

Stock Code : 1233

Ten Ren Tea Co., Ltd. Investment Forum

**Presenter: General Manger
Lin Jen Chung**

 **August 22, 2018**
Natural, healthy, hospitality



Topic Outline

- 🌿 Business Results of 2017
- 🌿 Operational Briefing of 2017
- 🌿 Structural change in 2017
- 🌿 Business Results of the First Half of 2018
- 🌿 TenRen's Future Development Blueprint



Business Results of 2017

In NTD thousands

Item	2017 performance	2016 performance	Growth rate%
Operating income	2,130,351	2,134,778	(0.21)
Gross Profit	1,212,380	1,205,582	0.56
Operating expenses	1,019,252	1,019,675	(0.04)
Operating profit	193,128	185,907	3.88
Non-operating income and expenses	17,683	18,559	(4.72)
Pre-tax net income	210,811	204,466	3.10
Net income	175,372	169,860	3.25
Earnings per share (NTD)	1.94	1.87	3.74

🌿 Cash dividend of NTD2.25 per share



Operational Briefing of 2017

- 🌿 Our Food Safety Laboratory had passed the TAF certification.
- 🌿 Developing the all new CHAFFEE brand name with full effort
 - Open 6 stores by the end of 2018
- 🌿 Permission obtained to expand in Vietnam
 - 16 stores have been opened since December, 2017. 32 stores expected by the end of 2018.
- 🌿 Introduction of diversified paying instrument.



Structural change in 2017

- 🍃 A gold cross appeared in the numbers of domestic and overseas stores
 - 130 overseas stores and 104 domestic stores by the end of July, 2018
- 🍃 Tea accounts for less than 50% of total revenue for the first time in company history
 - The portion dropped under 60% in 2011
 - The portion dropped to 48.7% in 2017
 - The portion was 47.81% in the first half of 2018
- 🍃 Revenue of our restaurants exceeded that of tea for the first time in the domestic market .

In order to create a new growing curve, there will be structural changes regarding all aspects of the Company's future decision thinking, organizational development and talent cultivation.



Business Results of the First Half of 2018

In NTD thousands

Item	First half of 2018	First half of 2017	Growth rate%
Operating income	1,086,757	1,058,278	2.69
Gross Profit	629,296	605,991	3.85
Operating expenses	535,104	501,638	6.67
Operating profit	94,192	104,353	(9.74)
Non-operating income and expenses	23,004	(1,530)	1,603.53
Pre-tax net income	117,196	102,823	13.98
Net income	94,290	85,390	10.42
Earnings per share (NTD)	1.04	0.94	10.64



TenRen's Future Development Blueprint

- 🌿 Developing collaborative businesses overseas with full effort
 - 🌿 2017 Vietnam ▶ July, 2018.07 Singapore ▶ 2019 ?
 - Accelerate the cultivation of international talents and enhance the ability of international procurement and marketing
- 🌿 Boosting the vitality of domestic tea market
 - Emphasizing on both talent and culture
 - Deep cultivation of overseas development of Taiwanese tea
 - Developing key domestic tea areas
 - Introducing international mainstream tea products
- 🌿 Actively investing in IT upgrades



TenRen's Future Development Blueprint (continued)

- 🌿 Capacity expansion and automation upgrade
- 🌿 Implementing corporate social responsibility
 - The proportion of bagged tea without aluminum nail has been increased to 98%
 - Abandoning disposable glass container consumption
 - Take-away bags and cup holders to use environmentally friendly materials
 - 100% of job opportunities reserved for local





**Innovative,
intelligent,
healthy
and
cultural**

