

天仁茗茶
Ten Ren's Tea



CHAFFEE

Stock Code: 1233

Ten Ren Tea Co., Ltd. Investment Forum

Eric Chen
CFO

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Natural, Healthy, Hospitable



Topic Outline

- ◆ **Development of Corporate Group & Brand**
- ◆ **About Ten Ren**
- ◆ **2021 Marketing Events**
- ◆ **Promotion of Tea Culture**
- ◆ **Financial Status in the Last Five Years**
 - Financial Structure
 - Solvency
 - Profitability
 - Dividend Distribution
 - Profit & Loss in the Most Recent Year
- ◆ **Implement Safe Tea, Sense Happiness**
- ◆ **Operation and Development Plans**

天仁茗茶



CHAFFEE

Development of Corporate Group & Brand



About Ten Ren



Domestic chain system

104 Domestic direct sales stores

47 Ten Ren Tea shops

38 Department store counters

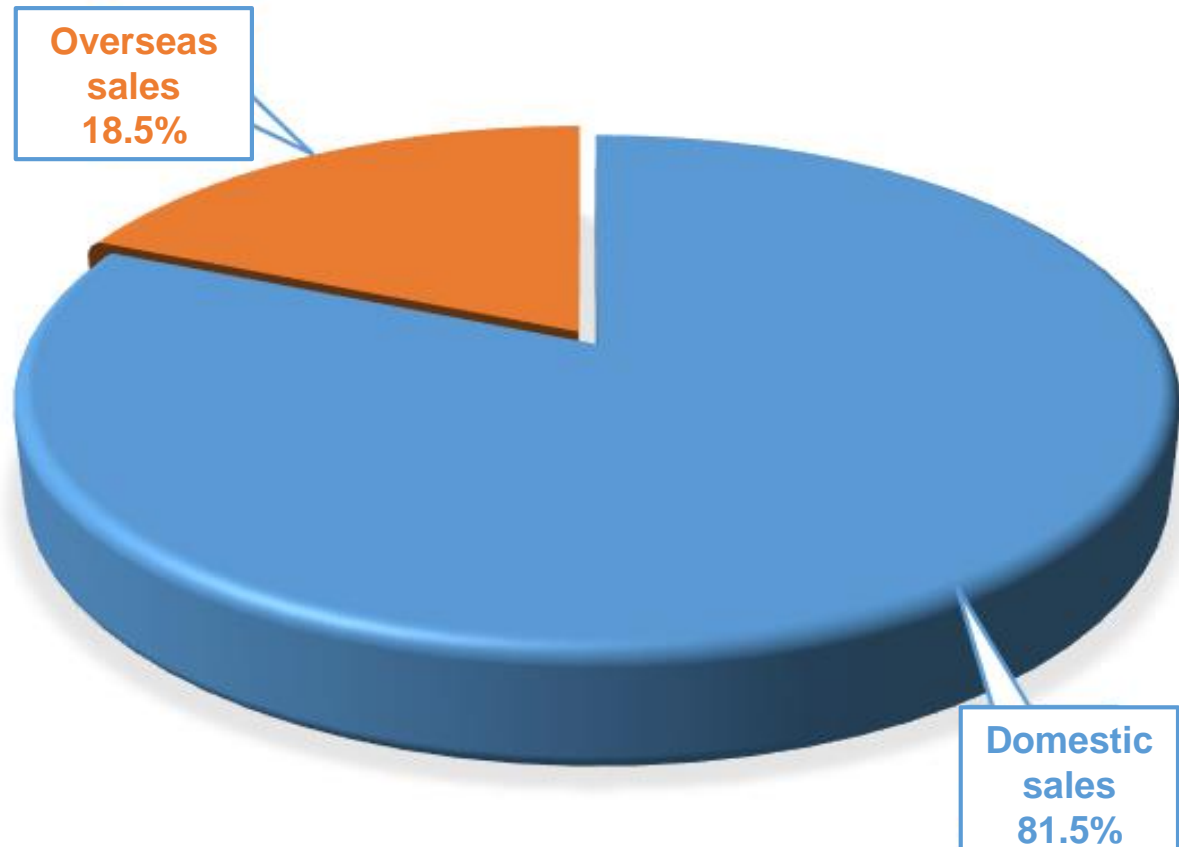
11 cha FOR TEA shops

8 CHAFFEE shops

3 business centers

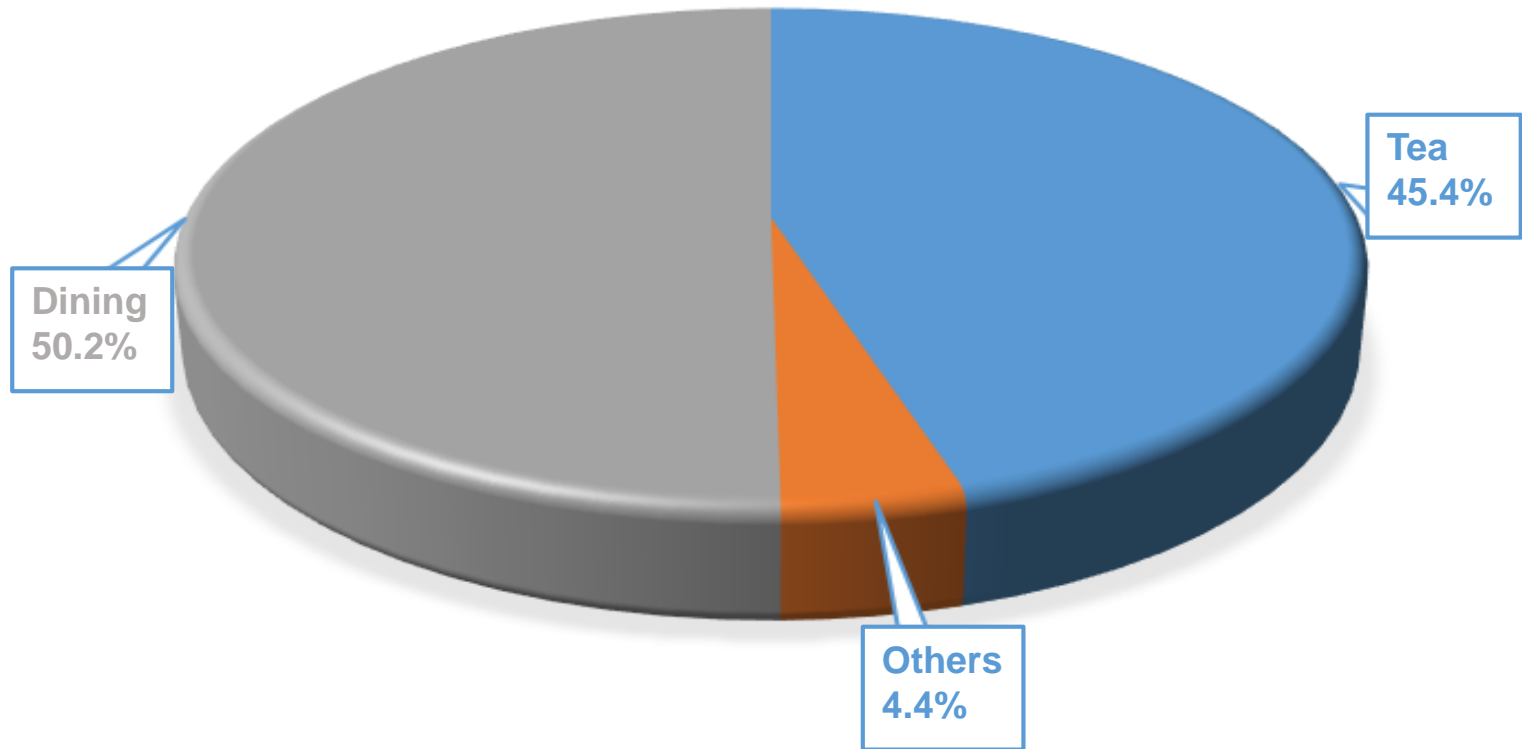


Analysis of Domestic & Overseas Sales



■ Domestic sales ■ Overseas sales

Main Product Portfolio



Active Development of Chain Stores Overseas



Current status of overseas franchised shops

◆ **108 franchised shops overseas**

Shops are opened in the U.S., Canada, Hong Kong, Macau, Singapore, Japan, Malaysia, Australia, etc.

◆ **1,294 Tenfu Tea shops in China**

Note: Tenfu Tea is the general sales agent of Ten Ren Tea's line of products in China.





2021 Marketing Events

Introduction of Delivery Platform

Uber Eats was introduced in December 2018, and Foodpanda was introduced in August 2019. 70 Ten Ren Tea shops have cooperated with delivery platforms.

Sales from the delivery platform accounted for 16.5% of overall sales in October 2021. The proportion shall continue to increase due to the introduction of dual platform approach in August.

Delivery platforms bring convenience for existing consumers, as well as enhance visibility for the brand in order to expand the scope of reaching future consumers.





2021 Marketing Events (Cont'd)

Diverse Product Development

Selling additional products at the counter at discounted price helps to increase amount spent per customer. In 2019, products including matcha x caramel popcorns, Tie Guan Yin x Hershey's cocoa popcorns, plum green tea sweet potato chips, 913 milk tea mini wafers, matcha milk tea mini wafers, 913 nori French fries and 913 milk tea popcorns made their debuts, and a total of 374 thousand bags were sold with 174 thousand bags sold overseas between 2019 and 2021.

Co-branded products such as 913 ice cream, matcha ice cream, 913 milk tea x brown sugar pearl ice cream bar and taro x green milk tea ice cream bar were continued to be released and about 450 thousand cups/bars were sold between 2020 and 2021. We teamed up with KZ FOODS LTD. to roll out co-branded snacks, of which over 150 thousand bags were sold in convenient stores and hypermarkets.





Promotion of Tea Culture

Ten Ren Tea Cultural Centers

Established in 2006, Ten Ren Tea adheres to the spirit of “What is derived from tea is applied to tea advancement” in fulfilling our corporate social responsibilities (CSR). We arrange free visits, guided tours, and tea ceremonies, giving the public an excellent choice for leisure, learning and new experience.

We continue to provide courses on tea art, floral designs, ceramics and forums to encourage community learning and further fulfill the purposes of cultivating both body and mind and creating a harmonious society, aiming to become a learning venue.

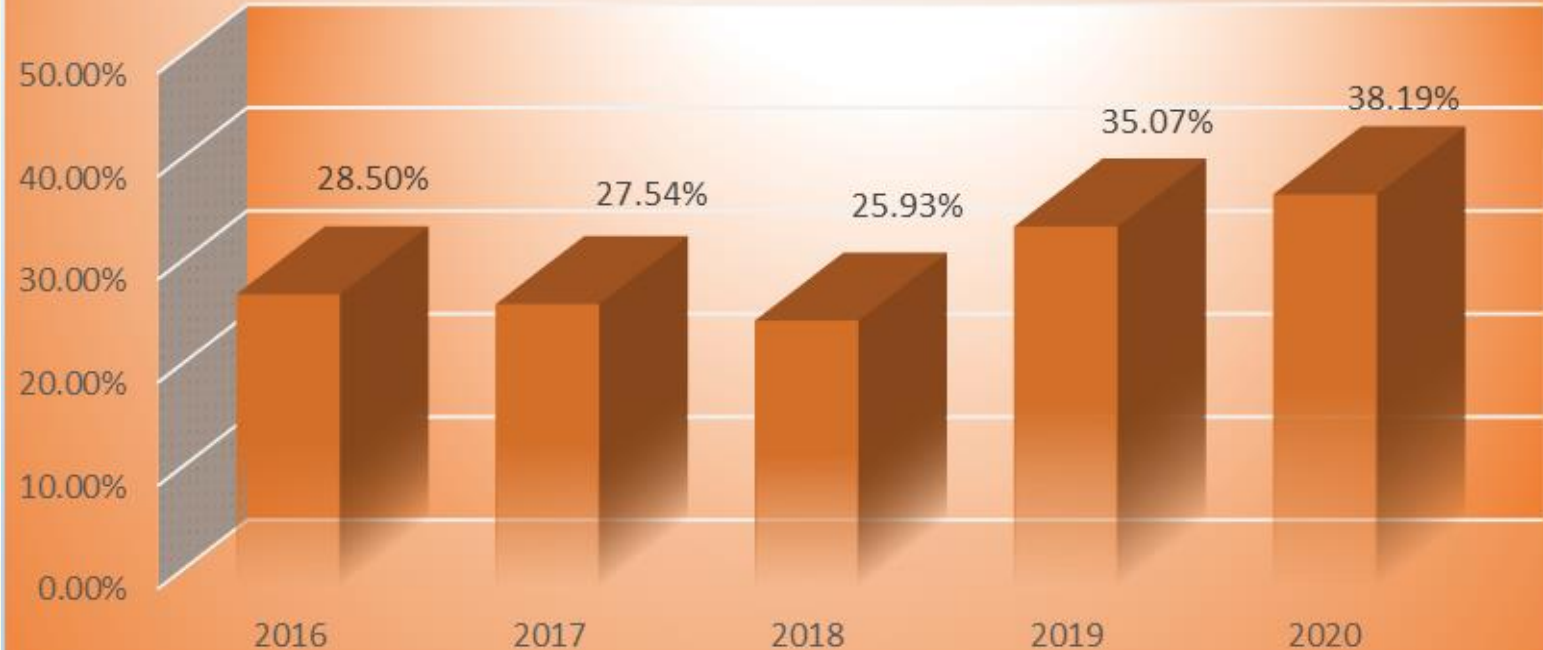
We organize exhibitions to provide Taiwanese ceramic artists an excellent platform to showcase their works, creating business opportunities and facilitating the exchange between tea and ceramic arts.

We actively engage in charitable events, care for the disadvantaged, and customize teaching, experiences and a variety of services for schools at remote areas, aboriginal/new-immigrant families, students with deviant behaviors, associations for people with physical/mental disabilities, advocate groups for seniors and youths, community colleges, schools of all levels, etc.

FINANCIAL STRUCTURES IN THE LAST FIVE YEARS



Liability Ratio



SOLVENCY IN THE LAST FIVE YEARS



Current Ratio



SOLVENCY IN THE LAST FIVE YEARS (CONT'D)



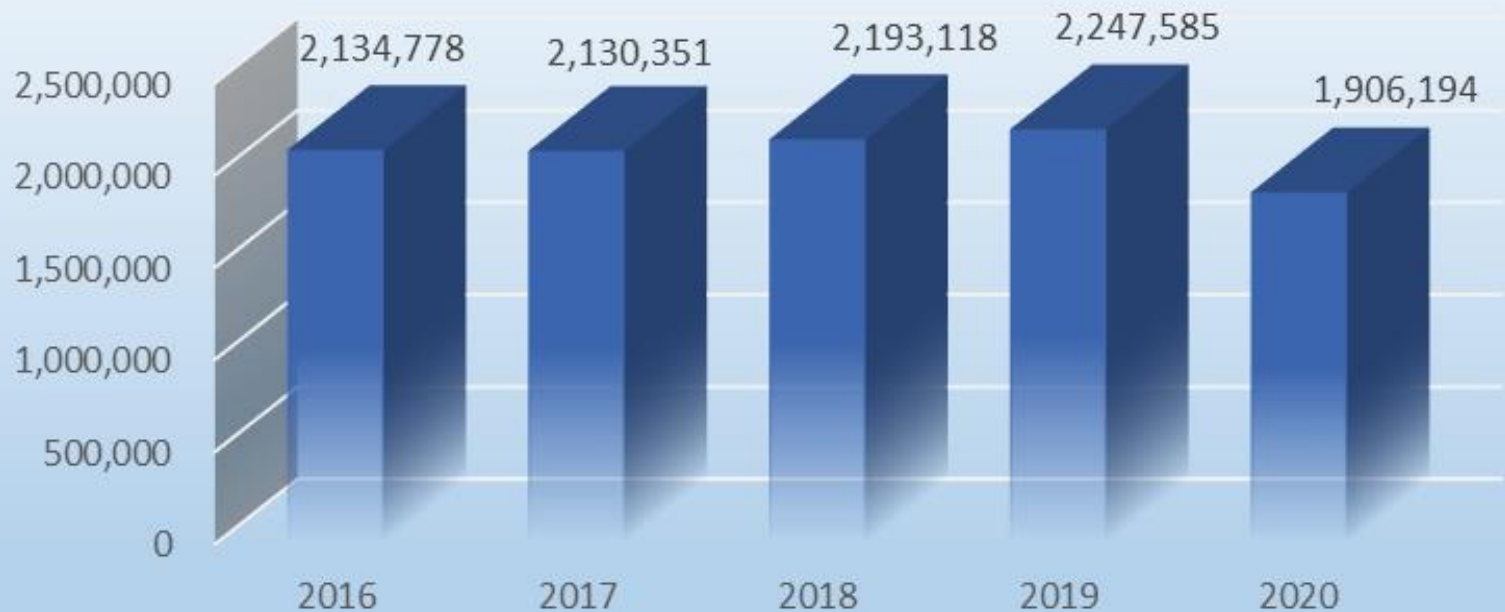
Quick Ratio



PROFITABILITY IN THE LAST FIVE YEARS (I)



Net Operating Income



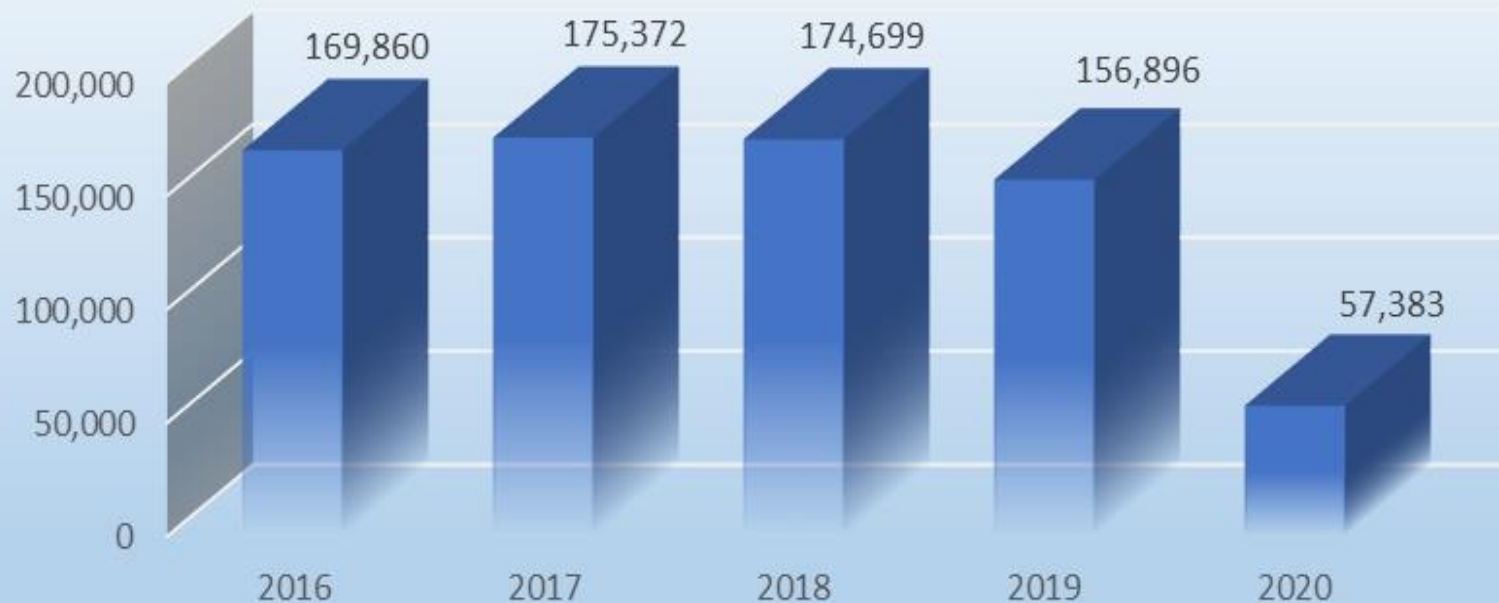
In thousand New Taiwan Dollars

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PROFITABILITY IN THE LAST FIVE YEARS (II)



Current Net Income (After Tax)



In thousand New Taiwan Dollars

PROFITABILITY IN THE LAST FIVE YEARS (III)



In New Taiwan Dollars

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DIVIDEND DISTRIBUTION IN THE LAST FIVE YEARS



In New Taiwan Dollars

PROFIT & LOSS IN THE MOST RECENT YEAR

Operating results between January and September, 2021

(Consolidated financial statements reviewed by CPAs)

Item	2021 Q1-Q3	2020 Q1-Q3	Growth Rate (%)
Operating income	1,282,605	1,401,213	(8.46)
Gross profit	709,247	803,072	(11.68)
Operating expenses	720,120	765,770	(5.96)
Operating profit	(10,873)	37,302	(129.15)
Non-operating income and expenses	35,746	7,267	391.89
Net profit before tax	24,873	44,569	(44.19)
Net profit after tax	21,111	36,961	(42.88)
Earnings Per Share (in NTD)	0.23	0.41	(43.90)

In thousand New Taiwan Dollars





Implement Safe Tea, Sense Happiness

WE OFFICIALLY ESTABLISHED A LABORATORY FOR FOOD SAFETY IN APRIL 2015. IT OBTAINED TAF CERTIFICATE IN 2017 AND ACQUIRED ISO17025 ACCREDITATION AS WELL AS EXTENDING ACCREDITATION IN MARCH 2020. IN JUNE 2021, THE LAB RECEIVED THE FSSC 22000 V5.1 CERTIFICATE.

SINCE ITS ESTABLISHMENT FIVE YEARS AGO, THE LAB HAS ACCOMPLISHED SELF-INSPECTIONS AND OUTSOURCED SGS INSPECTIONS ON INGREDIENTS, FOOD AND BEVERAGES; AND A WEBPAGE, [“SGS MY SAFETY NET – TEN REN TEA”](#), HAS BEEN IN FORCE TO KEEP A TIGHT CONTROL OVER FOOD SAFETY FOR THE COMPANY.



Implement Safe Tea, Sense Happiness (Cont'd)




Year	Internal inspection in the lab raw materials and products of food and beverage	Outsourcing to SGS for inspection			Total inspected pieces
		Each batch of the raw material	Sampling inspection of products	Raw materials and products of food and beverage	
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	1,553	777	10	201	2,541
2020	1,547	590	10	221	2,368
Up to 2021 Q3	1,198	524	3	184	1,909
Total	10,257	5,886	82	1,322	17,547



Operation and Development Plans

- ◆ **Enhance management over existing and potential risks in the face of pandemic, and raise sufficient awareness and resources on learning how to prevent, confront and avoid the occurrence of disasters. Develop resilience and flexibility to cope with risks and break fresh ground for business.**
- ◆ **Strengthen TAF-accredited items in the food safety lab and build a “First-class Quality Assurance System for the Food and Beverage Industry” to forge a more comprehensive food safety system.**
- ◆ **Carry out operation-related tasks such as corporate governance and risk management, and inject diversity, prospects and sustainability into corporate culture.**





Operation and Development Plans (Cont'd)

- ◆ **Continue the digital transformation with a focus on customer experience enhancement, and utilize digitalization to strengthen business advantages.**
- ◆ **Combine different teas with local ingredients in season to explore natural and healthy drinks, desserts and tea-infused dishes, taking actions to support and enrich local agriculture.**





Thank you for your attention

Eric Chen, CFO

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[SGS My Safety Net – Ten Ren Tea Zone](#)

