

The background of the slide is a photograph of a terraced tea plantation on a hillside. The tea bushes are arranged in neat, wavy rows that follow the contours of the land. The scene is shrouded in a thick, white mist or fog, which obscures the upper parts of the hills and creates a soft, ethereal atmosphere. The colors are muted greens and greys, with the white of the mist providing a high-contrast background for the text.

Taiwan Tea Corp. 2021

QIC Taiwan CEO Week

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Executive Summary



- Established in 1950, Taiwan Tea (2913 TT) is dedicated in three major business lines: 1) Tea cultivation, tea leaf and tea product manufacturing and marketing; 2) Agriculture tourism; and 3) Land development
- TTC is the 2nd largest landowner in Taiwan with land asset of 3,747 ha, current market cap is US\$ 480 mn (2021/4/13). 2020/3M2021 revenue was NT\$ 312mn/ 91mn
- In 2019, Mr. Wu, Ching-yuan was elected as the Chairman of Taiwan Tea. Chairman Wu committed to focus on core business, and pledged to boost the tea leaf manufacturing and shipment to turn around the business.
- Taiwan Tea also leverage its tea garden and tea culture to develop tourism business. At the same time, the management team actively review its own land assets for further development and collaboration, to create sustainable revenue and profit.

Strong Leadership

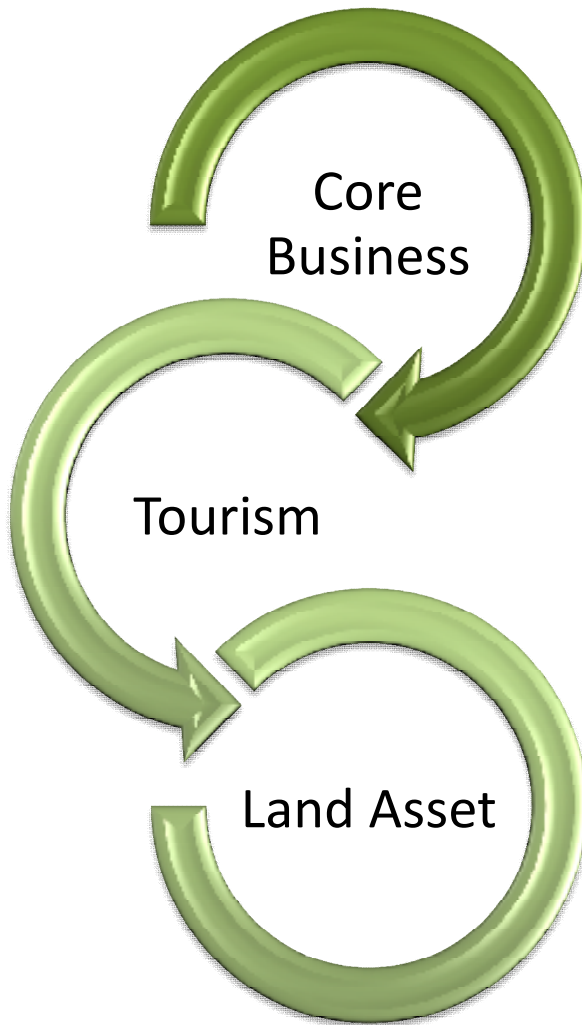


Chairman: Wu, Ching-Yuan

- Chairman Wu graduated from National Taipei University of Technology and hold the associate degree in Mechanical engineering , he also holds a Masters degree in architecture & Urban Planning from Chung Hua University.
- Mr. Wu was elected to be the Chairman in 2019
- Chairman Wu introduced successful experience of Sanyang Motor and up to date industrial technology, to accelerated the development of the largest plantation: Laupi tea garden, and completed the entire 452 ha plantation. Meanwhile, Chairman Wu actively reviewed the land asset for proper utilization.
- Under his leadership, Taiwan Tea's revenue has grown 4.3% in 2020 and the net loss has been shrunk from \$0.18 per share in 2019 to \$0.02 in 2020.



TTC's Way to Success



- Maintain and strengthen TTC's leading position in the tea market in Taiwan, and achieve sustainably profitable.
 - Taiwan Tea's tea leaf production will quadruple and reach 3,000 tons/ year by 2025.
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- Leveraging tea plantations and land in the beautiful mountainous areas with great potential for tourism and leisure, and become a solid second revenue and profit stream.
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- The land capital of Taiwan Tea should be utilized properly. With continuous revitalization and reinvestment, to maximize the value of the land.

Tea Production



Tea Garden & Factories



復興茶廠、大溪老茶廠

DAXI TEA FACTORY

Area: 3.4 ha

Cultivars : Green tea & black tea



三義茶廠、銅鑼茶廠

SANYI、TONGLUO TEA FACTORY

Area: 16 ha

Cultivars : Oriental Beauty Tea



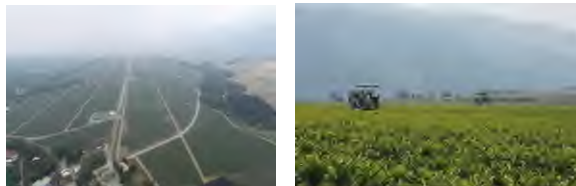
精製廠、老埤農場

LAUPI TEA FARM

Area: 717 ha

(Tea Garden Approx. 452ha)

Cultivars: TTES No. 8, No. 2, No. 17, No. 18, Chin-Shin Da Pan and Shi-Ji-Chun (Four Season)



熊空茶廠、大寮茶文館

XIONGKONG TEA GARDEN

Area: 5.423 ha

Cultivars : Organic Green Tea, black tea and Oolong Tea



魚池茶廠、日月老茶廠

ANTIQUE ASSAM TEA FARM

Area: 20 ha

Cultivars : TTES No. 8、No. 18、No. 21

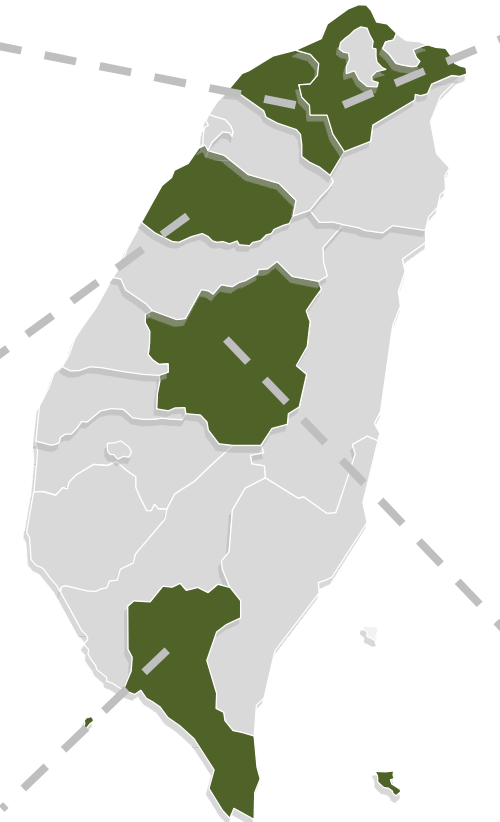


鹿篙咖啡莊園

LUGAO COFFEE GARDEN

Coffee Garden field: 13 ha

Local specialty : Sun Moon Lake Coffee



First Smart Tea Garden in Taiwan



Micro-weather management

We set up 6 micro-weather station and soil moisture sensor to monitor the parameters of plant growth, to analyze the best condition for cultivation.

Precision irrigation

Applying precision irrigation technology developed by Netafim. With 14,000 drip holes per hectare covering over 94% of planting area, we managed to save 70% of irrigation water and 50% of fertilizer.

Big data management

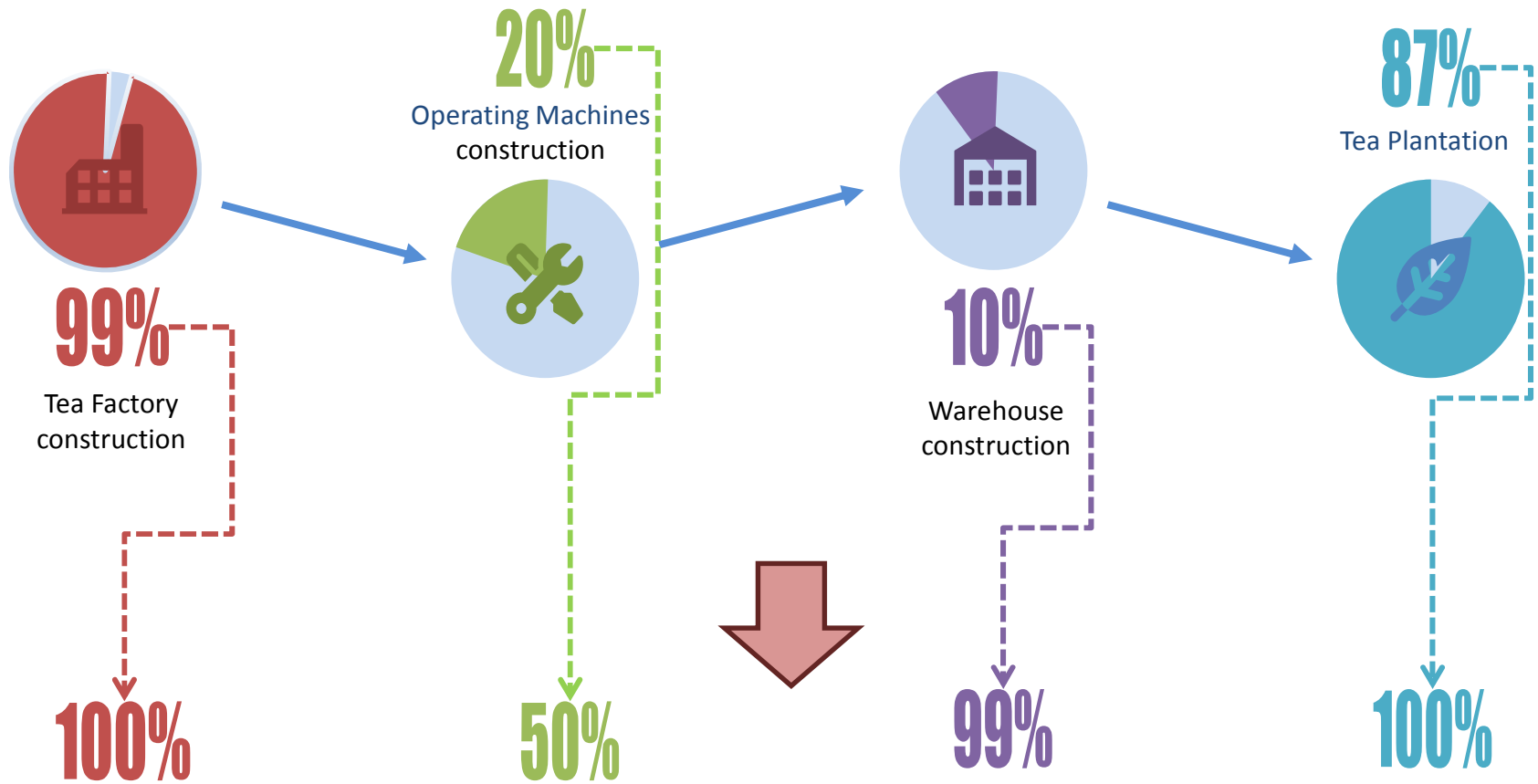
We applied 3 platforms to collect big data: 1) Smart Agri-management Platform(SAMP) for product traceability; 2) Dispatching App to monitor productivity of each production unit; and 3) Plant doctor App to monitor the entire process of cultivation.

Organic and High Quality

We started our organic plantation in 2003. TTC pledged to produce our tea leaf at the highest safety and highest quality standard. We also use biodegradable bioplastic for our product packaging.

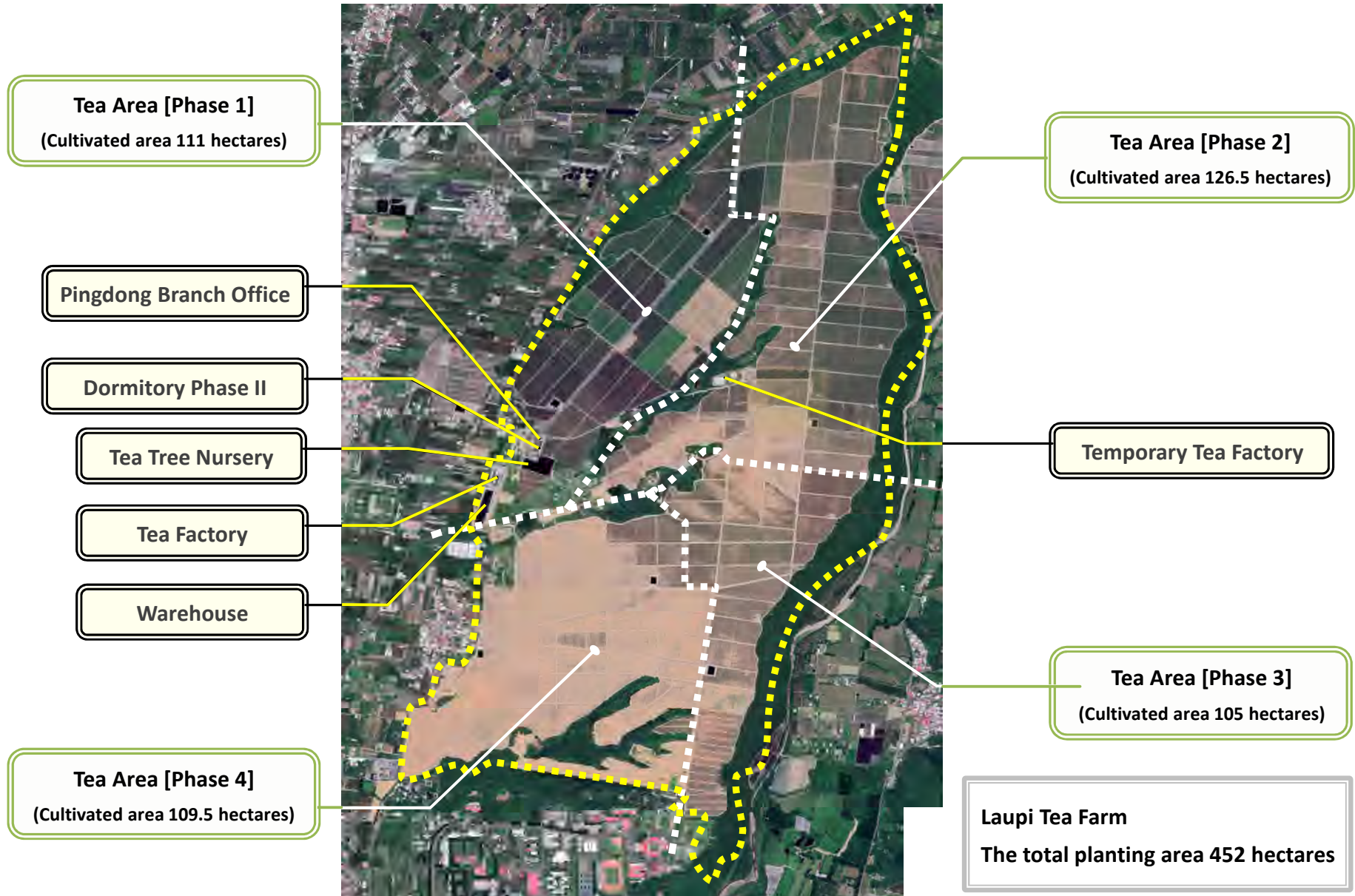
Laupi Tea Farm Progress

Progress at the end of 2019



Progress at the end of 2020

Business Highlight-Laupi Tea Farm



Laupi Tea Farm Facilities



Pingdong Branch
Office/Laupi Tea Farm



Laupi Tea Farm
Dormitory Phase II



Laupi Temporary
Tea Factory



Tea Tree Nursery



Laupi Tea Farm Facilities

Laupi Tea Factory



Laupi Warehouse



Automated Tea production line



Gathering Tea Leaves



Withering



Rolling



Drying



Frying

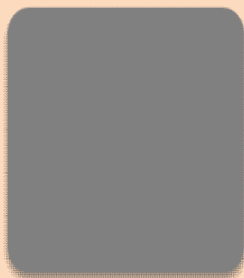


Fermenting

Tourist Farm



Recreational Business Highlights



**XIONGKON
GTEA
GARDEN**
165.8 ha



**DALIAO
HISTORICAL
HOUSE**
2.7 ha



**DAXI TEA
FACTORY**
9.8 ha



**TONGLUO
TEA
FACTORY**
15.9 ha



**ANTIQUE
ASSAM TEA
FARM**
3.7 ha



**LUGAO
COFFEE
GARDEN**
7.8 ha

Recreation Operating revenue (Unit:NT\$Thousand)	2020	2019	YoY	YoY(%)
Xiongkong Tea Garden	17,852	10,294	7,558	73%
Daliao Historical House	2,806	2,624	181	7%
Daxi Tea Factory	34,926	34,414	512	1%
Tongluo Tea Factory	18,465	15,021	3,444	23%
Antique Tea Factory	58,237	67,628	-9,390	-14%
Lugao Coffee Garden	31,074	7,575	23,500	310%

Leisure Business Outlook



To develop tea farm leisure industry

- Establish new leisure farms in line with current business operation
- By applying for leisure farm operating permit to speed up transformation for current farm facilities
- Consolidate the newly approved leisure farm into the TTC leisure franchise

Leisure Industry

New Leisure Farm / Pasture

Xiongong second leisure farm
(camping area)

Daxi leisure farm

Shuitou farm
(pasture)

Farm Transformation

Miaoli Tongluo leisure farm
expansion

Turn Lugao coffee garden to
Lugao leisure farm

Leisure Farm Registered and Operated

Xiongong leisure farm

Shihmen leisure farm

Building License Permitted

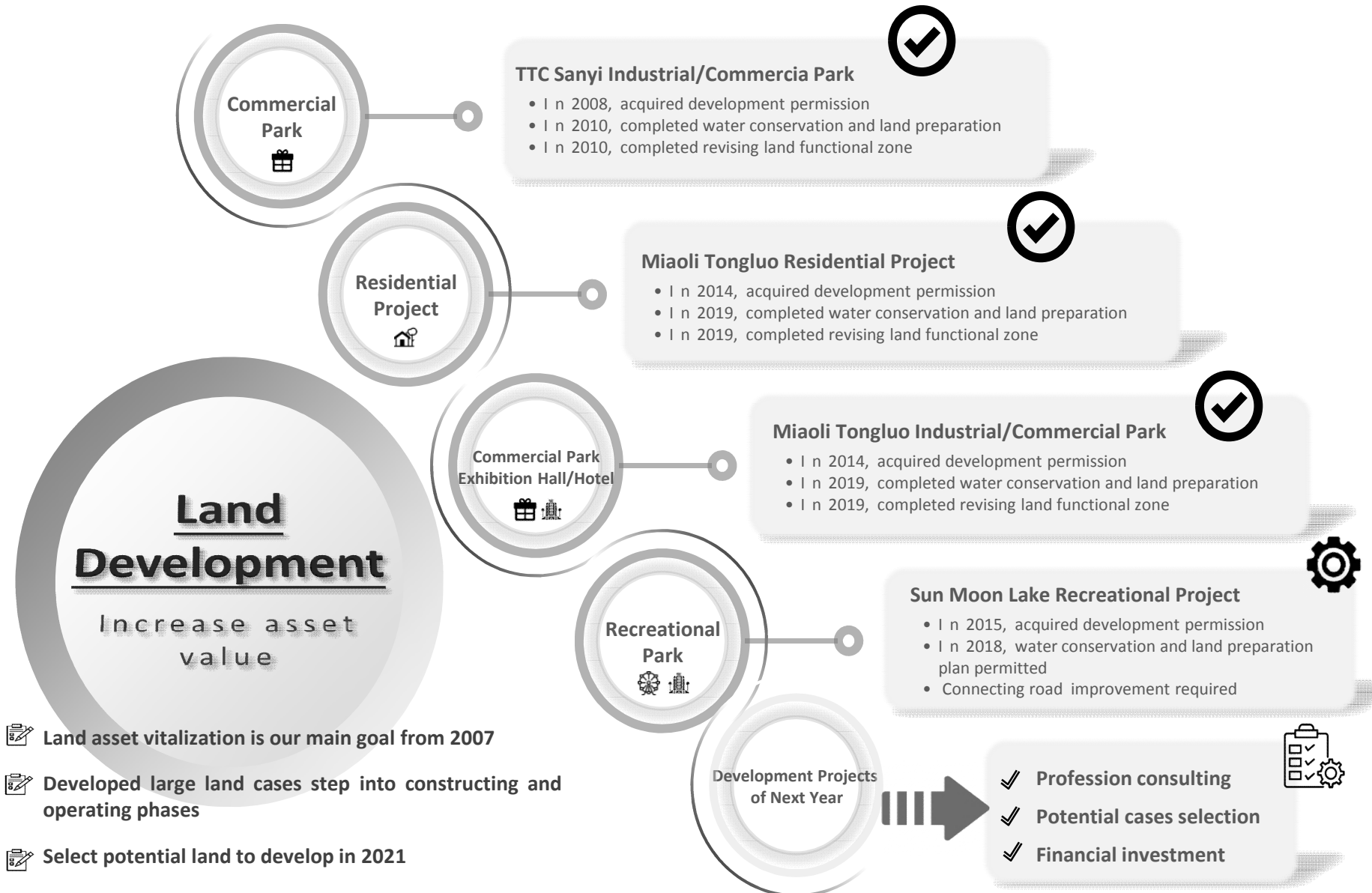
Xiongong tea factory

Zhuwei agricultural facility

Land Development



Land Development - Selected cases



Land Development strategy



To increase asset value

- Land asset revitalization is our priority, we continue to review our land asset and evaluate potential profit
- Initiate promising development projects in accordance with government's land policy
- Collaborate with financial partners for the projects completed changing of land category
- Review developable land, and propose to be ruled out from hillside restricted zone

Land Development Cases

Completed Projects

→ Investment promotion

TTC Sanyi
Industrial / Commercial
Park

Miaoli Tongluo
Industrial / Commercial Park

Miaoli Tongluo
Residential
Project

New Projects

→ Official review process

Miaoli Tongluo
Industrial Park

Miaoli Tongluo
Recreational Park

Reassess Project

→ After Land Act enforcement

Sun Moon Lake
Recreational Project

Hillside zone revised

→ Zone plan proposed

Laupi Tea Farm
Hillside zone revised

Financials



Historical Cash Dividend 2013-19



NT\$ mn	2013	2014	2015	2016	2017	2018	2019
Net Income	\$1,023	\$833	\$760	\$310	\$622	\$-42	\$-146
Cash Dividend	\$360	\$475	\$385	\$385	\$385	\$237	\$0
DPS (NT\$/share)	\$0.50	\$0.61	\$0.50	\$0.50	\$0.49	\$0.30	\$0.00
Cash Yield (%) ⁽¹⁾	2.6%	4.0%	3.2%	3.0%	2.8%	1.9%	0.0%
Payout Ratio (%)	33%	53%	50%	124%	61%	-	0%
Ex-div Date	2014/7/16	2015/7/17	2016/7/21	2017/8/25	2018/11/28	2019/8/23	-

Source:TEJ, Capital IQ

Note 1 : Stock price based on closing price the day before Ex-div date

5-year Income Statement



NT\$ Million	2015	2016	2017	2018	2019	2020	YoY (%)					
							2015	2016	2017	2018	2019	2020
Sales Revenue	937	611	2,252	254	299	312	(50.2)	(34.8)	268.7	(88.7)	17.6	4.3
Gross Profit	400	275	740	116	121	125	(36.0)	(31.1)	168.9	(84.4)	4.5	3.1
Operating Profit	74	-38	386	-173	-169	-148	(71.2)	(152.0)	-	(144.8)	-	-
Income before Tax	725	306	605	-54	-173	-33	(17.3)	(57.8)	97.6	(108.9)	-	-
Net Income to Parent	760	310	622	-42	-146	-17	(8.8)	(59.2)	100.6	(106.7)	-	-
EPS (NT\$)	1.01	0.40	0.81	-0.05	-0.18	-0.02	(12.9)	(60.1)	100.6	(106.6)	-	-

Key Financial ratio (%)						
Gross Margin	42.7	45.1	32.9	45.5	40.4	40.0
Operating Margin	7.9	(6.3)	17.1	(67.9)	(56.5)	(47.3)
Opex ratio	34.8	51.3	15.7	113.4	96.9	87.3
Net Margin	81.1	50.8	27.6	(16.5)	(48.8)	(5.6)

5-year Balance Sheet



NT\$ Million	2015	2016	2017	2018	2019	2020	YoY (%)					
							2015	2016	2017	2018	2019	2020
TOTAL ASSETS	25,733	24,372	23,619	24,356	24,596	25,098	19.1	(5.3)	(3.1)	3.1	1.0	2.0
Cash	167	78	198	186	125	176	(7.6)	(53.2)	153.1	(5.9)	(32.6)	40.5
NR & AR	141	39	21	15	19	18	(42.9)	(72.5)	(46.0)	(26.4)	19.9	(5.5)
Inventory	2,002	2,034	791	823	885	895	0.4	1.6	(61.1)	4.0	7.6	1.2
Fixed Asset	883	3,721	4,272	6,017	6,092	6,504	9.8	321.3	14.8	40.8	1.2	6.8
TOTAL LIABILITIES	9,602	8,314	7,333	8,204	8,832	9,306	46.0	(13.4)	(11.8)	11.9	7.7	5.4
Bank Loans	5,355	3,861	3,351	4,640	5,396	5,923	201.5	(27.9)	(13.2)	38.5	16.3	9.8
NP & AP	46	884	441	18	13	16	(73.0)	1841.5	(50.1)	(95.8)	(28.2)	19.6
TOTAL EQUITY	16,131	16,058	16,286	16,152	15,764	15,792	7.3	(0.5)	1.4	(0.8)	(2.4)	0.2

A/R turnover days	75.7	53.8	4.9	26.2	20.7	21.1
Inventory turnover days	1,357.9	2,195.6	341.1	2,124.9	1,749.5	1,736.3
A/P turnover days	72.7	505.3	159.9	604.4	32.4	28.3
ROE (%)	4.9	1.9	3.8	(0.3)	(0.9)	(0.1)
ROA (%)	3.2	1.2	2.6	(0.2)	(0.6)	(0.1)

Q & A



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