



TAIWAN TEA CORPORATION

Year 2023 Annual General Meeting of Shareholders

Meeting Handbook

Date and time: 9 A.M. Monday, June 12, 2023

Venue: No. 19, Sanmin Rd., Hukou Township, Hsinchu County

Meeting method: Physical shareholders meeting

LuGao Cafe

100% Made in Taiwan

Planting a variety of coffee trees
Grass Cultivation, Pollution-free, Safe
Professional coffee manufacturing equipment

Table of Contents

Meeting Procedure.....	1
Agenda	2
Rules of Procedure.....	3
Reports	11
Matters for Ratification	20
Discussion.....	34
Extempore Motions	42
Attachment	
Articles of Incorporation	43
List of the Company's Current Directors	53

Taiwan Tea Corporation

Procedure for the 2023 Annual Meeting of Shareholders

1. Commencement of the Meeting
2. Chairman in Position
3. Chairman Calls the Meeting to Order
4. Reports
5. Matters to be ratified
6. Discussions
7. Extempore motions
8. Adjournment

Taiwan Tea Corporation

Agenda of the 2023 Annual Meeting of Shareholders

1. Date and time: 9 A.M. Monday, June 12, 2023
2. Venue: No. 19, Sanmin Rd., Hukou Township, Hsinchu County
3. The way the meeting is held: Physical shareholders' meeting
4. Meeting commences as scheduled
5. Chairman calls the meeting to order
6. Reports
 - (1) 2022 Business Report.
 - (2) Audit Committee's 2022 Review Report.
7. Matters to be ratified:
 - (1) Proposal for ratification of the 2022 operational financial statements (including business report and individual financial statements) of the Company.
 - (2) Proposal for ratification of the 2022 earning distribution and loss reimbursement of the Company.
8. Discussions:
 - (1) Amendments to the Company's "Articles of Incorporation."
9. Extempore motions
10. Adjournment



Rules of Procedure for Shareholders' Meetings of Taiwan Tea Corporation

Establishment on June 24, 1977

Amendment on March 28, 1998

Amendment on June 17, 2002

Amendment on May 30, 2007

Amendment on June 10, 2011

Amendment on June 5, 2012

Continuous use after amendment on September 29, 2016

- Article 1: In order to establish a good governance system for the Company's shareholders' meetings, enhance the supervision capability and strengthen the management function, the Rules were established based on Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.
- Article 2: Unless otherwise specified by the laws or the Articles of Incorporation, the Company's procedural rules for shareholders' meetings shall be subject to the regulations of the Rules.
- Article 3: Unless otherwise specified by the laws, the shareholders' meetings of the Company shall be convened by the Board of Directors. Shareholders shall be notified 30 days before convening an annual shareholders' meeting; for shareholders holding less than 1,000 shares of registered shares, they shall be notified by making an announcement on the Market Observation Post System 30 days prior to the meeting. As for an interim meeting of shareholders, the shareholders shall be informed 15 days before the meeting; for shareholders holding less than 1,000 shares of registered shares, they shall be notified by making an announcement on the Market Observation Post System 15 days prior to the meeting. The Company shall prepare electronic files of the meeting notice, proxy forms, explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System 30 days before convening an annual shareholders' meeting or 15 days before an interim meeting. In addition, the Company shall also prepare the shareholders' meeting handbook and supplementary materials for the meeting in electronic version and upload them to the Market Observation Post System at least 21 days before an annual shareholders' meeting or 15 days before an interim meeting of shareholders. The hard copies of the shareholders' meeting handbook and supplementary materials for the meeting shall be prepared 15 days before the meeting, available at the Company's offices and the association of service agency thereof, and provided for shareholders at the meeting. The cause of convening a meeting shall be specified in the notice and announcement of the meeting.

Motions of election or discharge of directors, alteration of the articles of incorporation, dissolution, merger, split up of the Company, or anything as stated in Article 185-1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, shall be stated in the cause of calling for the meeting and cannot be proposed as impromptu motions. Shareholders holding 1% or more of total issued shares may submit a written proposal to the Company for discussion at an annual meeting of shareholders. However, each shareholder may only submit one proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The Board may decline a proposal of motions pertinent to any conditions as specified in Article 172-1-(4) of the Company Act and not include them into the agenda.

The Company shall announce the acceptance of proposals submitted by shareholders. The place and the period for them to submit the proposals before the date on which share transfer registration is suspended before the convention of an annual shareholders' meeting. The period for accepting the proposals shall not be less than 10 days.

The number of words of a proposal submitted by a shareholder shall be limited to not more than three hundred (300) words. Any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who submitted the proposal shall attend, in person or by proxy, the annual meeting of shareholders and participate in the discussion of such a proposal. The Company shall, prior to giving a shareholders' meeting notice, inform all the shareholders submitting proposals of the proposal acceptance results and list the proposals meeting the regulations of this Article in the meeting notice. For the proposals submitted by shareholders not included in the agenda, the Board shall explain the reason for such exclusion at the shareholders' meeting.

Article 4: A shareholder may appoint a proxy to attend a shareholders' meeting on his or her behalf with the Company's proxy form specifying the scope of authorization.

A shareholder is limited to appoint a proxy with a proxy form and the proxy form shall be delivered to the Company no later than 5 days before a shareholders' meeting. In case two or more proxy forms are received from one shareholder, the first one received by the Company shall prevail; unless a declaration for revocation of the previous proxy is made.

If the shareholder intends to attend the shareholders' meeting in person after the Company receives the proxy, he or she shall provide a written notice to the Company for revocation of the proxy 2 days prior to the shareholders' meeting. Otherwise, the voting right exercised by the authorized proxy at the meeting shall prevail.

Article 5: 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.

Article 6: The Company shall specify the time and counter of shareholder registration and other relevant matters in the meeting notice.

The aforesaid shareholder registration shall begin 30 minutes prior to the meeting; sufficient and appropriate personnel shall be designated to conduct the registration at the counter, which shall be clearly identifiable.

A shareholder or a proxy authorized thereby (hereinafter referred to as the Shareholder) shall attend a shareholders' meeting with his/her attendance card, sign-in card, or other certificates of attendance. Proxy solicitors shall bring their ID documents for verification.

The Company shall prepare a sign-in book for participating shareholders to sign, or a shareholder may also hand in his/her attendance sign-in card instead of signing.

The Company shall provide the shareholders attending the shareholders' meeting with the meeting handbook, annual report, attendance card, speaker's slip and other materials related to the meeting. If there is an election of directors at the meeting, a ballot shall be attached.

Where the government or a juristic person is a shareholder, more than one representative may be assigned to attend the shareholders' meeting. Where a juristic person is authorized to attend the shareholders' meeting, only one representative may be assigned to attend the meeting.

Article 7: If a shareholders' meeting is convened by the Board of Directors, the chair of the meeting shall be the Company's Chairman. In case the Chairman is unable to perform duty due to leave of absence or any reasons, the Vice Chairman shall act on behalf of the Chairman. Where there is no Vice Chairman, or the Vice Chairman is also on leave of absence or is unable to perform his/her duty, the Chairman will appoint one of the directors to act on his/her behalf. If no one is appointed, the directors shall appoint one among themselves to perform the Chairman's duties on behalf thereof.

When a director serves as the chairman, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall apply if a representative of a juristic person director serves the chairman.

It is advisable that a shareholders' meeting convened by the Board of Directors shall have half or more of the directors in the Board present.

If a shareholders' meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall chair the meeting. If there are two or more convening parties, one of them shall serve as the chairman.

The Company may appoint the retained attorney(s)-at-law, certified public

accountant(s) or relevant personnel to participate in a shareholders' meeting.

Article 8: The Company shall continuously record and tape-record the attendance registration of shareholders since the start of the registration, the process of a meeting and the voting and vote counting process.

The video and audio recording as mentioned in the preceding paragraph shall be kept at least for one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: Attendance at shareholders' meetings shall be calculated based on the numbers of shares.

The number of shares represented by the shareholders attending the meeting shall be based on the sign-in book's information or the sign-in cards collected, plus the number of shares with voting rights exercised in writing.

The chair shall call the meeting to order at the appointed 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 1 hour of postponement. In the event that after twice postponements, the present shareholders represent still less than one-third of the total issued shares, the chair may announce the termination of the meeting.

If the quorum does not meet after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, the attending shareholders may reach a tentative resolution pursuant to Paragraph 1, Article 175 of the Company Act. Notice of such tentative resolution shall be given to each of the shareholders, and a shareholders' meeting shall be reconvened within one month. When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholder's meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the arranged meeting agenda (including impromptu motions) as stated in the preceding two paragraphs, except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, by agreement of a majority

of the votes represented by the attending shareholders, one person shall be elected to continuously chair the meeting.

The chair shall grant adequate opportunities for clarification and discussion on an amendment or impromptu motions proposed by a shareholder. When the amendment or motion is considered to have been sufficiently discussed, the chair may announce to discontinue further discussions to proceed with the vote.

Article 11: Before speaking, an attending shareholder must fill in a speaker's slip with the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which the shareholders speak will be set by the chairman.

An attending shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. In case the content of the speech does not correspond to the content in the speaker's slip, the former shall prevail.

Each shareholder may not speak on the same proposal more than twice and for not more than 5 minutes each time unless otherwise permitted by the chairman. If the shareholder's speech violates the regulations or exceeds the scope of the agenda item, the chair may terminate the speech.

When a shareholder has the floor, other shareholders shall not interfere unless at the chair's consent or the shareholder who is taking the floor. Any unrestrained action shall be discouraged by the chairman. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives may speak on the same proposal.

After a present shareholder completes the speech, the chair may respond either in person or through a relevant person designated.

Article 12: Voting in shareholders' meetings shall be calculated based on the number of shares.

For the resolution of a shareholders' meeting, the shareholders' shares having no voting right shall not be counted in the total number of issued shares.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interests, shall not vote nor exercise the voting right on behalf of another shareholder.

The number of shares mentioned in the preceding paragraph that cannot be exercised for voting rights shall not be counted as the voting rights of the shareholders attending the meeting.

Except for trust enterprises or associations of service agency approved by the competent authority, when a person acts as the proxy for two or more shareholders, the number of voting rights represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the extra votes shall not be counted.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares

are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

The shareholders of the Company may execute their voting rights in writing in a shareholders' meeting. Such mean of exercising the voting rights shall be expressly provided in the notice of the shareholders' meeting. Shareholders who exercise their voting rights in writing shall be deemed to have attended the shareholders' meeting in person, but shall be deemed to have waived their voting rights in respect of any impromptu motions and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.

Where a shareholder elects to exercise his/her voting right in writing, his/her declaration of intention shall be served to the Company at least 5 days prior to the shareholders' meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made.

In case a shareholder who has exercised his/her voting right in writing intends to attend the shareholder's meeting in person, he/she shall, 2 days prior to the meeting and in the same manner previously used in exercising his/her voting right, serve a separate declaration of intention to rescind his/her previous declaration of intention made in exercising the voting right under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting right exercised in writing shall prevail. If a shareholder has exercised his/her voting right in writing and also authorized a proxy to attend the shareholders' meeting on his/her behalf, the voting right exercised by the authorized proxy at the meeting shall prevail.

Unless otherwise provided in the Company Act and the Articles of Incorporation of the Company, the decision of a proposal shall be resolved by a majority vote of the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall announce the total number of voting rights represented by the attending shareholders.

A proposal is considered passed if the chair receives no objection from any attending shareholders. This voting method shall carry the same effect as the conventional ballot method. For proposals to which any objection is raised, a decision shall be made by voting as stated in the preceding paragraphs. Besides proposals listed in the agenda, any other proposals, amendments or alternatives to the original proposals submitted by the shareholders shall have other shareholders' support. When there is an amendment or alternative to a proposal, the chair shall present the amendment or alternative together with the original proposal and decide the order in which they will be put to a vote. If one of these proposals is passed, all the other proposals shall be deemed vetoed and no

further voting is necessary. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company.

The ballots in the voting or election process in a shareholders' meeting shall be counted in an open manner inside the venue and immediately after vote counting has been completed. The voting results, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: Where directors are elected in a shareholders' meeting, the election shall be duly conducted in accordance with relevant election regulations of the Company. The result of the election, including the names of elected directors and the number of votes, shall be announced on-the-spot.

The ballots for the aforementioned election shall be kept in the box, sealed and signed by the monitoring personnel, and retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the chair's signature or seal and distributed to all shareholders of the Company within 20 days after the meeting. The distribution of the minutes of shareholders' meetings may be effected by means of public notice.

The minutes of shareholders' meetings shall record the date and place of the meeting, the name of the chairman, the method of resolution, and a summary of the essential points of the proceedings and the results of the meeting faithfully, and shall be kept persistently throughout the life of the Company.

Where no objection to the method of resolution as mentioned is raised upon the inquiry of the chair for opinions from shareholders, specify "passed at unanimous consent of all attending shareholders upon the inquiry of the chairman," which shall carry the same effect as the voting method. In case any objection is raised by the shareholders, specify the voting method and the number of votes in favor of the proposal and the proportion to the voting rights.

Article 16: The Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the meeting venue on the date of the shareholders' meeting.

Where the proposals for resolutions may involve materiality under applicable regulations or Taiwan Stock Exchange Corporation (Taipei Exchange, TPEx), the Company shall upload the information to MOPS within the stipulated timeframe.

Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear identification

cards or armbands.

The chair may instruct the marshals or security guards to assist with the maintenance of order. The marshals or security guards at the meeting venue assisting with maintenance of order shall wear armbands marked "Marshal" or identification cards.

Where the meeting venue is equipped with sound amplifier equipment, the chair may stop any speech delivered by shareholders not using the equipment installed by the Company.

When a shareholder violates the Rules of Procedure, defies the chair's correction, obstructs the proceedings and refuses to heed calls to stop, the chair may direct the marshals or security guards to escort the shareholder from the meeting.

Article 18: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including impromptu motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19: These Rules shall take effect after being approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Reports

One. 2022 Business Report

Taiwan Tea Corporation 2022 Business Report

I. Implementation results of business policies and plans

The management of the Company will review the sales status of our tea business and the operating outcomes of each recreational location. Resources will be input into the business that have economic benefits to enhance the utilization of our limited resources and improve the financial structure. As for the development of the tea business, the customers in the commercial tea market eventually take the price as the first priority in the selection of quality tea leaves for which safe use of pesticides is performed. So, we will reduce the cultivated area of the tea leaves and take a conservative strategy in production. Only the capital expenditure needed for production will be invested to reduce the cash flow. We will enhance communication with consumers through social media and online shopping channels to promote the sales of the tea.

As for the leisure business, we will change the strategies for the recreational locations where the operating benefit is not satisfactory. As a substitute, they will be rented out to increase our fixed income. As for recreational locations, we will improve the experience of the customers by combining different tea cultures and products and enhance their loyalty through digital transformation and optimization of our services.

For land assets, to continue our first operational goal of land utilization set in 2007, we will develop our land to increase shareholders' equity. We will implement property development in line with the government's national land planning policy. Large-scale

projects which we have filed an application for and commenced with strategically include innovative industrial parks, logistics parks, accommodation, and recreation. As for the tea ecology and leisure business, we will continue low-density development or solicitation for rent based on the mountain and forest areas where our tea farms are distributed and the locations of our old tea factories to maximize the benefit of the land utilization.

II. Overview of Implementation

(1) Tea business

(1). Sale and production of tea

After the drastic changes in the hand-shaken drink industry during COVID-19, a number of new brands have become the winners on the market. We have worked with many hand-shaken drink providers on a long-term basis and great opportunities are expected as the lockdowns have been lifted and new overseas chain stores have been opened. This will be one of the important sources of revenue. In addition, the distribution business between tea companies has good performance, and we will continue to develop new customers. The two key convenience stores in Taiwan will continue selling our refrigerated and co-branded tea products. We plan to develop room-temperature tea drinks and new co-branded tea products in 2023.

The total sales amount in 2022 was NT\$150,873 thousand and grew by 12% in comparison with 2021.

(2). Agriculture overview

We have accumulated a total area of 536 hectares of land sown with crops in our farms (509 hectares of tea farms; 13

hectares of coffee farms; 14 hectares of collective peach, plum, pomelo, bitter tea tree, olive and Lindley's pear farms) as of 2021, showing a slight increase compared to 2020. To improve the quality of processing of coffee, we established the LuGao Coffee Factory, equipped with the equipment needed for dry/washed/roasting processes. Moreover, we have acquired several world-famous coffee varieties such as Typica, Geisha, Y.Catuai, Maragogype, SL34, Villa Sarchi, Venecia, etc., to offer better flavor.

The Laopi Tea Farm currently has a total area of 452 hectares of land planted with tea tree saplings. The tea factory of the Laopi Tea Farm started the trial run and production in 2022. The annual output of semi-made tea for commercial use totaled about 469,641 kg, and the response of the targeted customers to the products of the Company was as expected.

Except for the Laopi Tea Farm, our Xiong Kong, Daxi, San Yi and Tongluo, and Yuchi Tea Production Areas mainly produce premium tea and directly sell the tea through our own tourism tea factories, cultural museums and stores.

(2) Leisure and tourism industry

Our other key business is the development of tourism and leisure. The Company uses the concepts of “health, leisure, environment” and “co-existence with the land” as the management principle and creates distinctive recreational spots combining different ecological environments with local culture, history, architecture and innovation from the north to the south of Taiwan. We currently operate: “Daliao Historical Tea House” in New Taipei City, “Daxi Tea Factory” in Taoyuan, “Tongluo Tea Factory” in Miaoli, “Sun Moon Lake Antique

Assam Tea Farm” near the Sun Moon Lake in Nantou, and “LuGao Cafe Manor” offering excellent scenery amidst tea farms and coffee farms that commenced service in August 2019.

As the pandemic showed a sign of easing in 2022, people started living their normal life and the prosperous outdoor and domestic travel activities attracted many people to go outdoors. In the circumstances, the leisure business of the Company has recovered to its normal state. In particular, the changes in travel modes. The recreational farms of the Company that combine tour guidance, history, culture and natural ecology with travel experience have become one of the hot options for tourists. They created outstanding performance in 2022 with annual operating revenue of NT\$162,134 thousand at a growth rate of 23% in comparison with 2021.

The pandemic has changed people’s spending habits and lifestyles throughout the world, and in Taiwan, there has been an increasing desire for serenity amidst chaos and stability amidst changes. This rising demand for “ecotourism” and “slow tourism” is consistent with the aesthetics, in-depth travel, and environment-friendliness values that the Company has long advocated through its leisure branches. With the government supporting domestic tourism, Taiwan Tea Corporation will aim to develop distinctive advantages by upgrading equipment at leisure branches, improving park experience, introducing tour packages of various themes, optimizing operational efficiency, expanding professional capacity, and increasing adoption of digital technologies. Meanwhile, we will achieve the concept of sustainability and enhance the market segmentation to create new values, embrace the opportunities after the lockdown

restrictions are loosened globally, and create another high operating performance.

(3) Land development business

We plan to take conservative development strategies for our land development business this year. The main goal is still to increase the value and land-use benefit of our land assets through development projects in order to help expand the Company's tea business and leisure business locations. Capital expenditures for development projects will be committed steadily to produce profits for the organization sustainably.

We will continue to seek investors for collective development and usage of land in large development projects for which the conversion into construction land or the acquisition of permission has been completed, including the "Sanyi Industrial and Commercial Complex Project (About 25.088 hectares)" with 9.2 hectares of commercial land available, the "Residential Complex Project to the North of Tongluo Science Park (About 29.468419 hectares)" available for building 300 single or luxurious twin houses, the "Industrial and Commercial Complex Project at Tongluo Jiuhu Section (About 15.728316 hectares)" available for constructing shopping malls, convention facilities, hotels and other large commercial bases with a scale of 4.6 hectares, and the "Zhongming Recreational Area Project (About 9.9405 hectares)" with 3.5 hectares of recreational land available (including amusement facilities, 125 hotels and service facilities). Furthermore, we have commenced developing large-scale projects for industry innovation, logistics parks, accommodation, and recreation according to our annual plan to

achieve the goal of increasing shareholders' equity.

Our goal is to create a complete blueprint of leisure spots step by step with respect to the leisure business. According to the distribution of tea farms on our land, we have acquired leisure farm registration for "Xiong Kong Forestry Tea Plantation" (About 7.7895 hectares) in Sanxia, New Taipei City, "Shimen Forestry Recreational Farm Project" (About 4.6326 hectares)" in Daxi, Taoyuan, and "Jiuhu Leisure Farm" (about 0.585922 hectares) in Tongluo, Miaoli, which are operated as recreational farms. We will complete existing tea factories and recreational farms continuously to seep up the achievement of the given goal to transform agricultural facilities into leisure businesses.

(4) Land asset management

The areas where our land assets stated in accounts are distributed include Taipei City (Zhongzheng, Neihu, Nangang), New Taipei City (Wulai, Xindian, Sanxia), Taoyuan City (Daxi, Fuxing), Wenshuikeng in Hsinchu County, Miaoli County (Tongluo, Sanyi), Nantou County (Yuchi, Puli), Kaohsiung City and Pingtung County. These are mainly agricultural land and forestry land. As of the end of January 2023, the total area of our land assets was 3,720 hectares.

We have filed the relevant information through computers to manage such massive land assets. All branches are responsible for carefully performing inspection and management and recording the results of regular inspections. We carry out irregular audits to prevent deforestation or overbuilding in order to maintain the completeness of land.

(5) Other businesses

(1). Interior construction business

Major performance in 2022 - Fushan International's outer wall improvement project of the Hanguang Building in Xitou.

(2). Import and export key account business

The Import and Export Key Account Section has benefited from strong relationships with upstream and downstream industry partners, and generated NT\$39,128 thousand in revenues (representing a 11% growth over 2021) through distributors in 2022.

II. Implementation of budgets:

The Company is not required to disclose the financial forecast pursuant to regulations, and thus the disclosure of the budget implementation for this year is not applicable.

III. Revenues and expenses, and profitability analysis

The operating revenue in 2022 was NT\$376,996 thousand with an increase of 2% in comparison with the previous year; the gross profit was NT\$164,913 thousand with an increase of 40% in comparison with the previous year; the operating loss was NT\$154,671 thousand with a decrease of 15% in comparison with the previous year; the net loss after tax was NT\$1,635,114 thousand and less than that of the previous by 46%; the loss per share was NT\$2.07 and more than that of the previous year by 46%.

VI. Performance in research and development

The main purpose of our tea leaf-related technology research and development is to cut down costs, improve productivity and enhance quality. Our R&D results are tested and corrected numerously before

being put into actual use. We take advantage of our rich experience in traditional tea production and utilize technology equipment and technology from different fields to create better results.

In addition to the continuous implementation of the digital control of production machines and parameter adjustment, algorithm-aided flavor tasting and tea flavor combination and matching were commenced for the development of new products in 2022. In the future, digital algorithm tools will be used after adjustment and alteration to substantially shorten the period needed for training R&D personnel and improve the stability of the products.

Chairman:
Ching-Yuan Wu

Managerial officer:
Ching-Yuan Wu

Accounting Officer:
Ya-Fang Hsu

Two. Audit Committee's 2022 Review Report

Audit Committee's Review Report

The Board of Directors prepared the 2022 separate financial statements, business report and proposal for earning distribution and loss reimbursement. The CPAs of EY Taiwan assigned by the Board of Directors, Chih-Ming Chang and Chun-Ting Ma have audited the Company's 2021 separate financial statements and issued an audit report with an unqualified opinion.

The Audit Committee determines that there is no nonconformity in the aforementioned 2022 separate financial statements, business report and proposal for earning distribution and loss reimbursement after its review. It thus reports the result as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. This report is hereby submitted for review.

Sincerely,

Taiwan Tea Corporation's 2023 Annual Meeting of Shareholders

Audit Committee Convener **Sheng-Tsheng Lee**

March 14, 2023

Matters for Ratification

Ratification 1

Submitted by the Broad of Directors

Subject: Proposal for ratification of the 2022 operational financial statements (including business report and individual financial statements) of the Company.

Description: The 2022 operational financial statements (including the business report and separate financial statements) of the Company were audited by EY Taiwan and reviewed by the Audit Committee. They are hereby submitted for ratification.

Resolution:

Independent Auditors' Report Translated from Chinese

Independent Auditors' Report

To Taiwan Tea Corporation

Opinion

We have audited the accompanying individual balance sheets of Taiwan Tea Corporation (the “Company”) as of December 31, 2022 and 2021, and the related individual statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the individual financial statements, including the summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditor(s) (please refer to the *Other Matter – Making Reference to the Audit(s) of (a) Component Auditor(s)* section of our report), the individual financial statements referred to above present fairly, in all material respects, the individual financial positions of the Company as of December 31, 2022 and 2021, and their individual 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 as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Individual 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. Based on our audits and the reports of other auditor(s), 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 individual financial statements. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The Company recognized operating revenue in the amount of NT\$376,996 thousand in 2022. Revenue is primarily related to sales of goods, construction revenue and rental revenue. Due to each revenue transaction process and the timing of revenue recognition are different, is a key audit matter when conducting the audit of the individual financial statements.

The audit procedures we performed regarding revenue recognition included but not limited to: evaluate the appropriateness of the accounting policies regarding revenue recognition; understand the transaction and recognition process and perform tests of control on the effectiveness of control points established by management; perform comparative analysis of major customers to assess the reasonableness of the transaction amounts and counterparties; read and understand the contracts to identify the timing of revenue recognition; perform analytical review procedures on gross profit margin by categories; verify the stage of the completion of construction; perform test of details, including select samples to inspect the purchase orders and delivery notes.

We also considered the appropriateness of the relevant disclosure included in Note 4 and Note 6 to the individual financial statements.

Impairment Valuation of non-financial assets

As of December 31, 2022, the Company's property, plant and equipment and investments property amounted to NT\$20,347,393 thousand, which accounted for 93% of its total assets, which is relatively material for the individual financial statements. Therefore, in accordance with IAS 36 *Impairment of Assets*, the management assesses whether the recoverable amount of non-financial assets is lower than the carrying amount when any such indicated exists. As the management's assessment of impairment of non-financial assets involves subjective judgments, is a key audit matter when conducting the audit of the individual financial statements.

The audit procedures we performed regarding impairment testing for non-financial assets included but not limited to: evaluate the appropriateness of accounting policies regarding non-financial assets; understand the process of management's impairment testing and perform tests of control on the effectiveness of control points; assess the objectivity and professional competency of external real estate appraisal firms and appraisal experts and understand whether the appraiser's expertise and competency are reliable in the professional field of its experience and reputation; evaluate the appropriateness of valuation method used by external appraisal expert and management; use internal experts to assist us in evaluating the prices of each comparable property used in the non-financial asset's assessment report issued by appraisal experts and assess whether the benchmarks are reasonable and compare similar prices obtained with publicly available information; recalculate the recoverable amounts assessed by management.

We also considered the appropriateness of the relevant disclosure included in Note 5, Note 6.(6) and Note 6.(7) to the individual financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates accounted for under the equity method whose statements are based solely on the reports of other auditors. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. These associates under equity method amounted to NT\$0 thousand, representing 0% of individual total assets as of December 31, 2021. The related shares of loss of associates under the equity method amounted to NT\$10,682 thousand, representing 1% of the individual loss before tax for the year ended December 31, 2021, and the related shares of other comprehensive income of associates under the equity method amounted to NT\$965 thousand, representing 6% of the individual other comprehensive income for the year ended December 31, 2021.

Responsibilities of Management and Those Charged with Governance for the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual 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 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual 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 Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards 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 individual financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the individual 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 individual 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 individual financial statements, including the accompanying notes, and whether the individual 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 individual 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 individual 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.

Chang, Chih-Ming
Ma, Chun-Ting
Ernst & Young, Taiwan
March 14, 2023

Notice to Readers

The accompanying individual financial statements are intended only to present the financial position, 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 individual financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying individual financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their 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 Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2022 AND DECEMBER 31, 2021
(Expressed in Thousands of Dollars)

ASSETS	Notes	December 31, 2022	December 31, 2021
CURRENT ASSETS			
Cash and cash equivalents	4 & 6.(1) & 12	\$239,380	\$215,170
Contract assets - current	4 & 6.(15)	3,647	3,873
Notes receivable, net	4 & 6.(3) & 12	4,099	10,650
Accounts receivable, net	4 & 6.(3) & 12	24,823	23,781
Accounts receivable from related parties, net	4 & 6.(3) & 7 & 12	3,931	2,003
Other receivables	6.(6) & 12	1,157	1,069
Current income tax assets	4	1	-
Inventories	4 & 6.(4) & 8	946,702	902,340
Prepayments		61,055	69,137
Other current assets		751	2,400
Total current assets		<u>1,285,546</u>	<u>1,230,423</u>
NONCURRENT ASSETS			
Financial assets at fair value through other comprehensive income - non-current	4 & 6.(2) & 12	381	61,525
Property, plant and equipment	4 & 6.(6) & 8	6,250,807	6,693,697
Rights - of - use asset	4 & 6.(17) & 7	3,163	1,855
Investments property, net	4 & 5 & 6.(7) & 8	14,096,586	16,039,029
Intangible assets	4 & 6.(8)	9,841	5,445
Defined benefit asset, net	4 & 6.(13)	319	-
Other non-current assets	6.(6) & 6.(9) & 7 & 8 & 12	203,814	217,393
Total non-current assets		<u>20,564,911</u>	<u>23,018,944</u>
TOTAL ASSETS		<u><u>\$21,850,457</u></u>	<u><u>\$24,249,367</u></u>

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

(continued)

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2022 AND DECEMBER 31, 2021
(Expressed in Thousands of Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2022	December 31, 2021
CURRENT LIABILITIES			
Short-term borrowings	6.(10) & 8 & 12	\$50,000	\$80,000
Contract liabilities - current	4 & 6.(6) & 6.(15)	19,702	16,328
Notes payable	12	149	31,384
Accounts payable	12	13,803	5,167
Other payables	6.(6) & 12	78,817	51,951
Leased liability - current	4 & 6.(17) & 7 & 12	788	810
Current portion of long-term debts	6.(12) & 8 & 12	828,000	182,300
Other current liabilities		9,885	4,534
Total current liabilities		1,001,144	372,474
NONCURRENT LIABILITIES			
Long-term borrowings	6.(12) & 8 & 12	4,671,135	5,990,235
Deferred tax liabilities	4 & 6.(21)	3,176,876	3,185,889
Leased liability - non-current	4 & 6.(17) & 7 & 12	2,495	1,132
Long-term deferred revenue		7,356	7,356
Defined benefit liability, net	4 & 6.(13)	-	6,347
Guarantee deposits received	12	5,270	8,199
Total non-current liabilities		7,863,132	9,199,158
TOTAL LIABILITIES		8,864,276	9,571,632
EQUITY	6.(14)		
Common stock		7,900,000	7,900,000
Capital surplus		2,197,948	2,197,948
Retained earnings			
Legal reserve		497,188	497,188
Special reserve		3,333,058	3,343,669
Unappropriated earnings (accumulated deficit)		(890,838)	728,961
Total retained earnings		2,939,408	4,569,818
Other equity		(51,175)	9,969
TOTAL EQUITY		12,986,181	14,677,735
TOTAL LIABILITIES AND EQUITY		\$21,850,457	\$24,249,367

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

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in Thousands of Dollars, Except for Earnings per Share)

		For the Years Ended December 31	
	Notes	2022	2021
OPERATING REVENUE	4 & 6.(15) & 7	\$376,996	\$369,203
OPERATING COSTS	6.(17) & 6.(18)	(212,083)	(251,696)
GROSS PROFIT		<u>164,913</u>	<u>117,507</u>
OPERATING EXPENSES			
Selling and marketing	6.(18) & 7	(96,872)	(98,630)
General and administrative	6.(17) & 6.(18) & 7	(216,651)	(194,918)
Research and development	6.(18)	(5,966)	(6,599)
Expected credit (gains) losses	6.(16)	(95)	65
Total operating expenses		<u>(319,584)</u>	<u>(300,082)</u>
OPERATING LOSS		<u>(154,671)</u>	<u>(182,575)</u>
NON-OPERATING INCOME AND EXPENSES			
Interest income	6.(19)&12	98	22
Other income	6.(19) & 7	83,462	17,324
Other gains and losses	6.(19)	(1,431,154)	(875,940)
Financial costs	6.(6) & 6.(19) & 7	(111,625)	(82,782)
Share of profits and loss of associates and joint ventures accounted for using equity method	4 & 6.(5)	-	(10,682)
Total non-operating income and expenses		<u>(1,459,219)</u>	<u>(952,058)</u>
LOSS BEFORE INCOME TAX		<u>(1,613,890)</u>	<u>(1,134,633)</u>
INCOME TAX (EXPENSE) INCOME	4 & 6.(21)	<u>(21,224)</u>	<u>12,284</u>
NET LOSS		<u>(1,635,114)</u>	<u>(1,122,349)</u>
OTHER COMPREHENSIVE INCOME	6.(13) & 6.(20) & 12		
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		4,704	2,444
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		(61,144)	12,712
Share of other comprehensive income of associates and joint ventures accounted for using equity method		-	965
Other comprehensive income for the period, net of income tax		<u>(56,440)</u>	<u>16,121</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>\$(1,691,554)</u></u>	<u><u>\$(1,106,228)</u></u>
EARNINGS (LOSSES) PER SHARE (NT\$)			
Basic earnings (losses) per share	6.(22)		
Continuing operating loss after tax, net		<u>\$(2.07)</u>	<u>\$(1.42)</u>
Net Loss		<u>\$(2.07)</u>	<u>\$(1.42)</u>
Diluted earnings (losses) per share	6.(22)		
Continuing operating loss after tax, net		<u>\$(2.07)</u>	<u>\$(1.42)</u>
Net Loss		<u>\$(2.07)</u>	<u>\$(1.42)</u>

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

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Thousands of Dollars)

Item	Retained Earnings					Others	Total
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Unrealized gain (losses) on financial assets measured at Fair Value through Other Comprehensive Income	
Balance as of January 1, 2021	\$7,900,000	\$2,206,175	\$495,587	\$3,363,664	\$1,829,507	\$(2,743)	\$15,792,190
Appropriation of 2020 earnings:							
Legal reserve	-	-	1,601	-	(1,601)	-	-
Other changes in capital surplus:							
Changes in equity of associates and joint ventures accounted for using equity method	-	(8,227)	-	-	-	-	(8,227)
Net loss for the year ended December 31, 2021	-	-	-	-	(1,122,349)	-	(1,122,349)
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	3,409	12,712	16,121
Total comprehensive income	-	-	-	-	(1,118,940)	12,712	(1,106,228)
Reversal of special reserve, which previously set aside for the first-time adoption of IFRS	-	-	-	(19,995)	19,995	-	-
Balance as of December 31, 2021	<u>\$7,900,000</u>	<u>\$2,197,948</u>	<u>\$497,188</u>	<u>\$3,343,669</u>	<u>\$728,961</u>	<u>\$9,969</u>	<u>\$14,677,735</u>
Balance as of January 1, 2022	\$7,900,000	\$2,197,948	\$497,188	\$3,343,669	\$728,961	\$9,969	\$14,677,735
Net loss for the year ended December 31, 2022	-	-	-	-	(1,635,114)	-	(1,635,114)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	4,704	(61,144)	(56,440)
Total comprehensive income	-	-	-	-	(1,630,410)	(61,144)	(1,691,554)
Reversal of special reserve, which previously set aside for the first-time adoption of IFRS	-	-	-	(10,611)	10,611	-	-
Balance as of December 31, 2022	<u>\$7,900,000</u>	<u>\$2,197,948</u>	<u>\$497,188</u>	<u>\$3,333,058</u>	<u>\$(890,838)</u>	<u>\$(51,175)</u>	<u>\$12,986,181</u>

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

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION
INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Thousands of Dollars)

	<u>For the Years Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$(1,613,890)	\$(1,134,633)
Adjustments:		
Income and adjustment items :		
Depreciation	116,623	98,575
Amortization	1,593	1,339
Expected credit loss (gain)	95	(65)
Interest expense	111,625	82,782
Interest income	(98)	(22)
Dividend income	(74,728)	(6)
Share of loss (gain) of associates and joint venture accounted for using equity method	-	10,682
Loss (gain) on disposal of property, plan and equipment	1,011	2,712
Gain on disposal of investment properties	(49,889)	(125,351)
Gain on disposal of non-current assets classified as held for sale	(647,456)	-
Gain on disposal of investments accounted using equity method	-	(14,871)
Impairment loss of non-financial assets	2,127,511	1,013,410
Other item (Amortization of other non-current assets)	3,884	3,161
Changes in operating assets and liabilities:		
Decrease (increase) in contract assets - current	226	1,911
Decrease (increase) in notes receivable	6,551	(9,158)
Decrease (increase) in accounts receivable	(1,137)	(7,847)
Decrease (increase) in accounts receivable from related parties	(1,928)	(1,852)
Decrease (increase) in other receivable	(90)	(249)
Decrease (increase) in inventories	(45,814)	(7,595)
Decrease (increase) in prepayments	8,082	8,801
Decrease (increase) in other current assets	1,649	(2,016)
Increase (decrease) in contract liabilities - current	3,374	4,080
Increase (decrease) in notes payable	(31,235)	27,922
Increase (decrease) in accounts payable	8,636	(7,172)
Increase (decrease) in other payables	20,640	(79,174)
Increase (decrease) in other current liabilities	5,351	1,774
Increase (decrease) in defined benefit liability, net	(1,962)	(2,040)
Cash from operating activities	(51,376)	(134,902)
Income taxes (paid) refund	(30,238)	(6,168)
Net cash from operating activities	(81,614)	(141,070)

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

(continued)

English Translation of Individual Financial Statements Originally Issued in Chinese

TAIWAN TEA CORPORATION
INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Thousands of Dollars)

	For the Years Ended December 31	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income	-	48,713
Proceeds from disposal of financial assets measured at amortized cost	-	8,857
Proceeds from disposal of investments accounted for using equity method	-	13,702
Proceeds from disposal of non-current assets classified as held for sale	983,931	-
Acquisition of property, plant and equipment:		
Cost paid	(179,804)	(223,651)
Interest paid	-	(3,557)
Proceeds from disposal of property, plant and equipment	319	371
Decrease in guarantee deposits paid	780	6,043
Acquisition of intangible assets	(5,989)	(5,272)
Acquisition of investment properties:		
Cost paid	(1,194)	(13,033)
Proceeds from disposal of investment properties	78,648	192,806
Increase in other non-current assets	(21,789)	(26,476)
Increase in prepayment for business facilities	(5,274)	(72,698)
Interest received	100	22
Dividends received	74,728	6
Net cash from investing activities	924,456	(74,167)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(30,000)	-
Proceeds from long-term debt	15,892,600	16,185,650
Repayments of long-term debt	(16,566,000)	(15,855,640)
Increase in guarantee deposits received	-	6,500
Decrease in guarantee deposit received	(2,929)	-
Lease principal repayment	(1,135)	(957)
Interest paid	(111,168)	(81,229)
Net cash used in financing activities	(818,632)	254,324
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,210	39,087
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	215,170	176,083
CASH AND CASH EQUIVALENTS, END OF YEAR	\$239,380	\$215,170

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

Ratification 2

Submitted by the Board of Directors

Subject: Proposal for ratification of the 2022 earning distribution and loss reimbursement of the Company.

Description: I. Please refer to the attached table for the 2022 earning distribution and loss reimbursement prepared by the Company in accordance with the Company Act and our Articles of Incorporation

II. The Company suffered a loss in 2022 and will not distribute shareholder dividends.

III. Please ratify

Resolution:

Taiwan Tea Corporation
Profit and Loss Appropriation Statement
2022

Unit: NT\$

Retained earnings at the beginning of the period	728,961,297
Plus: Reversal of special reserves related to unrealized revaluation increments	10,611,047
Plus: Other comprehensive income - Defined benefit plan actuarial gains	4,703,444
Less: Net loss after tax in the period	(1,635,114,036)
Undistributed earnings at the end of the period	(890,838,248)

Chairman:
Ching-Yuan Wu

Managerial officer:
Ching-Yuan Wu

Accounting Officer:
Ya-Fang Hsu

Discussions

Discussion on Proposal 1

Proposed by the Board of Directors

Subject: Amendments to the Company's "Articles of Incorporation."

Description: I. To meet the requirements of the business operation and ensure compliance with Article 237 of the Company Act, the Company plans to amend Article 2, Article 4, Article 27-1, and Article 30 of the Articles of Incorporation and adjust the chapter in which Article 5 is incorporated.

II. Refer to the attached "Amendment Comparison" for relevant amended provisions.

III. Submit to the 2023 shareholders' meeting for approval.

Resolution:



Taiwan Tea Corporation

The “Articles of Incorporation” amendment list

Amended Provision	Original Provision	Reason of Amendment
Chapter I General Provisions	Chapter I General Provisions	
Article 2: The scope of the Company's business services is shown as follows: 1. A101020 Growing of Crops. 2. A101030 Growing of Special Crops. 3. A101020 Agricultural Products Preparations. 4. A102050 Agricultural Services. 5. C110010 Beverage Manufacturing. 6. C111010 Tea Manufacturing. 7. F102030 Wholesale of Tobacco Products and Alcoholic Beverages. 8. F102050 Wholesale of Tea Leaves. 9. F102040 Wholesale of	Article 2: The scope of the Company's business services is shown as follows: 1. A101020 Growing of Crops. 2. A101030 Growing of Special Crops. 3. A101020 Agricultural Products Preparations. 4. A102050 Agricultural Services. 5. ~~F102030 Mining of Non-metallic.~~ 6. ~~B601010 On land Clay and Stone Quarrying.~~ 7. C110010 Beverage Manufacturing. 8. C111010 Tea Manufacturing. 9. ~~E801010 Indoor Decoration.~~ 10. ~~E801030 Indoor Light gauge Steel Frame Engineering.~~ 11. ~~E901010 Painting Engineering.~~ 12. F102030 Wholesale of Tobacco Products and Alcoholic Beverages. 13. F102050 Wholesale of Tea Leaves. 14. F102040 Wholesale of	1. Existing subparagraphs 5, 6, 9, 10, 11, 19, 20, 23 to 34, 39, 40 and 52 are deleted in line with the business requirements. 2. The subparagraph numbers are moved forward in sequence after the deletion of the existing business items.

Amended Provision		Original Provision		Reason of Amendment
<u>10.</u>	F102170	Nonalcoholic Beverages.	Nonalcoholic Beverages.	
<u>11.</u>	F201010	Wholesale of Foods and Groceries.	Wholesale of Foods and Groceries.	
<u>12.</u>	F203010	Retail Sale of Agricultural Products.	Retail Sale of Agricultural Products.	
<u>13.</u>	F203020	Retail sale of Food Products and Groceries.	Retail sale of Food Products and Groceries.	
<u>14.</u>	F401161	Retail Sale of Tobacco and Alcohol.	Retail Sale of Tobacco and Alcohol.	
		~~19. F108031~~	~~Wholesale of Medical Devices.~~	
		~~20. F208031~~	~~Retail Sale of Medical Apparatus.~~	
<u>15.</u>	F401171	Tobacco Products Import.	Tobacco Products Import.	
		<u>22.</u>	F401171 Alcohol Products Importation.	
		~~23. F109070~~	~~Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.~~	
		~~24. F209060~~	~~Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.~~	
		~~25. F113020~~	~~Wholesale of Household Appliance.~~	

Amended Provision		Original Provision	Reason of Amendment
		~~26. F213010 — Retail Sale of Electrical Appliances.~~	
		~~27. F113050 — Wholesale of Computers and Clerical Machinery Equipment.~~	
		~~28. F213030 — Retail Sale of Computers and Clerical Machinery Equipment.~~	
		~~29. F213030 — Retail Sale of Computers and Clerical Machinery Equipment.~~	
		~~30. F213060 — Retail Sale of Telecommunication Apparatus.~~	
		~~31. F116010 — Wholesale of Photographic Equipment.~~	
		~~32. F216010 — Retail Sale of Camera Equipment.~~	
		~~33. F105050 — Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.~~	
		~~34. F205040 — Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures.~~	
<u>16.</u> F401010	International Trade.	<u>35.</u> F401010	International Trade.
<u>17.</u> F501030	Beverage Shops.	<u>36.</u> F501030	Beverage Shops.
<u>18.</u> F501050	Public Houses and Beer Halls.	<u>37.</u> F501050	Public Houses and Beer Halls.
<u>19.</u> F501060	Restaurants.	<u>38.</u> F501060	Restaurants.

Amended Provision		Original Provision	Reason of Amendment
		~~39. HZ02010 Financial Institution Creditor's Right(Money) Purchase.~~	
		~~40. HZ02020 Process Financial Institution Creditor's Right(Money) Appraisal and Auction Business.~~	
<u>20.</u> H701010	Housing and Building Development and Rental.	<u>41.</u> H701010 Housing and Building Development and Rental.	
<u>21.</u> H701020	Industrial Factory Development and Rental.	<u>42.</u> H701020 Industrial Factory Development and Rental.	
<u>22.</u> H701040	Specific Area Development.	<u>43.</u> H701040 Specific Area Development.	
<u>23.</u> H701060	New Towns, New Community Development.	<u>44.</u> H701060 New Towns, New Community Development.	
<u>24.</u> H701080	Urban Renewal Reconstruction.	<u>45.</u> H701080 Urban Renewal Reconstruction.	
<u>25.</u> H703090	Real Estate Commerce.	<u>46.</u> H703090 Real Estate Commerce.	
<u>26.</u> H703100	Real Estate Leasing.	<u>47.</u> H703100 Real Estate Leasing.	
<u>27.</u> H703110	Senior Citizen Residence.	<u>48.</u> H703110 Senior Citizen Residence.	
<u>28.</u> I101070	Agriculture, Forestry, Fishing and Livestock Consulting.	<u>49.</u> I101070 Agriculture, Forestry, Fishing and Livestock Consulting.	
<u>29.</u> I101090	Food Consulting.	<u>50.</u> I101090 Food Consulting.	
<u>30.</u> IG01010	Biotechnology Services.	<u>51.</u> IG01010 Biotechnology Services.	
		~~52. JD01010 Industrial and~~	

Amended Provision	Original Provision	Reason of Amendment
<u>31.</u> D101060 Self-usage power generation equipment utilizing renewable energy industry. <u>32.</u> D401010 Thermal Energy Supply. <u>33.</u> A102041 Recreational Agriculture. <u>34.</u> ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	~~Commercial Credit-Checking Service.~~ <u>53.</u> D101060 Self-usage power generation equipment utilizing renewable energy industry. <u>54.</u> D401010 Thermal Energy Supply. <u>55.</u> A102041 Recreational Agriculture. <u>56.</u> ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 4 The Company is headquartered in <u>Hsinchu County</u> and may establish branches in appropriate locations.	Article 4 The Company is headquartered in <u>Taipei City</u> and may establish branches in appropriate locations.	This Article is amended in line with the business requirements and movement of the Company's head office.
Article 5 Article 5: The Company's announcement method shall be handled in accordance with the provisions of Article 28 of the Company Act.		1. Article 5 is moved from Chapter II Shares to Chapter I General Provisions.
	Chapter II Shares	
	Article 5 Article 5: The Company's announcement method shall be	

Amended Provision	Original Provision	Reason of Amendment
	handled in accordance with the provisions of Article 28 of the Company Act.	
Chapter VII Final Accounting and Distribution of Earnings	Chapter VII Final Accounting and Distribution of Earnings	
Article 27-1 The Company is in the phase of booming growth in our business life cycle, and we have increasingly expanded our business scale to become an entity that will be able to continue as a going concern. In consideration of the Company's future financing needs and long-term financial plans, the distribution of future earnings is described as follows: If the Company has a profit at the year's final accounting, it shall first pay the income tax and make up any cumulative losses in accordance with laws, and then make a 10% contribution of the balance to the legal reserve; <u>however, this is not applicable</u> if the legal reserve reaches the amount of the Company paid-in capital, and also make provision/reversal of special reserves pursuant to laws. The residual balance shall be added to accumulated undistributed earnings as earnings to be allocated that may be retained by the Board of Directors, depending on operational requirements. The Board of Directors shall also draft a motion for	Article 27-1 The Company is in the phase of booming growth in our business life cycle, and we have increasingly expanded our business scale to become an entity that will be able to continue as a going concern. In consideration of the Company's future financing needs and long-term financial plans, the distribution of future earnings is described as follows: If the Company has a profit at the year's final accounting, it shall first pay the income tax and make up any cumulative losses in accordance with laws, and then make a 10% contribution of the balance to the legal reserve, <u>unless</u> the legal reserve reaches the amount of the Company paid-in capital, and also make provision/reversal of special reserves pursuant to laws. The residual balance shall be added to accumulated undistributed earnings as earnings to be allocated that may be retained by the Board of Directors, depending on operational requirements. The Board of Directors shall also draft a motion for allocation of the residual balance plus the	1. This Article is amended pursuant to Article 237 of the Company Act.

Amended Provision	Original Provision	Reason of Amendment
allocation of the residual balance plus the undistributed earnings, and submit the same to a shareholders' meeting to resolve whether a shareholder bonus shall be allocated. The Company may allocate shareholder bonus in cash or shares, and the dividend in cash shall not be less than 10% of the total shareholder bonus. Where allocation of dividends and bonuses to shareholders, or allocation of legal reserves and capital reserves, in whole or in part, is made in cash, the Board of Directors is authorized to make a resolution thereto that shall be adopted by a majority of directors at a board meeting attended by at least two-thirds of the directors in the Board. Then the allocation shall be reported at a shareholders' meeting.	undistributed earnings, and submit the same to a shareholders' meeting to resolve whether a shareholder bonus shall be allocated. The Company may allocate shareholder bonus in cash or shares, and the dividend in cash shall not be less than 10% of the total shareholder bonus. Where allocation of dividends and bonuses to shareholders, or allocation of legal reserves and capital reserves, in whole or in part, is made in cash, the Board of Directors is authorized to make a resolution thereto that shall be adopted by a majority of directors at a board meeting attended by at least two-thirds of the directors in the Board. Then the allocation shall be reported at a shareholders' meeting.	
Article 30 The Articles of Incorporation was formulated on March 8, 1950.....; the forty-sixth amendment thereto was made on June 8, 2016; the forty-seventh amendment thereto was made on September 29, 2016; the forty-eighth amendment thereto was made on June 13, 2017; the forty-ninth amendment thereto was made on June 12, 2018; the fiftieth amendment thereto was made on May 23, 2019; <u>the fifty-first amendment thereto was made on June 12, 2023.</u>	Article 30 The Articles of Incorporation was formulated on March 8, 1950.....; the forty-sixth amendment thereto was made on June 8, 2016; the forty-seventh amendment thereto was made on September 29, 2016; the forty-eighth amendment thereto was made on June 13, 2017; the forty-ninth amendment thereto was made on June 12, 2018; the fiftieth amendment thereto was made on May 23, 2019.	The number and date of the amendment are added.

Extempore Motions

Adjournment

Articles of Incorporation of Taiwan Tea Corporation

50th amendment on May 23, 2019

Chapter I General Provisions

Article 1: The Company has been duly incorporated in accordance with the rules on the company limited by shares of the Company Act and titled “Taiwan Tea Corporation.”

Article 2: The scope of the Company's business services is shown as follows:

1. A101020 Growing of Crops.
2. A101030 Growing of Special Crops.
3. A102020 Agricultural Products Preparations.
4. A102050 Agricultural Services.
5. B202010 Mining of Non-metallic.
6. B601010 On land Clay and Stone Quarrying.
7. C110010 Beverage Manufacturing.
8. C111010 Tea Manufacturing.
9. E801010 Indoor Decoration.
10. E801030 Indoor Light-gauge Steel Frame Engineering.
11. E901010 Painting Engineering.
12. F102030 Wholesale of Tobacco Products and Alcoholic Beverages.
13. F102050 Wholesale of Tea Leaves.
14. F102040 Wholesale of Nonalcoholic Beverages.
15. F102170 Wholesale of Foods and Groceries.
16. F201010 Retail Sale of Agricultural Products.
17. F203010 Retail sale of Food Products and Groceries.
18. F203020 Retail Sale of Tobacco and Alcohol.
19. F108031 Wholesale of Medical Devices.
20. F208031 Retail Sale of Medical Apparatus.
21. F401161 Tobacco Products Import.
22. F401171 Alcohol Products Importation.
23. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.

24. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.
25. F113020 Wholesale of Household Appliance.
26. F213010 Retail Sale of Electrical Appliances.
27. F113050 Wholesale of Computers and Clerical Machinery Equipment.
28. F213030 Retail Sale of Computers and Clerical Machinery Equipment.
29. F113070 Wholesale of Telecom Instruments.
30. F213060 Retail Sale of Telecommunication Apparatus.
31. F116010 Wholesale of Photographic Equipment.
32. F216010 Retail Sale of Camera Equipment.
33. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.
34. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures.
35. F401010 International Trade.
36. F501030 Beverage Shops.
37. F501050 Public Houses and Beer Halls.
38. F501060 Restaurants.
39. HZ02010 Financial Institution Creditor's Right(Money) Purchase.
40. HZ02020 Process Financial Institution Creditor's Right(Money) Appraisal and Auction Business.
41. H701010 Housing and Building Development and Rental.
42. H701020 Industrial Factory Development and Rental.
43. H701040 Specific Area Development.
44. H701060 New Towns, New Community Development.
45. H701080 Urban Renewal Reconstruction.
46. H703090 Real Estate Commerce.
47. H703100 Real Estate Leasing.
48. H703110 Senior Citizen Residence.
49. I101070 Agriculture, Forestry, Fishing and Livestock

Consulting.

- 50. I101090 Food Consulting.
- 51. IG01010 Biotechnology Services.
- 52. JD01010 Industrial and Commercial Credit Checking Service.
- 53. D101060 Self-usage power generation equipment utilizing renewable energy industry.
- 54. D401010 Thermal Energy Supply.
- 55. A102041 Recreational Agriculture.
- 56. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total amount of the Company's investment in other companies may be more than 40% of the Company's paid-in-capital.

Article 4: The Company is headquartered in Taipei City and may establish branches in appropriate locations.

Chapter II Shares

Article 5: The public announcement method of the Company is subject to Article 28 of the Company Act.

Article 6: The Company has a capital of NT\$ 16 billion in 1.6 billion shares. Each share has a par value of NT\$ 10. The Board of Directors is authorized to issue the shares at different phases.

An amount of NT\$ 0.2 billion of the capital referred to in the preceding paragraph shall be reserved for the issuance of employee stock warrants totaling 20 million shares. The par value of each share is NT\$ 10. The shares may be issued at different phases according to the resolution of the Board of Directors.

Article 6-1: If the Company offers the employee stock warrants at a subscription price lower than the market price, the resolution made thereto shall be adopted by a large majority representing two thirds or more of the votes at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares shall be required.

Article 7: The stocks of the Company are registered form. They shall be numbered and signed by or affixed with the stamps of the Chairman and managing directors. The stocks may be issued only after being authenticated by the competent authority or an issuance registration institution approved by the competent authority. The Company is exempted from printing share certificates for the issued shares. However, all the issued shares shall be registered with the

centralized depository institution.

Article 8: Transfer of share ownership shall be suspended within 60 days prior to an annual meeting of shareholders or 30 days before an extraordinary shareholders' meeting, or within 5 days prior to the record date on which the Company has decided to distribute dividends and bonuses or other benefits.

Article 9: The Company shall handle its share-related affairs in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" announced by the competent authority.

Chapter III Shareholders' Meetings

Article 10: The Company's meetings of shareholders include annual and extraordinary meetings. The annual meetings are convened once a year within 6 months after the close of a fiscal year. The extraordinary meetings may be held whenever deemed necessary according to laws and regulations. For convening an annual meeting of shareholders, a notice shall be given to all shareholders 30 days before the meeting; before convening an extraordinary meeting of shareholders, a notice shall be given to all shareholders 15 days prior to the meeting.

Unless otherwise specified in the Company Act, the shareholders' meetings referred to in the preceding paragraph shall be convened by the Board of Directors.

Article 11: Where the Board of Directors may call for a shareholders' meeting, the Chairman of the Company shall preside over the meeting. In the absence of the Chairman for any reason, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where there is no seat of a Vice Chairman, in the absence of the Vice Chairman or where the Vice Chairman cannot perform his/her duties for any reason, the Chairman shall appoint a director to preside over the meeting. If the Chairman does not have a representative appointed to attend the meeting, the attending directors shall appoint one among themselves to preside over the meeting. Where a shareholders' meeting is convened by any convener other than the Board of Directors, the convener shall chair the meeting. Where there are two or more conveners, they shall appoint one among themselves to serve as the chair. .

Article 12: Shareholders are entitled to one vote for each share of holding. However, the shareholders shall not be entitled to voting rights if they meet any of the circumstances specified in Article 179 of the Company Act.

Any shareholder who is unable to attend a shareholders' meeting for whatever reason may appoint a proxy to attend the meeting by presenting a written proxy printed by the Company and stamped with the seal retained by the Company

indicating the scope of the authorization. The use of the written proxy shall be subject to Article 177 of the Company Act and the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” formulated by the competent authority based on Article 25 of the Securities and Exchange Act.

The written proxy referred to in the preceding paragraph shall be served to the Company 5 days prior to the date of convening the shareholders’ meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail unless a declaration for revocation of the previous proxy is made.

According to the competent authority regulations, the shareholders of the Company may exercise voting rights in an electronic form. Any shareholder exercising voting rights in an electronic form shall be deemed as having attended the shareholders’ meeting in person. Relevant matters shall be handled pursuant to laws and regulations.

Article 13: Unless otherwise specified in relevant laws and regulations, resolutions of shareholders' meetings shall be adopted by a majority of votes of shareholders at a meeting attended by shareholders representing a majority of the total number of the issued shares; the shareholders may attend the meeting either in person or by their proxies.

Resolutions adopted at a shareholders’ meeting shall be recorded in the minutes of the meeting. The meeting minutes shall be affixed with the chair's signature or seal and distributed to all shareholders within 20 days after the meeting. The meeting minutes referred to in the preceding paragraph may be distributed in the form of an announcement.

Chapter IV The Board of Directors

Article 14: The Company shall assign 10 to 15 directors. The said number of directors shall include at least 3 independent directors representing no less than one-fifth of the directors. All directors shall serve a term of 3 years and shall be elected by shareholders from the list of nominated candidates using the candidate nomination system. The directors may be re-elected for consecutive terms. Independent directors and directors shall be elected at the same time, with the elected seats counted separately.

The professional qualifications, restrictions on shareholdings and concurrent positions, determination of independence, methods of nomination and election, and other requirements of independent directors shall be subject to the laws and regulations of the Company Act and the same established by the competent

authority of securities.

The total number of registered shares held by all directors shall conform to the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” established by the competent authority.

Where one-third of the seats of directors are vacant, the Board of Directors shall call an extraordinary shareholders’ meeting within 60 days to elect succeeding directors. The term of each succeeding director shall be limited to the remaining term of his/her predecessors.

Article 15: The Board of Directors consists of directors. The directors shall elect one among themselves to serve as the Chairman and may elect another director to serve as the Vice Chairman to assist the Chairman. The Chairman takes charge of all the business within the Company and serves as the representative of the Company to the public.

Article 16: The Chairman shall act as the chair of the Board of Directors to take charge of relevant affairs. Where the Chairman is absent for any reason, the Vice Chairman shall act as the deputy thereof. If there is no seat of a Vice Chairman or the Vice Chairman is absent for any reason, the Chairman shall appoint one director to act on his/her behalf. Where the Chairman does not appoint a director to attend meetings, the attending directors shall appoint one among themselves to serve as the Chairman's deputy.

Article 17: The duties and powers of the Board of Directors are as follows:

I. Review and approval of essential rules and regulations.

II. Decision on business guidelines.

III. Determination of budgets and final accounting.

IV. Establishment of earning distribution plans.

V. Establishment of capitalization and decapitalization plans.

VI. Handling of real estate trades.

VII. Appointment of the Company's key personnel.

VIII. Decision on the Company's organizational adjustment.

IX. Decision on essential matters that do not belong to the preceding paragraphs.

X. Any other duties and powers provided pursuant to the Company Act and the resolutions of shareholders’ meetings.

Article 18: The Board of Directors shall hold an annual meeting once a quarter. A notice shall be given to all directors 7 days before the date of the annual meeting. An extraordinary board meeting may be convened whenever it is deemed necessary. All the annual meetings and extraordinary board meetings shall be convened by

the Chairman. The Company's board meetings may be convened in a written or electronic form, or by fax.

Any director who cannot attend a board meeting for whatever reasons may appoint any other director to act on his/her behalf by presenting a written proxy that indicates the scope of authorization with reference to the subjects to be discussed at the meeting. The proxy referred to in the preceding paragraph may be appointed for only one director.

The Board of Directors meetings may be held in the form of a teleconference, and the directors participating in the teleconference shall be deemed to attend the meeting in person.

Article 19: Unless otherwise specified in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of directors at a meeting attended by a majority of all directors. Where any director has a personal interest in any matter at the board meeting, the director shall explain essential matters regarding the concerned personal interest at the board meeting, and shall recuse himself/herself from the discussion on the proposal in which the director is involved.

Article 20: No matter whether there is a profit or loss in the current year, the Company shall authorize the Board of Directors to establish the payment standard in reference to peers and pay remuneration to directors according to the standard.

Chapter V Audit Committee

Article 21: The Company has the Audit Committee set up in accordance with Article 14-4 of the Securities and Exchange Act to substitute for supervisors. The Audit Committee or the members thereof shall be responsible for exercising the supervisors' duties and powers specified in the Company Act, the Securities and Exchange Act, and other laws and regulations.

The Board of Directors may establish other functional committees, and the Board of Directors shall formulate the rules of those committees.

Article 22: The duties and powers of the Audit Committee are as follows:

I. Investigation of the Company's financial position.

II. Audit of books of account and documents.

III. Inquiry about the Company's business status.

IV. Supervision of employees' performance of exercising their duties and reporting of any violation and omission.

V. Any other duties and powers provided pursuant to the Company Act.

Article 23: No matter whether there is a profit or loss in the current year, the Company shall

authorize the Board of Directors to establish the payment standard in reference to peers and pay remuneration to independent directors according to the standard.

Chapter VI Managerial Officers

Article 24: The Company shall have one General manager or their equivalents, assistant general managers or their equivalents, deputy and several Assistant general managers. A majority of directors adopts the appointment and dismissal of the General manager and Assistant general managers at a board meeting attended by a majority of all directors pursuant to Article 29 of the Company Act.

Article 25: The President shall handle daily affairs in accordance with law or regulations and under the resolutions of the Board of Directors with the Assistant general managers' assistance.

Chapter VII Final Accounting and Distribution of Earnings

Article 26: At the close of each fiscal year, the Board of Directors shall prepare the statements and records listed left,

hand these statements and records to the Audit Committee for audit within 30 days before convening the annual meeting of shareholders. Then, submit the same to the annual meeting of shareholders for ratification.

I. Business report.

II. Financial statements.

III. Proposals of earning distribution or loss appropriation.

Article 27: Annual profits concluded by the Company shall be subject to employee remuneration of at least 1%, which may be distributed in shares or cash depending on the resolution made by the Board of Directors. Such employee remuneration may be distributed to the employees of affiliated companies that meet certain requirements. Subject to the resolution made by the Board of Directors, director remuneration may be provided up to 5% of the above-mentioned annual profits.

A majority of directors shall adopt the resolution made to employee remuneration and director remuneration at a board meeting attended by at least two-thirds of the members of the Board of Directors; a report on the employee remuneration shall be submitted to the shareholders' meeting.

Profits must first be taken to offset cumulative losses, if any, before being distributed to employees and directors as remuneration at the percentages mentioned above.

Article 27-1: The Company is in the phase of booming growth in our business life cycle. We

have increasingly expanded our business scale to become an entity that will continue as a going concern. In consideration of the Company's future financing needs and long-term financial plans, the distribution of future earnings is described as follows:

If the Company has a profit at the year's final accounting, it shall first pay the income tax and make up any cumulative losses in accordance with laws, and then make a 10% contribution of the balance to the legal reserve, unless the legal reserve reaches the amount of the Company paid-in capital, and also make provision/reversal of special reserves pursuant to laws. The residual balance shall be added to accumulated undistributed earnings as earnings to be allocated that may be retained by the Board of Directors, depending on operational requirements. The Board of Directors shall also draft a motion for allocating the residual balance plus the undistributed earnings and submitting the same to a shareholders' meeting to resolve whether shareholder bonus shall be allocated.

The Company may allocate shareholder bonus in cash or shares, and the dividend in cash shall not be less than 10% of the total shareholder bonus.

Where allocation of dividends and bonuses to shareholders, or allocation of legal reserves and capital reserves, in whole or in part, is made in cash, the Board of Directors is authorized to make a resolution thereto that shall be adopted by a majority of directors at a board meeting attended by at least two-thirds of the directors in the Board. Then the allocation shall be reported at a shareholders' meeting.

Chapter VIII Supplemental Provisions

- Article 28: The organizational regulations of the Company shall be established separately.
- Article 29: Matters that the Articles of Incorporation do not cover shall be handled in accordance with the Company Act.
- Article 30: The Articles of Incorporation was established on March 8, 1950. The first amendment thereto was made on June 20, 1953; the second amendment thereto was made on March 10, 1955; the third amendment thereto was made on May 28, 1956; the fourth amendment thereto was made on May 30, 1959; the fifth amendment thereto was made on September 5, 1959; the sixth amendment thereto was made on August 27, 1960; the seventh amendment thereto was made on June 24, 1961; the eighth amendment thereto was made on June 4, 1967; the ninth amendment thereto was made on June 21, 1969; the tenth amendment thereto was made on August 25, 1972; the eleventh amendment thereto was made on June 28, 1975; the twelfth amendment thereto was made on June 24, 1977; the thirteenth amendment thereto was made on October 21, 1978; the

fourteenth amendment thereto was made on May 31, 1979; the fifteenth amendment thereto was made on May 31, 1980; the sixteenth amendment thereto was made on August 29, 1981; the seventeenth amendment thereto was made on June 19, 1982; the eighteenth amendment thereto was made on June 18, 1983; the nineteenth amendment thereto was made on June 15, 1985; the twentieth amendment thereto was made on June 21, 1986; the twenty-first amendment thereto was made on June 20, 1987; the twenty-second amendment thereto was made on April 25, 1988; the twenty-third amendment thereto was made on June 7, 1989; the twenty-fourth amendment thereto was made on April 10, 1990; the twenty-fifth amendment thereto was made on May 31, 1991; the twenty-sixth amendment thereto was made on May 30, 1992; the twenty-seventh amendment thereto was made on April 10, 1993; the twenty-eighth amendment thereto was made on April 8, 1994; the twenty-ninth amendment thereto was made on April 29, 1995; the thirtieth amendment thereto was made on March 27, 1996; the thirty-first amendment thereto was made on April 26, 1997; the thirty-second amendment thereto was made on March 28, 1998; the thirty-third amendment thereto was made on April 15, 2000; the thirty-fourth amendment thereto was made on May 17, 2001; the thirty-fifth amendment thereto was made on June 17, 2002; the thirty-sixth amendment thereto was made on May 9, 2003; the thirty-seventh amendment thereto was made on June 11, 2004; the thirty-eighth amendment thereto was made on June 15, 2006; the thirty-ninth amendment thereto was made on May 30, 2007; the fortieth amendment thereto was made on June 13, 2008; the forty-first amendment thereto was made on June 10, 2009; the forty-second amendment thereto was made on June 15, 2010; the forty-third amendment thereto was made on June 5, 2012; the forty-fourth amendment thereto was made on May 10, 2013; the forty-fifth amendment thereto was made on June 20, 2014; the forty-sixth amendment thereto was made on June 8, 2016; the forty-seventh amendment thereto was made on September 29, 2016; the forty-eighth amendment thereto was made on June 13, 2017; the forty-ninth amendment thereto was made on June 12, 2018; the fiftieth amendment thereto was made on May 23, 2019.

List of the Directors and Independent Directors of the 24rd Board of Directors

Title	Name	Date elected	Shareholding when elected		April 14, 2023 Shareholding	
			Number of shares	Shareholdi ng ratio	Number of shares	Shareholdi ng ratio
Director	Shang-Yang Asset Management Co., Ltd. Representative: Ching-Yuan Wu	May 20, 2022 Term: 3 years	168,758,000	21.36%	218,761,000	27.69%
Director	Chou Chin Industrial Co., Ltd. Representative: Shih-Kai Lei	May 20, 2022 Term: 3 years	21,215,000	2.69%	21,215,000	2.69%
Director	YSC Marketing Co., Ltd. Representative: Wei-Lin Shao	May 20, 2022 Term: 3 years	20,000,000	2.53%	20,000,000	2.53%
Director	Chin-Yen Lin	May 20, 2022 Term: 3 years	18,000,000	2.28%	17,200,000	2.18%
Director	Wei-Fu Investment Co., Ltd. Representative: Chih-Kuang Yen	May 20, 2022 Term: 3 years	10,000,000	1.27%	10,000,000	1.27%
Director	Shang-Yang Asset Management Co., Ltd. Representative: Yu-Chang Huang	May 20, 2022 Term: 3 years	168,758,000	21.36%	218,761,000	27.69%
Director	Shang-Yang Asset Management Co., Ltd. Representative: Chun-Hui Hsieh	May 20, 2022 Term: 3 years	168,758,000	21.36%	218,761,000	27.69%
Independent director	Sheng-Tsheng Lee	May 20, 2022 Term: 3 years	0	-	0	-
Independent Director	Chung-Ho Sung	May 20, 2022 Term: 3 years	0	-	0	-
Independent Director	Li-Chi Yeh	May 20, 2022 Term: 3 years	0	-	0	-
Independent Director	Sen-Jung Wang	May 20, 2022 Term: 3 years	0	-	0	-

- I. The total number of the Company's issued shares is 790,000,000. The minimum number of shares required to be held by all directors shall be 25,280,000 pursuant to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."
- II. The number of shares held by all directors (excluding independent directors) up to the last day for the transfer of registration was 287,176,000 conforming to the statutory standard.

LuGao Café



The freshest coffee beans

Planting and manufacturing on TTC agricultural land
Grass Cultivation, Pollution-free, Safe



LuGao
official website



Coffee seedling planting
3-5 years to grow



Harvesting of coffee trees
Fruit picking between
October and February



Manufacture and roasting of
coffee beans
Professional bean production
equipment

Address: No. 31-6, Xiangcha Ln., Yuchi Township, Nantou County, Taiwan
Telephone: 049 2895520

Do our bit for the earth
The paper used for printed
matter complies with FSC
environmental certification.



Executive Yuan Green Living Label



Printed with soy eco-friendly ink

