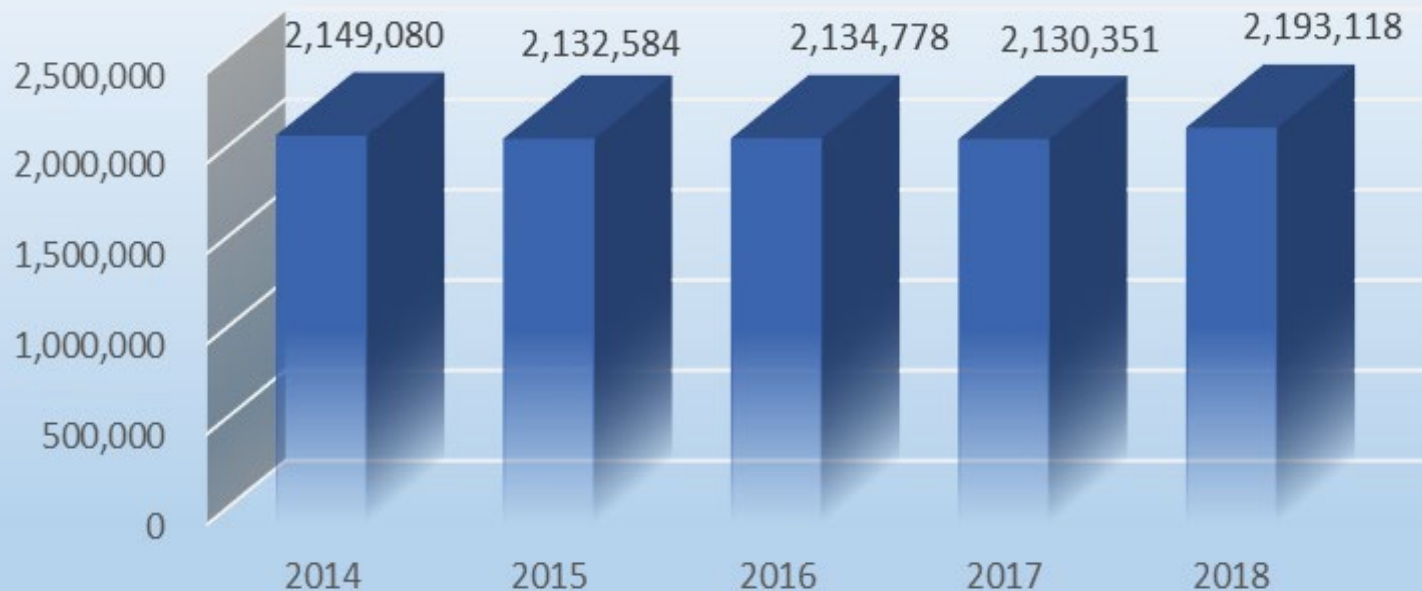
# SOLVENCY IN THE LAST FIVE YEARS (II)

## Quick Ratio



# PROFITABILITY IN THE LAST FIVE YEARS (I)

## Net Operating Income



In NTD thousands



# PROFITABILITY IN THE LAST FIVE YEARS (II)

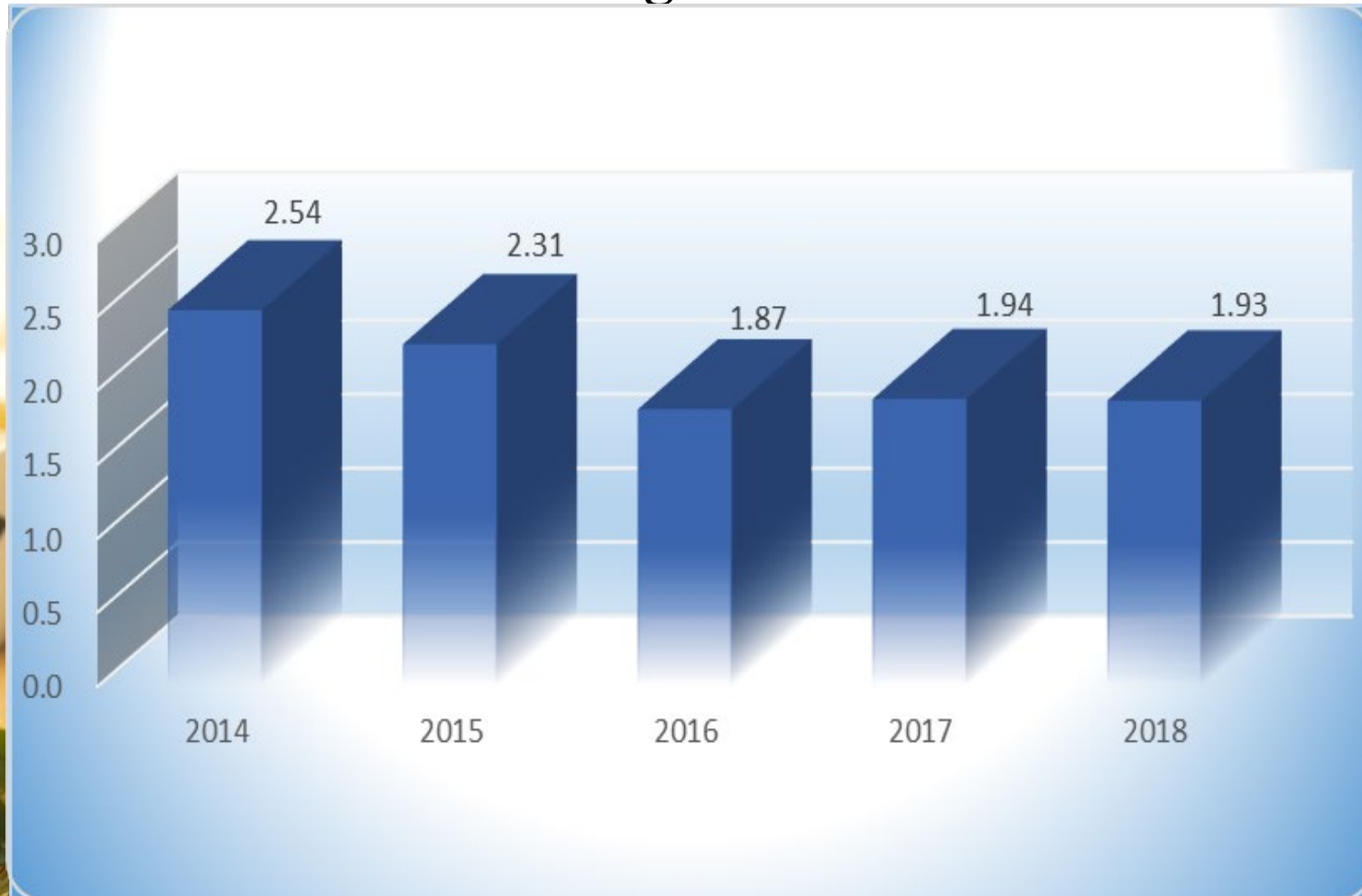
## Current Net Income



In NTD thousands

# PROFITABILITY IN THE LAST FIVE YEARS

## Earnings Per Share



In NT Dollars

# DIVIDEND DISTRIBUTION IN THE LAST FIVE YEARS



In NT Dollars

# PROFIT AND LOSS IN RECENT YEARS

In NTD thousands

Item	Third Quarter of 2019	Third Quarter of 2018	Growth rate%
Operating income	1,670,542	1,649,459	1.28
Gross Profit	967,786	947,455	2.15
Operating expenses	832,154	808,556	2.92
Operating profit	135,632	138,899	(2.35)
Non-operating income and expenses	18,951	37,320	(49.22)
Pre-tax net income	154,583	176,219	(12.28)
Net income	124,838	141,752	(11.93)
Earnings per share (NTD)	1.38	1.56	(11.54)

# Ten Ren LOHAS Claim

## ◆ 100% OK ➡ Tea LOHAS ➡ Green consumption

- ◆ Passed international certificates, such as FSSC22000, ISO22000, HACCP, ISO17025, to provide consumers with safety, trust and satisfaction
- ◆ 100% Save work opportunities for local labors
- ◆ Devoted in energy-saving designs, production process and production concepts and implemented the ideal of “cherishing the resources, cherishing hope
- ◆ Use eco-friendly packaging, printing
- ◆ Reduce the use of papers and advocate healthy chopsticks



# Implement safety tea sense happiness

The company established food safety lab in April 2015, obtained TAF certification in 2017 and passed the recent supervision evaluation in August 2019.

For the last 5 years after food safety lab was established, we completed self-inspection of raw materials and products of food and drinks and outsourcing SGS inspection and established [SGS My Safety Net – Ten Ren Tea Zone](#) to comprehensively guard the food safety of the company.



Year	Internal inspection in the lab	Outsourcing SGS inspection			Total pieces
	Raw materials and products of food and drink	Each batch of tea	Sampling inspection of products	Raw materials and products of food and drinks	
2015	1,111	1,266		180	2,557
2016	1,457	1,114	20	167	2,758
2017	1,735	801	26	186	2,748
2018	1,656	814	13	183	2,666
2019/9	1,254	572	4	148	1,978
<b>Total</b>	<b>7,213</b>	<b>4,567</b>	<b>63</b>	<b>864</b>	<b>12,707</b>

# Short-, Medium- & Long-Term Development Plan



Short term  
(within a year)

- Talent cultivation
- System integration
- ERP upgrade
- Investment in food safety lab upgrade and tea production equipment upgrade
- Integration of biological technology and fundamental medical science
- Implement self-management of food safety and sanitation

Medium term  
(3-5 ears)

- Cultivate international operating talents and make resource integration
- Deepen the image and value of Ten Ren brand MIT
- Strengthen market competitiveness
- Integrate all business entity and play the role of leaders
- Enhance the operation of social network
- Accelerate the connection with new economy, new retails and new field

Long term  
(over 5 years)

- Create Taiwan tea knowledge center and talent center
- Enhance international exchange
- Practically implement enterprise social responsibility
- Devote in creating energy-saving and eco-friendly green enterprise
- Assist tea farmers and supplier upgrade

# Conclusion and Self-Expectation

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- ✦ **Enterprise electronization, service internationalization**
- ✦ **Global Ten Ren knowledge center; establish competitive advantage with structure**
- ✦ **Channel structure modernization, product structure and business management internationalization; hope to carry forward Taiwan Tea to the whole world.**







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since 1953



**Thank you for  
your listening**

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SGS My Safety Net - Ten Ren Tea Zone  
<http://twap.sgs.com/sgsrip/comview.asp?cstno=18559415>