

# **Ten Ren Tea Co., Ltd.**

## **2022 Annual General Meeting Minutes**

Form of Shareholders' Meeting: Physical

Time and Date: 9:30 a.m. on June 14, 2022 (Tuesday)

Venue: No. 422, Zhonghua Road, Zhunan Township, Miaoli County (Ten Ren Tea Garden Mingfeng Hall).

Attendance: The total number of shares represented by the shareholders present and their proxies was 69,317,022 accounted for 76.55 % of the Company's total issued shares of 90,548,948 shares (the number of shares held by shareholders who met the criteria under Article 179 of the Company Act was deducted).

Chair: Lin, Jen-Chung Minute taker: Hsieh, Ai-Yun

Board members and supervisors attending this annual general meeting:

Directors Lin, Jen-Chung, Wang, Lien-Yuan, Tsai, Song-Tsung, and Teng, Syh-Tang; independent directors Teng, Syh-Tang and Ferng, Ren-Ho (convener of the Remuneration Committee), which already reached half of the total number of 7 directors on the board.

One supervisor present: Supervisor Tseng, Ming-Sung

Attendance in a non-voting capacity: Chi, Kuan-Ling, attorney at SAN-HO LAWYER OFFICE and Lu, Chian-Uen, CPA at Ernst & Young Global Limited.

**I. The chair called the meeting to order:** The total number of shares represented by the shareholders and their proxies present reached the number required in the Company Act, and the chair called the meeting to order according to law.

**II. Chair's Remarks: (Omitted)**

### **III. Reports**

1. 2021 business report and 2022 business plan outline report (see the attachment for details)
2. Supervisors' Review Report on the 2021 financial statements (see the attachment for details)
3. Report on the execution of the 2021 external endorsements/guarantees (see the meeting handbook for details)
4. Report on the distribution of 2021 remuneration to employees and directors/supervisors

Description:

1. The Company, according to the profit in 2022, estimated the employee remuneration and remuneration to directors and supervisors at 2% and 1.59%, of the profit, respectively, and recognized the employee remuneration and remuneration to directors and supervisors in the amounts of NT\$1,069,779 and NT\$855,823, respectively, in salary under expenses.
2. The Company's Board of Directors, on March 15, 2022, resolved a decision to pay

out employee remuneration and directors' and supervisors' remuneration in cash in the amounts of NT\$1,075,104 and NT\$967,593, respectively. The difference between the estimated amount and the amount paid as resolved by the Board of Directors is NT\$5,325 and NT\$111,770, respectively, which are recognized in profit or loss for the following year.

3. Employee remuneration is limited to full-time employees of the Company and its subsidiaries. The chairman is authorized to determine the amount of remuneration by taking into account the employee's seniority, ranking, performance, overall contribution or special merit and qualification.

5. Report on amendments to the Sustainable Development Best Practice Principles (see the meeting handbook for details)

#### **IV. Acknowledgments**

Proposal 1: (Proposed by the Board of Directors)

The 2021 financial statements are submitted for ratification.

Description:

1. The Company's 2021 parent-company-only financial statements and consolidated financial statements, which have been audited by Lu, Chian Uen and Liu, Hui Yuan, CPAs at Ernst & Young Global Limited, as well as the business report, which have been approved by the Company's Board of Directors on March 15, 2022, have been reviewed and approved by supervisors and are submitted for ratification.
2. The Company's 2021 business report and 2022 business plan outline and CPAs' audit report and financial statements (including consolidated financial statements). See the attachment for details.

Resolution: Voting results: The number of votes in favor:69,213,351, accounting for 99.85% of the total voting rights; the number of votes against:13,017; the number of abstentions: 90,654. This proposal was approved as proposed.

Proposal 2: (Proposed by the Board of Directors)

The 2021 Statement of Surplus Distribution is submitted for ratification.

Description:

1. The Company's 2021 statement of surplus distribution was approved by the resolution of the Board of Directors on March 15, 2022.
2. In addition to paying taxes and setting aside 10% of the balance as a legal reserve as per law, the Company's 2021 earnings distribution was handled in accordance with Article 33-1 of the Company's Articles of Incorporation and submitted to the supervisors for review, by whom a review report was issued.
3. The total amount of bonuses distributed to shareholders in 2021 is NT\$62,508,444, that is, the cash dividends per share paid out is NT\$0.69, which is rounded down

to NT\$1. The total amount below NT\$1 will be recognized in the Company's other income. The cash dividend payout record date, payout date, and relevant matters shall be approved by the annual general meeting, and then the Chairman shall be authorized to determine the ex-dividend distribution record date and the payout date.

4. The Company's 2021 statement of surplus distribution. See the next page for details.

Ten Ren Tea Co., Ltd.  
Earnings Distribution

2021

Unit: NT\$

| Item   | Amount        |            | Remark                               |
|--|---------------|------------|--------------------------------------|
| Undistributed earnings at the beginning of the period  |               | \$ 215,361 |                                      |
| 2021 net income  | \$ 43,128,173 |            |                                      |
| Add: Other comprehensive income (actuarial gains and losses on defined benefit plans (2021)) | 16,185,605    |            |                                      |
| Add: Other equity (disposal of equity at fair value through other comprehensive income)      | 9,920,467     |            |                                      |
| Subtotal   | 69,234,245    |            |                                      |
| Provision for statutory surplus reserve  | ( 6,923,425)  |            |                                      |
| Total  |               | 62,310,820 |                                      |
| Total earnings available for distribution for the year                                       |               | 62,526,181 |                                      |
| Distribution items   |               |            |                                      |
| Bonus to shareholders (cash dividends)   | 62,508,444    |            | Cash dividends of NT\$0.69 per share |
| Total distribution   |               | 62,508,444 |                                      |
| Undistributed earnings at the end of the period  |               | \$ 17,737  |                                      |

Chairman: Lee, Kuo-Lin    Manager: Lin, Jen-Chung    Chief Financial Officer, Chu, Hui-Ling

5. It is hereby presented for ratification.

Resolution: Voting results: The number of votes in favor: 69,213,359, accounting for 99.85% of the total voting rights; the number of votes against: 13,009; the number of abstentions: 90,654. This proposal was approved as proposed.

## V. Discussions

Proposal 1: (Proposed by the Board of Directors)

The proposal for payout of cash from capital surplus is submitted for discussion.

Description:

1. The Company intends to set aside NT\$9,965,114 from capital surplus of treasury stock in excess of par value for distribution to shareholders.
2. The payout of cash from capital surplus is based on the shareholding of each shareholder as in the shareholder register on the payout record date, that is, NT\$0.11 per share in cash, rounded down to NT\$1 at the time of payout, and the total amount below NT\$1 will be recognized in the Company's other income. The cash dividend payout record date, payout date, and relevant matters, after approved by the annual general meeting, will be handled by the Chairman at his own discretion as authorized.
3. It is submitted for discussion.

Resolution: Voting results: The number of votes in favor: 69,215,213, accounting for 99.85% of the total voting rights; the number of votes against: 13,092; the number of abstentions: 88,717. This proposal was approved as proposed.

Proposal 2: (Proposed by the Board of Directors)

Partial amendment to the Articles of Incorporation is submitted for discussion.

Description:

1. It is proposed to amend the Company's Articles of Incorporation in alignment with the establishment of an audit committee as per Article 14-4 of the Securities and Exchange Act, the deletion of relevant provisions on supervisors, and the amendment to the provision on the Company's remuneration to employees, directors, and supervisors (see the attachment for the table of amendment).
2. It is submitted for discussion.

Resolution: Voting results: The number of votes in favor: 68,950,105, accounting for 99.47% of the total voting rights; the number of votes against: 276,261; the number of abstentions: 90,656. This proposal was approved as proposed.

Proposal 3: (Proposed by the Board of Directors)

Partial amendment to the Rules of Election of Directors and Supervisors is submitted for discussion.

Description:

1. In alignment with the Company's establishment of an Audit Committee to replace the supervisors' powers and practical operational needs, it is proposed to amend the relevant provisions of the Company's Rules of Election of Directors and Supervisors and rename it "Rules of Election of Directors" (see the attachment for the table of amendment).
2. It is submitted for discussion.

Resolution: Voting results: The number of votes in favor:69,214,273, accounting for 99.85 % of the total voting rights; the number of votes against:12,091 ; the number of abstentions:90,658 . This proposal was approved as proposed.

Proposal 4: (Proposed by the Board of Directors)

Partial amendment to the Regulations Governing the Acquisition and Disposal of Assets is submitted for discussion.

Description:

1. It is to be aligned with the amended Regulations Governing the Acquisition and Disposal of Assets by Public Companies, promulgated as in the Financial Supervisory Commission's (FSC's) Order Jin-Guan-Zeng-Fa No. 1110380465, dated January 28, 2022, and the establishment of an Audit Committee to replace the supervisors' powers.
2. It is proposed to partially amend the Regulations Governing the Acquisition and Disposal of Assets (see the attachment for the table of amendment).
3. It is submitted for discussion.

Resolution: Voting results: The number of votes in favor:69,214,273, accounting for 99.85% of the total voting rights; the number of votes against:12,091; the number of abstentions:90,658. This proposal was approved as proposed.

Proposal 5: (Proposed by the Board of Directors)

Partial amendment to the Regulations Governing Making of Endorsements/Guarantees is submitted for discussion.

Description:

1. It is proposed to partially amend the Company's Regulations Governing Making of Endorsements/Guarantees in response to the establishment of an Audit Committee and the practical operational needs (see the attachment for the table of amendment).
2. It is submitted for discussion.

Resolution: Voting results: The number of votes in favor:69,214,272, accounting for 99.85% of the total voting rights; the number of votes against:12,092; the number of abstentions:90,658. This proposal was approved as proposed.

Proposal 6: (Proposed by the Board of Directors)

Partial amendment to the Rules of Procedure for Shareholders' Meetings is submitted for discussion.

Description:

1. The provisions on video conferencing for shareholders' meetings are added in response to the amendment to Article 172-2 of the Company Act that publicly listed companies may convene shareholders' meetings by video conference and the amended Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the FSC on March 4, 2022. The Company's Rules of Procedure for Shareholders' Meetings are amended as per the amended Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the Taiwan Stock Exchange on March 8, 2022.
2. Table of Amendments to the Rules of Procedure for Shareholders' Meetings (see the attachment for details).
3. It is submitted for discussion.

Resolution: Voting results: The number of votes in favor:69,214,273, accounting for 99.85% of the total voting rights; the number of votes against:12,091; the number of abstentions:90,658 . This proposal was approved as proposed.

## VI. Election

(Proposed by the Board of Directors)

Election of the Company's directors.

Description:

1. The term of office of the Company's incumbent directors and supervisors will end on June 12, 2022, and an election shall be held in accordance with the law.
2. The Company has established the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. According to the Company's Articles of Incorporation, nine directors (including three independent directors) will be elected at this annual general meeting. , The new directors will take office after they are elected for a term of three years, from June 14, 2022 to June 13, 2025.
3. The Company adopts the candidate nomination system for the election of directors. Shareholders shall elect directors and independent directors from a list of candidates, which has been approved by the Board of Directors on April 26, 2022. Relevant information (please refer to the meeting handbook):
4. Please proceed to elect directors.

Election results:

List of Directors Elected

| Identify | Name  | Number of votes won |
|----------|---|---------------------|
| Director | Lee, Kuo-Lin, representative of Ten Fu Investment Co., Ltd.           | 102,550,669         |
| Director | Wang, Lien-Yuan, representative of Unify Grander Investment Co., Ltd. | 70,032,720          |

|                      |   |            |
|----------------------|---|------------|
| Director             | Tseng, Ming-Sung  | 64,022,646 |
| Director             | Tsai, Song-Tsung, representative of Ten Fu Investment Co., Ltd. | 62,344,196 |
| Director             | Lee, Chien-Te, representative of Ten Fu Investment Co., Ltd.    | 60,284,241 |
| Director             | Lin, Jen-Chung  | 58,300,899 |
| Independent Director | Teng, Syh-Tang  | 58,839,738 |
| Independent Director | Ferng, Ren-Ho   | 58,796,270 |
| Independent Director | Edwin C. Shieh  | 58,648,253 |

## VII. Other Motions

(Proposed by the Board of Directors)

Removal of the non-compete clause for the Company's directors is submitted for discussion.

Description:

1. Pursuant to Article 209, paragraph 1 of the Company Act, if a director acts for himself or others within the scope of the Company's business, he shall explain the important contents of his act to the shareholders' meeting and obtain its permission.
2. In response to business needs, the directors elected at this shareholders' meeting may serve as directors at other companies with a similar business scope to the Company's. Therefore, it was proposed to the shareholders' meeting for resolution for removing the non-compete clause for directors.
3. As the Company adopts the candidate nomination system for the election of directors and independent directors and aims to enable shareholders to exercise their voting rights by electronic means, the list of candidates for directors and independent directors with the non-compete clause removed is included in this meeting handbook. After the directors and independent directors are elected at this annual general meeting, the list of directors with the non-compete clause removed will be disclosed on-site at this annual general meeting.

### List of Directors with the Non-Compete Clause Removed

| Title    | Name   | Company with position held concurrently            |
|----------|--|--|
| Director | Ten Fu Investment Co., Ltd.<br>Representative:<br>Lee, Kuo-Lin | Director, Ten Fu Investment Co., Ltd.              |
|          |  | Director, Ten Shin Investment Co., Ltd.            |
|          |  | Director, Ten Rie Investment Co., Ltd.             |
|          |  | Director, Lu Yu Tea Art Co., Ltd. (Representative) |

| <b>Title</b> | <b>Name</b>  | <b>Company with position held concurrently</b>  |
|--------------|--|---|
|              |  | Executive director and Chief Operator, Business Management and Marketing Group, Tenfu (Cayman) Holdings Company Limited |
| Director     | Ten Fu Investment Co., Ltd.<br>Representative:<br>Lee, Chien-Te          | Chairman, Xiamen Daily Plus Food Beverage Management Co., Ltd.  |
| Director     | Unify Grander Investment Co., Ltd.                                       | Director, Hunya Foods Co., Ltd.   |
| Director     | Wang, Lien-Yuan,<br>representative of Unify Grander Investment Co., Ltd. | Chairman, Unify Grander Investment Co., Ltd.  |
|              |  | Director, Taipei Wangtea Enterprise Co., Ltd.   |
| Director     | Tseng, Ming-Sung   | Director, Hotel Sun-Moon Lake Co., Ltd.<br>(Representative)   |
|              |  | Director, Tenfu (Cayman) Holdings Company Limited   |
| Director     | Lin, Jen-Chung   | Director, TEN REN TRADING SDN. BHD.<br>(Representative)   |
|              |  | Director, EN REN TEA HONG KONG LIMITED<br>(Subordinate Company) (Representative)  |
|              |  | Director, TEN REN TEA CO.(S) PTE LTD.<br>(Representative)   |
|              |  | Director, Lu Yu Tea Art Co., Ltd. (Representative)  |

Resolution: Voting results: The number of votes in favor: 65,983,452, accounting for 95.19% of the total voting rights; the number of votes against: 31,755; the number of abstentions: 3,301,815. This proposal was approved as proposed.

**VIII. Questions and Motions: None.**

**IX. Adjournment: a.m. on the same day.**

**Chair: Lee, Kuo-Lin**

**Minutes taker: Hsieh, Ai-Yun**



**[Attachment]**

**1. 2021 business report and 2022 business plan outline report**

**2021 Business Report and 2022 Business Plan Outline**

**I. 2021 Business Report**

(I) Implement Results for Business Plans:

As of December 31, 2021, total assets were NT\$2,309,476 thousand; total liabilities were NT\$849,215 thousand total shareholders' equity was NT\$1,460,261 thousand, with a net worth of NT\$16.08 per share.

Unit: NT\$ thousand

| Item                              | 2021 performance | 2020 performance | Growth rate % |
|-----------------------------------|------------------|------------------|---------------|
| Operating income                  | 1,773,001        | 1,906,194        | (6.99)        |
| Gross profit                      | 990,761          | 1,095,327        | (9.55)        |
| Operating expenses                | 975,925          | 1,030,345        | (5.28)        |
| Operating profit                  | 14,836           | 64,982           | (77.17)       |
| Non-operating income and expenses | 38,102           | 5,091            | 648.42        |
| Profit before tax                 | 52,938           | 70,073           | (24.45)       |
| Profit after tax                  | 43,429           | 57,383           | (24.32)       |
| Earnings per share (EPS) (NT\$)   | 0.48             | 0.63             | (23.81)       |

When COVID-19 vaccines became available, the worst case scenario we expected had passed. Nevertheless, due to the eruption of community infections in May 2021, the warning alert was raised to Level 3 and our operations were faced with even more severe challenges than those in 2020. Amid the situation, we realized that we ought to make improvements on adapting to emergencies and long-term changes. Moreover, we came to understand that in times of the COVID-19 crisis, we must enhance our management on existing and potential risks and invest in enough resources so as to learn to prevent and face disasters. Based on this, we must develop the resilience and flexibility to respond to risks so as to create a new pattern of operation.

In 2021, we took a more professional and systemic approach on the control of food safety, information security and risks. For example: in terms of food safety - we passed the FSSC22000 and HACCP certifications and our Food Safety Laboratory passed the ISO17025 supervisory assessment, as well as accreditation for Staphylococcus aureus, Salmonella, and Listeria monocytogenes. We have also implemented information transparency and honest labeling, further providing consumers with safe consumer choice. In terms of information security - we continue to strengthen the basic information security equipment, while at the same time increasing our employees' awareness towards information security concepts, ensuring the security of the system and operations.

In 2021, we made adjustments to our stores to eliminate weaknesses and build strengths. We have developed a contactless consumer model and introduced self-ordering system to better refine our service process, and expanded our collaboration with delivery platforms. In an economic downturn, we focus on the future, striving to win at the next starting point.

(II) Financial income and expenditures and profitability analysis (all companies in the consolidated financial statements)

| Item                |   | 2021                  |      |
|---------------------|---|-----------------------|------|
| Profitability       | Return on assets (%)                        | 2.04                  |      |
|                     | Return on equity (%)                        | 2.93                  |      |
|                     | Ratio to paid-in capital (%)                | Operating profit      | 1.64 |
|                     |   | Net income before tax | 5.84 |
|                     | Profit margin                               | 2.45                  |      |
|                     | Earnings per share (EPS) (NT\$)             | 0.48                  |      |
| Financial structure | Debt to assets ratio (%)                    | 36.77                 |      |
|                     | Long-term capital to fixed assets ratio (%) | 168.10                |      |
| Solvency            | Current ratio (%)                           | 134.06                |      |
|                     | Quick ratio (%)                             | 88.88                 |      |
|                     | Times interest earned                       | 9.75                  |      |

## II. 2022 Business Plan Outline

The COVID-19 crisis was by no means an accident or unique. Changes in the global economic situation as a result of the pandemic and the impact of geopolitical conflicts and climate change have made us realize we must accelerate the investment in digitalization and smartization to improve our operational efficiency. We will also incorporate key issues relating to food safety, digital nerves, risk management and corporate governance into the content of our corporate culture. By doing this, we inject diverse, future and sustainability elements into our corporate culture.

Although the global economic growth in 2022 is expected to slow down, due to the base period effect, Taiwan's consumption is expected to soar. We drive the enthusiasm of our employees via the idea of "tea renaissance", while constantly deepening epidemic prevention and food safety measures aiming to create a safety working and consumption environment. Meanwhile, we will also accelerate the content of digitization to provide better and more accurate services.

In 2022, not only will we consolidate our corporate core values through "tea renaissance", we will do our utmost to create a sense of social trust through corporate governance strengthening. We intend to establish a dedicated corporate governance department to enhance the functions of the Board of Directors. Meanwhile, we strive for creating a better future by focusing on sustainable development issues and integrating corporate social responsibility with management strategies.

Thank you for your support and advice. Stay safe and healthy and happy tea-drinking!

Chairman: Lee, Kuo-Lin      General Manager: Lin, Jen-Chung      Chief financial officer: Chu, Hui-Ling

**[Attachment] Supervisors' Review Report on the 2021 financial statements**

**Ten Ren Tea Co., Ltd.**

**Supervisors' Review Report**

The Board of Directors prepared the Company's 2021 business report, financial statements, and statement of earnings distribution, among which the financial statements were audited by CPAs Jamie Lu and Julia Liu of EY, by whom an audit report was issued. The business report, financial statements and statement of earnings distribution stated above have been audited by the supervisors and found to be in compliance with the Article 219 in the Company Act.

It is hereby presented to

The Company's 2022 Annual General Meeting

Ten Ren Tea Co., Ltd.

Supervisor: Lee, Hong-Sheng

Chen, Fu-Sung

Tseng, Ming-Sung

March 15, 2022

[Attachment] 2021 CPAs' Audit Report and the 2021 Financial Statements  
(Including Consolidated Financial Statements)

**Independent Auditors' Report Translated from Chinese**

To Ten Ren Tea Co., Ltd.

**Opinion**

We have audited the accompanying parent company only balance sheets of Ten Ren Tea Co., Ltd. (the "Company") as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the parent company only financial statements including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of 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 Parent Company Only 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2021 parent company only financial statements. 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.

Inventory management

As of December 31, 2021, the Company's net inventories amounted to NT\$253,888 thousand, accounting for 11% of total assets, which are significant to the parent company only financial statements. As products are sold through multiple stores and numerous inventory items are distributed across multiple warehouses and stores, we consider the management and control over inventory quantities as a key audit matter.

The audit procedures we performed included but not limited to: understanding the internal control over the management of inventory quantities; reviewing the inventory counting plan, including the control for cut-off for receiving and shipping of goods and the control for the inventory movement during physical inventory count period; selecting major storage locations to perform on-site observation of physical inventory counts to verify the quantities and status of inventories; comparing quantities counted with quantities booked to ensure the accuracy and completeness of inventory quantities.

We also evaluated the adequacy of disclosure of inventories. Please refer to Note 6 of the parent company only financial statements.

#### Revenue recognition – accuracy and completeness of retail sales revenue

For the year ended December 31, 2021, the Company recognized revenue in the amount of NT\$1,765,510 thousand. As products are sold through multiple retail stores, their daily sales records are collected and summarized through the point-of-sale (POS) system, and transaction details are generated simultaneously and transferred to the accounting system to make relevant accounting entries. As retail sales are made directly to customers comprising of voluminous number of transactions, we consider the accuracy and completeness of retail sales revenue as a key audit matter.

The audit procedures we performed included but are not limited to: understanding and testing the effectiveness of general computer control environment related to the POS system; selecting samples to check whether the merchandise master file data in the POS system is properly maintained and approved by authorized personnel; examining scheduling of uploading data and transferring data between systems; selecting samples to check whether detail of daily cash receipt report of each retail stores is consistent with sales revenue ledger to ensure sales revenue generated from retail stores are accurate and complete.

We also evaluated the adequacy of disclosure of revenue. Please refer to Note 6 of the parent company only financial statements.

#### **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 requirements of 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 ability to continue as a going concern of the Company, 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 supervisors, are responsible for overseeing the financial reporting process of the Company.

## **Auditor's 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 auditor's 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 accompanying notes, 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 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 2021 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Lu, Chian Uen

Liu, Hui Yuan

Ernst & Young, Taiwan

March 15, 2022

**Notice to Readers**

The accompanying parent company only financial statements are intended only to present the financial positions, results of operations 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their application in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD  
 PARENT COMPANY ONLY BALANCE SHEETS  
 As of December 31, 2021 and December 31, 2020  
 (Expressed in Thousands of New Taiwan Dollars)

| Assets  |                | December 31, 2021  |            | December 31, 2020  |            |
|---|----------------|--------------------|------------|--------------------|------------|
| Contents  | Notes          | Amount             | %          | Amount             | %          |
| <b>Current assets</b>   |                |                    |            |                    |            |
| Cash and cash equivalents   | 4 and 6.(1)    | \$152,678          | 7          | \$292,271          | 12         |
| Financial assets measured at amortized cost – current                           | 4, 6.(2) and 8 | 70,075             | 3          | 1,350              | -          |
| Notes receivable, net   | 4, 6.(5) and 7 | 6,455              | -          | 5,937              | -          |
| Accounts receivable, net  | 4 and 6.(6)    | 202,394            | 9          | 162,298            | 7          |
| Accounts receivable–related parties, net  | 4, 6.(6) and 7 | 33,685             | 2          | 33,490             | 1          |
| Other receivables   | 7              | 61                 | -          | 424                | -          |
| Inventories   | 4 and 6.(7)    | 253,888            | 11         | 256,165            | 11         |
| Prepayments   |                | 2,940              | -          | 2,709              | -          |
| Other current assets  |                | 3,510              | -          | 723                | -          |
| Total current assets  |                | <u>725,686</u>     | <u>32</u>  | <u>755,367</u>     | <u>31</u>  |
| <b>Non-current assets</b>   |                |                    |            |                    |            |
| Financial assets at fair value through profit or loss – non-current             | 4 and 6.(3)    | -                  | -          | -                  | -          |
| Financial assets at fair value through other comprehensive income – non-current | 4 and 6.(4)    | 80,133             | 4          | 93,746             | 4          |
| Investments accounted for using the equity method                               | 4 and 6.(8)    | 305,830            | 13         | 343,082            | 14         |
| Property, plant and equipment   | 4, 6.(9) and 8 | 851,373            | 37         | 891,622            | 38         |
| Right-of-use assets   | 4 and 6.(18)   | 286,029            | 13         | 294,821            | 12         |
| Intangible assets   | 4 and 6.(10)   | 3,689              | -          | 5,627              | -          |
| Deferred tax assets   | 4 and 6.(22)   | 4,800              | -          | 4,193              | -          |
| Other non-current assets  |                | 9,509              | -          | 2,638              | -          |
| Refundable deposits   |                | 26,309             | 1          | 27,470             | 1          |
| Total non-current assets  |                | <u>1,567,672</u>   | <u>68</u>  | <u>1,663,199</u>   | <u>69</u>  |
| <b>Total assets</b>   |                |                    |            |                    |            |
|   |                | <u>\$2,293,358</u> | <u>100</u> | <u>\$2,418,566</u> | <u>100</u> |

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



English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD  
PARENT COMPANY ONLY BALANCE SHEETS  
As of December 31, 2021 and December 31, 2020  
(Expressed in Thousands of New Taiwan Dollars)

| Liabilities and Equity   |              | December 31, 2021 |     | December 31, 2020 |     |
|--|--------------|-------------------|-----|-------------------|-----|
| Contents   | Notes        | Amount            | %   | Amount            | %   |
| Current liabilities  |              |                   |     |                   |     |
| Short-term loans   | 6.(11)       | \$190,000         | 8   | \$220,000         | 9   |
| Contract liabilities – current   | 4 and 6.(16) | 21,017            | 1   | 18,847            | 1   |
| Notes payable  | 7            | 83,143            | 4   | 91,484            | 4   |
| Accounts payable   | 7            | 32,624            | 1   | 27,682            | 1   |
| Other payables   | 6.(12)       | 130,995           | 6   | 129,706           | 5   |
| Current tax liabilities  | 4 and 6.(22) | 12,209            | -   | 14,115            | 1   |
| Lease liabilities – current  | 4 and 6.(18) | 92,246            | 4   | 94,334            | 4   |
| Other current liabilities  | 7            | 8,658             | -   | 7,730             | -   |
| Total current liabilities  |              | 570,892           | 24  | 603,898           | 25  |
| Non-current liabilities  |              |                   |     |                   |     |
| Long-term loans  | 6.(13)       | -                 | -   | 25,000            | 1   |
| Deferred tax liabilities   | 4 and 6.(22) | 52,392            | 2   | 48,633            | 2   |
| Lease liabilities – non-current  | 4 and 6.(18) | 200,896           | 9   | 202,923           | 8   |
| Net defined benefit liabilities – non-current  | 4 and 6.(14) | 386               | -   | 25,488            | 1   |
| Guarantee deposits   | 7            | 12,211            | 1   | 12,251            | 1   |
| Total non-current liabilities  |              | 265,885           | 12  | 314,295           | 13  |
| Total liabilities  |              | 836,777           | 36  | 918,193           | 38  |
| Equity attributable to shareholders of the parent  |              |                   |     |                   |     |
| Capital stock  | 6.(15)       |                   |     |                   |     |
| Common stock   |              | 905,919           | 40  | 905,919           | 37  |
| Capital surplus  | 6.(15)       |                   |     |                   |     |
| Treasury stock transactions  |              | 26,977            | 1   | 45,095            | 2   |
| Others   |              | 1,173             | -   | 958               | -   |
|  |              | 28,150            | 1   | 46,053            | 2   |
| Retained earnings  | 6.(15)       |                   |     |                   |     |
| Legal reserve  |              | 380,987           | 17  | 375,590           | 16  |
| Special reserve  |              | 3,547             | -   | 3,547             | -   |
| Unappropriated earnings  |              | 69,449            | 3   | 59,967            | 2   |
|  |              | 453,983           | 20  | 439,104           | 18  |
| Other components of equity   |              |                   |     |                   |     |
| Exchange differences resulting from translating the financial statements of foreign operations           |              | (2,906)           | -   | (2,254)           | -   |
| Unrealized gains or losses on financial assets measured at fair value through other comprehensive income |              | 73,409            | 3   | 113,525           | 5   |
|  |              | 70,503            | 3   | 111,271           | 5   |
| Treasury stock   | 4 and 6.(15) | (1,974)           | -   | (1,974)           | -   |
| Total equity   |              | 1,456,581         | 64  | 1,500,373         | 62  |
| Total liabilities and equity   |              | \$2,293,358       | 100 | \$2,418,566       | 100 |

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

TEN REN TEA CO., LTD  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
For the Years Ended December 31, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

| Contents   | Notes                                   | For the years ended December 31 |             |                    |             |
|--|---|---------------------------------|-------------|--------------------|-------------|
|  |   | 2021                            |             | 2020               |             |
|  |   | Amount                          | %           | Amount             | %           |
| Operating revenues   | 4, 6.(16) and 7                         | \$1,765,510                     | 100         | \$1,900,257        | 100         |
| Operating costs  | 4, 6.(7), 6.(19) and 7                  | (781,014)                       | (44)        | (809,451)          | (43)        |
| Gross profit   |   | 984,496                         | 56          | 1,090,806          | 57          |
| Unrealized gross profit  |   | (85)                            | -           | (84)               | -           |
| Realized gross profit  |   | 517                             | -           | 162                | -           |
|  |   | <u>984,928</u>                  | <u>56</u>   | <u>1,090,884</u>   | <u>57</u>   |
| Operating expenses   | 6.(10), 6.(14), 6.(18),<br>6.(19) and 7 |                                 |             |                    |             |
| Selling expenses   |   | (813,599)                       | (46)        | (867,370)          | (46)        |
| Administrative expenses  |   | (147,263)                       | (9)         | (153,119)          | (8)         |
| Research and development expenses  |   | (5,638)                         | -           | (4,997)            | -           |
| Expected credit (losses) gains   | 6.(17)                                  | (2,950)                         | -           | 2,421              | -           |
| Subtotal   |   | <u>(969,450)</u>                | <u>(55)</u> | <u>(1,023,065)</u> | <u>(54)</u> |
| Operating income   |   | <u>15,478</u>                   | <u>1</u>    | <u>67,819</u>      | <u>3</u>    |
| Non-operating income and expenses  | 4, 6.(20) and 7                         |                                 |             |                    |             |
| Interest income  |   | 196                             | -           | 324                | -           |
| Other income   |   | 13,095                          | 1           | 13,765             | 1           |
| Other gains and losses   |   | 18,003                          | 1           | (12,178)           | (1)         |
| Finance costs  |   | (6,051)                         | -           | (6,607)            | -           |
| Share of profit or loss of associates and joint ventures accounted for using the equity method   | 4 and 6.(8)                             | 11,108                          | -           | 6,093              | -           |
| Subtotal   |   | <u>36,351</u>                   | <u>2</u>    | <u>1,397</u>       | <u>-</u>    |
| Income before tax  |   | 51,829                          | 3           | 69,216             | 3           |
| Income tax expense   | 4 and 6.(22)                            | (8,701)                         | -           | (12,163)           | (1)         |
| Net Income   |   | <u>43,128</u>                   | <u>3</u>    | <u>57,053</u>      | <u>2</u>    |
| Other comprehensive income (loss)  | 4 and 6.(21)                            |                                 |             |                    |             |
| Items that will not be reclassified subsequently to profit or loss   |   |                                 |             |                    |             |
| Remeasurements of defined benefit plans  | 4 and 6.(14)                            | 20,232                          | 1           | (3,853)            | -           |
| Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income   |   | 8,076                           | -           | (10,548)           | (1)         |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, which will not be reclassified subsequently to profit or loss |   | (35,791)                        | (2)         | (11,384)           | (1)         |
| Income tax related to items that will not be reclassified subsequently   | 4, 6.(21) and 6.(22)                    | (4,046)                         | -           | 771                | -           |
| Items that may be reclassified subsequently to profit or loss  |   |                                 |             |                    |             |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, which may be reclassified subsequently to profit or loss      | 4 and 6.(8)                             | (652)                           | -           | (5)                | -           |
| Total other comprehensive income (loss), net of tax  |   | <u>(12,181)</u>                 | <u>(1)</u>  | <u>(25,019)</u>    | <u>(2)</u>  |
| Total comprehensive income   |   | <u>\$30,947</u>                 | <u>2</u>    | <u>\$32,034</u>    | <u>-</u>    |
| Earnings per share (NTD)   |   |                                 |             |                    |             |
| Earnings per share-basic   | 6.(23)                                  | <u>\$0.48</u>                   |             | <u>\$0.63</u>      |             |
| Earnings per share-diluted   | 6.(23)                                  | <u>\$0.48</u>                   |             | <u>\$0.63</u>      |             |

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars)

| Contents   | Common Stock | Capital Surplus | Retained Earnings |                 |                         | Other Components of Equity   |  | Treasury Stock | Total       |
|--|--------------|-----------------|-------------------|-----------------|-------------------------|--|--|----------------|-------------|
|  |              |                 | Legal Reserve     | Special Reserve | Unappropriated Earnings | Exchange Differences Resulting From Translating the Financial Statements of Foreign Operations | Unrealized Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income |                |             |
| Balance as of January 1, 2020  | \$905,919    | \$46,130        | \$359,931         | \$3,547         | \$166,602               | \$(2,249)  | \$135,457  | \$(2,524)      | \$1,612,813 |
| Appropriation and distribution of 2019 retained earnings   |              |                 |                   |                 |                         |  |  |                |             |
| Legal reserve  | -            | -               | 15,659            | -               | (15,659)                | -  | -  | -              | -           |
| Cash dividends   | -            | -               | -                 | -               | (144,947)               | -  | -  | -              | (144,947)   |
| Net income in 2020   | -            | -               | -                 | -               | 57,053                  | -  | -  | -              | 57,053      |
| Other comprehensive income (loss) in 2020  | -            | -               | -                 | -               | (3,082)                 | (5)  | (21,932)   | -              | (25,019)    |
| Total comprehensive income (loss)  | -            | -               | -                 | -               | 53,971                  | (5)  | (21,932)   | -              | 32,034      |
| Disposal of parent company stocks by subsidiaries deemed as treasury stock transactions              | -            | (77)            | -                 | -               | -                       | -  | -  | 550            | 473         |
| Balance as of December 31, 2020  | \$905,919    | \$46,053        | \$375,590         | \$3,547         | \$59,967                | \$(2,254)  | \$113,525  | \$(1,974)      | \$1,500,373 |
| Balance as of January 1, 2021  | \$905,919    | \$46,053        | \$375,590         | \$3,547         | \$59,967                | \$(2,254)  | \$113,525  | \$(1,974)      | \$1,500,373 |
| Appropriation and distribution of 2020 retained earnings   |              |                 |                   |                 |                         |  |  |                |             |
| Legal reserve  | -            | -               | 5,397             | -               | (5,397)                 | -  | -  | -              | -           |
| Cash dividends   | -            | -               | -                 | -               | (54,355)                | -  | -  | -              | (54,355)    |
| Cash dividends distributed through capital surplus   | -            | (18,118)        | -                 | -               | -                       | -  | -  | -              | (18,118)    |
| Other changes in capital surplus   |              |                 |                   |                 |                         |  |  |                |             |
| Dividends unclaimed by shareholders  | -            | 215             | -                 | -               | -                       | -  | -  | -              | 215         |
| Net income in 2021   | -            | -               | -                 | -               | 43,128                  | -  | -  | -              | 43,128      |
| Other comprehensive income (loss) in 2021  | -            | -               | -                 | -               | 16,186                  | (652)  | (27,715)   | -              | (12,181)    |
| Total comprehensive income (loss)  | -            | -               | -                 | -               | 59,314                  | (652)  | (27,715)   | -              | 30,947      |
| Disposal of equity instruments investments measured at fair value through other comprehensive income | -            | -               | -                 | -               | 9,920                   | -  | (12,401)   | -              | (2,481)     |
| Balance as of December 31, 2021  | \$905,919    | \$28,150        | \$380,987         | \$3,547         | \$69,449                | \$(2,906)  | \$73,409   | \$(1,974)      | \$1,456,581 |

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars)

| Contents   | For the years ended December 31 |          | Contents  | For the years ended December 31 |           |
|--|---------------------------------|----------|---|---------------------------------|-----------|
|  | 2021                            | 2020     |   | 2021                            | 2020      |
|  | Amount                          | Amount   |   | Amount                          | Amount    |
| Cash flows from operating activities:  |                                 |          | Cash flows from investing activities:   |                                 |           |
| Income before income tax   | \$51,829                        | \$69,216 | Acquisition of financial assets at fair value through other comprehensive income or loss            | (15,861)                        | (8,164)   |
| Adjustments:   |                                 |          | Proceeds from disposal of financial assets at fair value through other comprehensive income or loss | 37,549                          | -         |
| Adjustments to reconcile profit (loss):  |                                 |          | Acquisition of financial assets measured at amortized cost  | (69,075)                        | -         |
| Depreciation expense   | 159,620                         | 162,277  | Proceeds from disposal of financial assets measured at amortized cost                               | 350                             | -         |
| Amortization expense   | 2,910                           | 2,934    | Acquisition of property, plant and equipment  | (21,785)                        | (31,514)  |
| Expected credit (gains) losses   | 2,950                           | (2,421)  | Proceeds from disposal of property, plant and equipment   | 38,486                          | 631       |
| Interest expense   | 6,051                           | 6,607    | Refundable deposits received  | (732)                           | (3,338)   |
| Interest income  | (196)                           | (324)    | Refundable deposits refunded  | 1,893                           | 3,155     |
| Dividend income  | (3,481)                         | (3,076)  | Acquisition of intangible assets  | (972)                           | (1,416)   |
| Share of profit or loss of associates and joint ventures accounted for using the equity method | (11,108)                        | (6,093)  | Increase in other non-current assets  | (12,307)                        | (13,517)  |
| Gains (losses) on disposal of property, plant, and equipment                                   | (26,238)                        | 1,570    | Decrease in other non-current assets  | 434                             | 563       |
| Unrealized gross profit  | 85                              | 84       | Dividends received  | 15,830                          | 14,320    |
| Realized gross profit  | (517)                           | (162)    | Net cash used in investing activities   | (26,190)                        | (39,280)  |
| Gain on rent concession  | (5,533)                         | (6,192)  |   |                                 |           |
| Gain from lease modification   | (65)                            | (73)     | Cash flows from financing activities:   |                                 |           |
| Changes in operating assets and liabilities:   |                                 |          | Increase in short-term loans  | 190,000                         | 555,000   |
| Notes receivable   | (518)                           | (502)    | Decrease in short-term loans  | (220,000)                       | (430,000) |
| Accounts receivable  | (43,046)                        | 62,583   | Increase in long-term loans   | -                               | 25,000    |
| Accounts receivable-related parties  | (195)                           | (6,567)  | Decrease in long-term loans   | (25,000)                        | -         |
| Other receivables  | 363                             | 11,328   | Guarantee deposits received   | -                               | 392       |
| Inventories  | 2,277                           | 37,168   | Guarantee deposits paid   | (40)                            | (914)     |
| Prepayments  | (231)                           | 531      | Cash payments for the principal portion of the lease liabilities                                    | (94,556)                        | (96,664)  |
| Other current assets   | (2,787)                         | 1,168    | Cash dividends  | (72,473)                        | (144,947) |
| Contract liabilities   | 2,170                           | (372)    | Dividends unclaimed by shareholders   | 215                             | -         |
| Notes payable  | (8,341)                         | (8,479)  | Net cash used in financing activities   | (221,854)                       | (92,133)  |
| Accounts payable   | 4,942                           | (8,325)  |   |                                 |           |
| Other payables   | 1,289                           | (33,337) |   |                                 |           |
| Other current liabilities  | 928                             | (879)    |   |                                 |           |
| Net defined benefit liabilities  | (4,870)                         | (5,233)  |   |                                 |           |
| Cash generated from operations   | 128,288                         | 273,431  |   |                                 |           |
| Interest received  | 196                             | 324      |   |                                 |           |
| Interest paid  | (6,051)                         | (6,607)  | Net (decrease) increase in cash and cash equivalents  | (139,593)                       | 119,126   |
| Income taxes paid  | (13,982)                        | (16,609) | Cash and cash equivalents, beginning of year  | 292,271                         | 173,145   |
| Net cash generated by operating activities   | 108,451                         | 250,539  | Cash and cash equivalents, end of year  | \$152,678                       | \$292,271 |

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

## **Independent Auditors' Report Translated from Chinese**

To Ten Ren Tea Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated balance sheets of Ten Ren Tea Co., Ltd. (the “Company”) and its subsidiaries (together the “Group”) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and their consolidated financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by 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 (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2021 consolidated financial statements. 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.

### Inventory management

As of December 31, 2021, the Group's net inventories amounted to NT\$255,712 thousand, accounting for 11% of total assets, which are significant to the consolidated financial statements. As products are sold through multiple stores and numerous inventory items are distributed across multiple warehouses and stores, we consider the management and control over inventory quantities as a key audit matter.

The audit procedures we performed included but not limited to: understanding the internal control over the management of inventory quantities; reviewing the inventory counting plan, including the control for cut-off for receiving and shipping of goods and the control for the inventory movement during physical inventory count period; selecting major storage locations to perform on-site observation of physical inventory counts to verify the quantities and status of inventories; comparing quantities counted with quantities booked to ensure the accuracy and completeness of inventory quantities.

We also evaluated the adequacy of disclosure of inventories. Please refer to Note 6 of the Group's consolidated financial statements.

### Revenue recognition – accuracy and completeness of retail sales revenue

For the year ended December 31, 2021, the Group recognized revenue in the amount of NT\$1,773,001 thousand. As products are sold through multiple retail stores, their daily sales records are collected and summarized through the point-of-sale (POS) system, and transaction details are generated simultaneously and transferred to the accounting system to make relevant accounting entries. As retail sales are made directly to customers comprising of voluminous number of transactions, we consider the accuracy and completeness of retail sales revenue as a key audit matter.

The audit procedures we performed included but are not limited to: understanding and testing the effectiveness of general computer control environment related to the POS system; selecting samples to check whether the merchandise master file data in the POS system is properly maintained and approved by authorized personnel; examining scheduling of uploading data and transferring data between systems; selecting samples to check whether detail of daily cash receipt report of each retail stores is consistent with sales revenue ledger to ensure sales revenue generated from retail stores are accurate and complete.

We also evaluated the adequacy of disclosure of revenue. Please refer to Note 6 of the Company's consolidated financial statements.

## **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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Group, 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 supervisors, are responsible for overseeing the financial reporting process of the Group.

## **Auditor's 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 auditor's 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 consolidated 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 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 internal control of the Group.
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 ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 accompanying notes, and whether the consolidated 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 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 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

## **Others**

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2021 and 2020.

Lu, Chian Uen

Liu, Hui Yuan

Ernst & Young, Taiwan

March 15, 2022

## **Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial positions, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their application in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
As of December 31, 2021 and December 31, 2020  
(Expressed in Thousands of New Taiwan Dollars)

| Assets  |                | December 31, 2021  |            | December 31, 2020  |            |
|---|----------------|--------------------|------------|--------------------|------------|
| Contents  | Notes          | Amount             | %          | Amount             | %          |
| <b>Current assets</b>   |                |                    |            |                    |            |
| Cash and cash equivalents   | 4 and 6.(1)    | \$179,663          | 8          | \$323,696          | 13         |
| Financial assets measured at amortized cost – current                           | 4, 6.(2) and 8 | 76,983             | 3          | 8,458              | -          |
| Notes receivable, net   | 4, 6.(5) and 7 | 5,701              | -          | 5,937              | -          |
| Accounts receivable, net  | 4 and 6.(6)    | 212,523            | 9          | 165,176            | 7          |
| Accounts receivable–related parties, net  | 4, 6.(6) and 7 | 29,983             | 1          | 32,043             | 1          |
| Other receivables   |                | 1,486              | -          | 1,346              | -          |
| Inventories   | 4 and 6.(7)    | 255,712            | 11         | 259,337            | 11         |
| Prepayments   |                | 3,506              | -          | 2,967              | -          |
| Other current assets  |                | 3,556              | -          | 726                | -          |
| Total current assets  |                | <u>769,113</u>     | <u>32</u>  | <u>799,686</u>     | <u>32</u>  |
| <b>Non-current assets</b>   |                |                    |            |                    |            |
| Financial assets at fair value through profit or loss – non-current             | 4 and 6.(3)    | -                  | -          | -                  | -          |
| Financial assets at fair value through other comprehensive income – non-current | 4 and 6.(4)    | 331,250            | 14         | 380,653            | 16         |
| Investments accounted for using the equity method                               | 4 and 6.(8)    | 9,911              | 1          | 9,237              | 1          |
| Property, plant and equipment   | 4, 6.(9) and 8 | 868,685            | 38         | 908,924            | 38         |
| Right-of-use assets   | 4 and 6.(18)   | 286,029            | 13         | 294,821            | 12         |
| Intangible assets   | 4 and 6.(10)   | 3,689              | -          | 5,627              | -          |
| Deferred tax assets   | 4 and 6.(22)   | 4,821              | -          | 4,242              | -          |
| Other non-current assets  |                | 9,509              | 1          | 2,638              | -          |
| Refundable deposits   |                | 26,469             | 1          | 27,688             | 1          |
| Total non-current assets  |                | <u>1,540,363</u>   | <u>68</u>  | <u>1,633,830</u>   | <u>68</u>  |
| <b>Total assets</b>   |                | <u>\$2,309,476</u> | <u>100</u> | <u>\$2,433,516</u> | <u>100</u> |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
As of December 31, 2021 and December 31, 2020  
(Expressed in Thousands of New Taiwan Dollars)

| Liabilities and Equity   |              | December 31, 2021  |            | December 31, 2020  |            |
|--|--------------|--------------------|------------|--------------------|------------|
| Contents   | Notes        | Amount             | %          | Amount             | %          |
| Current liabilities  |              |                    |            |                    |            |
| Short-term loans   | 6.(11)       | \$190,000          | 8          | \$220,000          | 9          |
| Contract liabilities – current   | 4 and 6.(16) | 21,017             | 1          | 18,847             | 1          |
| Notes payable  | 7            | 83,271             | 4          | 91,484             | 4          |
| Accounts payable   | 7            | 33,667             | 1          | 27,779             | 1          |
| Other payables   | 6.(12)       | 132,059            | 6          | 130,640            | 6          |
| Current tax liabilities  | 4 and 6.(22) | 12,731             | 1          | 14,452             | 1          |
| Lease liabilities – current  | 4 and 6.(18) | 92,246             | 4          | 94,334             | 4          |
| Other current liabilities  |              | 8,727              | -          | 7,795              | -          |
| Total current liabilities  |              | <u>573,718</u>     | <u>25</u>  | <u>605,331</u>     | <u>26</u>  |
| Non-current liabilities  |              |                    |            |                    |            |
| Long-term loans  | 6.(13)       | -                  | -          | 25,000             | 1          |
| Deferred tax liabilities   | 4 and 6.(22) | 62,135             | 3          | 58,380             | 3          |
| Lease liabilities – non-current  | 4 and 6.(18) | 200,896            | 9          | 202,923            | 8          |
| Net defined benefit liabilities – non-current  | 4 and 6.(14) | 386                | -          | 25,488             | 1          |
| Guarantee deposits   | 7            | 12,080             | -          | 12,120             | -          |
| Total non-current liabilities  |              | <u>275,497</u>     | <u>12</u>  | <u>323,911</u>     | <u>13</u>  |
| Total liabilities  |              | <u>849,215</u>     | <u>37</u>  | <u>929,242</u>     | <u>39</u>  |
| Equity attributable to shareholders of the parent  |              |                    |            |                    |            |
| Capital stock  | 6.(15)       |                    |            |                    |            |
| Common stock   |              | <u>905,919</u>     | <u>39</u>  | <u>905,919</u>     | <u>37</u>  |
| Capital surplus  | 6.(15)       |                    |            |                    |            |
| Treasury stock transactions  |              | 26,977             | 1          | 45,095             | 2          |
| Others   |              | <u>1,173</u>       | <u>-</u>   | <u>958</u>         | <u>-</u>   |
| Retained earnings  | 6.(15)       | <u>28,150</u>      | <u>1</u>   | <u>46,053</u>      | <u>2</u>   |
| Legal reserve  |              | 380,987            | 17         | 375,590            | 15         |
| Special reserve  |              | 3,547              | -          | 3,547              | -          |
| Unappropriated earnings  |              | <u>69,449</u>      | <u>3</u>   | <u>59,967</u>      | <u>2</u>   |
| Other components of equity   |              | <u>453,983</u>     | <u>20</u>  | <u>439,104</u>     | <u>17</u>  |
| Exchange differences resulting from translating the financial statements of foreign operations           |              | (2,906)            | -          | (2,254)            | -          |
| Unrealized gains or losses on financial assets measured at fair value through other comprehensive income |              | <u>73,409</u>      | <u>3</u>   | <u>113,525</u>     | <u>5</u>   |
| Treasury stock   | 4 and 6.(15) | <u>70,503</u>      | <u>3</u>   | <u>111,271</u>     | <u>5</u>   |
| Equity attributable to the parent company  |              | <u>(1,974)</u>     | <u>-</u>   | <u>(1,974)</u>     | <u>-</u>   |
| Non-controlling interests  | 6.(15)       | 1,456,581          | 63         | 1,500,373          | 61         |
| Total equity   |              | <u>3,680</u>       | <u>-</u>   | <u>3,901</u>       | <u>-</u>   |
| Total equity   |              | <u>1,460,261</u>   | <u>63</u>  | <u>1,504,274</u>   | <u>61</u>  |
| Total liabilities and equity   |              | <u>\$2,309,476</u> | <u>100</u> | <u>\$2,433,516</u> | <u>100</u> |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

| Contents  | Notes                                   | For the years ended December 31 |      |             |      |
|---|---|---------------------------------|------|-------------|------|
|   |   | 2021                            |      | 2020        |      |
|   |   | Amount                          | %    | Amount      | %    |
| Operating revenues  | 4, 6.(16) and 7                         | \$1,773,001                     | 100  | \$1,906,194 | 100  |
| Operating costs   | 4, 6.(7), 6.(19) and 7                  | (782,240)                       | (44) | (810,867)   | (43) |
| Gross profit  |   | 990,761                         | 56   | 1,095,327   | 57   |
| Operating expenses  | 6.(10), 6.(14), 6.(18),<br>6.(19) and 7 |                                 |      |             |      |
| Selling expenses  |   | (816,724)                       | (46) | (871,135)   | (47) |
| Administrative expenses   |   | (150,613)                       | (8)  | (156,672)   | (8)  |
| Research and development expenses   |   | (5,638)                         | -    | (4,997)     | -    |
| Expected credit (losses) gains  | 6.(17)                                  | (2,950)                         | -    | 2,459       | -    |
| Subtotal  |   | (975,925)                       | (54) | (1,030,345) | (55) |
| Operating income  |   | 14,836                          | 2    | 64,982      | 2    |
| Non-operating income and expenses   | 4, 6.(20) and 7                         |                                 |      |             |      |
| Interest income   |   | 278                             | -    | 562         | -    |
| Other income  |   | 25,361                          | 1    | 23,680      | 1    |
| Other gains and losses  |   | 17,770                          | 1    | (13,237)    | (1)  |
| Finance costs   |   | (6,051)                         | -    | (6,610)     | -    |
| Share of profit or loss of associates and joint ventures accounted for using the equity method  | 4 and 6.(8)                             | 744                             | -    | 696         | -    |
| Subtotal  |   | 38,102                          | 2    | 5,091       | -    |
| Income before tax   |   | 52,938                          | 4    | 70,073      | 2    |
| Income tax expense  | 4 and 6.(22)                            | (9,509)                         | (1)  | (12,690)    | (1)  |
| Net Income  |   | 43,429                          | 3    | 57,383      | 1    |
| Other comprehensive income (loss)   | 4 and 6.(21)                            |                                 |      |             |      |
| Items that will not be reclassified subsequently to profit or loss  |   |                                 |      |             |      |
| Remeasurements of defined benefit plans   | 4 and 6.(14)                            | 20,232                          | 1    | (3,853)     | -    |
| Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income  |   | (27,715)                        | (2)  | (21,932)    | (1)  |
| Income tax related to items that will not be reclassified subsequently  | 4, 6.(21) and 6.(22)                    | (4,046)                         | -    | 771         | -    |
| Items that may be reclassified subsequently to profit or loss   |   |                                 |      |             |      |
| Exchange differences resulting from translating the financial statements of foreign operations  |   | (841)                           | -    | (292)       | -    |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, which may be reclassified subsequently to profit or loss | 4 and 6.(8)                             | (70)                            | -    | 141         | -    |
| Total other comprehensive income (loss), net of tax   |   | (12,440)                        | (1)  | (25,165)    | (1)  |
| Total comprehensive income  |   | \$30,989                        | 2    | \$32,218    | -    |
| Net income attributable to:   |   |                                 |      |             |      |
| Shareholders of the parent  |   | \$43,128                        | 3    | \$57,053    | 3    |
| Non-controlling interests   |   | 301                             | -    | 330         | -    |
|   |   | \$43,429                        | 3    | \$57,383    | 3    |
| Comprehensive income attributable to:   |   |                                 |      |             |      |
| Shareholders of the parent  |   | \$30,947                        | 2    | \$32,034    | 2    |
| Non-controlling interests   |   | 42                              | -    | 184         | -    |
|   |   | \$30,989                        | 2    | \$32,218    | 2    |
| Earnings per share (NTD)  |   |                                 |      |             |      |
| Earnings per share-basic  | 6.(23)                                  | \$0.48                          |      | \$0.63      |      |
| Earnings per share-diluted  | 6.(23)                                  | \$0.48                          |      | \$0.63      |      |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars)

| Contents   | Equity Attributable to the Parent Company |                 |                   |                 |                         |  |  |                |             | Non-Controlling Interests | Total Equity |
|--|---|-----------------|-------------------|-----------------|-------------------------|--|--|----------------|-------------|---------------------------|--------------|
|  | Common Stock                              | Capital Surplus | Retained Earnings |                 |                         | Other Components of Equity   |  | Treasury Stock | Total       |                           |              |
|  |   |                 | Legal Reserve     | Special Reserve | Unappropriated Earnings | Exchange Differences Resulting From Translating the Financial Statements of Foreign Operations | Unrealized Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income |                |             |                           |              |
| Balance as of January 1, 2020  | \$905,919                                 | \$46,130        | \$359,931         | \$3,547         | \$166,602               | \$(2,249)  | \$135,457  | \$(2,524)      | \$1,612,813 | \$3,984                   | \$1,616,797  |
| Appropriation and distribution of 2019 retained earnings   |   |                 |                   |                 |                         |  |  |                |             |                           |              |
| Legal reserve  | -   | -               | 15,659            | -               | (15,659)                | -  | -  | -              | -           | -                         | -            |
| Cash dividends   | -   | -               | -                 | -               | (144,947)               | -  | -  | -              | (144,947)   | (267)                     | (145,214)    |
| Net income in 2020   | -   | -               | -                 | -               | 57,053                  | -  | -  | -              | 57,053      | 330                       | 57,383       |
| Other comprehensive income (loss) in 2020  | -   | -               | -                 | -               | (3,082)                 | (5)  | (21,932)   | -              | (25,019)    | (146)                     | (25,165)     |
| Total comprehensive income (loss)  | -   | -               | -                 | -               | 53,971                  | (5)  | (21,932)   | -              | 32,034      | 184                       | 32,218       |
| Disposal of parent company stocks by subsidiaries deemed as treasury stock transactions              | -   | (77)            | -                 | -               | -                       | -  | -  | 550            | 473         | -                         | 473          |
| Balance as of December 31, 2020  | \$905,919                                 | \$46,053        | \$375,590         | \$3,547         | \$59,967                | \$(2,254)  | \$113,525  | \$(1,974)      | \$1,500,373 | \$3,901                   | \$1,504,274  |
| Balance as of January 1, 2021  | \$905,919                                 | \$46,053        | \$375,590         | \$3,547         | \$59,967                | \$(2,254)  | \$113,525  | \$(1,974)      | \$1,500,373 | \$3,901                   | \$1,504,274  |
| Appropriation and distribution of 2020 retained earnings   |   |                 |                   |                 |                         |  |  |                |             |                           |              |
| Legal reserve  | -   | -               | 5,397             | -               | (5,397)                 | -  | -  | -              | -           | -                         | -            |
| Cash dividends   | -   | -               | -                 | -               | (54,355)                | -  | -  | -              | (54,355)    | (263)                     | (54,618)     |
| Cash dividends distributed through capital surplus   | -   | (18,118)        | -                 | -               | -                       | -  | -  | -              | (18,118)    | -                         | (18,118)     |
| Other changes in capital surplus   |   |                 |                   |                 |                         |  |  |                |             |                           |              |
| Dividends unclaimed by shareholders  | -   | 215             | -                 | -               | -                       | -  | -  | -              | 215         | -                         | 215          |
| Net income in 2021   | -   | -               | -                 | -               | 43,128                  | -  | -  | -              | 43,128      | 301                       | 43,429       |
| Other comprehensive income (loss) in 2021  | -   | -               | -                 | -               | 16,186                  | (652)  | (27,715)   | -              | (12,181)    | (259)                     | (12,440)     |
| Total comprehensive income (loss)  | -   | -               | -                 | -               | 59,314                  | (652)  | (27,715)   | -              | 30,947      | 42                        | 30,989       |
| Disposal of equity instruments investments measured at fair value through other comprehensive income | -   | -               | -                 | -               | 9,920                   | -  | (12,401)   | -              | (2,481)     | -                         | (2,481)      |
| Balance as of December 31, 2021  | \$905,919                                 | \$28,150        | \$380,987         | \$3,547         | \$69,449                | \$(2,906)  | \$73,409   | \$(1,974)      | \$1,456,581 | \$3,680                   | \$1,460,261  |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TEN REN TEA CO., LTD AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2021 and 2020  
(Expressed in Thousands of New Taiwan Dollars)

| Contents   | For the years ended December 31 |          | Contents  | For the years ended December 31 |           |
|--|---------------------------------|----------|---|---------------------------------|-----------|
|  | 2021                            | 2020     |   | 2021                            | 2020      |
|  | Amount                          | Amount   |   | Amount                          | Amount    |
| Cash flows from operating activities:  |                                 |          | Cash flows from investing activities:   |                                 |           |
| Income before income tax   | \$52,938                        | \$70,073 | Acquisition of financial assets at fair value through other comprehensive income or loss            | (15,861)                        | (8,164)   |
| Adjustments:   |                                 |          | Proceeds from disposal of financial assets at fair value through other comprehensive income or loss | 37,549                          | -         |
| Adjustments to reconcile profit (loss):  |                                 |          | Acquisition of financial assets measured at amortized cost  | (69,075)                        | -         |
| Depreciation expense   | 159,684                         | 162,369  | Proceeds from disposal of financial assets measured at amortized cost                               | 350                             | -         |
| Amortization expense   | 2,910                           | 2,934    | Acquisition of property, plant and equipment  | (21,892)                        | (31,528)  |
| Expected credit (gains) losses   | 2,950                           | (2,459)  | Proceeds from disposal of property, plant and equipment   | 38,486                          | 631       |
| Interest expense   | 6,051                           | 6,610    | Refundable deposits received  | (750)                           | (3,338)   |
| Interest income  | (278)                           | (562)    | Refundable deposits refunded  | 1,941                           | 3,155     |
| Dividend income  | (16,341)                        | (13,040) | Acquisition of intangible assets  | (972)                           | (1,416)   |
| Share of profit or loss of associates and joint ventures accounted for using the equity method | (744)                           | (696)    | Increase in other non-current assets  | (12,307)                        | (13,517)  |
| Gains (losses) on disposal of property, plant, and equipment                                   | (26,231)                        | 1,570    | Decrease in other non-current assets  | 434                             | 563       |
| Gain on rent concession  | (5,533)                         | (6,192)  | Dividends received  | 16,341                          | 13,040    |
| Gain from lease modification   | (65)                            | (73)     | Net cash used in investing activities   | (25,756)                        | (40,574)  |
| Changes in operating assets and liabilities:   |                                 |          | Cash flows from financing activities:   |                                 |           |
| Notes receivable   | 236                             | (494)    | Increase in short-term loans  | 190,000                         | 556,000   |
| Accounts receivable  | (48,237)                        | 53,981   | Decrease in short-term loans  | (220,000)                       | (431,000) |
| Other receivables  | (140)                           | 10,481   | Increase in long-term loans   | -                               | 25,000    |
| Inventories  | 3,625                           | 38,224   | Decrease in long-term loans   | (25,000)                        | -         |
| Prepayments  | (539)                           | 427      | Guarantee deposits received   | -                               | 392       |
| Other current assets   | (2,830)                         | 1,587    | Guarantee deposits paid   | (40)                            | (914)     |
| Contract liabilities   | 2,170                           | (372)    | Cash payments for the principal portion of the lease liabilities                                    | (94,556)                        | (96,664)  |
| Notes payable  | (8,213)                         | (8,383)  | Cash dividends  | (72,736)                        | (145,214) |
| Accounts payable   | 5,888                           | (7,305)  | Disposal of treasury stock  | -                               | 473       |
| Other payables   | 1,419                           | (33,498) | Dividends unclaimed by shareholders   | 215                             | -         |
| Other current liabilities  | 932                             | (874)    | Net cash used in financing activities   | (222,117)                       | (91,927)  |
| Net defined benefit liabilities  | (4,870)                         | (5,233)  |   |                                 |           |
| Cash generated from operations   | 124,782                         | 269,075  |   |                                 |           |
| Interest received  | 278                             | 562      |   |                                 |           |
| Interest paid  | (6,051)                         | (6,610)  |   |                                 |           |
| Income taxes paid  | (14,581)                        | (17,148) | Effect of exchange rate changes on cash and cash equivalents  | (588)                           | 107       |
| Net cash generated by operating activities   | 104,428                         | 245,879  |   |                                 |           |
|  |                                 |          | Net (decrease) increase in cash and cash equivalents  | (144,033)                       | 113,485   |
|  |                                 |          | Cash and cash equivalents, beginning of year  | 323,696                         | 210,211   |
|  |                                 |          | Cash and cash equivalents, end of year  | \$179,663                       | \$323,696 |

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

**[Attachment] Table of Amendments to the Articles of Incorporation**

Ten Ren Tea Co., Ltd.

Table of Amendments to the Articles of Incorporation

| Article No.  | After Amendment  | Before Amendment  | Reason for Amendment   |
|--------------|--|---|--|
| Article 11-1 | <b><u>The Company may convene a shareholders' meeting by video conference or in other methods as announced by the Ministry of Economic Affairs.</u></b>  |   | 1. This article is added.<br>2. This article is added in response to the provision that the shareholders' meeting may be convened by video conference under the amended Company Act. |
| Chapter 4    | <b><u>Board of Directors and Audit Committee</u></b>   | <b>The Board of Directors</b>   | An Audit Committee is established to replace supervisors in response.  |
| Article 18   | The Company shall have 7 to 11 directors on the Board with the term of office of 3 years, and they can be re-elected. The total shareholding of all directors shall be governed by the regulations of the competent securities authority. When the term of office ends without time for re-election, the term may be extended until newly elected directors take office. Of said number of the Company's directors, the number of independent directors shall not be fewer than <b>three</b> and shall not be fewer than one-fifth of the total number of directors. Directors (including independent directors) shall be elected through a candidate nomination system. The method and announcement of the acceptance of nominations for director candidates shall be handled in accordance with <b><u>Article 192-1 of the Company Act. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination and appointment methods, and other matters to be complied with for independent directors shall be governed by</u></b> | The Company shall have 7 to 11 directors on the Board with the term of office of 3 years, and they can be re-elected. The total shareholding of all directors shall be governed by the regulations of the competent securities authority. When the term of office ends without time for re-election, the term may be extended until newly elected directors take office. <del>In the event of a director vacancy, a by-election shall be held immediately, but if the vacancy does not reach one-third of the total number of all directors, the by-election may be exempted. The term of office of a director elected at a by-election shall be limited to the remaining term of the original director.</del> Of said number of the Company's directors, the number of independent directors shall not be fewer than two and shall not be fewer than one-fifth of the total number of directors. Directors (including independent directors) shall be elected through a candidate nomination | An Audit Committee is established to replace supervisors in response.  |

| Article No.  | After Amendment  | Before Amendment  | Reason for Amendment  |
|--------------|--|---|---|
|              | <b>the Company Act</b> and the Securities and Exchange Act. The directors and independent directors shall be elected at the same time, but the numbers of elected candidates shall be counted separately.  | system. The method <del>and</del> announcement of the acceptance of nominations for director candidates shall be handled in accordance with the Company <del>Act</del> and the Securities and Exchange Act. The directors and independent directors shall be elected at the same time, but the numbers of elected candidates shall be counted separately.   |   |
| Article 18-1 | The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The committee shall be composed of all independent directors, one of whom shall be convener and at least one of whom shall have accounting or financial expertise.  |   | 1. This article is added.<br>2. An Audit Committee is established to replace supervisors in response. |
| Article 18-2 | When the vacancy of directors reaches one-third or all independent directors are dismissed, the Board of Directors shall convene an extraordinary shareholders' meeting for a by-election within 60 days. The term of office of a director elected at a by-election shall be limited to the remaining term of the original director.   |   | 1. This article is added.<br>2. An Audit Committee is established to replace supervisors in response. |
| Article 19-1 | Due to business needs, the Company's Chairman and directors are, during their terms of office, entitled a wage for carrying out duties as stipulated in Article 33 of the Company's Articles of Incorporation. The Board of Directors is authorized to determine the amount of wage of directors based on their participation in the Company, while taking into account the payments standards of listed companies in the same industry. | Due to business needs, the Company's chairman, directors, <del>and supervisors</del> are, during their terms of office, entitled a wage for carrying out duties as stipulated in Article 33 of the Company's Articles of Incorporation. The Board of Directors is authorized to determine the amount of wage of directors based on their participation in the Company, while taking into account the payments standards of listed companies in the same industry. | An Audit Committee is established to replace supervisors in response.                                 |
| Article 19-2 | The Company may purchase liability insurance for directors during their terms in accordance with the law for the scope of their duties.  | The Company may purchase liability insurance for directors <del>and supervisors</del> during their terms in accordance with the law for the scope of their duties.  | An Audit Committee is established to replace supervisors in response.                                 |
| Article 22   | A Board meeting shall be convened once a quarter, with the reasons stated in a meeting notice, which   | A Board meeting shall be convened once a quarter, with the reasons stated in a meeting  | An Audit Committee is established to  |



| Article No. | After Amendment  | Before Amendment  | Reason for Amendment   |
|-------------|--|---|--|
|             | <p>shall then be sent to all directors at least seven days in advance. However, in the event of an emergency, a Board meeting may be convened at any time. Such a meeting notice may be sent in writing or by fax or email.</p>  | <p>notice, which shall then be sent to all directors <del>and supervisors</del> at least seven days in advance. However, in the event of an emergency, a Board meeting may be convened at any time. Such a meeting notice may be sent in writing or by fax or email.</p>  | <p>replace supervisors in response.</p>                                      |
|             |  | Chapter 5 Supervisors   | Deleted  |
| Article 25  | <p>The <u>composition</u>, powers and responsibilities, rules of procedure, and other matters of the Company's Audit Committee, <u>as well as other matters to be complied with, shall be handled in accordance with the relevant regulations of the competent securities authority.</u></p> | <p>The Company <del>has appointed three supervisors for a term of three years. They may be re-elected. The total shareholding of all supervisors shall be governed by the regulations of the competent securities authority. Supervisors shall be elected through a candidate nomination system. The method of the acceptance of nominations for supervisor candidates shall be handled in accordance with the Company Act. However, if the Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, it is not necessary to engage supervisors. When an Audit Committee has been established, the supervisors will be dismissed certainly, and the provisions of the Articles of Incorporation regarding supervisors will become invalid immediately. The number, term of office, powers and responsibilities, and rules of procedure of the Audit Committee shall be handled in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, which shall additionally be stipulated in the Audit Committee Charter.</del></p> | <p>An Audit Committee is established to replace supervisors in response.</p> |
| Article 26  | (Deleted)  | In addition to performing duties in accordance with the   | 1. This article is deleted.  |

| Article No. | After Amendment   | Before Amendment   | Reason for Amendment  |
|-------------|---|--|---|
|             |   | <del>law, supervisors may attend a Board meeting to state their opinions in a non-voting capacity.</del>   | 2. An Audit Committee is established to replace supervisors in response.  |
| Article 27  | (Deleted)   | <del>Supervisors' powers and responsibilities are as follows:<br/>1. Audit of the Company's financial position.<br/>2. Audit of accounting books.<br/>3. Correction and reporting of personnel, business, and accounting violations of law and negligence.<br/>4. Other duties as stipulated in laws and regulations.</del>  | 1. This article is deleted.<br>2. An Audit Committee is established to replace supervisors in response.   |
|             | Chapter <u>5</u> Managers and Employees   | Chapter <u>6</u> Managers and Employees  | Original Chapter 5 Supervisors are deleted. This chapter is deleted and the ordinal number is adjusted.   |
|             | Chapter <u>6</u> Accounting   | Chapter <u>7</u> Accounting  |   |
| Article 32  | The Company's fiscal year starts from January 1 to December 31 each year and the Company prepares annual financial statements at the end of each fiscal year. The Board of Directors shall prepare the following documents 30 days before the meeting and submit them to the annual general meeting for ratification <b>as per law</b> .<br>1. Business report.<br>2. Financial statements.<br>3. Statement of surplus distribution and deficit compensation. | The Company's fiscal year starts from January 1 to December 31 each year and the Company prepares annual financial statements at the end of each fiscal year. The Board of Directors shall prepare and <del>submit the following documents to supervisors</del> for review 30 days before the meeting and submit them to the annual general meeting for ratification.<br>1. Business report.<br>2. Financial statements.<br>3. Statement of surplus distribution and deficit compensation. | An Audit Committee is established to replace supervisors in response.   |
| Article 33  | Depending on the Company's profit for the year, <b>no less than</b> 2% of profit is distributed as remuneration to employees and no more than 2% of profit is distributed as remuneration to directors/supervisors. However, if the Company has accumulated losses (including adjustment to undistributed earnings), profit shall be set aside in advance to make up for losses. Profit refers to net income before deducting                                 | Depending on the Company's profit for the year, 2% of profit is distributed as remuneration to employees and no more than 2% of profit is distributed as remuneration to directors/ <del>supervisors</del> . However, if the Company has accumulated losses (including adjustment to undistributed earnings), profit shall be set aside in advance to make up for losses. Profit refers to net income before deducting   | <ul style="list-style-type: none"> <li>•Employee remuneration is amended according to the Company's practical needs.</li> <li>•An Audit Committee is established to replace supervisors in response.</li> </ul> |

| Article No.  | After Amendment  | Before Amendment   | Reason for Amendment                                      |
|--------------|--|--|---|
|              | <p>remuneration to employees and remuneration to directors.</p> <p>The aforementioned remuneration to employees may be distributed in stock or cash and may be paid to employees of subordinate companies who meet certain criteria. The aforementioned remuneration to directors may be paid in cash only.</p> <p><b><u>Prior to the establishment of an Audit Committee, paragraphs 1-2 of this article regarding the remuneration to directors apply to the remuneration to supervisors mutatis mutandis.</u></b></p>   | <p>remuneration to employees and remuneration to directors /<b>supervisors</b>.</p> <p>The aforementioned remuneration to employees may be distributed in stock or cash and may be paid to employees of subordinate companies who meet certain criteria. The aforementioned remuneration to directors/<b>supervisors</b> may be paid in cash only.</p>   |   |
| Article 33-1 | <p>If there is net income in the final accounts, the Company shall first make up for losses of previous years (including adjustments to undistributed earnings). After that, 10% shall be appropriated as legal reserve. However when the legal reserve amounts to the total capital, this shall not apply. A special reserve shall be appropriated or reserved in accordance with the law or regulations of the competent authorities. If there are remaining earnings, together with undistributed earnings at the beginning of the period (including adjustments to undistributed earnings), the Board of Directors shall prepare a proposal for earnings distribution. Where remuneration is <b><u>distributed in the form of cash, it is subject to a resolution by the Board of Directors.</u></b> <b><u>Where remuneration is distributed in the form of new shares, it shall be submitted to the shareholders' meeting</u></b> for a resolution.</p> <p><b><u>Pursuant to Paragraph 5, Article 240 of the Company Act, the Board of Directors is</u></b></p> | <p>If there is net income in the final accounts, the Company shall first make up for losses of previous years (including adjustments to undistributed earnings). After that, 10% shall be appropriated as legal reserve. However when the legal reserve amounts to the total capital, this shall not apply. A special reserve is appropriated or reserved in accordance with the law or regulations of the competent authorities. If there are remaining earnings, together with undistributed earnings at the beginning of the period (including adjustments to undistributed earnings), the Board of Directors shall prepare a proposal for earnings distribution and submit it to the shareholders' meeting for resolution.</p> | It is amended according to the Company's practical needs. |

| Article No.  | After Amendment  | Before Amendment   | Reason for Amendment  |
|--------------|--|--|---|
|              | <p><b><u>authorized to distribute part or all dividends and bonuses with approval by a majority vote at a meeting attended by over two-thirds of the directors. The dividends and bonuses shall be distributed in cash, which shall be reported to the shareholders' meeting.</u></b></p> <p>As the Company is in an industry that changes alongside the economy and development trends, our dividend policy takes into account the earnings of the year, the overall environment, related laws, the Company's long-term development plans, as well as the financial structure based on the principle of "balance". Where there are cash dividends, they shall account for at least 50% of all dividends for the year.</p> | <p>As the Company is in an industry that changes alongside the economy and development trends, our dividend policy takes into account the earnings of the year, the overall environment, related laws, the Company's long-term development plans, as well as the financial structure based on the principle of "balance". Where there are cash dividends, they shall account for at least 50% of all dividends for the year.</p> |   |
| Article 33-2 | <p><b><u>Pursuant to Article 241 of the Company Act, the Company shall issue all or part of the legal reserve and capital reserve to shareholders in proportion to their original shares in the forms of new shares or in cash. The Board of Directors is authorized to distribute part or all dividends and bonuses with approval by a majority vote at a meeting attended by over two-thirds of the directors.</u></b></p>   |  | <ol style="list-style-type: none"> <li>1. This article is added.</li> <li>2. It is amended according to the Company's practical needs.</li> </ol> |
|              | Chapter <u>7</u> Supplementary Provisions  | Chapter <u>8</u> Supplementary Provisions  | Original Chapter 5 Supervisors are deleted and the ordinal number is adjusted.  |
| Article 37   | <p>The Articles of Incorporation were formulated on November 21, 1975.</p> <p>The 1st amendment was made on April 10, 1977.</p> <p>The 2nd amendment was made on April 19, 1978.</p> <p>The 3rd amendment was made on September 16, 1980.</p> <p>The 4th amendment was made on May 18, 1982.</p> <p>The 5th amendment was made on</p>  | <p>The Articles of Incorporation were formulated on November 21, 1975.</p> <p>The 1st amendment was made on April 10, 1977.</p> <p>The 2nd amendment was made on April 19, 1978.</p> <p>The 3rd amendment was made on September 16, 1980.</p> <p>The 4th amendment was made on May 18, 1982.</p> <p>The 5th amendment was made on</p>  | The date of amendment at this time is added.  |

| Article No. | After Amendment  | Before Amendment   | Reason for Amendment |
|-------------|--|--|----------------------|
|             | <p>September 15, 1982.</p> <p>The 6th amendment was made on August 18, 1983.</p> <p>The 7th amendment was made on August 19, 1984.</p> <p>The 8th amendment was made on October 18, 1984.</p> <p>The 9th amendment was made on January 21, 1985.</p> <p>The 10th amendment was made on October 15, 1986.</p> <p>The 11th amendment was made on December 8, 1986.</p> <p>The 12th amendment was made on November 16, 1989.</p> <p>The 13th amendment was made on December 16, 1989.</p> <p>The 14th amendment was made on July 27, 1990.</p> <p>The 15th amendment was made on July 29, 1991.</p> <p>The 16th amendment was made on June 26, 1992.</p> <p>The 17th amendment was made on June 28, 1993.</p> <p>The 18th amendment was made on June 7, 1994.</p> <p>The 19th amendment was made on June 15, 1995.</p> <p>The 20th amendment was made on June 18, 1996.</p> <p>The 21st amendment was made on June 26, 1997.</p> <p>The 22nd amendment was made on June 15, 1998.</p> <p>The 23rd amendment was made on May 12, 2000.</p> <p>The 24th amendment was made on May 10, 2001.</p> <p>The 25th amendment was made on May 29, 2002.</p> <p>The 26th amendment was made on June 10, 2005.</p> <p>The 27th amendment was made on June 14, 2006.</p> <p>The 28th amendment was made on June 10, 2009.</p> <p>The 29th amendment was made on June 14, 2010.</p> <p>The 30th amendment was made on June 5, 2012.</p> <p>The 31st amendment was made on June 15, 2015.</p> <p>The 32nd amendment was made on June 15, 2016.</p> | <p>September 15, 1982.</p> <p>The 6th amendment was made on August 18, 1983.</p> <p>The 7th amendment was made on August 19, 1984.</p> <p>The 8th amendment was made on October 18, 1984.</p> <p>The 9th amendment was made on January 21, 1985.</p> <p>The 10th amendment was made on October 15, 1986.</p> <p>The 11th amendment was made on December 8, 1986.</p> <p>The 12th amendment was made on November 16, 1989.</p> <p>The 13th amendment was made on December 16, 1989.</p> <p>The 14th amendment was made on July 27, 1990.</p> <p>The 15th amendment was made on July 29, 1991.</p> <p>The 16th amendment was made on June 26, 1992.</p> <p>The 17th amendment was made on June 28, 1993.</p> <p>The 18th amendment was made on June 7, 1994.</p> <p>The 19th amendment was made on June 15, 1995.</p> <p>The 20th amendment was made on June 18, 1996.</p> <p>The 21st amendment was made on June 26, 1997.</p> <p>The 22nd amendment was made on June 15, 1998.</p> <p>The 23rd amendment was made on May 12, 2000.</p> <p>The 24th amendment was made on May 10, 2001.</p> <p>The 25th amendment was made on May 29, 2002.</p> <p>The 26th amendment was made on June 10, 2005.</p> <p>The 27th amendment was made on June 14, 2006.</p> <p>The 28th amendment was made on June 10, 2009.</p> <p>The 29th amendment was made on June 14, 2010.</p> <p>The 30th amendment was made on June 5, 2012.</p> <p>The 31st amendment was made on June 15, 2015.</p> <p>The 32nd amendment was made on June 15, 2016.</p> |                      |

| Article No. | After Amendment   | Before Amendment   | Reason for Amendment |
|-------------|---|--|----------------------|
|             | <p>The 33rd amendment was made on June 12, 2020.</p> <p>The 34th amendment was made on August 4, 2021.</p> <p><b><u>The 35th amendment was made on June 14, 2022.</u></b></p> | <p>The 33rd amendment was made on June 12, 2020.</p> <p>The 34th amendment was made on August 4, 2021.</p> |                      |

**[Attachment] Table of Amendments to the Rules of Election of Directors and Supervisors (Rules of Election of Directors after amendment)**

Ten Ren Tea Co., Ltd.

Table of Amendments to the Rules of Election of Directors and Supervisors

| Article No. | After Amendment  | Before Amendment  | Reason for Amendment   |
|-------------|--|---|--|
|             | Rules of Election of Directors   | Rules of Election of Directors <del>and Supervisors</del>   | As an Audit committee is replaced to replace supervisors, the Rules are renamed. |
| Article 1   | The Company's election of directors shall be handled in accordance with the provisions of these Rules.   | The Company's election of directors <del>and supervisors</del> shall be handled in accordance with the provisions of these Rules.   | An Audit committee is established to replace supervisors.                        |
| Article 2   | The Company adopts a <b>single</b> cumulative registered vote <b>system</b> for the election of directors. Each share will have voting rights in number equal to the directors to be elected and may be cast for a single candidate or multiple candidates.  | The Company adopts a cumulative registered vote system for the election of directors <del>and supervisors</del> . Each share will have voting rights in number equal to the <del>directors to be elected</del> and may be cast for a single candidate or multiple candidates; <del>the same shall apply to the election of supervisors. The name of an elector may be replaced by the attendance certificate number printed on the ballot.</del>  | An Audit committee is established to replace supervisors.                        |
| Article 3   | The Company's <b><u>election of directors shall be conducted in accordance with the procedures of a candidate nomination system stipulated in Article 192-1 of the Company Act.</u></b> The number of directors to be elected will be as specified in the Company's Articles of Incorporation, <b><u>with voting rights separately calculated for independent and non-independent directors. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.</u></b> When two or more persons won the same <b><u>number of votes</u></b> , thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance. | The Company's directors and supervisors shall be elected by the shareholders meeting from a list of candidates with the legal capacity, and those receiving ballots representing the highest numbers of voting rights will be elected as directors and supervisors according to the slots specified in the Articles of Incorporation. When two or more persons won the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance. | An Audit committee is established to replace supervisors.                        |

| Article No. | After Amendment  | Before Amendment   | Reason for Amendment   |
|-------------|--|--|--|
| Article 4   | <b><u>The Board of Directors shall prepare ballots for directors in a number corresponding to the number of directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used to replace the names of voting shareholders.</u></b>  | The Board of Directors shall prepare ballots and number such ballots with the attendance card number, with the number of each shareholder's voting rights indicated on the ballots.  | The text is amended.   |
| Article 5   | Before an election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel. <b><u>Vote monitoring personnel shall be shareholders.</u></b>  | Before an election begins, the chair shall appoint a number of persons, who shall be shareholders, to perform the respective duties of vote monitoring and counting personnel.   | The text is amended.   |
| Article 6   | (Deleted)  | <del>If an electee is a shareholder, the name of the electee shall be indicated in the "electee" field on the ballot, and the shareholder account number may be also indicated; if the electee is not a shareholder, the electee's name and national ID number shall be entered. If an electee is a juridical person shareholder, the name of the juridical person and the name of its representative shall be entered, and the juridical person's shareholder account number shall be indicated. Where there are several representatives, the name of each representative shall be entered.</del>                             | Article 6 is deleted, and following article numbers are adjusted one by one.         |
| Article 6   | A ballot is invalid under any of the following circumstances:<br>(1) A ballot was not prepared by a <b><u>person with the right to convene.</u></b><br>(2) The candidate whose name is entered in the ballot <b><u>does not conform to that on the director candidate list.</u></b><br>(3) Other words or marks are entered in addition to an electee's <b><u>account name</u></b> (name).<br>(4) The writing is unclear and indecipherable or <b><u>has been altered.</u></b><br>(5) <b><u>Two or more candidates are entered on the same ballot at the same time.</u></b><br>(6) A blank ballot is placed in the | A ballot is invalid under any of the following circumstances:<br>(1) A ballot used that is not that as <del>stipulated in Article 4 of these Rules.</del><br>(2) <del>The number of candidates entered exceeds that specified in the Articles of Incorporation.</del><br>(3) Other words or marks are entered in addition to an electee's name (including the name of the juridical person and its representative) and the shareholder's account number (national ID number).<br>(4) The writing is unclear <b><u>and</u></b> indecipherable.<br>(5) <del>An electee's name entered is the same as another shareholder's</del> | The article number is adjusted and an amendment is made as per practical operations. |



| Article No. | After Amendment  | Before Amendment   | Reason for Amendment  |
|-------------|--|--|---|
|             | ballot <b>box</b> .  | <del>name without the shareholder-account number or the national-ID number entered for identification.</del><br>(6) A blank ballot is placed in the ballot <b>cabinet</b> .  |   |
| Article 7   | The ballot <b><u>boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.</u></b>  | A voting cabinet shall be set up for the votes for directors and supervisors, respectively, to vote separately.  | The article number is adjusted and the text is amended.   |
| Article 8   | The votes shall be counted on site immediately after the end of the voting, and the voting results shall be <b><u>announced</u></b> by the chair on site.  | The votes shall be counted on site immediately after the end of the voting, and the voting results shall be <b><u>announced</u></b> by the chair on site.  | The article number is adjusted and the text is amended.   |
| Article 9   | The Board of Directors shall issue notifications to the persons elected as directors.  | The Board of Directors shall issue notifications to the persons elected as directors and supervisors separately.   | 1. The article number is adjusted. 2. An Audit committee is established to replace supervisors. |
| Article 10  | Matters not specified in these Rules shall be handled in accordance with the Company Act, <b><u>the Company's Articles of Incorporation</u></b> , and relevant laws and regulations.   | Matters not specified in these Rules shall be handled in accordance with the Company Act and relevant laws and regulations.  | The article number is adjusted and the text is amended.   |
| Article 11  | These Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting.<br><br>These Rules were formulated on May 27, 1994.<br>The 1st amendment was made on August 18, 1994.<br>The 2nd amendment was made on May 29, 2002.<br>The 3rd amendment was made on June 14, 2010.<br><b><u>The 4th amendment was made on June 14, 2022.</u></b> | These Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting.<br><br>These Rules were formulated on May 27, 1994.<br>The 1st amendment was made on August 18, 1994.<br>The 2nd amendment was made on May 29, 2002.<br>The 3rd amendment was made on June 14, 2010. | 1. The article number is adjusted. 2. The date of amendment at this time is added.              |

## [Attachment 5] Table of Amendments to the Regulations Governing the Acquisition and Disposal of Assets

Ten Ren Tea Co., Ltd.

Table of Amendments to the Regulations Governing the Acquisition and Disposal of Assets

| After Amendment   | Before Amendment   | Description  |
|---|--|--|
| <p>1. Purpose and legal basis<br/>The Company's Regulations Governing the Acquisition and Disposal of Assets (hereinafter referred to as the "Regulations") are handled in accordance with Article 36-1 of the Securities and Exchange Act and the FSC's Order Jin-Guan-Zeng-Fa <u>No. 1110380465 dated January 28, 2022.</u><br/>...(The following is omitted)</p>   | <p>1. Purpose and legal basis<br/>The Company's Regulations Governing the Acquisition and Disposal of Assets (hereinafter referred to as the "Regulations") are handled in accordance with Article 36-1 of the Securities and Exchange Act and the FSC's Order Jin-Guan-Zeng-Fa No. <del>1070341072</del> dated <del>November 26, 2018.</del><br/>...(The following is omitted)</p>  | <p>The legal basis is amended.</p>   |
| <p>3. Acquisition of assets evaluation and operating procedures &lt;7&gt;<br/>...(The above is omitted)</p> <p>2. Acquisition of securities operating procedures<br/>(3) Where securities investments, as per the definition of these Regulations, are acquired, unless they are otherwise transacted on a centralized exchange market or OTC exchange, or is an open-ended domestic beneficiary certificates or foreign mutual funds, an original subscription of stocks, an acquisition or disposal of the securities sold publicly for equity dispersion as required for listed on an exchange or an OTC, or trading of bonds, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, audited or reviewed by a CPA, and if the amount of the transaction reaches more than NT\$20 million, the Company <u>shall additionally engage</u> a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the difference between the net worth per share and the</p> | <p>3. Acquisition of assets evaluation and operating procedures &lt;7&gt;<br/>...(The above is omitted)</p> <p>2. Acquisition of securities operating procedures<br/>(3) Where securities investments, as per the definition of these Regulations, are acquired, unless they are otherwise transacted on a centralized exchange market or OTC exchange, or is an open-ended domestic beneficiary certificates or foreign mutual funds, an original subscription of stocks, an acquisition or disposal of the securities sold publicly for equity dispersion as required for listed on an exchange or an OTC, or trading of bonds, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, audited or reviewed by a CPA, and if the amount of the transaction reaches more than NT\$20 million, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the difference between the net</p> | <p>The text "<b>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF</b>" is deleted.</p> |

| After Amendment  | Before Amendment  | Description  |
|--|---|--|
| <p>transaction price is 20% or more, a CPA shall be engaged to render a specific opinion on the reasons for the difference and the reasonableness of the transaction price. Such a difference between the net worth per share and the transaction price is based on the transaction amount.</p> <p>(Paragraphs 3 to 4 are omitted)</p> <p>5. As per the preceding paragraphs 3 and 4, if the difference between the transaction price and the appraised price or the analysis report result exceeds 20%, a CPA shall be additionally engaged to render a specific opinion on the reasons for the difference and the reasonableness of the transaction price. Such a difference is calculated based on the transaction price.</p> | <p>worth per share and the transaction price is 20% or more, a CPA shall be <del>engaged to proceed in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and</del> render a specific opinion on the reasons for the difference and the reasonableness of the transaction price. Such a difference between the net worth per share and the transaction price is based on the transaction amount.</p> <p>(Paragraphs 3 to 4 are omitted)</p> <p>5. As per the preceding paragraphs 3 and 4, if the difference between the transaction price and the appraised price or the analysis report result exceeds 20%, a CPA shall be additionally engaged to <del>proceed in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and</del> render a specific opinion on the reasons for the difference and the reasonableness of the transaction price. Such a difference is calculated based on the transaction price.</p> |  |
| <p>4. Disposal of assets evaluation and operating procedures &lt;7&gt;<br/>...(The above is omitted)</p> <p>2. Disposal of securities operating procedures<br/>(3) Where securities investments (the definition and the criteria are the same as those in the acquisition context), the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, audited or reviewed by a CPA, and if the amount of the transaction reaches more than NT\$20 million, the Company shall additionally engage a CPA</p>   | <p>4. Disposal of assets evaluation and operating procedures &lt;7&gt;<br/>...(The above is omitted)</p> <p>2. Disposal of securities operating procedures<br/>(3) Where securities investments (the definition and the criteria are the same as those in the acquisition context), the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, audited or reviewed by a CPA, and if the amount of the transaction reaches more than NT\$20 million, the Company shall additionally</p>   | <p>The text “<b>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF</b>” is deleted.</p> |

| After Amendment  | Before Amendment  | Description  |
|--|---|--|
| <p>prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the difference between the net worth per share and the transaction price is 20% or more, a CPA <b>shall be engaged</b> to render a specific opinion on the reasons for the difference and the reasonableness of the transaction price. Such a difference between the net worth per share and the transaction price is based on the transaction amount.</p> <p>...(Paragraphs 3 to 4 are omitted)</p> <p>5. As per the preceding paragraphs 3 and 4, if the difference between the transaction price and the appraised price or the analysis report result exceeds 20%, a CPA shall be additionally engaged to render a specific opinion on the reasons for the difference and the reasonableness of the transaction price. Such a difference is calculated based on the transaction price.</p> | <p>engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the difference between the net worth per share and the transaction price is 20% or more, a CPA shall be engaged to <del>proceed in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF</del> and render a specific opinion on the reasons for the difference and the reasonableness of the transaction price. Such a difference between the net worth per share and the transaction price is based on the transaction amount.</p> <p>...(Paragraphs 3 to 4 are omitted)</p> <p>5. As per the preceding paragraphs 3 and 4, if the difference between the transaction price and the appraised price or the analysis report result exceeds 20%, a CPA shall be additionally engaged to proceed in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion on the reasons for the difference and the reasonableness of the transaction price. Such a difference is calculated based on the transaction price.</p> |  |
| <p>8. Announcement and declaration standards and information disclosure<br/>...(The above is omitted)</p> <p>2. For an asset transaction other than any of those referred to in the preceding subparagraphs, including a disposal of receivables by a financial institution, the amount of the transaction reaches 20% or more of Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:<br/>&lt;31&gt;<br/>(1) Trading of domestic</p>   | <p>8. Announcement and declaration standards and information disclosure<br/>...(The above is omitted)</p> <p>2. For an asset transaction other than any of those referred to in the preceding subparagraphs, including a disposal of receivables by a financial institution, the amount of the transaction reaches 20% or more of Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:<br/>&lt;31&gt;</p>  | <p>1. As publicly listed companies have been exempted from the announcement and declaration for their trading of domestic government bonds, their trading of foreign government bonds with a</p> |

| After Amendment   | Before Amendment  | Description   |
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| <p>government bonds <b><u>or foreign government bonds with a credit rating not lower than our country's sovereign rating.</u></b></p> <p>(2) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <b><u>foreign government bonds</u></b> or ordinary corporate bonds or 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 <b><u>subscription for or resale of exchange traded notes</u></b>, 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>...(The following is omitted)</p> | <p>(1) Trading of domestic government bonds.</p> <p>(2) Where done by professional investors, securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or 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.</p> <p>...(The following is omitted)</p> | <p>credit rating not lower than our country's sovereign rating is also exempted from public announcement.</p> <p>2. As the nature of foreign government bonds is simple, and the nature of exchange traded notes is similar to that of exchange traded funds, professional investors are exempted from the announcement of subscription of foreign government bonds that are offered and issued in the primary market or subscription for or resale of exchange traded notes.</p> |
| <p>11. Obtaining of asset appraisal or analysis reports</p> <p>1. Acquisition or disposal of real property or equipment &lt;9&gt;<br/>Where the transaction amount of the acquisition or disposal of real property, equipment, or the right-of-use assets thereof reaches NT\$20 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 from a professional appraiser and shall further comply with the following provisions, with</p>  | <p>11. Obtaining of asset appraisal or analysis reports</p> <p>1. Acquisition or disposal of real property or equipment &lt;9&gt;<br/>Where the transaction amount of the acquisition or disposal of real property, equipment, or the right-of-use assets thereof reaches NT\$20 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 from a professional appraiser and shall further comply with the following provisions,</p>       | <p>1. The text “<b>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF</b>” is deleted.</p> <p>2. To define the procedures and responsibilities that the external experts should follow, the relevant provisions and terms are amended as per relevant</p>  |

| After Amendment  | Before Amendment  | Description   |
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| <p>the appraised price in alignment with the market standard as the principle:<br/>           ...(The above is omitted)</p> <p>(2) If the difference between the appraised price by the appraiser and the transaction amount is more than 20%, a CPA shall be engaged to render a specific opinion on the reasons for the difference and the reasonableness of the transaction price unless the appraised price is higher than the transaction amount, or the appraised price of an asset to be disposed of is lower than the transaction amount.</p> <p>(3) If the transaction amount exceeds NT\$1 billion, two or more professional appraisers shall be engaged for appraisal; of the difference between the appraised prices between the two appraisers is 10% of the transaction amount or more, a CPA shall be engaged to render a specific opinion on the reasonableness of the transaction price unless the appraised price is higher than the transaction amount, or the appraised price of an asset to be disposed of is lower than the transaction amount.</p> <p>...((4)–(6) are omitted)</p> <p>2. Acquisition or disposal of securities investments</p> <p>(1) In the event of acquisition or disposal of securities, the Company shall obtain such companies' most recent financial statements audited or reviewed by a CPA prior to the date of occurrence, as a</p> | <p>with the appraised price in alignment with the market standard as the principle:<br/>           ...(The above is omitted)</p> <p>(2) If the difference between the appraised price by the appraiser and the transaction amount is more than 20%, a CPA shall be engaged to proceed <del>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF</del> and render a specific opinion on the reasons for the difference and the reasonableness of the transaction price unless the appraised price is higher than the transaction amount, or the appraised price of an asset to be disposed of is lower than the transaction amount.</p> <p>(3) If the transaction amount exceeds NT\$1 billion, two or more professional appraisers shall be engaged for appraisal; of the difference between the appraised prices between the two appraisers is 10% of the transaction amount or more, a CPA shall be engaged to <del>proceed in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF</del> and render a specific opinion on the reasonableness of the transaction price unless the appraised price is higher than the transaction amount, or the appraised price of an asset to be disposed of is lower than the transaction amount.</p> <p>...((4)–(6) are omitted)</p> <p>2. Acquisition or disposal of securities investments</p> <p>(1) In the event of acquisition or disposal of securities, the Company shall obtain such companies' most recent financial statements audited or reviewed by a CPA prior to the date of occurrence, as a</p> | <p>regulations of their associations to which they belong.</p> <p>3. In addition, as experts' issuance of appraisal reports or rendering of reasonableness opinions is not an audit performed for financial reports, "auditing" is amended to "executing". To be aligned with the actual evaluation by experts as per the data sources and parameters, "completeness, accuracy, and reasonableness" is amended to "appropriateness and reasonableness".</p> |

| After Amendment   | Before Amendment  | Description |
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| <p>reference for evaluating the transaction price. Where the transaction amount exceeds NT\$20 million; the Company shall engage a CPA prior to the date of occurrence to render an opinion on the reasonableness of the transaction price.</p> <p>...(Paragraph 2 of (1) is omitted)</p> <p>(2) Under any of the following circumstances with the transaction amount exceeding NT\$20 million, a CPA shall be engaged to render a specific opinion on the appropriateness of the transaction price prior to the date of occurrence:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of securities not traded in the centralized market or OTC. &lt;10&gt;</li> <li>2. Acquisition or disposal of privately placed securities. &lt;10&gt;</li> <li>3. Acquisition or disposal of membership certificates and intangible assets. &lt;11&gt;</li> </ol> <p>...(3-5 are omitted)</p> <p>6. Professional appraisers and their personnel, CPAs, attorneys, or securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: &lt;5&gt;<br/>(Paragraph 1 is omitted)<br/>When issuing an appraisal report or opinion, the personnel referred to</p> | <p>reference for evaluating the transaction price. Where the transaction amount exceeds NT\$20 million, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <del>If the CPA needs to use a report by 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.</del></p> <p>...(Paragraph 2 of (1) is omitted)</p> <p>(2) Under any of the following circumstances with the transaction amount exceeding NT\$20 million, a CPA shall be engaged to render a specific opinion on the appropriateness of the transaction price prior to the date of occurrence:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of securities not traded in the centralized market or OTC. &lt;10&gt;</li> <li>2. Acquisition or disposal of privately placed securities. &lt;10&gt;</li> <li>3. Acquisition or disposal of membership certificates and intangible assets. <del>(This shall be handled by a CPA additionally in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF)</del> &lt;11&gt;</li> </ol> <p>...(3-5 are omitted)</p> <p>6. Professional appraisers and their personnel, CPAs, attorneys, or securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: &lt;5&gt;<br/>(Paragraph 1 is omitted)<br/>When issuing an appraisal report or opinion, the personnel referred</p> |             |

| After Amendment   | Before Amendment   | Description  |
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| <p>in the preceding paragraph shall comply with the <b><u>self-discipline regulations of the associations to which they belong</u></b> and the following:</p> <ol style="list-style-type: none"> <li>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>(2) When <b><u>executing</u></b> a case, they shall appropriately plan and execute adequate operating procedures, in order to produce a conclusion and use the conclusion as the basis for issuing a report or opinion. The relevant working procedures, data collected, and conclusions shall be fully and accurately specified in the case working papers.</li> <li>(3) They shall conduct an item-by-item evaluation of the <b><u>appropriateness</u></b> and reasonableness of the sources of data, parameters, and information used, as the basis for issuance of an appraisal report or opinion.</li> <li>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared such a report or opinion, and that they have evaluated and verified that the information used is <b><u>appropriate and</u></b> reasonable and that they have complied with applicable laws and regulations.</li> </ol> | <p>to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> <li>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>(2) When <b><u>auditing</u></b> a case, they shall appropriately plan and execute adequate operating procedures, in order to produce a conclusion and use the conclusion as the basis for issuing a report or opinion. The relevant working procedures, data collected, and conclusions shall be fully and accurately specified in the case working papers.</li> <li>(3) They shall conduct an item-by-item evaluation of the <b><u>completeness, accuracy,</u></b> and reasonableness of the sources of data, parameters, and information used, as the basis for issuance of an appraisal report or opinion.</li> <li>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared such a report or opinion, and that they have evaluated and verified that the information used is reasonable <b><u>and- accurate</u></b> and that they have complied with applicable laws and regulations.</li> </ol> |  |
| <p>24. Other matters to be noted<br/>...(1-3 are omitted)</p> <p>4. If a manager or relevant personnel at the Company fails to handle the relevant business in accordance with these Regulations, the General Manager may punish them in accordance with the Employee Service Code. If the negligence of duty is serious, or it is even in the case of intentional crime, the relevant personnel shall be liable for damages and bear legal</p>   | <p>24. Other matters to be noted<br/>...(1-3 are omitted)</p> <p>4. If a manager or relevant personnel at the Company fails to handle the relevant business in accordance with these Regulations, the General Manager may punish them in accordance with the Employee Service Code. If the negligence of duty is serious, or it is even in the case of intentional crime, the relevant personnel shall be liable for damages and bear</p>  | <p>It is amended due to the establishment of an Audit Committee.</p> |



| After Amendment  | Before Amendment  | Description   |
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| <p>responsibility.<br/>If members of the Board of Directors or other senior managers (including the General Manager) violate these Procedures, it shall be handled in accordance with relevant laws and regulations. In the case of intentional crime, they shall be liable for damages and bear legal responsibility. &lt;7&gt;<br/>(5 is omitted)<br/>6. The Regulations Governing the Acquisition and Disposal of Assets formulated by the Company in accordance with these Regulations shall be <b><u>approved by more than half of all members of the Audit Committee and passed by the Board of Directors</u></b> and submitted to the shareholders' meeting for approval. The same shall apply to any amendment thereto. If an <b><u>independent director</u></b> expresses dissent and it is specified in the minutes or a written statement, <b><u>the Company shall record it in the meeting minute.</u></b> &lt;6 and 8&gt;</p> | <p>legal responsibility.<br/>If members of the Board of Directors, <del>supervisors</del>, or other senior managers (including the General Manager) violate these Procedures, it shall be handled in accordance with relevant laws and regulations. In the case of intentional crime, they shall be liable for damages and bear legal responsibility. &lt;7&gt;<br/>(5 is omitted)<br/>6. The Regulations Governing the Acquisition and Disposal of Assets formulated by the Company in accordance with these Regulations shall be passed by the Board of Directors and submitted to the <del>supervisors and shareholders' meeting for approval</del>. The same shall apply to any amendment thereto. If a director expresses dissent and it is specified in the minutes or a written statement, <del>the Company shall send the dissenting opinions to supervisors.</del> &lt;6 and 8&gt;</p> |   |
| <p>15. These Regulations were formulated on May 31, 1995.<br/>The 1st amendment was made on October 30, 1998.<br/>The 2nd amendment was made on November 19, 1999.<br/>The 3rd amendment was made on June 10, 2003.<br/>The 4th amendment was made on June 13, 2007.<br/>The 5th amendment was made on June 14, 2010.<br/>The 6th amendment was made on June 5, 2012.<br/>The 7th amendment was made on June 11, 2014.<br/>The 8th amendment was made on June 14, 2017.<br/>The 9th amendment was made on June 13, 2019.<br/><b>The 10th amendment was made on June 14, 2022.</b></p>  | <p>15. These Regulations were formulated on May 31, 1995.<br/>The 1st amendment was made on October 30, 1998.<br/>The 2nd amendment was made on November 19, 1999.<br/>The 3rd amendment was made on June 10, 2003.<br/>The 4th amendment was made on June 13, 2007.<br/>The 5th amendment was made on June 14, 2010.<br/>The 6th amendment was made on June 5, 2012.<br/>The 7th amendment was made on June 11, 2014.<br/>The 8th amendment was made on June 14, 2017.<br/>The 9th amendment was made on June 13, 2019.</p>  | <p>Amendment information is indicated.<br/>(Subject to the date of this year's shareholders' meeting)</p> |
| <p>Appendix 1: Ten Ren Tea Co., Ltd.'s Regulations Governing the Acquisition and Disposal of Assets with Related</p>   | <p>Appendix 1: Ten Ren Tea Co., Ltd.'s Regulations Governing the Acquisition and Disposal of Assets with Related</p>  | <p>1. To strengthen the management</p>  |

| After Amendment  | Before Amendment   | Description  |
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| <p>Parties<br/>(The above is omitted)</p> <p>2. When the Company intends to acquire 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% or more of the Company’s paid-in capital, 10% or more of the Company’s total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds, 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 <b><u>approved by the Audit Committee and the Board of Directors.</u></b></p> <p>(Note 1 and above are omitted)</p> <p>Note 2: The transaction amount in Note 1 shall be calculated, and the term “within the preceding year” refers to the year preceding the date of the current transaction. The portions have been approved by the <b><u>shareholders’ meeting, the Audit Committee,</u></b> and the Board of Directors as per the Procedures need not be counted toward the transaction amount.</p> <p>(Note 3 is omitted)</p> <p><b><u>If an audit committee has been established in accordance with the provisions of this Act, Article 6, paragraphs 4 and 5 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies shall apply mutatis mutandis to the matters under paragraph 1 that shall be approved by more than half of all members of the Audit Committee first and submitted to the Board of Directors for a resolution. Where the Company or its subsidiary that is not a domestic</u></b></p> | <p>Parties<br/>(The above is omitted)</p> <p>2. When the Company intends to acquire 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% or more of the Company’s paid-in capital, 10% or more of the Company’s total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds, 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 <b><u>approved by the Board of Directors and ratified by supervisors.</u></b></p> <p>(Note 1 and above are omitted)</p> <p>Note 2: The transaction amount in Note 1 shall be calculated, and the term “within the preceding year” refers to the year preceding the date of the current transaction. The portions have been approved by the Board of Directors and ratified by supervisors as per the Procedures need not be counted toward the transaction amount.</p> <p>(Note 3 is omitted)</p> <p><b><u>(This paragraph is added)</u></b></p> | <p>of related party transactions: By taking into account the regulations in the major international capital markets, the provision is added that a publicly listed company or its subsidiary that is not a domestic publicly listed company acquiring or disposing of assets from or to related parties, and the transaction amount reaches than 10% or more of the company’s total assets, the company shall submit the relevant information to the shareholders’ meeting for approval before it can do so to protect shareholders’ rights and interests, but the transactions between the company and its parent or subsidiaries, or between its subsidiaries are exempted</p> |

| After Amendment  | Before Amendment   | Description   |
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| <p><b><u>company engages in a transaction under paragraph 1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in paragraph 1 to the shareholders' meeting for approval before proceeding to enter into a transaction contract or make a payment. However, the transactions between the Company and its subsidiaries or between its subsidiaries are not subject to this provision.</u></b></p>  |  | <p>from a resolution by the shareholders' meeting.<br/>2. It is amended due to the establishment of an Audit Committee.</p> |
| <p>5. Where the results of appraisals conducted in accordance with paragraphs 3 and 4 under these Procedures are uniformly lower than the transaction price in the case of acquisition of real property or right-of-use assets thereof from a related party, it shall be handled in accordance with the following:<br/>(1) is omitted<br/>(2) It shall be handled in accordance with Article 218 of the Company Act; if an Audit Committee has been established in accordance with this Act, the first half section of preceding paragraph shall apply mutatis mutandis to the independent directors of the Audit Committee.</p> | <p>5. Where the results of appraisals conducted in accordance with paragraphs 3 and 4 under these Procedures are uniformly lower than the transaction price in the case of acquisition of real property or right-of-use assets thereof from a related party, it shall be handled in accordance with the following:<br/>(1) is omitted<br/>(2) Supervisors shall proceed in accordance with Article 218 of the Company Act; if an Audit Committee is established in accordance with this Act in the future, the first half section of preceding paragraph shall apply mutatis mutandis to the independent directors of the Audit Committee.</p> | <p>It is amended due to the establishment of an Audit Committee.</p>  |
| <p>8. These Procedures were established on June 10, 2003.<br/>The 1st amendment was made on June 13, 2007.<br/>The 2nd amendment was made on June 5, 2012.<br/>The 3rd amendment was made on June 11, 2014.<br/>The 4th amendment was made on June 14, 2017.<br/>The 5th amendment was made on June 13, 2019.<br/><b>The 6th amendment was made on June 14, 2022.</b></p>  | <p>8. These Procedures were established on June 10, 2003.<br/>The 1st amendment was made on June 13, 2007.<br/>The 2nd amendment was made on June 5, 2012.<br/>The 3rd amendment was made on June 11, 2014.<br/>The 4th amendment was made on June 14, 2017.<br/>The 5th amendment was made on June 13, 2019.</p>  | <p>Amendment information is indicated.<br/>(Subject to the date of this year's shareholders' meeting)</p>                   |

## [Attachment] Table of Amendments to the Regulations Governing Making of Endorsements/Guarantees

Ten Ren Tea Co., Ltd.

### Table of Amendments to the Regulations Governing Making of Endorsements/Guarantees

| After Amendment  | Before Amendment   | Remark  |
|--|--|---|
| <p>1. <b><u>These Regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act.</u></b> To effectively manage endorsements/guarantees provided, the Company shall comply with these Regulations for any endorsements/guarantees provided to others; <b><u>provided, where financial laws or regulations provide otherwise, such provisions shall govern.</u></b></p>  | <p>1. To effectively manage endorsements/guarantees provided, the Company shall comply with these Regulations for any endorsements/guarantees provided to others.</p>  | <p>The text is amended. The Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated by the FSC on March 7, 2019 apply.</p> |
| <p>3. Party to be endorsed/guaranteed</p> <p>(1) The Company may endorse the following companies based on the principle of mutual benefit.</p> <ol style="list-style-type: none"> <li>1. A company with which it does business.</li> <li>2. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.</li> <li>3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.</li> </ol> <p><b>(2)</b> Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, unless endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> | <p>3. Party to be endorsed/guaranteed</p> <p>(1) The Company may endorse the following companies based on the principle of mutual benefit.</p> <ol style="list-style-type: none"> <li>1. A company with which it does business.</li> <li>2. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.</li> <li>3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, unless endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</li> </ol> <p style="text-align: center;"><b>Subsidiaries in which the</b></p> | <p>• Amendment is made and sub-item numbers are added.</p> <p>Article 3, paragraph (1), subparagraph 3 is moved to the Article 6, paragraph (1), subparagraph 3.</p>            |

| After Amendment   | Before Amendment  | Remark   |
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| <p><b>(3)</b> Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees to another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders provide endorsements/ guarantees to their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act to each other, such endorsements/guarantees may be made free of the restriction of the preceding paragraph.</p> <p><b>(4)</b> Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.</p> <p><b>(5)</b> However, if any of the following circumstances applies, the Company will not provide</p> | <p><del>Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other as per the preceding paragraph after submitting it to the Company's Board of Directors for a resolution, unless endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</del></p> <p><b>(2)</b>Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees to another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders provide endorsements/ guarantees to their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act to each other, such endorsements/guarantees may be made free of the restriction of the preceding paragraph.</p> <p>Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.</p> <p><b>(3)</b> However, if any of the following circumstances applies, the Company will not provide</p> | <p>Article 3, paragraph 4 is moved to Article 6,</p> |

| After Amendment  | Before Amendment   | Remark  |
|--|--|---|
| <p>endorsements/guarantees:</p> <p>A. The endorsement/guarantee amount provided exceeds the maximum amount under Article 4.</p> <p>B. Those that have records of bad loans or debt disputes.</p> <p>C. The capital is less than 10% of the total assets.</p> <p>D. Subsidiaries whose net worth is less than half of its own paid-in capital.</p> <p>E. It is not within the scope of the guarantee as approved by the Board of Directors.</p>   | <p>endorsements/guarantees:</p> <p>A. The endorsement/guarantee amount provided exceeds the maximum amount under Article 4.</p> <p>B. Those that have records of bad loans or debt disputes.</p> <p>C. The capital is less than 10% of the total assets.</p> <p>D. Subsidiaries whose net worth is less than half of its own paid-in capital.</p> <p>E. It is not within the scope of the guarantee as approved by the Board of Directors.</p> <p><del><b>In the case of a subsidiary with shares having no par value or a par value other than NTS10, for the paid-in capital calculated as per paragraph D, the sum of the share capital plus capital surplus in excess of par shall be substituted.</b></del></p>                                 | <p>paragraph (5)</p>  |
| <p>6. Procedures for providing endorsements/guarantees</p> <p>(1) <b><u>Detailed review procedures</u></b> for providing endorsements/guarantees <b><u>shall</u></b> include:</p> <p>A. The necessity of and reasonableness</p> <p>B. Credit status and risk assessment of the party to be endorsed/guaranteed</p> <p>C. The impact on the Company's business operations, financial position, and shareholders' equity</p> <p>D. Whether collateral must be obtained and appraisal of the value thereof</p> <p>Other companies applying for endorsements/guarantees need to fill in the Endorsement/Guarantee Application Form, and the responsible manager's approval and the record of the risk assessment results shall be submitted to the finance and legal departments for</p> | <p>6. Procedures for providing endorsements/guarantees</p> <p>(1) Detailed review before providing endorsements/guarantees, including:</p> <p>A. The necessity of and reasonableness</p> <p>B. Credit status and risk assessment of the party to be endorsed/guaranteed</p> <p>C. The impact on the Company's business operations, financial position, and shareholders' equity</p> <p>D. Whether collateral must be obtained and appraisal of the value thereof</p> <p>Other companies applying for endorsements/guarantees need to fill in the Endorsement/Guarantee Application Form, and the responsible manager's approval and the record of the risk assessment results shall be submitted to the finance and legal departments for review</p> | <p>Article 3, paragraph (1), subparagraph 3 is moved to the Article 6, paragraph (1), subparagraph 3.</p> |

| After Amendment   | Before Amendment   | Remark                           |
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| <p>review and counter-sign, which shall then submit it to the Board of Directors for a resolution. However, the Board of Directors may delegate the Chairman to make a decision when the amount is less than NT\$10 million to the same company and then submit it to the <u>soonest</u> Board meeting for ratification, and the relevant situation shall be reported to the shareholders' meeting for reference.</p> <p><b><u>Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees as per Article 3, paragraph 2 for each other after submitting it to the Company's Board of Directors for a resolution, unless endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</u></b></p> | <p>and counter-sign, which shall then submit it to the Board of Directors for a resolution. However, the Board of Directors may delegate the Chairman to make a decision when the amount is less than NT\$10 million to the same company and then submit it to a Board meeting for ratification, and the relevant situation shall be reported to the shareholders' meeting for reference.</p>  |                                  |
| <p>(2) When handling endorsement/guarantees, the handling personnel of the finance unit shall submit the guarantee/endorsement notes, deeds, and risk assessment materials, together with the endorsement/guarantee register, to the responsible manager and may proceed to provide guarantee/endorsement after it is approved by the Chairman. The copies of relevant documents and deeds shall be submitted to the legal affairs, accounting, and the applicant units for processing or retention.</p> <p>(3) The Company legal affairs unit shall archive and keep the documents related to the endorsements/guarantees according to the order in the</p>  | <p>(2) When handling endorsement/guarantees, the handling personnel of the finance unit shall submit the guarantee/endorsement notes, deeds, and risk assessment materials, together with the endorsement/guarantee register, to the responsible manager and may proceed to provide guarantee/endorsement after it is approved by the Chairman. The copies of relevant documents and deeds shall be submitted to the legal affairs, accounting, and the applicant units for processing or retention.</p> <p>(3) The Company legal affairs unit shall archive and keep the documents related to the endorsements/guarantees according to the order in the</p> | <p>Article 3, paragraph 4 is</p> |

| After Amendment   | Before Amendment   | Remark  |
|---|--|---|
| <p>endorsement/guarantee register. When the term of endorsement/guarantee ends, the party endorsed/guaranteed shall be notified actively, the guarantee note retained by the bank or creditor shall be withdrawn and the relevant evidence of the endorsement/guarantee shall be cancelled. Then, an external guarantee release notice shall be sent to notify the finance, accounting, and application units.</p> <p>(4) When the Company's endorsements/ guarantees exceed the maximum amount set in the procedures for providing endorsements/guarantees due to business needs, it shall be approved by the Board of Directors and more than half of the directors shall serve as the joint guarantors for the Company for the loss that may arise from the excess of the maximum amount, while said procedures shall be amended and reported to the shareholders' meeting for ratification. If the shareholders' meeting disagrees, a plan shall be set out to eliminate the excess portion within a certain period of time.</p> <p><b><u>(5) In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital calculated as per Article 3, paragraph (5)D, the sum of the share capital plus capital surplus in excess of par shall be substituted.</u></b></p> | <p>endorsement/guarantee register. When the term of endorsement/guarantee ends, the party endorsed/guaranteed shall be notified actively, the guarantee note retained by the bank or creditor shall be withdrawn and the relevant evidence of the endorsement/guarantee shall be cancelled. Then, an external guarantee release notice shall be sent to notify the finance, accounting, and application units.</p> <p>(4) When the Company's endorsements/ guarantees exceed the maximum amount set in the procedures for providing endorsements/guarantees due to business needs, it shall be approved by the Board of Directors and more than half of the directors shall serve as the joint guarantors for the Company for the loss that may arise from the excess of the maximum amount, while said procedures shall be amended and reported to the shareholders' meeting for ratification. If the shareholders' meeting disagrees, a plan shall be set out to eliminate the excess portion within a certain period of time.</p> | <p>moved to Article 6, paragraph 5</p>  |
| <p>7. The handling personnel at the finance unit shall prepare a table of the increase or decrease of the endorsements/guarantees and its balance on a monthly basis and report it to the responsible manager for review. The responsible manager and handling personnel shall be punished as per the Company's</p>   | <p>7. The handling personnel at the finance unit shall prepare a table of the increase or decrease of the endorsements/guarantees and its balance on a monthly basis and report it to the responsible manager for review. The responsible manager and handling personnel shall be punished as per the Company's regulations when</p>   | <p>It is amended in alignment with the establishment of an Audit Committee.</p> |



| After Amendment  | Before Amendment  | Remark |
|--|---|--------|
| <p>regulations when they violate the Company's procedures for providing endorsements/guarantees</p> <p>Internal auditors shall audit the procedures for providing endorsements/guarantees and the implementation thereof at least once a quarter and keep written record. If they found any significant violations they shall immediately notify the <b>Audit Committee</b> in writing.</p>  | <p>they violate the Company's procedures for providing endorsements/guarantees</p> <p>Internal auditors shall audit the procedures for providing endorsements/guarantees and the implementation thereof at least once a quarter and keep written record. If they found any significant violations they shall immediately notify <del>all supervisors and independent directors in writing.</del></p>  |        |
| <p>8. The competent authority's standards for announcements and reporting</p> <p>The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month as per the competent authority's regulations. Where the balance of endorsements/guarantees reaches one of the following levels, the Company shall announce and report such an event on the information reporting website designated by the FSC within two days commencing immediately from the date of occurrence. "Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of resolutions by the Board of Directors, or other date that can confirm the counterparty and monetary amount of endorsement/guarantee, whichever date is earlier</p> <p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net</p> | <p>8. The competent authority's standards for announcements and reporting</p> <p>The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month as per the competent authority's regulations. Where the balance of endorsements/guarantees reaches one of the following levels, the Company shall additionally announce and report such an event on the information reporting website designated by the FSC within two days commencing immediately from the date of occurrence. "Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of resolutions by the Board of Directors, or other date that can confirm the counterparty and <del>transaction</del> amount of endorsement/guarantee, whichever date is earlier</p> <p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net</p> |        |

| After Amendment  | Before Amendment   | Remark  |
|--|--|---|
| <p>worth as stated in its latest financial statement.</p> <p>(3) The balance of endorsements /guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for and carrying amount of investment under the equity method in such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(4) The amount of new endorsements /guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a publicly listed company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph (4) of the preceding paragraph.</p> <p>As the announcement and reporting standards stipulated by the competent authority are less strict than those adopted by the Company, the actual operation shall be conducted in accordance with the amounts specified in Article 4 of these Regulations.</p> | <p>worth as stated in its latest financial statement.</p> <p>(3) The balance of endorsements /guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for and carrying amount of investment under the equity method in such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(4) The amount of new endorsements /guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a publicly listed company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph (4) of the preceding paragraph.</p> <p>As the announcement and reporting standards stipulated by the competent authority are less strict than those adopted by the Company, the actual operation shall be conducted in accordance with the amounts specified in Article 4 of these Regulations.</p> |   |
| <p>11. (1) <b><u>The Company intending to provide endorsements/guarantees to others shall</u></b> follow these Regulations, and, after passage by the Board of Directors, it shall <b><u>submit</u></b> the same to the shareholders' meeting for approval. Where there any director expresses dissent and it is recorded in the minutes or a written statement, the Company shall submit the dissenting</p>   | <p>11. After passage by the Board of Directors, these Regulations shall be <del>submitted to all supervisors</del> and the shareholders' meeting for approval. Where there any director expresses dissent and it is recorded in the minutes or a written statement, the Company shall send the dissenting opinions to all supervisors and submit the same to the shareholders' meeting for discussion. The same shall apply to any amendments thereto.</p> <p><del>Where the Company has appointed</del></p>   | <p>It is amended in alignment with the establishment of an Audit Committee.</p> |

| After Amendment   | Before Amendment   | Remark  |
|---|--|---|
| <p>opinions to the shareholders' meeting for discussion. The same shall apply to any amendments thereto.</p> <p><b><u>(2) The Company without the intention of providing endorsements/guarantees to others may, after passage by the Board of Directors, be exempted from the endorsements/guarantees regulations. If the Company subsequently provides endorsements/guarantees to others , it shall still comply with the preceding paragraph (1).</u></b></p> <p><b><u>(3) Where the Company has established an Audit Committee, when it adopts or amends the endorsements/guarantees regulations, the regulations shall be approved by one-half or more of all members of the Audit Committee and furthermore submitted to the Board of Directors for a resolution.</u></b></p> <p><b><u>(4) If the approval of one-half or more of all members of the Audit Committee as required in the preceding paragraph is not obtained, the regulations may be implemented if approved by two-thirds or more of all directors, and the resolution by the Audit Committee shall be recorded in the minutes of the Board meeting.</u></b></p> <p><b><u>(5) The terms "all members of the Audit Committee" and "all directors" shall be counted based on the incumbent ones.</u></b></p> | <p><del>independent directors, when it submits these Regulations to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board meeting.</del></p> |   |
| <p>12. Where as a result of changes of condition, the entity for which an endorsement/guarantee is made no longer meets the</p>   | <p>12. Where as a result of changes of condition, the entity for which an endorsement/guarantee is made no longer meets the requirements</p>   | <p>It is amended in alignment with the establishment of an Audit Committee.</p> |

| After Amendment   | Before Amendment  | Remark  |
|---|---|---|
| <p>requirements under these Regulations, or the amount of endorsement/guarantee exceeds the maximum amount, the Company shall adopt an improvement plan and submit it to the <b><u>Audit Committee</u></b> and shall complete the improvement according to the timeframe set out in the plan.</p>   | <p>under these Regulations, or the amount of endorsement/guarantee exceeds the maximum amount, the Company shall adopt an improvement plan and submit it to <b><u>all supervisors and independent directors</u></b> and shall complete the improvement according to the timeframe set out in the plan.</p>  |   |
| <p>These Regulations were formulated on June 28, 1993.</p> <p>The 1st amendment was made on June 26, 1997.</p> <p>The 2nd amendment was made on June 10, 2003.</p> <p>The 3rd amendment was made on June 14, 2006.</p> <p>The 4th amendment was made on June 10, 2009.</p> <p>The 5th amendment was made on May 31, 2011.</p> <p>The 6th amendment was made on June 17, 2013.</p> <p>The 7th amendment was made on June 10, 2021.</p> <p><b><u>The 8th amendment was made on June 14, 2022.</u></b></p> | <p>These Regulations were formulated on June 28, 1993.</p> <p>The 1st amendment was made on June 26, 1997.</p> <p>The 2nd amendment was made on June 10, 2003.</p> <p>The 3rd amendment was made on June 14, 2006.</p> <p>The 4th amendment was made on June 10, 2009.</p> <p>The 5th amendment was made on May 31, 2011.</p> <p>The 6th amendment was made on June 17, 2013.</p> <p>The 7th amendment was made on June 10, 2021.</p> | <p>The date of amendment at this time is added.</p> |

**[Attachment] Table of Amendments to the Rules of Procedure for Shareholders' Meetings**

Ten Ren Tea Co., Ltd.

Table of Amendments to the Rules of Procedure for Shareholders' Meetings

| Article No. | After Amendment   | Before Amendment   | Reason for Amendment   |
|-------------|---|--|--|
| 1           | <p>Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.</p> <p><b><u>Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.</u></b></p>  | <p>Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.</p>  | <p>It is to stipulate that change to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors.</p> |
| 2           | <p><b><u>The time at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.</u></b></p> <p>The Company shall prepare an attendance book for shareholders (or their proxies) to sign in, <u>or</u> a shareholder present may hand in an attendance card <u>in lieu of</u> signing on the attendance book.</p> <p><b><u>The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.</u></b></p> <p><b><u>When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</u></b></p> <p><b><u>If the shareholders' meeting is convened by video conference, shareholders who wish to attend by</u></b></p> | <p>The Company shall prepare an attendance book for shareholders (or their proxies) to sign in, or a shareholder (or their proxy) <del>present may</del> hand in an attendance card to replace the sign-in. <del>The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in plus the number of shares whose voting rights are exercised by electronic means.</del></p> | <p>The amendment is made as per the practical operation.</p>   |

| Article No. | After Amendment   | Before Amendment  | Reason for Amendment  |
|-------------|---|---|---|
|             | <p><b><u>video conference should register with the Company two days prior to the shareholders' meeting.</u></b><br/> <b><u>If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them till the end of the meeting.</u></b></p>  |   |   |
| 3           | <p>Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares. <b><u>The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conferencing platform plus the number of shares whose voting rights are exercised in writing or by electronic means.</u></b></p>  | <p>Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares.</p>  | <p>The rule that shareholders' meetings may be convened by video conferencing is added.</p> |
| 4           | <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.<br/> <b><u>When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.</u></b><br/> <b><u>When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.</u></b></p> | <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p> | <p>The rule that shareholders' meetings may be convened by video conferencing is added.</p> |
| 7           | <p>The Company shall make an audio and video recording of the entire proceedings of a shareholders' meeting and preserve the recordings for at least one year. <b><u>If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.</u></b><br/> <b><u>If a shareholders' meeting is</u></b></p>   | <p>The Company shall make an audio and video recording of the entire proceedings of a shareholders' meeting and preserve the recordings for at least one year.</p>  | <p>The rule that shareholders' meetings may be convened by video conferencing is added.</p> |

| Article No. | After Amendment  | Before Amendment  | Reason for Amendment  |
|-------------|--|---|---|
|             | <p><b><u>convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, and voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.</u></b></p> <p><b><u>The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.</u></b></p> <p><b><u>If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.</u></b></p>  |   |   |
| 8           | <p>The chair shall call the meeting to order upon the 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 one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, <b><u>the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.</u></b> <b><u>If there are not enough shareholders, while representing at least one third of outstanding shares after two postponements, tentative resolutions</u></b> may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. <b><u>If a shareholders' meeting is convened by video conference, shareholders who</u></b></p> | <p>The chair shall call the meeting to order upon the 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 one hour, may be made. If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the</p> | <p>The rule that shareholders' meetings may be convened by video conferencing is added.</p> |

| Article No. | After Amendment  | Before Amendment  | Reason for Amendment                                    |
|-------------|--|---|---|
|             | <p><b><u>wish to attend by video conference shall re-register with the Company.</u></b></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>  | Company Act.  |   |
| 9           | <p>If a shareholders' meeting is called by the Board of Directors, the meeting agenda shall be formulated by the Board of Directors, and the meeting shall proceed with in accordance with said agenda, which shall not be changed without a resolution made by the shareholders' meeting.</p> <p>If a shareholders' meeting is by a party with the power to convene such meetings other than the Board of Directors, the preceding paragraph shall apply mutatis mutandis.</p> <p>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).</p> <p>After the meeting is adjourned, shareholders may not nominate another chair or seek another venue for continuation of the meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, a new chair may be elected by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.</p> <p><b><u>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.</u></b></p> | <p>If a shareholders' meeting is called by the Board of Directors, the meeting agenda shall be formulated by the Board of Directors, and the meeting shall proceed with in accordance with said agenda, which shall not be changed without a resolution made by the shareholders' meeting.</p> <p>If a shareholders' meeting is by a party with the power to convene such meetings other than the Board of Directors, the preceding paragraph shall apply mutatis mutandis.</p> <p>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).</p> <p>After the meeting is adjourned, shareholders may not nominate another chair or seek another venue for continuation of the meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, a new chair may be elected by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.</p> | It is combined with the content of Article 14.          |
| 11          | <p>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.</p> <p><b><u>However</u></b>, if the shareholder's speech violates the rules in the preceding paragraph or exceeds the scope of the</p>   | <p>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.</p> <p>If the shareholder's speech violates the rules in the preceding paragraph or exceeds the scope of</p>   | It is combined with the contents of Articles 12 and 13. |



| Article No. | After Amendment  | Before Amendment   | Reason for Amendment  |
|-------------|--|--|---|
|             | <p>proposal, the chair may have the shareholder stop the speech.</p> <p><b><u>When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</u></b></p> <p><b><u>When a juridical person shareholder appoints two or more representatives to attend a shareholders; meeting, only one of the representatives so appointed may speak on the same proposal.</u></b></p> <p><b><u>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</u></b></p>   | <p>the proposal, the chair may have the shareholder stop the speech.</p>   |   |
| 12          | <p><b><u>If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 characters, and the provisions of paragraphs 1 to 5 shall not apply.</u></b></p>   | <p><del>When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</del></p> <p><del>When a juridical person shareholder appoints two or more representatives to attend a shareholders; meeting, only one of the representatives so appointed may speak on the same proposal.</del></p> | <ol style="list-style-type: none"> <li>1. The rule that shareholders' meetings may be convened by video conferencing is added.</li> <li>2. The content of the original article is moved to Article 11.</li> </ol> |
| 13          | <p><b><u>Except as otherwise provided in the Company Act and in the Company'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. When a proposal is put for a vote, if the chair puts the matter before all attending shareholders and none voices an objection, the matter is deemed approved, and the effect is the same as voting.</u></b></p> <p><b><u>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</u></b></p> | <p><del>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</del></p>  | <ol style="list-style-type: none"> <li>1. It is combined with the original Articles 15, 17, and 18.</li> <li>2. The content of the original article is moved to Article 11.</li> </ol>                            |

| Article No. | After Amendment   | Before Amendment   | Reason for Amendment   |
|-------------|---|--|--|
|             | <p><b><u>voting shall be required.</u></b><br/> <b><u>Vote monitoring and vote counting personnel for the voting on proposals shall be appointed by the chair, provided that all vote monitoring personnel shall be shareholders of the Company.</u></b><br/> <b><u>Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting.</u></b><br/> <b><u>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 recorded.</u></b></p>   |  |  |
| 14          | <p><b><u>When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.</u></b><br/> <b><u>When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.</u></b><br/> <b><u>When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations, and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.</u></b></p> | <p><del>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.</del></p>  | <ol style="list-style-type: none"> <li>1. The rule that shareholders' meetings may be convened by video conferencing is added.</li> <li>2. The content of the original article is moved to Article 9.</li> </ol> |
| 15          | <p><b><u>If a shareholders' meeting is convened, supplemented by a video conference, shareholders who have registered to attend the shareholders' meeting by video conference, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the</u></b></p>   | <p><del>Vote monitoring and vote counting personnel for the voting on proposals and elections of directors or supervisors shall be appointed by the chair, provided that all vote monitoring personnel shall be the Company's shareholders. The results of the voting shall be announced on site</del></p> | <ol style="list-style-type: none"> <li>1. The rule that shareholders' meetings may be convened by video conferencing is added.</li> <li>2. The content</li> </ol>  |

| Article No. | After Amendment  | Before Amendment   | Reason for Amendment  |
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|             | <u>shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.</u>  | <del>at the meeting and recorded.</del>  | of the original article is moved to Article 13.   |
| 16          | <u>Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.</u>   | <del>When a meeting is in progress, the chair may announce a break based on time considerations.—</del>  | 1. The rule that shareholders' meetings may be convened by video conferencing is added.<br>2. The content of the original article is moved to Article 18. |
| 17          | <u>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 ID badge or an armband, reading "Proctor". At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</u> | <del>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, each resolution at the meeting shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When a proposal is put for a vote, if the chair puts the matter before all attending shareholders and none voices an objection, the matter is deemed approved, and the effect is the same as voting.</del> | 1. The amendment is made as per the practical operation.<br>2. The content of the original article is moved to Article 13.                                |
| 18          | <u>When a meeting is in progress, the chair may announce a break based on time considerations.</u>   | <del>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.</del>   | 1. The article number is adjusted.<br>2. The content of the original article is moved to Article 13.  |
| 19          | <u>When a shareholders' meeting is</u>   | <del>The chair may direct the proctors</del>   | 1. The rule that  |

| Article No. | After Amendment   | Before Amendment   | Reason for Amendment   |
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|             | <p><b><u>convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems. When a shareholders' meeting is convened by video conference the chair shall, when calling the meeting to order, announce that there is no need for postponement or resumption of the meeting as stipulated in Article 44-24, paragraph 24 of the Regulations Governing the Administration of Shareholder Services of Public Companies; and that the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other force majeure events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes under Article 182 of the Company Act shall not apply before the chair declares the meeting adjourned. In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed. For the meeting to be postponed or resumed under paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or</u></b></p> | <p><del>(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 ID badge or an armband, reading "Proctor".</del></p> | <p>shareholders' meetings may be convened by video conferencing is added. 2. The content of the original article is moved to Article 17.</p> |

| Article No. | After Amendment  | Before Amendment | Reason for Amendment |
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|             | <p><u>resumed.</u></p> <p><u>When a shareholders meeting is postponed or resumed in accordance with paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, do not need to be discussed or resolved again.</u></p> <p><u>When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.</u></p> <p><u>When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.</u></p> <p><u>When the Company postpones or resumes the meeting in accordance with paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.</u></p> <p><u>Based on the period under Article 12, second-half paragraph and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the</u></p> |                  |                      |

| Article No. | After Amendment  | Before Amendment   | Reason for Amendment  |
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|             | <b><u>Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meeting at a date as per paragraph 2.</u></b>   |  |   |
| 20          | <b><u>When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference.</u></b>  | Matters not specified in these Rules shall be handled in accordance with laws and regulations.   | 1. The rule that shareholders' meetings may be convened by video conferencing is added.<br>2. The content of the original article is moved to Article 21. |
| 21          | Matters not specified in these Rules shall be handled in accordance with <b><u>relevant</u></b> laws and regulations.  | These Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting.  | The article number is adjusted and the text is amended.   |
| 22          | These Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting. These Rules were formulated on May 27, 1993.<br><br>The 1st amendment was made on May 19, 1997.<br>The 2nd amendment was made on May 29, 2002.<br>The 3rd amendment was made on June 14, 2017.<br><b><u>The 4th amendment was made on June 14, 2022.</u></b> | These Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting. These Rules were formulated on May 27, 1993.<br>The 1st amendment was made on May 19, 1997.<br>The 2nd amendment was made on May 29, 2002.<br>The 3rd amendment was made on June 14, 2017. | 1. The article number is adjusted.<br>2. The date of amendment at this time is added.   |