



天仁茶業股份有限公司

TEN REN TEA CO., LTD

2023 Annual General Meeting

Handbook

Form of Shareholders' Meeting: Physical

Date: June 13, 2023

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

Ten Ren Tea Co., Ltd.
2023 Annual General Meeting Handbook
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Ten Ren Tea Co., Ltd.

Procedure for the 2023 Annual General Meeting

I. Call the Meeting to Order

II. Chair's Remarks

III. Report items

IV. Acknowledgments

V. Discussions

VI. Questions and Motions

VII. Adjournment

Ten Ren Tea Co., Ltd.

Agenda of the 2023 Annual General Meeting

Form of Shareholders' Meeting: Physical

Time and Date: 9:30 a.m. on June 13, 2023 (Tuesday)

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

I. Call the Meeting to Order

II. Chair's Remarks

III. Report items

1. 2022 Business Report and 2023 Summary of Business Plan
2. Audit Committee's Review Report on the 2022 financial statements
3. Report on the execution of the 2022 external endorsements/guarantees
4. Report on the 2022 remuneration distribution to employees and directors/supervisors
5. The Company's 2022 earnings distribution and cash dividend report.
6. Report on the amendments to the Ethical Corporate Management Best-Practice Principles.
7. Report on the amendments to the Sustainable Development Best-Practice Principles

IV. Acknowledgments

1. The 2022 financial statements are submitted for ratification.

IV. Discussions

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

VI. Questions and Motions

VII. Adjournment

III. Report items

I. 2022 business report and 2023 summary of business plan

2022 Business Report and 2023 Summary of Business Plan

I. 2022 Business Report

(I) Implement Results for Business Plans:

Up until December 31, 2022, total assets were NT\$2,353,960 thousand; total liabilities were NT\$864,411 thousand total shareholders' equity was NT\$1,489,549 thousand, with a net worth of NT\$16.44 per share.

Unit: thousand

Item	2022 results	2021 results	Growth rate %
Operating income	1,835,662	1,773,001	3.53
Gross profit	1,027,969	990,761	3.76
Operating expenses	1,008,251	975,925	3.31
Operating profit	19,718	14,836	32.91
Non-operating income and expenses	37,780	38,102	(0.85)
Profit before tax	57,498	52,938	8.61
Profit after tax	51,592	43,429	18.80
Earnings per share (EPS) (NT\$)	0.57	0.48	18.75

In 2022, 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 intelligence to improve our operational efficiency. The Company 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.

In 2022, the number of confirmed COVID-19 cases in Taiwan reached a new record high, thus making the post-pandemic recovery more difficult. We have continued to intensify our efforts in epidemic prevention and food safety to create a safe working and shopping environments. We have also accelerated the digitalization in retail and the implication of a scissor economy. We have introduced the Ten Ren Tea App and the CHA FOR TEA instant food series to provide better and more accurate services to meet the new consuming pattern in the post pandemic era.

In the fourth quarter of 2022, the increase in cross-border travel and consumer sentiment were clearly observed. However, it is expected that the manufacturing and service industries will show both decline and growth in 2023, and the cost of ingredients, rising wages and labor shortage will challenge the resilience and flexibility among the companies. Business resilience should be built on flexibility, speed, innovation, and tolerance. Lower the cost to compete no longer exists.

In 2022, not only do we consolidate our corporate core values through “tea renaissance,” we 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 to create a better future by focusing on sustainable development issues and integrating corporate social responsibility with management strategies.

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

consolidated financial statements)

Item		2022	
Profitability	Return on assets (%)	2.45	
	Return on equity (%)	3.50	
	Ratio to paid-in capital (%)	Operating profit	2.18
		Net income before tax	6.35
	Profit margin	2.81	
Earnings per share (EPS) (NT\$)	0.57		
Financial structure	Debt to assets ratio (%)	36.72	
	Long-term capital to fixed assets ratio (%)	168.45	
Solvency	Current ratio (%)	129.47	
	Quick ratio (%)	78.28	
	Times interest earned	9.42	

II. 2023 Summary of Business Plan

The Company will be celebrating its 70th anniversary in 2023. Under the theme of “Tea for Sustainability, Tea for Joy,” we will continue to strengthen the relationship between the Company and the public. Our major business policies are as follows:

1. We will strengthen corporate governance and social participation, and actively support cultural and art events and cultural and creative industries in order to promote sustainable cultural development and to build a future that is centered on culture and wisdom.
2. Safety and risk control for food safety, information safety, occupational safety, industrial safety, and construction safety are implemented in the organization culture and operational activities. As for food safety, the government has promoted and implemented a mandatory traceability system for domestic tea leaves, and is planning to carry out FSSC 22000 V6 revision-related operations.
3. We aim to improve our ability to recruit and retain talents, and to implement succession plans for key executives, so that we can pass on and innovate based on our existing foundation to create new achievements.
4. We will reinforce the revival of tea art and the implementation of touching services, and grasp the new challenges and business opportunities in digital marketing and scissor economy after the introduction of the APP and instant food series.
5. The Company is working on automation, labor saving and process improvement to provide a more friendly working environment, and to plan and promote a new-generation production system.
6. We are committed to improving service agility and humanization to face the post-pandemic opportunities and challenges. We will work with consulting company to promote the “Customer Satisfaction Improvement Project” and support our overseas partners to prepare for the post-pandemic revival.

I 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 Accounting officer, Chu, Hui-Ling

II. Audit Committee's Review Report on the 2022 financial statements

Ten Ren Tea Co., Ltd.

Audit Committee Review Report

The Board of Directors prepared the Company's 2022 business report, financial statements and statement of earnings distribution, among which the financial statements were audited by CPAs Lu, Chian-Uen and Liu, Hui-Yuan of EY and a verification report was issued. The business report, financial statements and statement of earnings distribution stated above have been reviewed by the Audit Committee and found to be in compliance with the Article 14-4 of the Securities and Exchange Act and the Article 219 in the Company Act.

To

The Company's 2023 Annual General Meeting

Ten Ren Tea Co., Ltd.

Audit Committee

Teng, Syh-Tang, Convener

March 21, 2023

III. Report on the execution of the 2022 external endorsements/guarantees

Description: The balance of endorsements/guarantees provided to external entities in 2022 is NT\$0.

IV. Report on the 2022 remuneration distribution 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 2.93% and 1.99% of the profit, respectively, and recognized the employee remuneration and remuneration to directors and supervisors in the amounts of NT\$1,734,189 and NT\$1,176,126, respectively, in salary under expenses.
2. The Company's Board of Directors, on March 21, 2023, resolved a decision to pay out employee remuneration and directors' and supervisors' remuneration in cash in the amounts of NT\$1,773,576 and NT\$1,182,384, respectively. The difference between the estimated amount and the amount paid as resolved by the Board of Directors is NT\$39,387 and NT\$6,258, 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.

V. The Company's 2022 earnings distribution and cash dividend report.

Description:

The total amount of dividends to be distributed to shareholders in the form of cash for 2022 earnings is NT\$77,003,156, that is, the cash dividends per share paid out is NT\$0.85, which is rounded down to NT\$1. The total amount below NT\$1 will be recognized in the Company's other income. The board of directors shall separately determine the record date, payment date and other matters related to the cash dividends.

VI. Report on the amendments to the Ethical Corporate Management Best-Practice Principles.

Description:

1. To achieve sound ethical corporate management, the Company established the "Committee of Integrity Management and Sustainable Development" as a dedicated unit to revise some of the articles of the Company's "Ethical Corporate Management Best-Practice Principles."
2. The comparison table for the revised articles is shown in Attachment 1, pages 11 to 16.

VII. Report on the amendments to the Sustainable Development Best-Practice Principles

Description:

1. To achieve the goal of sustainable development, the Company has

established the “Committee of Integrity Management and Sustainable Development” as a dedicated unit.

2. It is handled in accordance with the Taiwan Stock Exchange’s Letter, referenced Tai-Zheng-Zhi-Li No. 11100243661, dated December 23, 2022. The “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” were amended in line with the government’s policy to promote cultural development. It is recommended that resources should be continuously allocated to cultural and arts activities or to the cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, technical services through corporate volunteering, or other support methods, in order to promote cultural development.
3. Part of the articles of the Company’s “Sustainable Development Best-Practice Principles” has been amended, the comparison table of the revised articles is shown on pages 17 of Attachment 2.

IV. Acknowledgments

Proposal 1: (Proposed by the Board of Directors)

The 2022 financial statements are submitted for ratification.

Description:

1. The Company's 2022 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 and the statement of earnings distribution, which have been reviewed by the Company's Audit Committee, have been submitted and resolved by the Board of Director on March 21, 2023. These financial statements, business report and statement of earnings are submitted for ratification at the annual general meeting.
2. Please refer to pages 4 to 5 and Attachment 3 from pages 18 to 36 and page 37 in Attachment 4 for the Company's 2022 business report, 2023 summary of business plan, independent auditors' report, financial statements (including consolidated financial statements) and statement of earnings distribution.

Resolution:

V. Discussions

Proposal 1: (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. To respond to the Company's business needs, the Company hereby proposes to the shareholders' meeting for the approval of removal of the non-compete clause for the Company's directors.

Title	Name	Concurrent Company	Job Title
Representative of the Corporate Director	Lee, Chien-Te	Lu Yu Tea Art Co., Ltd.	Director

3. It is submitted for discussion.

Resolution:

VI. Questions and Motions

VII. Adjournment

【Attachment 1】 Comparison Table for the Ethical Corporate Management

Best-Practice Principles Before and After Amendment

Ten Ren Tea Co., Ltd.

Comparison Table for the Ethical Corporate Management Best-Practice Principles
Before and After Amendment

After Amendment	Before Amendment	Description
<p>Article 2 Prohibition on Unethical Conduct When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over such companies (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits. (Paragraph 2 omitted)</p>	<p>Article 2 Prohibition on Unethical Conduct When engaging in commercial activities, directors,supervisors, managers, employees, and mandataries of the Company or persons having substantial control over such companies (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits. (Paragraph 2 omitted)</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>
<p>Article 10 Prohibition on Bribery and Receiving Bribes When conducting business, the Company and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.</p>	<p>Article 10 Prohibition on Bribery and Receiving Bribes When conducting business, the Company and their directors,supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>
<p>Article 11 Prohibition on Unlawful Political Donations When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>Article 11 Prohibition on Unlawful Political Donations When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors,supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>
<p>Article 12 Prohibition on Improper Donations or Sponsorships When making or offering donations and sponsorship, the Company and their</p>	<p>Article 12 Prohibition on Improper Donations or Sponsorships When making or offering donations and sponsorship, the Company and their</p>	<p>To be in line with the establishment of the Audit</p>

After Amendment	Before Amendment	Description
<p>directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.</p>	<p>directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.</p>	<p>Committee of the Company to replace the power of supervisors.</p>
<p>Article 13 Prohibition on Unreasonable Presents, Hospitality or Other Improper Benefits The Company and their directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	<p>Article 13 Prohibition on Unreasonable Presents, Hospitality or Other Improper Benefits The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>
<p>Article 14 Prohibition on Infringing Intellectual Property Rights The Company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company’s internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p>	<p>Article 14 Prohibition on Infringing Intellectual Property Rights The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company’s internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>
<p>Article 16 Preventing Products or Services from Damaging Stakeholders In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. (The following is omitted)</p>	<p>Article 16 Preventing Products or Services from Damaging Stakeholders In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. (The following is omitted)</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>

After Amendment	Before Amendment	Description
<p>Article 17 Organization and Responsibilities</p> <p>The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>The Company <u>has established a Committee of Integrity Management and Sustainable Development, consisting of a majority of independent directors,</u> with adequate resources and qualified personnel, in order to achieve sound ethical corporate management. The committee is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The committee shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year): (The following is omitted)</p>	<p>Article 17 Organization and Responsibilities</p> <p>The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit exclusively (or concurrently) that is convened by the General Manager, consist of head of each functional group and supervised by the Internal Audit, and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year): (The following is omitted)</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p> <p>Revised the dedicated unit due to the establishment of the “Committee of Integrity Management and Sustainable Development.”</p>
<p>Article 18 Compliance with Laws and Regulations for Conduct of Business</p> <p>The Company and their directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>Article 18 Compliance with Laws and Regulations for Conduct of Business</p> <p>The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>
<p>Article 19 Recusal of Interests</p> <p>The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the</p>	<p>Article 19 Recusal of Interests</p> <p>The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>

After Amendment	Before Amendment	Description
<p>directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The Company’ directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The Company’ directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	
<p>Article 20 Accounting and Internal Control (Paragraphs 1 and 2 are omitted) The results of examination in the preceding paragraph shall be reported to senior management and the <u>Committee of Integrity Management and Sustainable Development</u> and put down in writing in the form of an audit report to be submitted to the board of directors.</p>	<p>Article 20 Accounting and Internal Control (Paragraphs 1 and 2 are omitted) The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit exclusively (or concurrently) and put down in writing in the form of an audit report to be submitted to the board of directors.</p>	<p>Revised the dedicated unit due to the establishment of the “Committee of Integrity Management and Sustainable Development.”</p>
<p>Article 21 Operational Procedures and Guidelines for Conduct The Company shall establish operational procedures and guidelines in accordance with its business needs to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters: (The following is omitted)</p>	<p>Article 21 Operational Procedures and Guidelines for Conduct The Company shall establish operational procedures and guidelines in accordance with its business needs to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters: (The following is omitted)</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>
<p>Article 22 Education, training and evaluation (Paragraph 1 is omitted) The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies’</p>	<p>Article 22 Education, training and evaluation (Paragraph 1 is omitted) The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies’</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of</p>

After Amendment	Before Amendment	Description
<p>commercial transaction counterparties so they understand the companies’ resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. (Paragraph 3 is omitted)</p>	<p>commercial transaction counterparties so they understand the companies’ resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. (Paragraph 3 is omitted)</p>	<p>supervisors.</p>
<p>Article 23 Whistleblowing System The Company shall adopt a concrete whistleblowing system and scrupulously operate the system. The whistleblowing system shall include at least the following:</p> <ol style="list-style-type: none"> 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports. 2. Dedicated personnel or unit appointed to handle the whistleblowing system. Any tip involving a director or senior management shall be reported to the independent directors or <u>Committee of Integrity Management and Sustainable Development</u>. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. <p>(Subparagraphs 3 to 7 are omitted) When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistleblowing system shall immediately prepare a report and notify the independent directors or <u>Committee of Integrity Management and Sustainable Development</u> in written form.</p>	<p>Article 23 Whistleblowing System The Company shall adopt a concrete whistleblowing system and scrupulously operate the system. The whistleblowing system shall include at least the following:</p> <ol style="list-style-type: none"> 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports. 2. Dedicated personnel or unit appointed to handle the whistleblowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. <p>(Subparagraphs 3 to 7 are omitted) When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistleblowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p> <p>Revised the dedicated unit due to the establishment of the “Committee of Integrity Management and Sustainable Development.”</p>
<p>Article 26 Review and Amendment of the Ethical Corporate Management Policy and Measures The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the</p>	<p>Article 26 Review and Amendment of the Ethical Corporate Management Policy and Measures The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>

After Amendment	Before Amendment	Description
<p>adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	<p>ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	
<p>Article 27 Implementation The ethical corporate management best-practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be reported at a shareholders’ meeting. The same procedure shall be followed when the principles have been amended. (Paragraph 2 is omitted)</p>	<p>Article 27 Implementation The ethical corporate management best-practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders’ meeting. The same procedure shall be followed when the principles have been amended. (Paragraph 2 is omitted) If an audit committee has been established, these Principles relating to supervisors shall apply <i>mutatis mutandis</i> to the audit committee.</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>
<p>Article 29 The basis for the amendment to these Principles These Principles shall be implemented after the board of directors grants the approval, and shall be reported at a shareholders’ meeting. The same procedure shall be followed when the principles have been amended.</p>	<p>Article 29 The basis for the amendment to these Principles These Principles shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders’ meeting. The same procedure shall be followed when the principles have been amended.</p>	<p>To be in line with the establishment of the Audit Committee of the Company to replace the power of supervisors.</p>

【Attachment 2】 Comparison Table for the Sustainable Development Best-Practice Principles Before and After Amendment

Ten Ren Tea Co., Ltd.

Sustainable Development Best-Practice Principles

After Amendment	Before Amendment	Description
<p>Article 9</p> <p>For the purpose of managing sustainable development initiatives, the Company is advised to establish a governance structure of the promotion of sustainable development and establish <u>the Committee of Integrity Management and Sustainable Development that is consisting of majority of independent directors</u> to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and specific implementation plans and to report on the same to the Board of Directors on a periodic basis.</p> <p>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the organization’s strategic aims and align with the stakeholders’ interests.</p> <p>It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.</p>	<p>Article 9</p> <p>For the purpose of managing sustainable development initiatives, the Company is advised to establish a governance structure of the promotion of sustainable development and an exclusively (or concurrently) dedicated unit that is consisting of all heads at the level of group supervisor or above in the Company to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and specific implementation plans and to report on the same to the Board of Directors on a periodic basis.</p> <p>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the organization’s strategic aims and align with the stakeholders’ interests.</p> <p>It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.</p>	<p>Set up an Ethical Corporate Management & Sustainable Development dedicated unit</p>
<p>Article 27-1</p> <p>TWSE/TPEX listed companies are recommended that resources should be continuously allocated to cultural and arts activities or to the cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, technical services through corporate volunteering, or other support methods, in order to promote cultural development.</p>	<p>This article is newly added.</p>	<p>To encourage enterprises to support arts and cultural activities and to promote sustainable cultural development; therefore, this article is added.</p>

[Attachment 3] 2022 CPAs' Audit Report and the 2022 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, 2022 and 2021, 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, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, 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 the Standards on Auditing of 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 2022 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, 2022, the Company's net inventories amounted to NT\$277,010 thousand, accounting for 12% 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, 2022, the Company recognized revenue in the amount of NT\$1,825,881 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 audit committee, 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 the Standards on Auditing of 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 the Standards on Auditing of 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 2022 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 21, 2023

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications 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, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021	
Contents	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6.(1)	\$168,469	7	\$152,678	7
Financial assets measured at amortized cost – current	4, 6.(2) and 8	1,100	-	70,075	3
Notes receivable, net	4, 6.(5) and 7	6,183	-	6,455	-
Accounts receivable, net	4 and 6.(6)	182,066	9	202,394	9
Accounts receivable–related parties, net	4, 6.(6) and 7	34,654	1	33,685	2
Other receivables		34	-	61	-
Inventories	4 and 6.(7)	277,010	12	253,888	11
Prepayments		4,611	-	2,940	-
Other current assets		1,425	-	3,510	-
Total current assets		675,552	29	725,686	32
Non-current assets					
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)	84,118	4	80,133	4
Investments accounted for using the equity method	4 and 6.(8)	321,325	14	305,830	13
Property, plant and equipment	4, 6.(9), 7 and 8	867,037	37	851,373	37
Right-of-use assets	4 and 6.(17)	309,842	13	286,029	13
Intangible assets	4 and 6.(10)	1,831	-	3,689	-
Deferred tax assets	4 and 6.(21)	3,559	-	4,800	-
Other non-current assets		621	-	9,509	-
Refundable deposits		25,943	1	26,309	1
Net defined benefit assets – non-current	4 and 6.(13)	50,182	2	-	-
Total non-current assets		1,664,458	71	1,567,672	68
Total assets		\$2,340,010	100	\$2,293,358	100

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, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		December 31, 2022		December 31, 2021	
Contents	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	6.(11)	\$160,000	7	\$190,000	8
Contract liabilities – current	4 and 6.(15)	25,763	1	21,017	1
Notes payable	7	75,995	3	83,143	4
Accounts payable	7	46,841	2	32,624	1
Other payables	6.(12) and 7	138,341	6	130,995	6
Current tax liabilities	4 and 6.(21)	7,993	-	12,209	-
Lease liabilities – current	4 and 6.(17)	94,046	4	92,246	4
Other current liabilities	7	5,976	-	8,658	-
Total current liabilities		554,955	23	570,892	24
Non-current liabilities					
Deferred tax liabilities	4 and 6.(21)	61,897	3	52,392	2
Lease liabilities – non-current	4 and 6.(17)	225,349	9	200,896	9
Net defined benefit liabilities – non-current	4 and 6.(13)	-	-	386	-
Guarantee deposits	7	12,163	1	12,211	1
Total non-current liabilities		299,409	13	265,885	12
Total liabilities		854,364	36	836,777	36
Equity attributable to shareholders of the parent					
Capital stock	6.(14)				
Common stock		905,919	39	905,919	40
Capital surplus	6.(14)				
Treasury stock transactions		17,012	1	26,977	1
Others		1,173	-	1,173	-
		18,185	1	28,150	1
Retained earnings	6.(14)				
Legal reserve		387,910	17	380,987	17
Special reserve		3,547	-	3,547	-
Unappropriated earnings		87,582	3	69,449	3
		479,039	20	453,983	20
Other components of equity					
Exchange differences resulting from translating the financial statements of foreign operations		(2,919)	-	(2,906)	-
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income		87,396	4	73,409	3
		84,477	4	70,503	3
Treasury stock	4 and 6.(14)	(1,974)	-	(1,974)	-
Total equity		1,485,646	64	1,456,581	64
Total liabilities and equity		\$2,340,010	100	\$2,293,358	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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Contents	Notes	For the years ended December 31			
		2022		2021	
		Amount	%	Amount	%
Operating revenues	4, 6.(15) and 7	\$1,825,881	100	\$1,765,510	100
Operating costs	4, 6.(7), 6.(18) and 7	(804,247)	(44)	(781,014)	(44)
Gross profit		1,021,634	56	984,496	56
Unrealized gross profit		(152)	-	(85)	-
Realized gross profit		134	-	517	-
		<u>1,021,616</u>	<u>56</u>	<u>984,928</u>	<u>56</u>
Operating expenses	6.(10), 6.(13), 6.(17), 6.(18) and 7				
Selling expenses		(841,784)	(46)	(813,599)	(46)
Administrative expenses		(156,078)	(9)	(147,263)	(9)
Research and development expenses		(5,612)	-	(5,638)	-
Expected credit gains (losses)	6.(16)	1,843	-	(2,950)	-
Subtotal		<u>(1,001,631)</u>	<u>(55)</u>	<u>(969,450)</u>	<u>(55)</u>
Operating income		<u>19,985</u>	<u>1</u>	<u>15,478</u>	<u>1</u>
Non-operating income and expenses	4, 6.(19) and 7				
Interest income		598	-	196	-
Other income		11,783	1	13,095	1
Other gains and losses		17,858	1	18,003	1
Finance costs		(6,819)	-	(6,051)	-
Share of profit or loss of associates and joint ventures accounted for using the equity method	4 and 6.(8)	12,803	-	11,108	-
Subtotal		<u>36,223</u>	<u>2</u>	<u>36,351</u>	<u>2</u>
Income before tax		56,208	3	51,829	3
Income tax expense	4 and 6.(21)	(4,979)	-	(8,701)	-
Net Income		<u>51,229</u>	<u>3</u>	<u>43,128</u>	<u>3</u>
Other comprehensive income (loss)	4 and 6.(20)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	4 and 6.(13)	45,418	2	20,232	1
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income		932	-	8,076	-
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		13,055	1	(35,791)	(2)
Income tax related to items that will not be reclassified subsequently	4, 6.(20) and 6.(21)	(9,083)	-	(4,046)	-
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)	(13)	-	(652)	-
Total other comprehensive income (loss), net of tax		<u>50,309</u>	<u>3</u>	<u>(12,181)</u>	<u>(1)</u>
Total comprehensive income		<u>\$101,538</u>	<u>6</u>	<u>\$30,947</u>	<u>2</u>
Earnings per share (NTD)					
Earnings per share-basic	6.(22)	<u>\$0.57</u>		<u>\$0.48</u>	
Earnings per share-diluted	6.(22)	<u>\$0.57</u>		<u>\$0.48</u>	

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

TEN REN TEA CO., LTD
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2022 and 2021
(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, 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
Balance as of January 1, 2022	\$905,919	\$28,150	\$380,987	\$3,547	\$69,449	\$(2,906)	\$73,409	\$(1,974)	\$1,456,581
Appropriation and distribution of 2021 retained earnings									
Legal reserve	-	-	6,923	-	(6,923)	-	-	-	-
Cash dividends	-	-	-	-	(62,508)	-	-	-	(62,508)
Cash dividends distributed through capital surplus	-	(9,965)	-	-	-	-	-	-	(9,965)
Net income in 2022	-	-	-	-	51,229	-	-	-	51,229
Other comprehensive income (loss) in 2022	-	-	-	-	36,335	(13)	13,987	-	50,309
Total comprehensive income (loss)	-	-	-	-	87,564	(13)	13,987	-	101,538
Balance as of December 31, 2022	\$905,919	\$18,185	\$387,910	\$3,547	\$87,582	\$(2,919)	\$87,396	\$(1,974)	\$1,485,646

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

TEN REN TEA CO., LTD
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Contents	For the years ended December 31		Contents	For the years ended December 31	
	2022	2021		2022	2021
	Amount	Amount		Amount	Amount
Cash flows from operating activities:			Cash flows from investing activities:		
Income before income tax	\$56,208	\$51,829	Acquisition of financial assets at fair value through other comprehensive income or loss	(3,053)	(15,861)
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	(25,548)	(69,075)
Depreciation expense	157,265	159,620	Proceeds from disposal of financial assets measured at amortized cost	94,523	350
Amortization expense	2,083	2,910	Acquisition of investments accounted for using the equity method	(4,996)	-
Expected credit (gains) losses	(1,843)	2,950	Acquisition of property, plant and equipment	(59,465)	(21,785)
Interest expense	6,819	6,051	Proceeds from disposal of property, plant and equipment	852	38,486
Interest income	(598)	(196)	Refundable deposits received	(501)	(732)
Dividend income	(4,590)	(3,481)	Refundable deposits refunded	866	1,893
Share of profit or loss of associates and joint ventures accounted for using the equity method	(12,803)	(11,108)	Acquisition of intangible assets	(225)	(972)
(Losses) gains on disposal of property, plant, and equipment	31	(26,238)	Increase in other non-current assets	(769)	(12,307)
Unrealized gross profit	152	85	Decrease in other non-current assets	400	434
Realized gross profit	(134)	(517)	Dividends received	19,918	15,830
Gain on rent concession	-	(5,533)	Net cash provided by (used in) investing activities	22,002	(26,190)
Gain from lease modification	-	(65)			
Changes in operating assets and liabilities:			Cash flows from financing activities:		
Notes receivable	272	(518)	Increase in short-term loans	212,000	190,000
Accounts receivable	22,171	(43,046)	Decrease in short-term loans	(242,000)	(220,000)
Accounts receivable-related parties	(969)	(195)	Decrease in long-term loans	-	(25,000)
Other receivables	27	363	Guarantee deposits paid	(48)	(40)
Inventories	(23,122)	2,277	Cash payments for the principal portion of the lease liabilities	(102,649)	(94,556)
Prepayments	(1,671)	(231)	Cash dividends	(72,473)	(72,473)
Other current assets	2,085	(2,787)	Dividends unclaimed by shareholders	-	215
Contract liabilities	4,746	2,170	Net cash used in financing activities	(205,170)	(221,854)
Notes payable	(7,148)	(8,341)			
Accounts payable	14,217	4,942			
Other payables	7,346	1,289			
Other current liabilities	(2,682)	928			
Net defined benefit liabilities	(5,150)	(4,870)			
Cash generated from operations	212,712	128,288			
Interest received	598	196			
Interest paid	(6,819)	(6,051)	Net increase (decrease) in cash and cash equivalents	15,791	(139,593)
Income taxes paid	(7,532)	(13,982)	Cash and cash equivalents, beginning of year	152,678	292,271
Net cash generated by operating activities	198,959	108,451	Cash and cash equivalents, end of year	\$168,469	\$152,678

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, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, 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 the Standards on Auditing of 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 2022 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, 2022, the Group's net inventories amounted to NT\$279,522 thousand, accounting for 12% 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, 2022, the Group recognized revenue in the amount of NT\$1,835,662 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 audit committee, 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 2022 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, 2022 and 2021.

Lu, Chian Uen

Liu, Hui Yuan

Ernst & Young, Taiwan

March 21, 2023

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 accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications 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, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021	
Contents	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6.(1)	\$200,226	9	\$179,663	8
Financial assets measured at amortized cost – current	4, 6.(2) and 8	9,765	-	76,983	3
Notes receivable, net	4, 6.(5) and 7	5,523	-	5,701	-
Accounts receivable, net	4 and 6.(6)	184,274	8	212,523	9
Accounts receivable-related parties, net	4, 6.(6) and 7	33,058	1	29,983	1
Other receivables		493	-	1,486	-
Inventories	4 and 6.(7)	279,522	12	255,712	11
Prepayments		4,802	-	3,506	-
Other current assets		1,461	-	3,556	-
Total current assets		<u>719,124</u>	<u>30</u>	<u>769,113</u>	<u>32</u>
Non-current assets					
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)	348,289	15	331,250	14
Investments accounted for using the equity method	4 and 6.(8)	10,123	-	9,911	1
Property, plant and equipment	4, 6.(9), 7 and 8	884,271	38	868,685	38
Right-of-use assets	4 and 6.(17)	309,842	14	286,029	13
Intangible assets	4 and 6.(10)	1,831	-	3,689	-
Deferred tax assets	4 and 6.(21)	3,559	-	4,821	-
Other non-current assets		621	-	9,509	1
Refundable deposits		26,118	1	26,469	1
Net defined benefit assets – non-current	4 and 6.(13)	50,182	2	-	-
Total non-current assets		<u>1,634,836</u>	<u>70</u>	<u>1,540,363</u>	<u>68</u>
Total assets		<u>\$2,353,960</u>	<u>100</u>	<u>\$2,309,476</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, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		December 31, 2022		December 31, 2021	
Contents	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	6.(11)	\$161,000	7	\$190,000	8
Contract liabilities – current	4 and 6.(15)	25,763	1	21,017	1
Notes payable	7	76,120	3	83,271	4
Accounts payable	7	45,412	2	33,667	1
Other payables	6.(12)	138,626	6	132,059	6
Current tax liabilities	4 and 6.(21)	8,445	-	12,731	1
Lease liabilities – current	4 and 6.(17)	94,046	4	92,246	4
Other current liabilities		6,010	-	8,727	-
Total current liabilities		555,422	23	573,718	25
Non-current liabilities					
Deferred tax liabilities	4 and 6.(21)	71,607	3	62,135	3
Lease liabilities – non-current	4 and 6.(17)	225,349	10	200,896	9
Net defined benefit liabilities – non-current	4 and 6.(13)	-	-	386	-
Guarantee deposits	7	12,033	-	12,080	-
Total non-current liabilities		308,989	13	275,497	12
Total liabilities		864,411	36	849,215	37
Equity attributable to shareholders of the parent					
Capital stock	6.(14)				
Common stock		905,919	38	905,919	39
Capital surplus	6.(14)				
Treasury stock transactions		17,012	1	26,977	1
Others		1,173	-	1,173	-
		18,185	1	28,150	1
Retained earnings	6.(14)				
Legal reserve		387,910	17	380,987	17
Special reserve		3,547	-	3,547	-
Unappropriated earnings		87,582	4	69,449	3
		479,039	21	453,983	20
Other components of equity					
Exchange differences resulting from translating the financial statements of foreign operations		(2,919)	-	(2,906)	-
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income		87,396	4	73,409	3
		84,477	4	70,503	3
Treasury stock	4 and 6.(14)	(1,974)	-	(1,974)	-
Equity attributable to the parent company		1,485,646	64	1,456,581	63
Non-controlling interests	6.(14)	3,903	-	3,680	-
Total equity		1,489,549	64	1,460,261	63
Total liabilities and equity		\$2,353,960	100	\$2,309,476	100

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

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

For the Years Ended December 31, 2022 and 2021

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

Contents	Notes	For the years ended December 31			
		2022		2021	
		Amount	%	Amount	%
Operating revenues	4, 6.(15) and 7	\$1,835,662	100	\$1,773,001	100
Operating costs	4, 6.(7), 6.(18) and 7	(807,693)	(44)	(782,240)	(44)
Gross profit		1,027,969	56	990,761	56
Operating expenses	6.(10), 6.(13), 6.(17), 6.(18) and 7				
Selling expenses		(845,606)	(46)	(816,724)	(46)
Administrative expenses		(158,876)	(9)	(150,613)	(8)
Research and development expenses		(5,612)	-	(5,638)	-
Expected credit gains (losses)	6.(16)	1,843	-	(2,950)	-
Subtotal		(1,008,251)	(55)	(975,925)	(54)
Operating income		19,718	1	14,836	2
Non-operating income and expenses	4, 6.(19) and 7				
Interest income		675	-	278	-
Other income		24,214	1	25,361	1
Other gains and losses		19,648	1	17,770	1
Finance costs		(6,826)	-	(6,051)	-
Share of profit or loss of associates and joint ventures accounted for using the equity method	4 and 6.(8)	69	-	744	-
Subtotal		37,780	2	38,102	2
Income before tax		57,498	3	52,938	4
Income tax expense	4 and 6.(21)	(5,906)	-	(9,509)	(1)
Net Income		51,592	3	43,429	3
Other comprehensive income (loss)	4 and 6.(20)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	4 and 6.(13)	45,418	2	20,232	1
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income		13,987	1	(27,715)	(2)
Income tax related to items that will not be reclassified subsequently	4, 6.(20) and 6.(21)	(9,083)	-	(4,046)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		39	-	(841)	-
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)	142	-	(70)	-
Total other comprehensive income (loss), net of tax		50,503	3	(12,440)	(1)
Total comprehensive income		\$102,095	6	\$30,989	2
Net income attributable to:					
Shareholders of the parent		\$51,229	3	\$43,128	3
Non-controlling interests	6.(14)	363	-	301	-
		\$51,592	3	\$43,429	3
Comprehensive income attributable to:					
Shareholders of the parent		\$101,538	6	\$30,947	2
Non-controlling interests	6.(14)	557	-	42	-
		\$102,095	6	\$30,989	2
Earnings per share (NTD)					
Earnings per share-basic	6.(22)	\$0.57		\$0.48	
Earnings per share-diluted	6.(22)	\$0.57		\$0.48	

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

TEN REN TEA CO., LTD AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the Years Ended December 31, 2022 and 2021
 (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, 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	
Balance as of January 1, 2022	\$905,919	\$28,150	\$380,987	\$3,547	\$69,449	\$(2,906)	\$73,409	\$(1,974)	\$1,456,581	\$3,680	\$1,460,261	
Appropriation and distribution of 2021 retained earnings												
Legal reserve	-	-	6,923	-	(6,923)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(62,508)	-	-	-	(62,508)	(334)	(62,842)	
Cash dividends distributed through capital surplus	-	(9,965)	-	-	-	-	-	-	(9,965)	-	(9,965)	
Net income in 2022	-	-	-	-	51,229	-	-	-	51,229	363	51,592	
Other comprehensive income (loss) in 2022	-	-	-	-	36,335	(13)	13,987	-	50,309	194	50,503	
Total comprehensive income (loss)	-	-	-	-	87,564	(13)	13,987	-	101,538	557	102,095	
Balance as of December 31, 2022	\$905,919	\$18,185	\$387,910	\$3,547	\$87,582	\$(2,919)	\$87,396	\$(1,974)	\$1,485,646	\$3,903	\$1,489,549	

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

TEN REN TEA CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Contents	For the years ended December 31		Contents	For the years ended December 31	
	2022	2021		2022	2021
	Amount	Amount		Amount	Amount
Cash flows from operating activities:			Cash flows from investing activities:		
Income before income tax	\$57,498	\$52,938	Acquisition of financial assets at fair value through other comprehensive income or loss	(3,053)	(15,861)
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	(26,548)	(69,075)
Depreciation expense	157,354	159,684	Proceeds from disposal of financial assets measured at amortized cost	94,523	350
Amortization expense	2,083	2,910	Acquisition of property, plant and equipment	(59,465)	(21,892)
Expected credit (gains) losses	(1,843)	2,950	Proceeds from disposal of property, plant and equipment	852	38,486
Interest expense	6,826	6,051	Refundable deposits received	(501)	(750)
Interest income	(675)	(278)	Refundable deposits refunded	866	1,941
Dividend income	(17,663)	(16,341)	Acquisition of intangible assets	(225)	(972)
Share of profit or loss of associates and joint ventures accounted for using the equity method	(69)	(744)	Increase in other non-current assets	(769)	(12,307)
(Losses) gains on disposal of property, plant, and equipment	31	(26,231)	Decrease in other non-current assets	400	434
Gain on rent concession	-	(5,533)	Dividends received	17,663	16,341
Gain from lease modification	-	(65)	Net cash provided by (used in) investing activities	23,743	(25,756)
Changes in operating assets and liabilities:			Cash flows from financing activities:		
Notes receivable	178	236	Increase in short-term loans	213,000	190,000
Accounts receivable	27,016	(48,237)	Decrease in short-term loans	(242,000)	(220,000)
Other receivables	993	(140)	Decrease in long-term loans	-	(25,000)
Inventories	(23,810)	3,625	Guarantee deposits paid	(48)	(40)
Prepayments	(1,296)	(539)	Cash payments for the principal portion of the lease liabilities	(102,649)	(94,556)
Other current assets	2,095	(2,830)	Cash dividends	(72,807)	(72,736)
Contract liabilities	4,746	2,170	Dividends unclaimed by shareholders	-	215
Notes payable	(7,151)	(8,213)	Net cash used in financing activities	(204,504)	(222,117)
Accounts payable	11,745	5,888			
Other payables	6,567	1,419			
Other current liabilities	(2,717)	932			
Net defined benefit liabilities	(5,150)	(4,870)			
Cash generated from operations	216,758	124,782	Effect of exchange rate changes on cash and cash equivalents	(742)	(588)
Interest received	675	278			
Interest paid	(6,826)	(6,051)	Net increase (decrease) in cash and cash equivalents	20,563	(144,033)
Income taxes paid	(8,541)	(14,581)	Cash and cash equivalents, beginning of year	179,663	323,696
Net cash generated by operating activities	202,066	104,428	Cash and cash equivalents, end of year	\$200,226	\$179,663

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

【 Attachment 4 】 The Company's 2022 Earnings Distribution Table

Ten Ren Tea Co., Ltd.
Earnings Distribution
2022

Unit: NT\$

Item	Amount		Note
Undistributed earnings at the beginning of the period		\$ 17,737	
2022 net income	\$ 51,229,503		
Add: Other comprehensive income (actuarial gains and losses on defined benefit plans (2022))	36,334,143		
Add: Other equity (disposal of equity at fair value through other comprehensive income)	0		
Sub-total	87,563,646		
Provision for statutory surplus reserve	(8,756,365)		
Total		78,807,281	
Total earnings available for distribution for the year		78,825,018	
Distribution items:			
Bonus to shareholders (cash dividends)	77,003,156		Cash dividends of NT\$0.85 per share
Total distribution		77,003,156	
Undistributed earnings at the end of the period		\$ 1,821,862	

Note: Cash dividends are calculated on the distribution ratio up to the dollar, and is rounded down to NT\$1. The total amount below NT\$1 will be recognized in the Company's other income.

Chairman Lee, Kuo-Lin

General Manager Lin, Jen-Chung

Chief Accounting officer, Chu, Hui-Ling

[Appendix 1] Articles of Incorporation

Articles of Incorporation of Ten Ren Tea Co., Ltd.

Chapter 1 General Provisions

- Article 1: The Company is incorporated in accordance with the Company Act and named Ten Ren Tea Co., Ltd.
- Article 2: The scope of the Company's business is as follows:
- C110010 Beverage Manufacturing
 - C111010 Tea Manufacturing
 - C199990 Other Food Manufacturing Not Classified
 - CC01010 Manufacturing of Power Generation, Transmission and Distribution Machinery
 - F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products
 - F102030 Wholesale of Tobacco Products and Alcoholic Beverages
 - F102040 Wholesale of Nonalcoholic Beverages
 - F102050 Wholesale of Tea
 - F102170 Wholesale of Foods and Groceries
 - F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
 - F106020 Wholesale of Daily Commodities
 - F106050 Wholesale of Pottery, Porcelain and Glassware
 - F107030 Wholesale of Cleaning Products
 - F108040 Wholesale of Cosmetics
 - F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 - F113020 Wholesale of Electrical Appliances
 - F115010 Wholesale of Jewelry and Precious Metal
 - F201010 Retail Sale of Agricultural Products
 - F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products
 - F203010 Retail Sale of Food, Grocery and Beverage
 - F203020 Retail Sale of Tobacco and Alcoholic Beverages
 - F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
 - F206020 Retail Sale of Daily Commodities
 - F207030 Retail Sale of Cleaning Products
 - F208040 Retail Sale of Cosmetics
 - F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 - F213010 Retail Sale of Electrical Appliances
 - F215010 Retail Sale of Jewelry and Precious Metal
 - F301020 Supermarkets
 - F399010 Convenience Stores
 - F501030 Beverage Shops
 - F501060 Restaurants
 - F501990 Other Catering
 - H701010 Residence and Buildings Lease Construction and Development
 - H701040 Specialized Field Construction and Development
 - H701060 New County and Community Construction and Investment
 - J799990 Other Recreational Services
 - ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

- Article 2-1: When the Company becomes a shareholder of limited liability in other companies, the total amount of its investments in such companies shall not exceed 40 percent of its paid-up capital and authorizes the Board of Directors to carry out relevant business.
- Article 2-2: The Company may provide guarantees to external parties for business needs and authorize the Board of Directors to carry out relevant business.
- Article 3: The Company is headquartered in Taipei City and may set up branches at home and abroad with the resolution adopted by the Board of Directors.
- Article 4: Deleted

Chapter 2 Shares

- Article 5: The Company's total authorized capital is NT\$1.68 billion, which is divided into 168 million shares with a par value of NT\$10 per share, which may be issued in tranches. Unissued shares shall be issued by the Board of Directors according to actual needs. New shares issued to increase capital may be issued in excess of the par value of the stock.
- Article 6: The Company's shares are generally registered and are issued after being signed or sealed by the directors representing the Company and numbered, while being certified by a bank which may issue stock for businesses under the laws. The Company may be exempted from printing stock certificates and shall register with the centralized securities depository enterprise when issuing shares.
- Article 7: For shareholders' account names, natural-person shareholders shall use their real names in accordance with the Name Act. The juridical-person shareholders shall use the full name of the juridical person and fill it in the shareholders' signature card. Minors and shareholders under interdiction shall affix their legal representatives' seals and submit them to the Company for review. When shareholders handle stock affairs and exercise other rights or communicate with the Company in writing, the seals on record as in the preceding paragraph shall be adopted.
- Article 8: Shareholders conducting stock transfer, loss reporting, inheritance, gift, seal loss reporting, change or address change, or other stock affairs matters, unless otherwise stipulated by securities laws and regulations, shall be governed by the Regulations Governing the Administration of Shareholder Services of Public Companies.
- Article 9: New shareholders engaging in replacement, transfer, or pledging of rights, inheritance, gift, or other relevant matters, may be charged for a processing cost. The processing cost in the preceding paragraph shall be resolved by the Board of Directors.
- Article 10: The Company shall not handle any requests for transfers of shares within 60 days prior to the annual general meeting, 30 days prior to the extraordinary shareholders' meeting, or 5 days prior to the record date for the distribution of dividends, bonuses, or other interests.

Chapter 3 Shareholders' Meeting

- Article 11: There are annual and extraordinary general meetings. The Board of Directors shall convene the annual meeting once a year within six months after the end of each fiscal year. Extraordinary meetings may be convened at any time as needed.
- Article 11-1: The Company may convene a shareholders' meeting by video conference or other methods as announced by the Ministry of Economic Affairs.
- Article 12: A notice, containing the date, place, and reason for the meeting, to convene an annual general meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In case of an extraordinary general meeting, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting

date. However, the shareholders holding fewer than 1,000 shares notice may be notified through a public announcement.

- Article 13: Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a proxy to attend the meeting by presenting a letter of attorney printed by the Company, indicating the scope of the authorization. A shareholder may only execute one power of attorney and appoint one proxy only. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by them shall not exceed 3% of the total number of the Company's voting shares, otherwise, the portion of excessive voting power shall not be counted.
- Article 14: When a shareholders' meeting is convened by the Board of Directors, in case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair. Where a shareholders' meeting is convened by any party with the right to convene such meetings other than the Board of Directors, the party shall chair the meeting; however, if there are two or more parties with the right to convene such meetings, the chair of the meeting shall be elected from among themselves.
- Article 15: A shareholder shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares under any of the circumstances under Article 179, paragraph 2 of the Company Act.
- Article 16: Resolutions at a shareholders' meeting shall, unless otherwise provided in relevant laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of outstanding shares.
- Article 17: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, specifying the date and place of the meeting, the name of the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes, which shall be affixed with the signature or seal of the chair of the meeting, together with the attendance card and the powers of attorney shall be kept at the Company and shall be distributed to all shareholders within 20 days after the close of the meeting. Said meeting minutes may be distributed through a public announcement.

Chapter 4 Board of Directors and Audit Committee

- Article 18: The Company shall have seven to eleven directors on the Board with a 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 three 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 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 the Company Act 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.

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.

Article 19: The Board of Directors is formed by directors and shall elect a Chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman represents the Company externally and chairs the shareholders' meetings and the board meetings internally and is in charge of all business activities. Unless otherwise stipulated in the Company Act and the Company's Articles of Incorporation, the Company's business shall be performed through a resolution by the Board of Directors.

Article 19-1: Due to business needs, the Company's chairman, 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.

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.

Article 20: The powers and responsibilities of the Board of Directors are as follows:

1. Review important rules and contracts.
2. Decide on business policies.
3. Review budget and financial statements.
4. Draft a capital increase or reduction proposal.
5. Decide on the establishment or dissolution of branches.
Decide on real property purchase, sale, split, exchange, setting of real rights, and all other disposal methods.
6. Execute the resolutions of the shareholders' meeting.
7. Other powers and responsibilities as stipulated by the Company Act and the shareholders' meeting.

Article 21: Except for the first meeting of each term of the Board of Directors, which is convened within 15 days after an election of directors by the director with the most votes obtained, the Board meeting shall be convened and chaired by the Chairman. When the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair.

Article 22: A Board meeting shall be convened once a quarter, with the reasons stated in a meeting notice, which 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.

Article 23: Unless otherwise stipulated by the Company Act, a Board meeting shall be held with the approval by a majority vote at a meeting attended by half of the directors. If directors are unable to attend for any reason, they may issue a power of attorney for each Board meeting and state therein the scope of authority with reference to the subjects to be discussed at the meeting to entrust other directors to exercise the powers on their behalf.

A director may act as a proxy referred to in the preceding paragraph for one other

director only.

Article 24: The resolutions of the Board of Directors shall be recorded in minutes, and Article 17 of the Articles of Incorporation shall apply *mutatis mutandis* to the matters recorded in the minutes.

Article 25: The composition, powers and responsibilities, rules of procedure, and other matters of the Company's Audit Committee, as well as other matters to be complied with, shall be handled in accordance with the relevant regulations of the competent securities authority.

Article 26: (Deleted)

Article 27: (Deleted)

Chapter 5 Managers and Employees

Article 28: The Company has appointed one General Manager, several Vice General Managers, assistant vice presidents, and managers. The General Manager shall be nominated by the Chairman, and the Vice General Managers shall be nominated by the General Manager, all of whom shall be approved by a majority vote at a board meeting attended by more than half of the directors.

The appointment and dismissal of assistant vice presidents and managers shall be submitted by the General Manager to the Board of Directors for a resolution.

Article 29: The General Manager is in charge of the Company's business in accordance with the resolutions of the Board of Directors and the Chairman's instructions.

Article 30: The Company may, upon the resolution by the Board of Directors, recruit consultants.

Article 31: The Company's other employees shall be employed by the General Manager.

Chapter 6 Financial Statements

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 as per law.

1. Business report.
2. Financial statements.
3. Statement of surplus distribution and deficit compensation.

Article 33: Depending on the Company's profit for the year, no less than 2% of profit is distributed as remuneration to employees and no more than 2% of profit is distributed as remuneration to directors. 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 remuneration to employees and remuneration to directors.

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.

Prior to forming an Audit Committee, remuneration to supervisors has been distributed in accordance with Paragraphs 1–2 of this Article.

Article 33-1: 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. Where remuneration is distributed in the form of cash, it is subject to resolution of the Board of Directors. Where remuneration is distributed in the form of new shares, it shall be submitted to the shareholders' meeting for resolution.

Pursuant to Paragraph 5, Article 240 of the Company Act, 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. The dividends and bonuses may be distributed in cash, and reported to the shareholders' meeting.

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.

Article 33-2: 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.

Chapter 7 Supplementary Provisions

Article 34: The Company's Articles of Incorporation and operating rules shall be formulated separately as resolved by the Board of Directors.

Article 35: Any matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 36: The Articles of Incorporation and any amendment thereto shall be implemented after a resolution is adopted by the shareholders' meeting.

Article 37: The Articles of Incorporation were formulated on November 21, 1975.

The 1st amendment was made on April 10, 1977.

The 2nd amendment was made on April 19, 1978.

The 3rd amendment was made on September 16, 1980.

The 4th amendment was made on May 18, 1982.

The 5th amendment was made on September 15, 1982.

The 6th amendment was made on August 18, 1983.

The 7th amendment was made on August 19, 1984.

The 8th amendment was made on October 18, 1984.

The 9th amendment was made on January 21, 1985.

The 10th amendment was made on October 15, 1986.

The 11th amendment was made on December 8, 1986.

The 12th amendment was made on November 16, 1989.

The 13th amendment was made on December 16, 1989.

The 14th amendment was made on July 27, 1990.

The 15th amendment was made on July 29, 1991.

The 16th amendment was made on June 26, 1992.

The 17th amendment was made on June 28, 1993.

The 18th amendment was made on June 7, 1994.

The 19th amendment was made on June 15, 1995.

The 20th amendment was made on June 18, 1996.

The 21st amendment was made on June 26, 1997.

The 22nd amendment was made on June 15, 1998.

The 23rd amendment was made on May 12, 2000.
The 24th amendment was made on May 10, 2001.
The 25th amendment was made on May 29, 2002.
The 26th amendment was made on June 10, 2005.
The 27th amendment was made on June 14, 2006.
The 28th amendment was made on June 10, 2009.
The 29th amendment was made on June 14, 2010.
The 30th amendment was made on June 5, 2012.
The 31st amendment was made on June 15, 2015.
The 32nd amendment was made on June 15, 2016.
The 33rd amendment was made on June 12, 2020.
The 34th amendment was made on August 4, 2021.
The 35th amendment was made on June 14, 2022.

Ten Ren Tea Co., Ltd.

Chairman Lee, Kuo-Lin

[Appendix 2] Rules of Procedure for Shareholders' Meetings

Ten Ren Tea Co., Ltd. Rules of Procedure for Shareholders' Meetings

1. Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.
Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.
2. 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.
The Company shall prepare an attendance book for shareholders (or their proxies) to sign in, or a shareholder (or their proxy) present may hand in an attendance card in lieu of signing in the attendance book.
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.
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.
If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.
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.
3. Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares. 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.
4. 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.
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.

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.

5. When a shareholders' meeting is convened by the Board of Directors, in case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair.

If a shareholders' meeting is by a party with the power to convene such meetings other than the Board of Directors, said person shall chair the meeting.

6. The Company may designate its attorney, CPA, or other relevant persons to attend the shareholders' meeting in a non-voting capacity.

Those handling the business of a shareholders' meeting shall wear an ID badge or an armband.

7. 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. 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.

If a shareholders' meeting is 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.

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.

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.

8. 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 the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If there are not enough shareholders, while representing at least one third of outstanding shares 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. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company.

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.

9. 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.

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*.

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).

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.

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.

10. A shareholder wishing to speak at a shareholders' meeting shall first fill out a slip, specifying therein the major points of their speech, shareholder account number (or attendance card number) and account name, and the chair shall determine their order of giving a speech.

A shareholder who submits a speech slip without giving a speech shall be considered as not having given a speech. If the contents of the speech are different from those specified on the slip, the contents of their speech shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair; the chair shall stop any violation.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

However, if the shareholder's speech violates the rules in the preceding paragraph or exceeds the scope of the proposal, the chair may have the shareholder stop the speech.

When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

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.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

12. 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 Article 10 to 11 shall not apply.

13. 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.

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.

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.

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

14. 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.

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.

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.

15. 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 shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

16. 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.

17. 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.
18. When a meeting is in progress, the chair may announce a break based on time considerations.
19. When a shareholders' meeting is 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 44-20, paragraph 4 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 resumed. 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.

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.

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.

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.

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 Shareholders' Meetings of Public Companies; Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the 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.

20. 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.
21. Matters not specified in these Rules shall be handled in accordance with relevant laws and regulations.
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.

The 1st amendment was made on May 19, 1997.

The 2nd amendment was made on May 29, 2002.

The 3rd amendment was made on June 14, 2017.

The 4th amendment was made on June 14, 2022.

[Appendix 3] Shareholdings of Individual and All Directors Recorded in the Company's Register of Shareholders

**Ten Ren Tea Co., Ltd.
Table of Shares Held by Directors**

Shareholdings of individual and all directors recorded in the shareholder register as of April 14, 2023

Record date: April 14, 2023

Title	Name	Date of elected	Term of office	Number of shares held upon elected		Number of shares held at book closure	
				Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
Chairman	Ten Fu Investment Co., Ltd. Representative: Lee, Kuo-Lin	2022.06.14	3 years	9,190,830	10.145	9,190,830	10.145
Director	Ten Fu Investment Co., Ltd. Representative: Tsai, Song-Tsung	2022.06.14	3 years	9,190,830	10.145	9,190,830	10.145
Director	Ten Fu Investment Co., Ltd. Representative: Lee, Chien-Te	2022.06.14	3 years	9,190,830	10.145	9,190,830	10.145
Director	Unify Grandeur Investment Co., Ltd. Representative: Wang, Lien-Yuan	2022.06.14	3 years	719,788	0.794	719,788	0.794
Director	Tseng, Ming-Sung	2022.06.14	3 years	134	0.000	134	0.000
Director	Lin, Jen-Chung	2022.06.14	3 years	120,379	0.133	120,379	0.133
Independent Director	Teng, Syh-Tang	2022.06.14	3 years	0	0.000	0	0.000
Independent Director	Ferng, Ren-Ho	2022.06.14	3 years	322	0.000	322	0.000
Independent Director	Edwin C. Shieh	2022.06.14	3 years	0	0.000	0	0.000
Sum of all directors' shareholdings (excluding shares held by independent directors)				10,031,131	11.073	10,031,131	11.073

Note:

1. The total number of the Company's outstanding shares on April 14, 2023 was 90,591,948.
2. The minimum number of shares to be held by all directors is 7,247,355 shares.
3. The Company has established an audit committee, so that the statutory number of shares to be held by all supervisors is not applicable.