Stock code： 2913

TAIWAN TEA CORPORATION



2022

Annual Report

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http://mops.twse.com.tw
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Market Observation Post System

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1. The name, title, and phone number of the spokesperson

Spokesperson: Li-Chuan Kao	Deputy Spokesperson: Tzu-Chien Chen
Title: Vice General Manager of the Public Affairs Office	Title: Audit Section Chief
Telephone:(03)659-1188#813	Telephone:(03)659-1188#869
E mail: Leekao@ttch.com.tw	E mail: Gillian@ttch.com.tw

2. Address and phone number of head office, branch and factory:

Head office	No. 3, Zhonghua Road, Hukou Township, Hsinchu County	Tel: (03)659-1188
Tea Division Tea Manufacture Department Xiong Kong Tea Factory	No. 140, Zhulun Road, Zhulun Village, Sanxia District, New Taipei City, Taiwan	Tel: (02)2672-6018
Leisure Dept., Marketing Business Division Daliao Historical Tea House	No. 2, Lane 142, Zhulun Road, Zhulun Village, Sanxia District, New Taipei City, Taiwan	Tel: (02)2668-1928
Marketing Business Division Leisure Department Daxi Tea Factory	No. 80, Lane 732, Section 2, Fuxing Road, Daxi District, Taoyuan City, Taiwan	Tel: (03)382-5089
Marketing Business Division Leisure Department Tongluo Tea Factory	No. 132-16, Jiuhu, Jiuhu Village, Tongluo Township, Miaoli County, Taiwan	Tel: (037)987-358 (037)987-177
Marketing Business Division Leisure Department Sun Moon Lake Antique Assam Tea Farm	No. 38, Youshui Ln., Zhongming Village, Yuchi Township, Nantou County, Taiwan	Tel: (049)289-5508
Marketing Business Division Leisure Department LuGao Cafe	No. 31-6, Xiangcha Ln., Xincheng Village, Yuchi Township, Nantou County, Taiwan	Tel: (049)289-5520 0975-700-668
Sanxia Branch Office	2F., No. 3, Lane 142, Zhulun Road, Zhulun Village, Sanxia District, New Taipei City, Taiwan	Tel: (02)2672-6151～3
Miaoli Branch Office San Yi Tea Factory	No. 155, Ln 307, Shengxing Village, Sanyi Township, Miaoli County, Taiwan	Tel: (037)872-011
Nantou Branch Office	No. 38, Youshui Ln., Zhongming Village, Yuchi Township, Nantou County, Taiwan	Tel: (049)289-5508
Pingtung Branch Office	No. 1, Zhongsheng Rd., Longquan Village, Neipu Township, Pingtung County, Taiwan	Tel: (08)770-8596

3. Name, address, website and phone number of stock transfer agent:

   Shares Registration Agency Service Department, Concord Securities Co., Ltd
   Address: B1, No. 176, Sec. 1, Keelung Rd., Xinyi District, Taipei City
   Telephone: (02)8787-1888
   Website: http://www.concords.com.tw/

4. Name, office name, address, website and phone number of financial statement CPA in the most recent year:

   CPA: Chih-Ming Chang, Chun-Ting Ma
   Office: EY Taiwan
   Address: 9F., No. 333, Section 1, Keelung Road, Taipei City, Taiwan
   Tel: (02)2757-8888
   Website:https://www.ey.com/tw/zh_tw

5. Name of any exchanges where the Company's securities are traded offshore and the method to access information on said offshore securities: None.

6. Company website: http://www.ttch.com.tw

Table of Contents

One. Letter to Shareholders 1
I. 2022 Business results 14
(I) Results of the 2022 business plan 14
(II) 2022 budget implementation 18
(III) 2022 separate revenues and expenses, and profitability analysis 18
(IV) 2022 Research and development 19
II. Overview of 2023 Business Plan 22
(I) Business Guidelines 22
(II) Expected Sales Volume and Assessment Basis 28
(III) Important production and sales policies 31
III. The Company's future development strategy 36
IV. Impacts of the external competitive environment, regulatory environment and overall business environment 36
Two. Company Profile 45
I. Date of incorporation 45
II. Company milestones 45
Three.Report to Shareholders 51
I. Organization System 51
(I) Organizational system chart of Taiwan Tea Corporation 51
(II) Business of Individual Departments of Taiwan Tea Corporation 52
II. Information about directors, the General Manager, Assistant General Managers, deputy assistant general managers and the heads of departments and branches 54
(I) Director and independent director 54
(II) Information about the General Manager, Assistant General Managers, deputy assistant general managers and the heads of departments and branches 76
III. Remuneration to directors, supervisors, the General Manager and Assistant General Managers in the most recent year 78
(I) Remuneration to the directors and independent directors of the 23rd and 24th Board of Directors 78
(II) Remuneration to the General Manager and Assistant General Managers 81
(III) Remuneration to the top-five highest-paid executives of the Company 83
(IV) Names of the managerial officers receiving employee remuneration and the distribution thereof 84
(V) Analysis of the total remuneration paid by the Company and all the companies included in the consolidated financial statements to the Company's directors, supervisors, General Manager and Assistant General Managers in the most recent two years as a percentage of net income after tax stated in the individual or separate financial statements, and description of the policies, standards, and portfolios for paying the remuneration, the procedure for determining the remuneration, and their correlation with the operation performance and future risk exposure. 85
IV. Corporate governance implementation 90
(I) Operation of the Board of Directors 90
(II) Operation of the Audit Committee 102
(III) Implementation of corporate governance, differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof 112

(1) Continuing education of directors (independent directors) from 2022 up to April 10, 2023 131
(2) Participation of managerial officers in continuing education and training courses related to corporate governance from 2022 up to April 10, 2023 . 133
(IV) The formation and operation of the Compensation Committee 134
(V) Implementation status of sustainable development, differences from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons thereof 141
(VI) Implementation of ethical corporate management, differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof 158
(1)The Code of Ethical Conduct for Directors and Managerial officers..... 169
(2) Report and Complaint System for Violation of "Ethical Management" .. 171
(3) Insider Trading Prevention Regulations 175
(VII) Query methods of the Company's corporate governance principles and related rules..... 178
(VIII) Other information that useful for understanding more about the implementation status of corporate governance. 178
(IX) Implementation of the internal control system..... 180
(X) If there has been any legal penalty against the Company or the internal personnel thereof, or any disciplinary penalty by the Company against the internal personnel thereof for violation of the internal control system, in the most recent year up to the publication date of this annual report, where the result of such penalty could have a material impact on shareholders' equity or securities prices, the penalty, main deficiencies, and improvement thereof shall be disclosed..... 181
(XI) Major resolutions at shareholders meetings and Board of Directors meetings in the most recent year up to the publication date of this annual report:..... 181
(XII) If any directors or supervisors (audit members) express dissent or reservation, which has been recorded or is delivered in writing, over any major resolutions made by the Board of Directors in the most recent year up to the publication date of this annual report, the contents of such resolutions shall be disclosed 190
(XIII) Resignation or discharge of the Company's Chairman, General Manager, and chief accounting, financial, internal audit, corporate governance and R&D officers in most recent year up to the publication date of this annual report.. 191
V. Information about CPAs' fees 192
VI. Information about the replacement of CPAs 192
VII. The Company's Chairman, General Manager, or managerial officers responsible for handling financial or accounting affairs held a position in the CPA firm or any of its affiliates in the most recent year 192
VIII. Transfer of equity interests and changes in pledge of equity conducted by directors, supervisor, managerial officers, and shareholders having a shareholding ratio of more than 10% in the most recent year up to the publication date of this annual report..... 193
IX. Information on the Top 10 shareholders in shareholding ratio who are related parties to each other or have a spousal relationship or are relatives within the second degree of kinship. 195
X. For the total number of shares held in any single invested business by the Company,

its directors, supervisors, managerial officers, and any businesses controlled directly or indirectly by the Company, the comprehensive shareholding ratio is calculated in a consolidated manner 196
Four. Fundraising Overview 197
I. The Company's capital and shares 197
(I) Source of capital 197
(II) Structure of shareholders 201
(III) Ownership dispersal 201
(IV) List of major shareholders 202
(V) Information on the market price, net value, earnings, and dividends per share in the most recent year 203
(VI) Description of the Company's dividend policies, implementation thereof, and expected significant changes 204
(VII) The impact of issuance of bonus shares proposed at the shareholders' meeting on the Company's business performance and EPS 205
(VIII) Remuneration to employees, directors and supervisors 205
(IX) Repurchase of the Company's shares 207
II. Issuance of corporate bonds 207
III. Issuance of preferred stocks 207
IV. Issuance of overseas depository receipts 207
V. Issuance of employee stock option certificates 207
(I) The issuance of employee stock option certificates that have not fallen due as of the publication date of this annual report and the impact thereof on shareholders' equity shall be disclosed. If any employee stock option certificates are issued through private placement, they shall be marked distinctly 207
(II) The names, status of acquisition and subscription of managerial officers and top-10 employees who have acquired employee stock option certificates as of the publication date of this annual report 207
VI. Issuance of restricted employee shares 207
(I) The issuance of restricted employee shares that have not met all the vesting conditions as of the publication date of this annual report and the impact thereof on shareholders' equity 208
(II) The names and status of acquisition of managerial officers and top-10 employees who have acquired restricted employee shares as of the publication date of this annual report 208
VII. Issuance of new shares in connection with mergers or acquisitions or with the acquisition of shares of another company 208
VIII. Implementation of capital utilization plans 208
Five. Operation Overview 209
I. Business item 209
(I) Business scope 209
(II) Overview of the industry 214
(III) Techniques and research development status 225
(IV) Long-term and short-term business development plans 226
II. Overview of market and production & marketing 229
(I) Market analysis 229
(II) Important purposes and production processes of main products 238
(III) Supply status of main materials 241

(IV) Names of customers that accounted for more than 10% of the total purchase (sales) in any of the most recent two years, the amount and proportion of the purchase (sales), and the reason for the change..... 242
(V) Production quantity and value in the most recent two years 243
(VI) Sales quantity and value in the most recent two years 243
III. The Number of employees, their average service seniority, average age, and education level distribution ratio in the most recent two years up to the publication date of this annual report 244
IV. Information on environmental expenditure 244
V. Labor-capital relations 245
(I) Various employee welfare measures, continuous education, training, retirement systems of the Company and their implementation status; agreements between employers, and employees. and various measures for protecting the interests of employees 245
(II) Any loss incurred due to labor-management disputes in the last year up to the publication date of this annual report and any current and future possible estimates and response measures..... 258
VI. Cyber security management..... 259
(I) The Company's cyber security and risk management structure, cyber security policies, specific management programs, and resources invested in cyber security management 259
(II) Losses resulting from mass cyber security incidents, their possible impacts and countermeasures in the most recent year up to the publication date of this annual report..... 261
VII. Important contracts 262
Six. Financial Overview 265
I. Condensed financial statement and statement of comprehensive income and CPAs' audit opinions in the most recent five years 265
(I) Condensed balance sheet..... 265
(II) Statement of comprehensive income 267
(III) Names of CPAs and their audit opinions..... 269
II. Financial analysis in the most recent five years 270
III. Audit Committee's review report on the financial statements in the most recent years..... 275
IV. Separate financial statements of the Company in the must recent year audited and certified by CPAs 276
V. If the Company or any of its affiliated companies experienced financial distress in the most recent year up to the publication date of this annual report, the impacts to the Company's financial status..... 369
Seven. Review and Analysis of Financial Status and Financial Performance and Risk Issues 370
I. Financial status..... 370
II. Financial performance 371
III. Cash flow..... 372
IV. Effect of material capital expenditure in the most recent year on the financial and business status..... 373
V. The reinvestment policy in the most recent year, the main reasons for the gain or loss of the investment, the improvement plan and the investment plan for the coming year 373

VI. Analysis of risks 374
(I) Risk management policy 374
1. Risk management structure of the Company 374
2. Risk management policy 374
3. Risk management organization and its functions 375
4. Implementation status of risk management in 2022 (reported to the Board of Directors on January 17, 2023) 376
(II) Assessment of the following matters in the most recent year up to the publication date of this annual report 377
1. Impact of interest and exchange rate changes and inflation in the most recent year on the profit or loss of the Company, and future countermeasures 377
2. Policies regarding high-risk and high-leverage investments, loaning of funds to others, endorsement/guarantee as well as derivatives trading in the most recent year, main reasons for gains or losses, and future countermeasures 377
3. The R&D plans and the progress of uncompleted R&D plans in the most recent year, further investments to be made for R&D, expected completion time, and impacts on successful R&D in the future 378
4. Impact of the changes in important domestic and foreign policies and regulations in the most recent year on the financial and business status of the Company and countermeasures 379
5. Impact of the changes in technology(including cyber security and risk management) in the most recent year on the financial and business status of the Company and countermeasures 380
6. Impact of the changes in the Company’s image in the most recent year on the risk management and countermeasures 380
7. Expected benefits and potential risks from merger or acquisition 381
8. Expected benefits and potential risks from expansion of factory buildings 381
9. Risk of concentrated sales or purchases 381
10. Impact on and risk to the Company with regard to any major transfer or change of equities by directors, supervisors, or major shareholders holding more than 10% of the Company's shares 382
11. Impact on and risk to the Company with regard to any change in management rights 382
12. In case of any litigious and non-litigious matters, material litigious, non-litigious or administrative disputes that involve the Company and/or any director, supervisor, the General Manager, de facto responsible person, major shareholder holding a stake of more than 10% of the Company or subordinate company thereof, and that were finalized or remained pending, shall be listed; if these disputes may eventually cause a substantial impact on shareholders’ equity or the price of securities, the nature of the disputes, the amount involved, the date on which the litigation first started, the main parties involved and the prog 382
13. Other significant risks and countermeasures 383
VII. Other important issues 383
Eight. Other Supplementary Infromation 384
I. Information on affiliates 384
II. Private placement of securities in the most recent year up to the publication date of this report annual 384

III. Shares of the Company held or disposed of by subsidiaries in the most recent year up to the publication date of this annual report 384
IV. Other necessary supplementary information 384
Nine. Any significant events materially affecting shareholders' equity or price of securities as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up to the publication date of this annual report 385

One. Letter to Shareholders

2022 Business Overview

I. Sale and production of tea ─The sales of the Company's overall tea products were about NT$ 251,000 thousand.

(I) Tourism tea factories: Sale of tea leaves.

(II) Base tea market: Sale of tea to beverage factories and tea chains.

(III) Packaged tea market: Distribution of tea to convenience stores, supermarkets, and tax-free shops in airports.

(IV) Contract manufacturing market: Contract manufacturing for well-known brands to integrate business in different industries and developnew products.

(V) Development market: Development of over a hundred new clients.

II. Leisure and Tourism Industry

(I) Organic Agricultural Park of "Sun Moon Lake Antique Assam Tea Farm" in Yuchi Township, Nantou

We have abundant land resources and are dedicated to their effective management development by elaborately planning the organic agriculture and health business very popular at present.

In a highly competitive society, people live a life of irregularity and an unbalanced body and mind under high pressure. Most people lack exercise and enjoy fine food as well as processed food and beverage containing excessive artificial pigments, spices, sweeteners, pasting agents, and other chemical substances. Since consumers focus on the appearance and production volume of agricultural products, farmers rely much on chemical fertilizer, growth hormone and chemical synthetic insecticides. However, these seriously threaten the living environment and health.

With this in mind, we plan our extensive land resources in Taipei City, Sanxia, Taoyuan, Miaoli, Nantou area and establish our branch of "Sun Moon Lake Antique Assam Tea Farm" in Nantou to fully promote organic agriculture and healthy diet concepts in the form of

environmental education. In addition to the organic tea, we provide visitors with the opportunity to try our natural, safe and multiple tea and organic agricultural products. Humbly, we firmly encourage visitors, and consumers, to support the farmers in their continuous environment-friendly cultivation of crops. With the aid of guides and slideshows, we explain the details to visitors about the origin and meaning of natural farming and the production process of tea.

The Sun Moon Lake in Yuchi Township, Nantou County, is a very famous scenic spot of local people in Taiwan and international tourists. Our "Sun Moon Lake Antique Assam Tea Farm" is located in this area with beautiful mountain and lake landscapes. Close to Sun Moon Lake, the Farm has a super excellent geographical location where visitors can enjoy the fresh air and outstanding water. In addition to being dynamically dedicated to environmental education, we will continuously promote the necessity of sustainable agriculture and more persistently provide visitors with natural plant-based food cooked with local agricultural products of low food mileage.

We cultivate the specially distributed organic "Assam Black Tea - Tai-Cha No. 8," "Ruby Black Tea - Tai-Cha No. 18," and "Rose Black Tea - Tai-Cha No. 21," latest introduced by the Tea Research and Extension Station in 2008 and featured with the most pleasant aroma. In addition to their organic feature without pesticide residue, these three outstanding species with medium or broad leaves are processed to tea with traditional tea-making technique. This gives the teas excellent flavor and makes them famous among local and international tea lovers. Other organic agricultural products are planted on the Farm. By combining the special culture, food education, ecology, forest and other local features of Shui Sha Lian with thematic environmental education narration, various options are provided for visitors of different age and property groups. These attract many people to visit the Farm every year. Since the "Sun Moon Lake Antique Assam Tea Farm" was established, it has become a recreational center gaining favor of people and tourist groups visiting the scenic area in Nantou of

Central Taiwan.

(II) Xiong Kong Tea Plantation

Following the establishment of the "Sun Moon Lake Antique Assam Tea Farm" in Yuchi Township, Nantou County, we established the "Xiong Kong Tea Plantation" in Sanxia, New Taipei City, in January 2008. This was our second establishment round of recreational tea farm series under the principle of "creation of the most valuable equity for shareholders and full exploitation of land."

The Plantation is managed with "health, leisure, environment" as the core concept. With the low-density development in mind, the Farm is located 520~970 meters above sea level. It has a beautiful natural landscape and fresh air. The changing landscape and climate in different seasons give the Farm various primitive natural atmospheres. Visitors can overlook Sanxia, Shulin, Linkou, Taoyuan, and Guanyinshan from the Farm.

The Plantation is 165.8 hectares in area with a certified organic farming area of 6.053 hectares, including 5.423 hectares of tea garden and 0.63 hectares of organic peach and plum orchard. There is an afforestation area of 72 hectares where cryptomeria, Taiwania Cryptomerioides, Formosan Sweet Gum, and Taiwan Incense Cedar have grown for almost 30 years. We persist in the management principle of co-existence with the land and plant the trees without pesticides and chemical fertilizer. There is no concern about pollution thanks to the surrounding forests. The Plantation provides safe and healthy diets and particularly gains the favor of consumers. In addition to the self-owned stores, our products are well sold through many organic stores.

Tea trees in the Plantation are planted and managed organically. The picked tea cyanine is processed directly at the factory. The process is open to the visitors to ensure the provision of trustworthy and reliable pure tea. Respecting the natural management and planting method is favorable for maintaining a rich ecological system of birds, flowers, insects, and frogs. After entering the Plantation, visitors can take a walk

in the organic tea garden or watch the tea processing process in the tea-making season to learn how the fresh and tender tea leaves are processed to good-to-drink mellow tea with rich aroma. This not only helps visitors know and taste tea, but also understand more about it. In addition to the most famous Biluochun Green Tea in Sanxia, Black Tea and Oolong Tea are other outstanding tea products in the Xiongkong area.

Besides tea leaves, cherry, plum, peach, blossoms, wisteria blossoms and other flowers bloom fully in different seasons with purple crow butterflies flying around the Planation. Fireflies light brightly in the summer like stars on the ground, and the more intoxicating maple leaves stain the mountain red in the autumn. These natural landscapes provide visitors with a comfortable, relaxing, and intellectual space, help them forget hubbub, and have them linger on without any thought of leaving. With the help of word of mouth and online recommendations, about 1,000 people visit “Xiong Kong Tea Plantation” in a single day. Currently, we are preparing an additional area of 8 hectares to provide visitors and shareholders with a rich variety of scenery and visiting routes.

Note: The management of Xiong Kong Tea Plantation has been commissioned to He Xu International Co., Ltd. since January 1, 2023.

(III) Daliao Historical Tea House

In 1899, Taiwan Tea Corporation’s predecessor “Japan Mitsui Norin Co., Ltd.” came to Taiwan for the expansion of tea farms; in 1924, “Daliao Tea Factory” was established in Zhulun area in Sanxia. As a result of a large amount of Assam tea tree plantation, the house was famous for the Japanese NITTOH Black Tea production and became the pioneer of black tea at that time. The old site is the same as the site of Taiwan Tea Corporation North District Finery Factory. The traditional Japanese-style wooden wall building next to the house was built in 1944. It was the former dormitory of the Director. In 2013, after the renovation invested by Taiwan Tea Corporation, “New Taipei City Plan of Encouraging the Development of Tourism Industry.” The black

eaves, Japanese base vents, and round window design are kept to reappear the glory of the tea house in the Showa period and make it become a recreational place combining tea culture and tea drinks.

Pay a visit to “Daliao Historical Tea House” which is full of Japanese atmosphere. Outside the house, there are trees in the surrounding, the scene of vast mountain view at four sides are good for admiration; Inside the House, the historical development of Taiwan Tea Corporation is displayed in details, starting from the major events within the 100 years, the distribution of the tea factory nationwide to the introduction of organic tea garden. Wandering as pleasure, visitors can also find some old things that can arouse childhood memories, such as an old cupboard with an ancient wood texture, the retro pendulum clock with great nostalgic style, and etc. The old objects with original style won’t be forgotten along with the change of times, but they play a role in healing the human heart. Especially after the visitors enjoy the tea house collection, they can also enjoy a cup of good and aromatic tea in the ancient house to have a deep experience of cultural aesthetics.

In the long river of time, tea and the people in Taiwan have a close relationship; “Daliao Historical Tea House” of Taiwan Tea Corporation presents not only a memory of the old days but also invites visitors to jointly experience the tranquil aesthetics as well as the quiet wonders upon making tea and learning tea ceremony to find the simple initial back.

The reconstruction for the Daliao Historical Tea House II was completed in 2015, more than 2 years after the ancient Japanese house has been reconstructed and used for Daliao Historical Tea House. The Tea House II fully inherits the old and simple wash finished wall and all the windows are changed to French windows to embrace the natural skylight and beautiful forest landscape. The interior is designed without any constraint. A simple wood cabinet from the Edo Age is displayed with ergonomically filled Japanese tatami seat cushions and a long short table for tea ceremonies. Visitors can enjoy the gently flowing and graceful guqin music, savor the tea, and feel the peace of soul and mind.

(IV) Daxi Tea Factory

”Daxi Tea Factory” traces its origin back to 1899 when the “Japan Mitsui Norin Co., Ltd.” came to Taiwan for the exploration of new tea farms; in 1926, a tea factory with new-type mechanical equipment was built in the eastern part of Shuiliudong area in Daxi, and called the Jiaobanshan Factory at the time; later on, its name was changed in 1946 to the “Daxi Tea Factory,” which is how it is known at present. At the time when Taiwanese tea was flourishing and the exports of tea to Europe and the US reached the peak, it was the era that the tea was treated as “black gold”; “Daxi Tea factory” in the tea-making industry at the early stage of tea production in Taiwan actually occupied a pivotal position. However, after serval crises, such as fire destruction, reconstruction by the engineering corps under the instructions of Chiang Kai-Shek, economic depression in the industry. The old tea factory, which is hidden on the hill near Cihu was forced to surrender its glory and has remained idle for half a century.

Since 2010, Taiwan Tea Corporation has started total renovation and reconstruction, including retaining the old fashion of the high ceiling in the tea factory, wooden truss, the entire row of blue-gray window lattice, and the floor that has been stepped on and appeared smooth and polished; moreover, it’s easy to find the historical traces left on the stone walls and wood beams and columns in a glimpse. Everything is kept in its original taste and without additional embellishments. The quaint and nostalgic appearances everywhere are intended to perfectly reproduce the everlasting stream of times kept in the century-old tea factory.

In recent years, fellow countrymen have a growing demand for leisure and recreational places. Taiwan Tea Corporation has displayed items that are worthy of visiting, such as the century-old artifacts and the large ancient tea leaf processing machine, as well as the indoor withering area. Besides, the construction of the tea factory, which was rebuilt after the recession of Taiwan, combines the rigorous Japanese-style design, Taiwanese-style sturdy craftsmanship items, and British-style architecture, which has the design adopting natural lighting and

featuring a ventilation design to make the old house give off an infinite charming atmosphere.

To allow visitors to feel the memorable sound, aroma, and charm of tea that people have enjoyed at “Daxi Tea Factory,” we officially opened the Factory on December 6, 2013 and invited people to pay a visit and savor the tea. In this tenth year of operation, “Daxi Tea Factory” has become a premium recreational tea factory featuring cultural innovation and tourism with its unique building and tea processing technique for more than one hundred years. We will give “Daxi Tea Factory” a new image with the elements of culture, creativity, history, tourism and tea processing technique. We will also present the memorable sound, aroma and charm of tea in a new way and satisfy the consumers both physically and spiritually to the greatest extent!

(V) Tongluo Tea Factory

”Tongluo Tea Factory,” the affiliate of Taiwan Tea Corporation has been promoting the ecological education of environmental protection and and sustainable management by adopting natural farming methods depending on weather conditions. The tea farm has an area of 15.9 hectares, and the organically certified tea farm covers nearly 3 hectares. The coverage of certified farm area continues to increase. The main special farm produces are Oriental Beauty Tea, Green Tea, and Black Tea. Located in the foggy hilly terrace with acidic and viscous red mud soil as well as coupled with the large temperature difference between day and night and the relatively high humidity, the tea leaves produced here are thick and rich in aroma.

From seedling, fertilization, deworming, weeding to harvesting, all operations are done by manpower; the adoption of the natural food chain theory takes care of every tea tree. Planted in the natural environment, tea trees grow naturally and maintain ecological balance; the surface of the tea leaves is a whole, and the adoption of batch inspection as well as SGS certification ensures safety assurance.

Getting away from the hustle and bustle and coming to “Tongluo Tea Factory,” visitors can taste the authentic meal boxes of the tea

pickers as well as the cold-brewed tea that has a sweet after taste; besides, visitors can experience the DIY funs, such as tea picking and tea-making in the tea production process. Wear the farmer hat, put on Hakka cloth turban, and carry the bamboo woven tea basket on the waist; then, follow in the guide's footsteps moving among the tea farms in searching for the legendary feel of touch when finding the one-tip two leaf. Enjoy the scenery of the local tea farms to experience tea farmers' daily routine. After picking the tea leaves, visitors return to the factory and follow the tea-making steps to experience withering, stirring, kneading, deblocking, drying, grafting, and packaging; they can handmade the tea leaves of their own and carry tea leaves home for self-use or sharing.

(VI) LuGao Cafe

Located in Yuchi Township, Nantou County, "LuGao Cafe" is a complex coffee shop and engaged in an integrated production and distribution process from planting, picking, processing of coffee, baking of coffee beans to packaging and sale of coffee products. In addition to drinking coffee, visitors can reserve the time and experience the process of making coffee. It is a café combining the leisure, tourism and coffee making training functions.

The coffees are mostly planted locally in the Lugao area of Yuchi Township, Nantou County. It is located on a hill 700~800 meters above sea level, and the weather and soil conditions there are very suitable for planting coffee. We have been increasing the planting area every year since 2012, and the total area reached about 13 hectares up to now. Most of the nearly 14,000 coffees are Arabica and Typica species with a few Kenya SL34 and Panama Geisha species that have a very special flavor.

Our coffees are mostly grown using grass cultivation methods in accommodation to the climate and other natural phenomena of the season. All the trees are well-nourished and managed. Cherry red mature fruits are picked manually every year from October to February next year. They then undergo sieving, washing, and natural or honey processing to remove peel and pulp. An integrated autonomous

operation system covering all the processes from selecting raw beans and baking to making coffee is applied, and no external processing is needed. This is one of the important factors to ensure the quality of the coffee.

”LuGao Cafe” was officially opened in August 2019 as scheduled thanks to the team’s cooperation. In addition to selling coffee bean of single origin, drip bag coffee and coffee gift box of the private brand, “LuGao Café” provides different coffee drinks such as coffee of single origin, Italian coffee, light food, and dessert. Visitors walk forward through the walkway from the parking area and go up the stairs stretching to the skyline to enjoy 360 degrees of broad view and layers of mountains and white clouds. Just making a turn, the incense cedar trees appear at the mountainside and visitors can see the walkway leading to the cafe and the building standing in the peaceful atmosphere. In the cafe, the specious interior serves as a foil to the openness and permeability of the high-ceiling building, and the large wide French windows bring in the natural light to the seats. With the moderate sunshine and the bar tables and stools diffusing gentle gloss of logs, the elegant semi-classical continental sofa embraces the surrounding beautiful scenery from above. Relaxing at a corner, visitors can drink the coffee agreeably and enjoy the free lifestyle leisurely.

Local premium clean coffee and beautiful, elegant spatial landscapes are the features that many tourists talk about during their visit. This is not only the persistent goal of the “LuGao Café,” but also the critical point in the future management and growth.

III. Agricultural business

The Company’s 2022 agricultural business

(I) Laopi Tea Farm:

1. The tea farm has a total area of 452 hectares.
2. The production volume of the crude and refined tea in 2022 was 469,641 kg and 803,968 kg, respectively.
3. The production machinery of the new tea factory was completely

deployed and put into service in 2022.

4. The RFA and TGAP production traceability certificates were acquired to ensure the supply of safe and traceable tea leaves raw materials.

(II) Nantou Branch Office:

1. The production volume of hand-plucked Red Jade Black Tea was 7,856.5 kg in 2022.
2. LuGao Cafe - Several coffees such as Typica, Geisha, Y.Catuai, Maragogype, SL34, Villa Sarchi and Venecia have been planted in an area of 13 hectares. 8,960.2 kg of processed parchment coffee was produced in 2022.
3. Afforestation work - An area of 8.8 hectares was afforested (Mahogany, Chinese Fir and Taiwania Cryptomerioides) and different species of trees totaling 6,450 were planted from 2016 to 2022. Now, we regularly mow weeds to maintain the growth of the trees for conservation and utilization of slope land.
4. The Yuchi Tea Factory adopts gross cultivation and environmental-friendly farming methods for its farms. An area of 5.6977 hectares of the land passed the certification of Tse-Xin Organic Certification Corporation. The Factory does not use any pesticide and chemical fertilizer to produce tea leaves. With handpicked one-tip two-leaf tea leaves, Red Jade Black Tea of great quality can be made. The black tea is now one of the hottest products.

(III) Miaoli Branch Office:

1. Conventional tea farm with a total area of 16 hectares - 786 kg of handpicked oriental beauty tea and 4,411 kg of handpicked black tea was produced.

(IV) Fuxing Tea Factory:

Tea farms within the area of the Fu Xing Tea Factory distribute over the mountain area of Zhentou Mountain in the Shuiliudong section of the Fuxing District and the mountain roots near the water source protection area of the Shihmen Reservoir. These farms are surrounded by mountains on three sides and absorb the moisture from the reservoir and the mist in the mountains. With this advantaged environment, the

tea can be made by adopting the ecological farming method without using any pesticide. The total area of existing tea farms is 3.4 hectares. They are used for production of Bi-Lo-Chung Green Tea, Honey Flavor Black Tea and Red Jade Black Tea - TTES No. 18. In 2022, 565.6 kg of green tea, 527.7 kg of Honey Flavor Black Tea, and 167.6 kg of Red Jade Black Tea, totaling 1,260.9 kg, were produced.

(V) Xiong Kong Tea Plantation:

The Plantation covers an area of 165 hectares. There is an afforestation area of almost 72 hectares where Cryptomeria, Taiwania Cryptomerioides, Formosan Sweet Gum, and Taiwan Incense Cedar have grown for over 30 years. The land will not be developed and deforested any more. Instead, it has became a recreational spot for tourists to breathe in phytoncides, delivering the benefits of tourism and ecological protection. 5~7 persons are assigned to handle agricultural affairs such as repairing paths in the Plantation and maintaining the ecological environment in order to provide a perfect spot for visitors to take a rest and release their stress. An area of 5.423 hectares of organic tea farms in the Plantation has been certified by Tse-Xin Organic Certification. The species of the tea trees include Chin-Shin-Oolong, Chin-Shin-Dapan, Chin-Shin-Ganzai, TTES No. 12, Sijichun and TTES No. 20. The Plantation focuses on the production of tea leaves and relevant business operations. In 2022, 1,383.13 kg of tea leaves were produced, which increased by about 123.27 kg in comparison with 2021, including 615 kg of Bi-Lo-Chung Green Tea, 746.8 kg of Honey Flavor Black Tea, and 2.65 kg of wild green tea and 0.68 kg of wild black tea.

IV. Land asset management and development

The areas where our land assets stated in accounts are distributed include Taipei City (Zhongzheng, Neihu), 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. 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.

The Company manages 3,720 hectares of land using relevant geographic information systems. Besides, we conduct project assessments for unused land, act in line with implementing the national spatial plan to formulate and implement development projects, and assess different properties depending on the development of the market. The implementation of these projects is described below:

We have already completed three large-scale development projects, including the "Sanyi Industrial and Commercial Complex Project (About 25.088 hectares)" with 9.2 hectares of commercial land available that are based beside the West Lake Resortopia near the Sanyi Interchange of the Sun Yat-sen Freeway; the "Residential Complex Project to the North of Tongluo Science Park (About 29.468419 hectares)" and the "Industrial and Commercial Complex Project at Tongluo Jiuhu Section (About 15.728316 hectares)" focusing on the neighboring land of the Tongluo Science Park in Miaoli County, which will be available for building 300 luxurious houses and for developing shopping malls, convention facilities, hotels and other large commercial bases.

The project for which the relevant development permits have been approved includes the Zhongming Recreational Area Project (About 9.9405 hectares)" near the Sun Moon Lake Scenic Area in Yuchi Township, Nantou County, with almost 3.5 hectares of land available for the construction of amusement (hotels and service facilities) and accommodation facilities for recreational use after completion of the development.

In addition, according to the policies for development of our recreational business, we have developed our land assets based on the local landscapes and features to promote the agricultural experience business, and have launched five recreational spots integrated with local agroforestry features, namely the "Xiong Kong Tea Plantation" in Sanxia, New Taipei City, featuring the phytoncide released from Cryptomeria; the "Daliao Historical Tea House" in Sanxia, New Taipei City and the "Daxi Tea Factory" in Daxi, Taoyuan, combining with the Company's development

history; the “Tongluo Tea Factory” in Tongluo, Miaoli which enables visitors to experience the sensational tea-making process; the “Sun Moon Lake Antique Assam Tea Farm” in Yuchi, Nantou featuring the flavor of Assam Black Tea; the “LuGao Cafe” in Yuchi, Nantou producing its own coffee beans, with an open view surrounded by mountains. These locations have been put into operation.

V. Marketing Department

(I) Enhancement of the trading functions of the e-commercial platform that enable consumers to buy in a rapid and convenient environment and are more favorable for our revenue.

(II) Provision of assistance to our recreational sites, stores and other sales departments for their business to ensure achieving the annual goals of the Company .

(III) Collection of new information on the development trend of the market, reviewing and improving current product packaging, enhancing innovative design to improve the product identification on the market.

VI. Key account business

(I) We sold tea bags with our own brand and imported liquors, strove for the events and support from the manufacturers, and professionally deployed the products that we produced and distributed as an agent in PX Mart.

(II) We imported Italian DEVILLA pasta, spaghetti and cookies. In spite of the pandemic, our performance this year exceeded the goal of the manufacturer as expected. This is very helpful for more support from the manufacturer in the coming year.

The business performance reached up to NT$39,128 thousand in 2022.

VII. Interior construction business

Performance in 2022 - Fushan International’s outer wall improvement project of the Hanguang Building in Xitou.

I. 2022 Business results

(I) Results of the 2022 business plan

Tea Sales Department	1. We have been dedicated to the sales of tea products and the development of new customers. 2. We have visited target customers intensively to promote Laopi Tea Farm's teas and convey its advantages of safety, high-quality and stable output to them. The Farm has received orders from many representative customers, chain stores of hand-shaken tea beverages, and peer tea factories in the commercial tea market. The business is optimistic in the future. 3. The operating revenue for 2022 was NT$150.87 million, with an operating gross profit margin of 34.24%.
Headquarters Store	1. We provided tea beverage, coffee and dessert, including venue booking and meeting services at the site. 2. We provided tasting service and sold tea products. 3. The products of the Company were integrated including the sale of tea leaves and coffee gift boxes. In addition to developing more purchase opportunities within the Park, we provided urban customers with the opportunity for onsite shopping.
LuGao Cafe	1. We focused the promotion on the "LuGao" branded coffee produced by local coffee farmers with the sale of various special beverages produced by the Company. 2. We were dedicated to the maintenance and improvement of our coffee bean quality and never outsourced the screening process to any third party to ensure producing a new series of coffee products to meet the demands of the consumers. 3. We improved the skills of making single origin coffee in the stores by inviting external professional instructors to give training courses. 4. The loyal home shipping customers increased by 8 times. The major products of washed beans were sold out and created an annual revenue of NT$33.14 million.
Sun Moon Lake Antique Assam Tea	1. We devoted every effort to promoting natural and organic tea products with zero detection of harmful additives, especially the TTES No. 18 products and the new and more and more

Farm	popular TTES No. 8 species planted between 2016 and 2020. 2. In addition to developing loyal customer groups, vegetable food buffets were a focus for the tour groups of in-depth travel. The customers of this kind are different from individual tourists, who usually give only a passing glance, and make a great contribution to the sales. 3. The number of customers decreased due to the pandemic. However, the business through the delivery service and membership grew as a result of the active contact with the member customers. The cross-industry alliance was helpful in striving for the orders from the group buying or gift business. This created business benefits in the post-pandemic era. 4. The business performance reached up to NT$66.28 million in 2022.
Tongluo Tea Factory	1. This is location with “Oriental Beauty Tea” as the sales focus. 2. DIY and tea tasting for tour groups were the focus in marketing. 3. The business performance reached up to NT$16.98 million in 2022.
Xiong Kong Tea Plantation	1. The Planation promoted Xiong Kong Bi-Lo-Chung and Honey Flavor Black Tea. 2. The second cafe was completed to increase the spaces and seats for recreation. 3. The business performance reached up to NT$10.75 million under the impact of the pandemic and weather.
Daliao Historical Tea House	1. We participated in the tourism factory events organized by New Taipei City Government. 2. Tea tasting, guided tour and courses were the focus of the activities.
Daxi Tea Factory	1. The building of the tea factory was the core of the promotion. 。 2. Both individual visitors and tour groups were the major marketing targets. 3. The business performance reached up to NT$31.95 million in 2022.
Marketing	1. We acted in line with the industrial resurgence and

	revitalization programs of the public sector to attract visitors, stimulate consumption, and facilitate improvement of the turnover. 2. We continuously enhanced the service performance of our recreational locations and created friendly spaces and environments. In addition, we provide assistance to our recreational locations, stores and other sales departments for their business to jointly achieve the annual operating goals. 3. We looked deeply into the trend of consumption on the market and integrated the core targets of the products to optimize existing product packaging, focus on high quality, high added value and innovative packaging, and improve the popularity and image of our brands.
E-commerce	1. Initial fundamental establishment of the department was the focus. 2. Development of large e-commerce channels on the internet was another focus.
Key account	1. We sold tea bags with our own brand and imported liquors, strove for the events and support from the manufacturers, and professionally deployed the products that we produced and distributed as an agent in PX Mart. 2. We imported Italian DEVILLA pasta, spaghetti and cookies. In spite of the pandemic, our performance this year exceeded the goal of the manufacturer as expected. This is very helpful for more support from the manufacturer in the coming year. 3. The business performance was NT$39.13 million, with a growth rate of 11% compared to 2021.
Interior construction	1. Internal tea factory renovation project: Draw-up of the interior design plan for the TTC office in Hukou Township, Hsinchu County, and completion of the decoration project. 2. External projects: • Performance - Fushan International's outer wall improvement project of the Hanguang Building in Xitou; the project has been closed.
Asset	1. The disposal of the commercial properties in 2022 created a

	total amount of NT$1 billion only. The disposal of occupied or fragmentary land without value in use created a total of NT$78.62 million. 2. The results of our active utilization of the Company's land assets in 2022 included the completion of review application for conversion of an area of about 41.2328 hectares of forestry land for agricultural and grazing use.
Tea Manufacturing Center	1. 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 2022, showing a slight increase compared to 2021. 2. LuGao Cafe - Several coffees such as Typica, Geisha, Y.Catuai, Maragogype, SL34, Villa Sarchi and Venecia have been planted in an area of 13 hectares. 8,960.2 kg of processed parchment coffee was produced in 2022. 3. 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 469,641 kg.

(II) 2022 budget implementation

The Company are not required to disclose the financial forecast for 2022 pursuant to regulations, and thus the disclosure of the budget implementation in this year is not applicable.

(III) 2022 separate revenues and expenses, and profitability analysis

1. Financial structure analysis	
(1) Debt-to-assets ratio	40.56%
(2) Ratio of long-term capital to property, plant and equipment	333.54%
2. Solvency analysis	
(1) Current ratio	128.40%
(2) Quick ratio	27.74%
(3) Interest coverage ratio	-13.45 Time(s)
3. Operating ability analysis	
(1) Receivables turnover rate	10.88 Time(s)
(2) Inventory turnover rate	0.22 Time(s)
(3) Average days' sales in inventory	1,659.09 Day(s)
(4) Property, plant and equipment turnover rate	0.05 Time(s)
4. Profitability analysis	
(1) Return on assets	(6.70)%
(2) Return on equity	(11.82)%
(3) Net profit margin	(433.72)%
(4) Earnings per share	NT$ (2.07)

(IV) 2022 Research and development

Tea Sales Department	1. Development of new products: Jhinhsuan Oolong Tea, Sijichun Oolong Tea, White Tea. 2. Development of customized products -- Formosa Red Oolong Tea.
R&D Section	1. Development of new products: Honey Flavor Black Tea #5301(FOP), Honey Flavor Black Tea #6301(OP), Red Jade Black Tea #8102(OP), and Assam Black Tea #6801(OP). 2. Development of customized products -- Assam Black Tea. 3. Collection and analysis of the parameters generated from automated production. 4. Development of the tea flavor combination and matching system.
Headquarters Store	1. Provision of tea, coffee and light meals as a basis for development of new products. 2. In addition to using them as sales locations for beverages and commodities, we also lent the sites for commercial exhibitions or presentations and used the sales locations as combination stores for multiple purposes. 3. New food and TTC Shop products were released for consumers.
LuGao Cafe	1. LuGao Cafe emphasized the flavor of the locally planted and baked coffee. 2. New coffee products: 6 coffee products including sun-dried coffee with drip bags, SL34, honey-processed medium roasted coffee, Geisha, consumer packaged beverage and adjusted pour-over coffee. 3. A handful of products such as Geisha and Villa Sarchi were produced and 4 different coffee products were baked and tested by sharing them with loyal customers. 4. New coffee products and snacks were released for consumers.
Sun Moon Lake Antique Assam Tea Farm	1. Natural, organic, and eco-friendly tea without harmful additives was emphasized in the sale, in addition to the concept of raw materials without additives. 2. The history of the old tea factory and the processing steps and time for the production of the tea were the focuses of the guided tour service. The meaning of the tea factory in the local culture

	was explained and the concept of clean tea and commodities was communicated during the tour with extension to the unusual, original taste of the vegetable and comfort food. 3. Newly developed tea products and gift boxes were released for consumers.
Tongluo Tea Factory	1. The design was extended to related new courses with DIY as the core. 2. More seating areas were available for large corporate groups. 3. The additional tea cakes and adjusted meals provided new options.
Daliao Historical Tea House	1. We participated in the tourism factory and marketing events organized by New Taipei City Government to increase the exposure of our tourism factory in New Taipei City. 2. New tea tasting courses were launched.
Daxi Tea Factory	1. Outdoor wooden walkways were renovated. 2. The factor participated in the tourism factory events organized by Taoyuan City Government and cooperated with it to develop the market of foreign tourists.
Key Account Section	Domestic customers were developed successfully, the sales of tea leaves grew, the goals defined by the manufacturers for the agency channels were achieved, and support for the event was acquired successfully.
Marketing planning	1. With existing raw materials of tea and coffee as the basis, the Company made use of our uniqueness and differentiation to develop the products in line with the development trend of the market. 2. New products developed and released for sale: 6 types of TTC tea products, 2 types of TTC Shop products, 1 type of LuGao Coffee product, and 2 types of cold brew coffee beverages The development of another 6 types of tea series ice cream products have been completed and planned to be sold on the market in May 2023. 3. Assistance was given in optimization of meals at recreational locations, such as set meals, cakes and snacks. We also checked

	and eliminated the products that had limited gross profit. 4. Cross-industry alliances were used as a means to combine the brand advantages of both parties, introduce co-branded products, create new topics as well as attracting different consumer groups and creating new business opportunities.
E-commerce	1. We continuously performed initial fundamental establishment on the internet, integrated Facebook-based corporate platform assets management, and connected to GA (Google Analysis). 2. We were dedicated to the promotion of the brand concept, online response, and online advertisement. 3. Large e-commerce channels on the Internet were developed on an ongoing basis while optimizing the shopping carts.
Interior construction	1. We contacted existing customers to enter into contracts related to our own business to improve the performance and profit of the Company. 2. We formed strategic alliances with our subcontractors and material suppliers to improve our competitive strength and profit margin and create a win-win situation. 3. We developed a diversified business operation mode in line with the operation of the tea factories and the land management of the Company.
Laopi Tea Farm	Processing, production and reprocessing were the focuses to improve the quality. 1. Collection and analysis of the parameters generated from automated production. 2. Development of the tea flavor combination and matching system.

II. Overview of 2023 Business Plan

(I) Business Guidelines

Tea Section	We were dedicated to becoming a tea leaf raw material supplier that had the best quality in the domestic commercial tea industry from the viewpoint of the customers: 1. Achievement of the Company's goals of annual budget, sales, turnover, and gross margin. 2. Collection of the market information and understanding of the market development to improve the sales competitiveness. 3. Enhancement of development and marketing, wholesale business within the industry, and distribution through catering channels; creation and operation of brand resources; enhancement of brand marketing and large marketing events; creation of brand image to strive for consumer's recognition and their selection of TTC's raw materials. 4. Invitation of domestic and overseas key accounts to visit Laopi Tea Farm and increase sales and cooperation opportunities. 5. Maintenance of good partnership with two leading convenient stores to increase brand popularity and create good brand image of the Company.
Marketing Dept., Marketing Business Division	1. The Division applied the core value of the Company and upheld the business philosophies of "health, leisure, environment" and "co-existence with the land" to deepen product strategies and enhance brand connection. 2. Enhancing the service performance of our recreational locations and creating friendly spaces and environments were also the focus. We made use of our advantages, including self-owned tea farms, excellent Taiwan teas and assured quality, as the cores in the communication with consumers and promotion of our products.
E-commerce	1. Initial fundamental establishment of e-commerce was the focus. 2. The vision of tea business was promoted through online marketing operations.

	3. Development of large e-commerce channels on the internet to increase the online response to TTC tea products was another focus.
LuGao Cafe	1. 100% crass cultivation without mixed beans and fresh local beans were the marketing focuses. 2. LuGao Cafe has 12.5 hectares of land and plants about 14,000 coffee trees. An integrated production model is used for the whole process, from planting to finished coffee products. LuGao Cafe is a unique and genuine local farmstead in Taiwan. 3. It was emphasized that the bean used in LuGao Cafe are local coffee beans in Taiwan to enhance the differentiation from other stores. 4. The films and guided tours as promotion means were increased to enrich the activity items for the visitors of LuGao Cafe.
Sun Moon Lake Antique Assam Tea Farm	1. The “Red Jade Black Tea” (or TTES No. 18) as a major product of the Yu Chi Tea Factory was promoted more actively and consumers were guided to buy other tea products. 2. Interaction with tourists was increased through deep guided tours and on-site tea production processes in order to build trust of the customers in our tea products and increase their sale. The corporate image and exposure were improved by forming cross-industry collaboration and working with premium medias to increase customers and conversation rate. 3. We supported the commodities from smallholder farmers that are produced through proper planting at proper places in an environment-friendly manner. We provided seasonal vegetable food buffets and, by doing so, communicated the dependence and co-existence between the food and environment. 4. We also enhanced our service temperature and the knowledge of tea and improved service quality to build a professional image among the consumers and recover the glory of the Farm with a history over a century.

Tongluo Tea Factory	1. The Factory provided multiple charged DIY modes for the tourists to select. 2. With the landscape of the farm decorated with huge French windows, the Factory offered different afternoon teas and beverages, hoping that individual visitors and tourists could stay longer. 3. With DIY as the core, the factory arranged events for development companies, schools, tea-related clubs, and travel agencies. 4. The product line extended from "Oriental Beauty Tea" as the main product to other tea products of TTC other tea factories. 5. Tour information for different seasons was available to enhance the willingness of the tourists to visit the Factory, such as the Tung Blossom Festival in May and the Chrysanthemum Festival in November.
Daxi Tea Factory	1. The guided tour deeply communicated the culture, history, building, and tea manufacturing process and concept as well as tea-related knowledge, helping tourists understand the TTC tea history and the Factory. 2. Tea-related commodities were developed. 3. The Factory offered local natural food without excessive processing. consumers could enjoy the simple and excellent taste of food. 4. Set meals and afternoon tea tailed to popular taste were available to offer different options for tourists. 5. Tea-related courses or events were arranged. 6. The Factory operated in line with tourism factory events to strive for more visibility and customers. It also worked with nearby scenic sports and hotels in arrangement of events. 7. The Factory offered rental services for filming. 8. The gift market was developed. 9. Tea-related commodities were sold in conjunction with guided tours.
Daliao Historical Tea House	1. Tea ceremonies and tea art courses were offered. 2. The Daliao Historical Tea House Hall 2 was open for rental. 3. More tea cakes were offered for tea and other beverages to

	increase the unit price. 4. The Tea House operated in line with tourism factory events organized by New Taipei City Government to strive for more visibility and customers. 5. More tea wear related commodities were provided.
Headquarters Store	1. Tea and tea food related commodities of our self-owned brands were sold. 2. LuGao Coffee beans, coffee products, and tea beverages of our self-owned brands were sold. 3. Coffee-related utensils were sold. 4. We developed the markets of corporate and gift customers. 5. Long-term loyal members of the Company were the core in the management and cultivation. 6. The wholesale markets of tea beverages and coffee around the area of the store were developed.
Key Account Section	1. Channel agency: Assistance was given to the manufacturer in the maintenance of good customer relationships and service, and measures were taken to strengthen the Company's channel negotiation capability and brand value. 2. Product Distribution: We maintained the relationship with the manufacturer, enhanced the market and distribution, assisted in the distribution to major customers, and solved problems to improve the services. 3. The Marketing Business Division continuously developed the projects and channels for the brand products of the Company.
Development Section, Asset Development Department	1. Land was vitalized to increase shareholders' equity (1) Making use of the land is set as the prior goal. Check the land as planned and assess the feasibility of development and its benefit. Assess the feasibility of land development and propose an implementation plan. (2) Act in response to the implementation of the national spatial plan and promoting existing large land development

	projects. (3) Continuously seek investment partners for the large development project for which the use of land has been altered. 2. Develop a leisure business with the ecology of tea as the theme. (1) Develop more recreational agriculture items in line with the Company's leisure business blueprint of tea ecology. (2) Transform existing agricultural facilities to recreation points. (3) Establish a complete leisure business system.
Asset Section, Asset Development Department	1. As the mitigation of the pandemic, reassess the lease and sale of Asia Plaza Building as the first priority in implementation. 2. Use land for collaborative development projects in line with recreational farms in a cross-industry alliance. 3. Use agricultural land for collaborative development projects in line with recreational farms in a cross-industry alliance. 4. Implement industrial, academic and governmental cooperation, conduct carbon verification thoroughly with respect to the land assets of the Company, and further plan the collaboration in afforestation or under-forest economy to achieve corporate sustainable operations.
Xiong Kong Tea Factory	Xiong Kong Tea Factory was the representative of the cleanest and safest organic tea plantations and farms in northern Taiwan: 1. Conduct management in an organic and eco-friendly manner, and create a healthy and sustainable organic tea farm suitable for LOHAS. 2. Enhance the tea farm management and conduct pest control in a timely manner to improve the quality and output. 3. Strictly manage the tea production quality and maintain the outstanding quality of the finished products.
San Yi Tea Factory	The tea factory produced the Oriental Beauty Tea, Honey Flavor Black Tea and green tea, outstanding in both quality and quantity:

	1. Implement pass-on of tea production techniques and improve planting of teas. 2. Enhance care and management of tea plantations to improve production capacity.
Yu Chi Tea Factory	To consumers, the tea factory has become another name for the best black tea and coffee in the Sun Moon Lake area: 1. Conduct planting management in a quality agriculture manner. Use liquid fertilizer of aerobic fermentation and trace elements to nourish crops. Grow the trees in a vegetative cultivation manner to provide organic materials needed for the crops whenever necessary. Improve the soil structure to minimize the impact of climate change on the crops. Create a harmonious agricultural environment and produce quality products. 2. Respond to the high awareness of food safety by enhancing quality control, introducing Good Hygiene Practice (GHP), and designating HACCP personnel to cultivate customer loyalty across age groups to increase the Company's annual sales performance and achieve the production, ecology, living and life cycling goals. 3. The LuGao Cafe, which has been put into operation, leads the development of a quality coffee business in the Sun Moon Lake area. Backend equipment of reputable brands has been introduced for the coffee factory. In addition to improving the quality and working efficiency, the tourism business has been developed in line with the company's marketing strategies to improve the corporate image and awareness of the products.
Laopi Farm	The products of the farm have become the first choice of quality commercial tea in Taiwan: 1. Expansion of the capacity was the goal in the planting and production of the tea trees to minimize the input of the agricultural materials and the cost. 2. Automated equipment was used for crude tea processing to reduce the demand for manpower, reduce the alteration factors,

	and stabilize the quality of the products. 3. Digital technology was used for the adjustment of formula during the tea refining process to meet the requirements of the customer quickly. 4. Management data were fully digitalized in favor of analysis and adjustment.

(II) Expected Sales Volume and Assessment Basis

Tea business	1. Laopi Tea Farm adopts large-scale mechanical farming and harvesting applications. A production traceability control system is introduced and commercial tea is completely machine-picked for the market and the process is safe as indicated in the agricultural inspection. Laopi Tea Farm introduces TGAP certification, SSC22000 HACC certification, and RFA certification under third-party control to demonstrate the differentiation against other tea factory competitors and help TTC acquire the leading position on the market. 2. A goal of continuous growth is set for 2023 in comparison with the achievement rate of 2022.
E-commerce	The Department promoted collaboration with external e-commerce operators, posted online ads, and operated official Line account at the initial fundamental establishment stage.
Headquarters Store, Daliao Historical Tea House, Daxi Tea Factory and Tongluo Tea Factory	In addition to certain scenic spots on the tourism market, most of the regions were in a recession state in 2022 due to the pandemic. Only some of the recreational locations grew slightly or remained at the same level. With the sales in 2022 as a reference, higher willingness of domestic and overseas tourists to take a trip will be expected in 2023 as the lockdown restrictions are lifted. More overseas tourists will visit major scenic spots and the demands for tea and coffee will increase as expected. 1. Headquarters Store: The employees of Formosa Plastic Group will expectedly work in the Park in the second half of 2023 and

	the number of customers and revenue will grow as a result. 2. The number of visitors and revenue will increase thanks to the features of the tea factories, the seasonal and tourism factory events, and adjustment of the business items. (1) Increase charged tea-related courses; (2) adjust the number of people in reservation for a buffet to increase the operating revenue; (3) adjust the type of beverages and afternoon tea; (4) adjust the price of commodities in consideration of reasonable agricultural production costs; (5) adjust the fees of DIY and guided tour.
Sun Moon Lake Antique Assam Tea Farm and LuGao Cafe	In addition to certain scenic spots on the tourism market, most of the regions were in a significant recession state in 2022 due to the pandemic. Some of the recreational locations grew slightly or remained at the same level. With the sales in 2022 as a reference, higher willingness of domestic and overseas tourists to take a trip will be expected in 2023 as the restrictions on tourism are lifted. More overseas tourists will visit Sun Moon Lake as a major scenic spot, and the demands for tea and coffee will increase as expected. The number of visitors and revenue will increase thanks to the increased features of the stores and adjustment of the business items. (1) Increase charged guided tour activities; (2) Provide venue booking service for companies.
Key Account Section	Anticipation: The growth will be dependent on the promotion events supported by the manufacturer of the distributed products and the increase of the stores in the channel. Implement annual promotion events properly and follow up implementation results. The R&D team may expectantly develop and introduce 1 or 2 new product lines every year. Growing year on year is expected.
Development Section, Asset	The annual projects and goals of land development are described below:

Development Department	1. Large development project (1) Large development project for which the use of land has been altered - to continuously implement architecture design, operation, and solicitation plans A. The development project of "Industrial and Commercial Complex at Tongluo Jiuhu Section" in Tongluo, Miaoli, has an area of 14.369828 hectares. B. The development project of "Residence Complex to the North of Tongluo Science Park" in Tongluo, Miaoli, has an area of 25.743160 hectares. (2) Development project for which development permit has been acquired - to meet the subsequent required conditions • The development permit has been acquired and the soil and water conservation plans have been approved for the "Zhongming Recreation Area" in Yuchi Township, Nantou. The development area is 9.9405 hectares. (3) Apply for land development projects - to enter the material review procedure A. The development project of "Industrial Park to the North of Tongluo Science Park" in Tongluo, Miaoli, has an initial area of 11.042359 hectares. B. The development project of "Recreational Area to the South of Tongluo Science Park" in Tongluo, Miaoli, has an initial area of 5.3374 hectares. C.The development project of "Sanyi Technology and Logistics Industry Park" in Sanyi, Miaoli, has an initial area of 21.4384 hectares. 2. Leisure business (1) Develop recreational agriculture project - to confirm the position of the leisure business • The recreational farm organization permit has been acquired for the "Daxi Forestry Recreational Farm" in Daxi, Taoyuan, with an organized area of 4.5139 hectares. • LuGao Cafe in Yuchi Township, Nantou, is transformed to a recreational location as assessed, with an operating area of 1.261456 hectares. (2) Leisure business system A. The recreational farm permit registration has been

	acquired for the "Xiong Kong Forestry Tea Plantation" in Sanxia, New Taipei City, with an operating area of 7.7895 hectares. B. The recreational farm permit registration has been acquired for the "Shimen Forestry Recreational Farm" in Daxi, Taoyuan, with an operating area of 4.6326 hectares. C. The recreational farm permit registration has been acquired for the "Jiuhu Tea Plantation (former Tongluo Tea Factory)" in Tongluo, Miaoli, with an operating area of 0.585922 hectares.
Asset Section, Asset Development Department	Check the land thoroughly and plan to lease properties in a way of cooperative operations in the hope to increase the revenue by operating the business in a diversified and cooperative mode.

(III) Important production and sales policies

Tea business	1. Sell safe tea under comprehensive traceability management and assure the customers by implementing full production control and third-party certification. 2. Offer a complete set of new products to the chain stores of hand-shaken tea beverages with additional customized packaging and quality management services in the hope of having long-term loyal customers. 3. Invest resources in digitization to reduce the time difference between the requirement to the satisfaction of the customer. 4. Collaborate with representative customers to introduce tea beverages in their names to have more visibility on the market. 5. Collaborate with overseas distributors to develop international commercial markets.
Headquarters Store, Daliao Historical Tea House, Daxi Tea	1. Develop new commodities as planned. 2. Continue to uphold the stability of the quality and the reasonableness of the price to ensure recognition of and loyalty to our brands among the consumers. 3. Develop suitable commodities in consideration of the

Factory and Tongluo Tea Factory	characteristics of the recreational locations, such as the history of the Daxi Tea Factory and the building of the Daliao Historical Tea House. 4. Sell peripheral products suitable for tea and coffee depending on the sales characteristics of different stores. 5. Develop beverages popular on the market. 6. Strive for more customers of bulk materials in the production season.
Sun Moon Lake Antique Assam Tea Farm	1. Thanks to the reopening of the tourism market, overseas tourists will increase in the post-pandemic era. Sun Moon Lake Antique Assam Tea Farm makes more effort to promote the premium major product of Red Jade Black Tea (or TTES No. 18) manufactured by Yu Chi Tea Factory, and, with this as a lead, hope that consumers will buy other tea products. 2. With Sun Moon Lake Antique Assam Tea Farm as the center, develop the tea supply market formed by the hotels and amusement parks around the Farm. 3. Significantly increase the demands and orders for gifts. When conducting promotion events in stores, make sure that store personnel call customers and give them a reply to confirm the order.
LuGao Cafe	1. Have an insight in the coffee information and fashion trends around the world and actively participate in coffee-related exhibitions and contest events. 2. Emphasize the advantages of Taiwan coffee bean and develop new commodities suitable for LuGao Coffee. 3. Increase cross-industry alliances and exposure, such as cooperation in promotion with famous local stores with special features or premium social media.
Marketing Dept., Marketing Business Division	1. With existing raw materials of tea and coffee as the basis, develop potential commodities of high quality and added value and improve brand image with reference to market trends and big data analysis. 2. Plan and assist in implementation of brand-based marketing events; control product schedule and follow up the results of

	the events. 3. Participate in international food exhibitions and enhance exchanges and interactions in the professional field to share experiences and develop domestic and overseas markets. 4. Establish a membership system and offer incentives to join as a member, such as discount and preference, special offers on birthday, and point redemption, to retain existing customers and develop new customer sources. 5. Collaborate under the principle of "cross-industry alliance and brand synergy", integrate the advantages of both parties, exert the strength of the powerhouses, create new commodities and marketing fields, and unveil great new opportunities. 6. Implement visual art designs and control quality for e-commerce platforms and official websites. Integrate overall art images (graphic / motion graphic) for the brands. Enhance prop designs and create styles for the brands displayed in physical stores. 7. Manage brand development and identity systems and extend from existing brands to related visual image and creative expression.
E-commerce	1. Collaborate with large e-commerce operators, such as Shopee, momo and Pinkoi, to promote commodities. 2. Post online ads and promote TTC commodities through storytelling marketing. - Shopee and other e-commerce operators have big data of target tea customers. Some of the consumer data can be acquired for online advertising through collaboration. - Post ads toward target customers on TTC's official Facebook and gradually redirect external traffic to the self-owned shopping platform. 3. Manage official Line account and interact with consumers actively. Guide and convert customers visiting tea farms to members on the spot and after returning home, they shop online through customer service and buy again to become regular customers.

Marketing Business Division	1. Improve the management quality of our own distribution channels. 2. Control inventory of products, save operating costs and avoid shortage in order not to affect sales. 3. Make use of the ISO 22000 advantages to develop new products and increase market share.
Development Section, Asset Development Division	Continuously seek the investment of domestic and overseas investors in the land of the development project for which the purpose of the land has been changed, or achieve real earnings from development of land in a leasing or sales mode.
Asset Section, Asset Development Division	1. Develop leisure business, make use of assets and land lots. 2. With leasing as the core, increase the rental income of land. 3. Participate in and follow government policies and check land resources to achieve the maximum benefit from use of land.
Xiong Kong Tea Factory	1. The area of the organic tea farms is 3.068 hectares and the species cultivated include Chin-Shin-Dapan, Chin-Shin-Ganzai, Taiwan Tea No. 12 and Sijichun. 2. The production volume of the semi-made tea in 2023 will remain at the same level of 1,510 kg as estimated. 3. The finished semi-made tea is supplied to the tourism factories of the Company.
San Yi Tea Factory	1. The team continues learning the production techniques of partially-fermented tea to increase the value of the tea leaves. 2. Standardize the cultivation and management of the tea farm to improve the quality and production volume of the tea leaves. 3. Participate in various tea competition events and strive for good results.
Yu Chi Tea Factory	1. Conduct management of tea and coffee farms in a way of grass cultivation and quality agriculture, improve the soil structure to minimize the impact of extreme weather on the crops, and thereby create a harmonious agricultural environment to produce quality products. 2. Continue researching coffee planting and production techniques

	and create more operating income by working with tourism factories. 3. Continue putting new mechanical equipment into service to improve the production capacity of the coffee and create the image and competitiveness of the products. 4. Enhance fee safety to achieve the production, ecology, living and life cycling goals of the Company.
Laopi Farm	1. Manage tea production digitally to achieve the food safety and traceability management goals. 2. Continue optimizing the mechanical operation mode for the farm to improve the quality and quantity of the tea leaves. 3. Continue optimizing the automated tea production lines to improve the quality of the output and reduce the cost. 4. Adjust and modify services on an ongoing basis to ensure customer satisfaction.

III. The Company's future development strategy

The Company's future operating strategy will focus on the sustainable development of our tea business, continuous investment in building tea leaf safety systems and optimizing manufacturing process management, and development of the leisure industry with tea ecology and tea culture as the cores by taking advantage of our abundant land assets and tea-related knowledge and technology. With regard to our business, we will actively distribute products with high-added values through marketing channels in order to increase industrial opportunities and benefits.

As for management of assets, the Company will keep on making use of and developing the land to improve its value and disposing of unused land lots by collecting rentals to increase the revenue. In addition, we will also carefully assess our land resources to determine the land-use level of the land: Land with good conditions for development will be developed for operation progressively according to market trends within the scope of the national land planning policy; for land with low potential for development, we will formulate business plans to use the land as locations for developing our recreational business; land with good productivity will be included in our agricultural production bases to expand the planting and production plans of the Company's main tea farming business. We hope to create long-term asset values for the Company by effectively using each level of land.

Our management team will work together to deliver great execution, maintain a flexible response mechanism and demonstrate competitive advantages according to the formulated industrial strategy.

IV. Impacts of the external competitive environment, regulatory environment and overall business environment

(I) Asset business:

The Company owns a extensive area of land. Our non-urban land is mostly the land for agricultural, grazing and forestry use. The applicable laws and regulations impose a lot of restrictions on land for forestry use. In addition to afforestation, the Company has also formulated relevant plans to respond to one of the most important

issues in the current stage with the government, namely "how to use ecological forest environments more effectively, develop a complex business of forestry, agriculture and grazing beneath canopies, and increase the willingness of forest owners for forest management without affecting tree growth, disturbing forests, using chemical fertilizer and agricultural pesticide, such as the production of forest by-products beneath the canopies of the forest on their own land for forestry use or legal land for forestry use based on the principles of not destroying the environment and structure of forests while maintaining the appearance of the forests and forestry functions." This opportunity also allows us to use our land for different purposes other than afforestation.

Global climate change has gradually affected our living environment. To develop in line with the development trend of the world, we expect to achieve the goal of net zero emissions in 2050. The discussion of the carbon credit is sensitive to the companies in Taiwan. Many people make inquiries about where they can buy the carbon credit or whether their green projects can be converted to income through the carbon credit. In addition to investing resources in the research of this topic, we try to find out the most appropriate way to apply for the forest carbon credit and the most effective platform for forest carbon credit and sink trades. By doing so, we may make a contribution to the environment and have a long-term stable credit sink income.

(II) Land development business:

1. External competitive environment

The COVID-19 pandemic has become mitigated this year and the competent authority has lifted the restrictions gradually. The dynamics of the market demand and industrial development are reflected in the use of the land, including the increased demand and supply of land lots and factory buildings in the traditional industries, hi-tech industries, and storage and logistics industries. More related industries have gradually enhanced their deployment. These provide

a considerable supporting force for the supply markets and the new land exploration projects.

In response to the recovery of the industries, the scale of the business and the implementation schedule of each business item should be assessed and adjusted for the leisure business development and recreational locations of the Company in the hope of reducing the real investment risk in the fluctuation of the economic environment.

Currently, other than areas designated by the strategic industries or relevant economic development plans managed and recommended by the government, the development modes of domestic land can be classified, by distribution, as the urban-living area for residence and consumption; the industrial district for manufacturing, assembling, storage and shipping; the leisure community for recreation in mountains, forests, rivers and the ocean. These development modes correspond to buildings, industrial plants or recreational spots, respectively, in a large-scale land development scheme. In general, the development of urban land is targeted. As for non-urban land or hillsides away from cities and outskirts, due to the conditions, traffic accessibility, schedules, economic benefits and environment protection regarding land development, the overall cost is much less competitive than the cost of developing urban land, whether subjectively or objectively. As long as a detailed assessment for the plan of non-urban land or hillside development is completed with the help of precise market positioning, this kind of development projects may obtain relative competitive conditions.

2. Regulatory environment

(1) Impacts of amendment to the Regulations on Non-urban Land Use Control on development deadlines

The Company's large-scale development projects for which a development permit has been acquired in the current phase include 1) the Sanyi Industrial and Commercial Complex; 2) the Industrial and Commercial Complex to the North of the Tongluo Science Park; 3) the Residential Complex to the North of the

Tongluo Science Park; 4) Zhongming Recreation Area in Yuchi. According to the definition specified in Article 23 of the "Regulations on Non-urban Land Use Control" amended and announced by the Construction and Planning Agency, Ministry of the Interior on November 28, 2016, the implementation period of non-urban land development projects that have been approved for development shall be 10 years. In other words, the effective period of the development permit acquired starts from November 30, 2016, the date on which the amendment to the Regulations became effective, and ends on November 30, 2026. If building constructions or business registration have not been completed after the expiration date, the original permit of the project will become invalid, and the land converted into construction land will revert to agricultural or forestry use.

In response to the "Regulations on Non-urban Land Use Control" established by the Construction and Planning Agency, Ministry of the Interior, we have completed preliminary works of the projects of the Sanyi Industrial and Commercial Complex, and the Residential Complex and Industrial and Commercial Complex to the North of the Tongluo Science Park, including the miscellaneous construction with respect to soil and water conservation, public equipment construction, and the coordination and construction works of five main utilities. Also, the conversion into land for construction use and the land registration were completed. We will continue to cooperate and negotiate with investors for the business operation and plan to launch these projects for sale or seek for solicitation for mutual operation within the time frame in order to create actual business profits and expand the business of the Company.

(2) Impacts of the Spatial Planning Act on the control of land use

The Construction and Planning Agency, Ministry of the Interior announced the "Spatial Planning Act" on January 6, 2016 which is the supreme law with respect to national spatial planning. The Act specifies the main directions and goals

regarding the sustainable development of the land, including responding to climate change issues, ensuring land conservation, conserving the natural environment and cultural assets, facilitating reasonable allocation of recourses and industries, reinforcing the land integration management mechanism, restoring environmentally sensitive areas and damaged land.

City/county governments have enforced their "City/County Spatial Planning" and defined four types of functional zones including environmental conservation zones, marine resource zones, agricultural development zones and urban-rural development zones which are further classified into eighteen categories. The government implements land management through land zoning and classification. The defined zones and categories will not be easily changed.

Our land is mostly slope land that is non-urban land. To follow the basic principle of the Spatial Planning and fulfill our corporate responsibility of maintaining local environments, mountain conservation areas with abundant creatures will be zoned as environmental conservation zones to strictly control the land, implement environmental conservation, forbid land development and facility installment in the hope to ensure land conservation and restore damaged areas in a long term manner. With the goal of ensuring the total yield of agricultural land and self-sufficient in food production, land for agricultural production will be zoned as agricultural development zones to maintain and improve the environment of agricultural production and agricultural infrastructures, actively conserve the land for the production, storage and sales of food and crops, and implement the strategy of "Agri-land for Agricultural Usage" to thoroughly cancel the conversion of agricultural land into different usages, providing the maintenance and management of agricultural land can be strengthened. With regard to the Agri-land for Agricultural Usage strategy, the Company will be oriented towards the development of diversified agriculture to create recreational agricultural locations and build agricultural

production facilities so as to maximize the benefits from the use of land while maintaining the agricultural production environment.

Within the frame of the Spatial Planning, a permission system for the use of land resources will replace the applicable development permission system. The new permission system allows using land for approved purposes with respect to functional zones without changing the land zoning, which will reduce the issues of disordered and sprawling land development in cities, land use fragmentation, and damaged environments. In the future, large-scale development projects that have been submitted for inclusion into the scope of national spatial development and have obtained permission within a certain timeframe are allowed for development within the planned period while land that is not included in any development zone will be subject to the land use guidance of its original functional zone.

3. Overall business environment

As ecological-environmental consciousness is getting more and more attention, and relevant laws and regulations become increasingly strict, our land development direction will be oriented towards large-scale development projects which will be promoted and carried out according to the frame of the Spatial Planning. As for the implementation of the projects, we invest professional teams, technology, personnel and material resources in order to smoothly catch up with market trends after the projects are well-prepared and to help us confront rapidly changing trends in the market and the requirements for steady business development. For land with low potential for development, we continue to perform the policy of leisure industry development and agricultural facility expansion. In addition, the existing agricultural production plan remains for land suitable for agricultural production. The aforesaid projects and land assets are separately operated by the Company's different business departments to achieve the set goals for the development of our tea business.

(III) Marketing business:

1. We must grasp and respond to market information faster in response to rapid changes in the marketing environment, the demand of target customers, and various competitive brands.
2. As we need to comply with the increasingly strict food safety laws and regulations, manufacturing costs increase accordingly.
3. Since the Company features organic farming, natural farming and the materials from self-owned tea farms, we must enhance self-management to produce safe and authentic Taiwanese tea products for consumers.
4. Confronted with decreasing competitiveness as a result of the increasing costs of raw materials, personnel and R&D, we must integrate marketing budgets, effectively allocate resources and carry out market activities to raise the market shares of our brands.

(IV) Food safety issues:

Since consumers pay more and more attention on food safety issues, the Company not only adopts an actual food production policy of self-production, self-making and self-selling, but also actively introduces third-party supervision mechanisms to ensure quality, including adopting traceability certification for all tea farms, carrying out organic certification for organic tea farms, and conducting planting management in a quality agriculture manner. We use liquid fertilizer of aerobic fermentation to nourish crops and cultivate the trees in a vegetative cultivation manner to provide organic materials needed for the crops, improve the soil structure to minimize the impact of extreme weather on the crops, and thereby create a harmonious agricultural environment to produce quality products.

The rough and refinery processing factories of Laopi Tea Farm in Pingtung passed the “FSSC 22000", “ISO 22000:2018” and “HACCP" certification in 2021. Since the progress of new certification is affected by the COVID-19 pandemic, certified by the Rainforest Alliance in 2022 to implement the food safety control system, strictly control the process from raw material to product and conduct a hazard analysis, and implement control at important control points. The production is

ensured under preventive monitoring and management. All the products are subject to 481 multi-pesticide residue tests conducted by SGS, a third-party testing institution, to ensure compliance with national food safety regulations.

(V) "Five-Day Workweek" system and amendments to the relevant provisions of the Labor Standards Act:

Even though the amendments to the Labor Standards Act for labors to take more rest days are well-intentioned, the amendment is not a one-size-fits-all measure for all industries since their natures are different. As a result, there is no flexibility in working hours and work arrangement. Moreover, due to the different methods of paying overtime on rest days, annual leave days and national holidays, not only personnel costs but also management problems increase. Nonetheless, the Company has employed more full-time and part-time employees as a response measure according to the Labor Standards Act and the regulations of the Five-Day Workweek policy.

(VI) "Coronavirus" pandemic causing impacts on economic development, resulting in a serious challenge confronting corporate business:

In the beginning of 2020, the COVID-19 pandemic spread around the globe, leading to severe challenges facing all industries, our recreational stores and tea business especially. In response to the onslaught of COVID-19, protecting our employees and visitors is our top priority. We perform environmental cleaning and sterilization on a more regular basis, provide free masks for our front-line employees in the stores, provide or install automatic alcohol dispensers, purchase forehead thermometers and enforce body temperature measurement in offices, working areas in factories and business locations, and strictly follow the government's pandemic prevention rules. At the same time, to prevent the spread of the pandemic, we have planned to adopt measures such as internal video conferences and having a section of employees working at home to maintain the Company's operation, mitigate the industrial impact from the pandemic, and minimize relevant damages. In addition, the Company also encourages our employees to get vaccinated to improve their immunity and resist the virus and to be the advanced deployment for herd immunity after all

people in Taiwan are vaccinated. The Employee Welfare Committee of the Company also covers the one-year term pandemic insurance and vaccination insurance with Chung Kuo Insurance and Hotai Insurance (from 2021.06.17-2022.06.16; 2022.04.15-2023.04.15) for all employees, and employees who complete the probation period before 2022.04.14 are insured in order to protect their health. The Company will be a strong support behind our employees and fulfill the Corporate Social Responsibility.

To sum up, the Company has kept track of the development of domestic and foreign policies, changes in financial market volatility and relevant laws and regulations, collected related information as a reference for management decisions, and adjusted our business strategies.

Two. Company Profile

I. Date of incorporation

June 15, 1950

II. Company milestones

1899 "Mitsui & Co., Ltd.," the former name of Taiwan Tea Corporation, reclaimed a large area of land for tea farms in Haishan, Taipei and in Daxi, Hsinchu and established new black tea factories in Dabao, Daliao, Shuiliudong and Huangku to produce the well-known "Nittoh Black Tea."

1908 The Haishan Tea Factory was established as the largest tea factory in East Asia at that time.

1924 A branch factory of the Haishan Tea Factory was built in Daliao, Sanxia where the Northern Branch Office of Taiwan Tea Corporation is located.

1923 The "Dabao Tea Factory" was established in Chajiao village, Sanxia to produce Oolong Tea and Baozhong Tea. Afterward the Factory stopped producing Oolong Tea and Baozhong Tea and focused on black tea instead, namely the "Nittoh Black Tea."

At that time, there was an annual output of 0.6 million pounds of tea. The produced tea was packed in the "Mitsui's Taiwan Branch Office," transported to the Keelung Harbor and then re-exported to Europe by ships.

1928 Taiwan's black tea industry has thrived since the tea factories with modern machinery were established to actively develop black tea business.

1930 The "Wenshan Tea Factory" was built in Guishan.

1937 The Sun Moon Lake Black Tea was translated into the "Formosa Black Tea" to participate the London Tea Auction and received high recognition. The Tea was also one of the tributes to the emperor of Japan.

1946 Taiwan Tea Corporation was founded after reorganization. The tea production units originally owned by Mitsui Norin Co.,Ltd. were converted into (1) the North District Processing Factory; (2) the Wenshan Tea Factory; (3) the Haishan Tea Factory; (4) the Daliao Tea Factory; (5) the Daxi Tea Factory; (6) the Guanxi Tea Factory; (7) the Sanyi Tea Factory and (8) the Yuchi Tea Factory.

1950 Taiwan Tea Corporation was officially founded with four branches dedicated to the business of pineapple, aquaculture, animal husbandry and

tea leaves.

1955 The government implemented the policy of "Land to the Tiller" to privatize Taiwan Tea Corporation.

1986 The Company began to develop new business and conduct import and export trade, construction projects and building material marketing business.

1992 Chiao Tai Logistics Corp. and Great Construction System Inc. that specializes in curtain wall works were formed to develop diversified business.

1996 The Distribution Division, Beverage Division and Biotechnology Division were created to form a professional marketing team to realize international business goals.

2000 We invested Xinfa Biotechnology Co., Ltd. that cultivating and selling Butterfly Orchid.

2003 An organic tea seedling experimental area was established, and then passed the certification of the Tse-Xin Organic Agriculture Foundation in the following year, making it become the first organic-certified Assam tea garden in Taiwan.

Xinfa Biotechnology Co., Ltd. was renamed as Tai-Lin (台林) Biotech Inc.

2005 Tai-Lin (台林) Biotech Inc. merged with Tai-Ling (台霖) Biotech Inc. Tai-Lin (台林) Biotech Inc. was the dissolved company, and Tai-Ling (台霖) Biotech Inc. was the surviving company. The greenhouses in the Taiwan Orchid Plantation were completed, permitted for use, and officially launched in September of the year.

2006 The Yuchi Tea Factory located in the Sun Moon Lake became one of the "organic agricultural demonstration farms" of the Agriculture Foundation, Taipei.

This year marked the first year in which Tai-Ling (台霖) Biotech Inc. was out of red from its establishment.

2007 To improve existing tea farms, land, and tea factories, we have planned to establish complex tea factories and recreational farms combining industrial business and recreation.

2008 A trial run of the "Xiong Kong Tea Plantation" began. We actively prepared the "San Yi Recreational Tea Factory" and the "Daxi Tea Factory" near Cihu.

2009 The development of an Outlet in Sanyi covering an area of 26 hectares started. We expanded the scope of marketing packaged tea and actively sought to reach Chinese markets in the hope to create a sales platform in Mainland China.

2010 A "TTC Tea Store" was set up in the Pinglin Tea Museum to offer local quality tea around Taiwan and further create the brand of TTC Series through redesigned packages integrated with local culture. The "TTC Formosa Tea Cuisine Restaurant" offering meals with natural flavor and the "100TEA" shop providing light meals and tea were also opened in the Museum.

To build more greenhouses, Tai-Ling (台霖) Biotech Inc. rented an area of 49,500 square meters of land in the third phase planning of the Taiwan Orchid Plantation from the Tainan County Government.

Considering the overall operation, our entire shareholding in Chiao Tai Logistics Corp. was sold.

2011 To expand channels, we established "TTC Tea Stores" in Tianmu and Neihu, Taipei and in the Hakka Compound, Miaoli, and set up counters in the Mega City and Eslite Spectrum department stores in Taichung at the end of the year.

Tai-Ling (台霖) Biotech Inc. completed greenhouses for exporting to the US that covers an area of 17,820 square meters and obtained a permit for use of the greenhouses.

To pay back bank loans and reduce liabilities, NT$ 0.75 billion of guaranteed and non-guaranteed convertible corporate bonds were issued respectively at the end of April, and the offering was completed at the end of May.

2012 To provide consumers with safe tea products, tea factories introduced ISO systems and acquired "the food safety certificates of ISO22000 and HACCP."

We purchased B1, B2 and B3 business floor space in the Asiaworld Department Store to receive high yield rental income.

2013 The "Daliao Historical Tea House" and "Daxi Tea Factory" were put into operation. The "Daliao Historical Tea House" was the first tea industry and culture museum in New Taipei City. The "Daxi Tea Factory" was transformed into a tea factory used for tourism and educational purposes.

Tai-Ling (台霖) Biotech Inc. completed greenhouses for exporting to the US that covers an area of 7,920 square meters and obtained a permit for use of the greenhouses.

2014 To simplify the Company's business direction, the Company's entire shareholding in Tai-Ling (台霖) Biotech Inc. was sold.

2015 In addition to passing the Taoyuan Industry and Culture Museum Evaluation with a high score and thereby becoming the 24th tourist factory in Taoyuan City, the "Daxi Tea Factory" also won the first prize and the owner award under the category of "Old House Renovation" in the "Far Eastern Architectural Design Award."

The "Daxi Tea Factory" stood out from 377 tea factories participating in the "2015 Safe and Hygienic Tea Factory" evaluation organized by the Council of Agriculture, Executive Yuan and won the top "Five-Star Award" (Registry Number: H10001).

The Company successfully bid for an total area of 748.6 hectares of land (formerly the Typhone Laopi Tea Farm) in the Jhonglin Section and Longcyuan Section and paid the auction proceeds with accounts receivable. The land was planned to be used as the largest tea production base of the Company.

2016 The "Daliao Historical Tea House" passed the renewal audit of the New Taipei City Tourism Certification.

The "Tongluo Tea Factory" in Tongluo Township, Miaoli County was put into trial operation in July.

The Company participated in the Excellence in Corporate Social Responsibility Award of the CommonWealth Magazine for the first time and was ranked 13th under the Little Giant category of the "2016 Excellence in Corporate Social Responsibility Top 100."

We won the "Best Growth Award" in the "Visible Abilities with Unlimited Employment Opportunities" corporate model evaluation held by the Taipei City Government in 2016.

The Company completed the transfer in February of the ownership of the "Laopi Tea Farm" in Neipu Township, Pingtung County that was successfully bid in 2015.

2017 The new tea plantation for the first crop in the "Laopi Tea Farm" covers an area of 110.59 hectares. Tea tree saplings were planted in March 2017. Tea

planting for the second crop would begin in the fourth quarter.

The Company participated in the Sun Moon Lake Coffee Evaluation Contest, won the first and second places and thereby had a qualification to represent the Sun Moon Lake to contend for the national top 12 list in the 2018 competition.

We participated in the "2017 Quality Miaoli Black Tea Evaluation" and stood out from numerous competitors taking part in the evaluation by winning the top 9 awards, including the special prize, first prize, golden prize, silver prize, etc.

The Company participated in the Excellence in Corporate Social Responsibility Award of the CommonWealth Magazine in 2017 and once again achieved better results. We were ranked 10th under the Little Giant category.

The Company merged with its subsidiary, Tai Lin Investments Limited, by using a short-form merger. The merger record date was December 18, 2017. After the merger, the Company was the surviving company.

2018 For the second crop of tea in the "Laopi Tea Farm," an area of 130 hectares of land was planted with tea tree saplings in February 2018. Tea tree saplings were planted on a total area of 240hectares for the first and second crops. The planting of tea tree saplings for the third and fourth crops would begin year by year as scheduled. The construction of building the Laopi Tea Factory began in June 2018 and was expected to complete in 2019.

The Company has raised NT$ 0.2964 billion by a private placement of securities as of April.

Our "Daxi Tea Factory" passed the renewal audit to obtain another certificate valid for 3 years in May after being certified as a "Tourism Factory" by the Minister of Economic Affairs in 2015.

The Company won the Little Giant prize in the Excellence in Corporate Social Responsibility Award of the CommonWealth Magazine for three consecutive years.

2019 Tea planting for the third crop in the "Laopi Tea Farm" in Neipu, Pingtung was completed in the first quarter in 2019. A total land area of 324hectares was planted with tea tree saplings for the first to third crops.

Our Pingtung Branch Office was presented with the award of "2019 Excellent Unit Employing Workers with Disabilities in Pingtung County"

by the Pingtung County Government to acknowledge our efforts to actively employ disabled workers, which was in line with the government's policy.

Our "Daliao Historical Tea House" passed the renewal audit of the New Taipei City Tourism Certification with an excellent score. The "LuGao Cafe" located in Yuchi, Nantou was put into operation in August 2019. The outsourcing mode for the "Sun Moon Lake Antique Assam Tea Farm" in Yuchi, Nantou was suspended in November in the same year. We took back the Tea Farm and undertook the operation ourselves.

2020 The "Laopi Tea Farm" in Neipu, Pingtung, finished growing tea tree saplings in a total area of 452 hectares in the first quarter of 2020.

The Company was presented with a certificate of appreciation by "the UN Sustainable Development Goals Advisory Council of the Legislative Yuan" on October 16, 2020 in recognition of our long-term dedicated efforts in sustainable development works, which have provided positive impacts and leadership for the Taiwanese society.

2021 Our "Daxi Tea Factory" was certified as a "Tourism Factory" by the Minister of Economic Affairs in 2015, passed the renewal certification in 2018, and passed the reassessment in May this year to acquire the certificates for 3 years.

"Laopi Tea Farm" acquired the TAP certificate for the 462 hectares of tea farm in July this year.

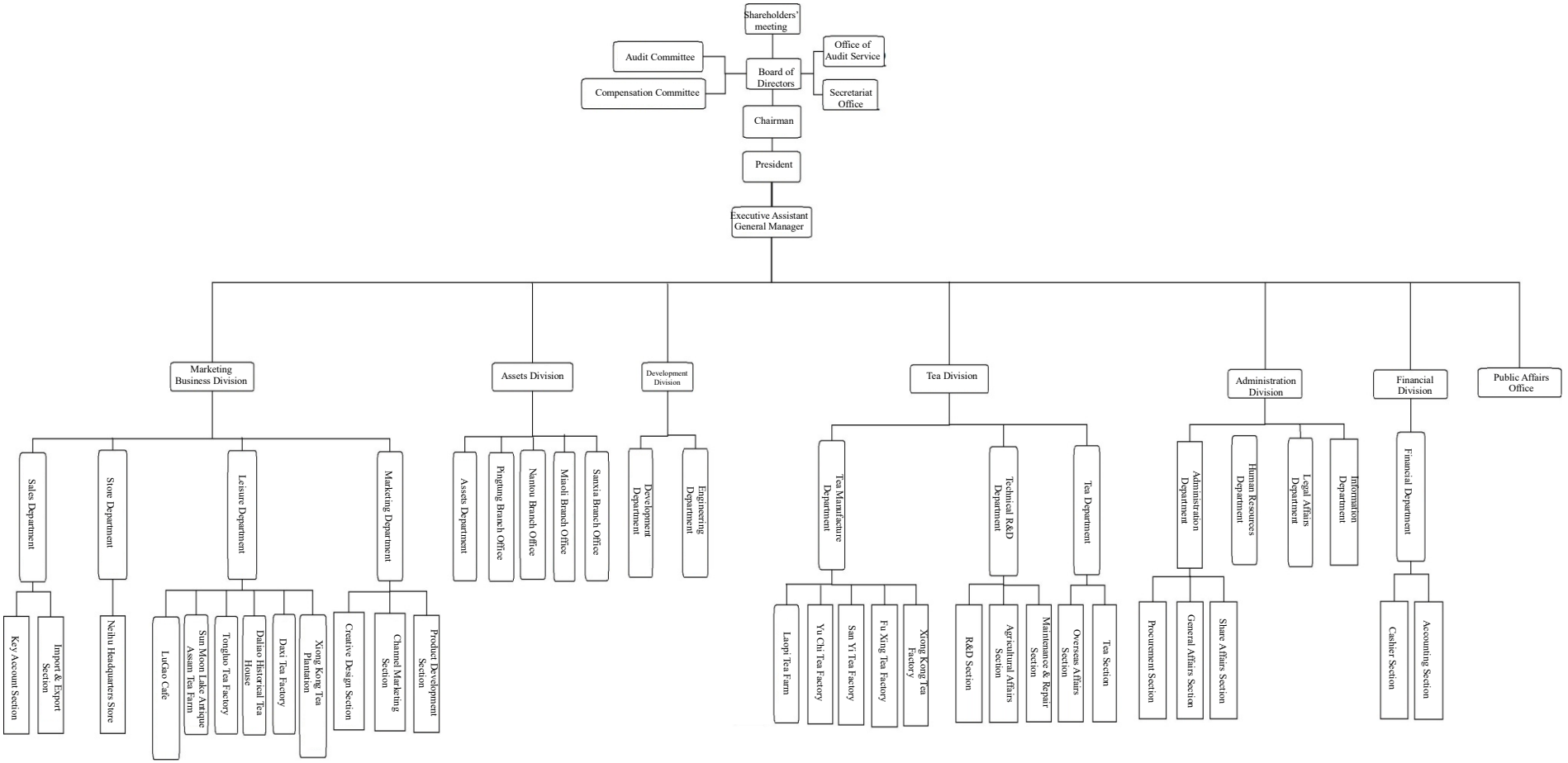
The Pingtung Branch Office of the Company won the special award in the "2021 Excellent Unit Employing Extra Indigenous People Award", demonstrating the endeavor of the Company in the employment of indigenous people.

2022 The "Laopi Tea Farm" in Neipu, Pingtung, received the RFA certificate successfully in March 2022.

Three.Report to Shareholders

I. Organization System

(I) Organizational system chart of Taiwan Tea Corporation



(II) Business of Individual Departments of Taiwan Tea Corporation

1. Direct subordinates:
   (1) Audit Office, Board of Directors: Responsible for supervision and audit of the Company's internal operation control matters.
   (2) Secretariat Office, Board of Directors: Responsible for the company's board of directors' agenda matters.
   (3) Public Affairs Division: Responsible for execution of all the Company's outward matters.
2. Logistics Center: Leading two units of Procurement Department and Asset Development Department
   (I) Procurement Department:
      (1) Procurement Section: Responsible for purchase matters of the Company.
      (2) Import & Export Section: Responsible for the import and export business of the Company.
   (II) Asset Development Department
      (1) Asset Section: Responsible for land assets management matters of the Company.
      (2) Development Section: Responsible for land development business of the Company.
3. Management Center: Supervise Administration Division and Financial Division.
   (I) Administration Division:
      (1) Administration Department:
      Including General Affairs Section and Share Affairs Section. The General Affairs Section is responsible for genera affairs as well as receiving and distribution matters; the Share Affairs Section is responsible for shareholders' share and account affairs.
      (2) Human Resources Department: Responsible for personnel, wage management, paperwork, and agenda matters.
      (3) Legal Affairs Department: Responsible for mattes on legal issues.
      (4) Information Department: Responsible for information related management and business matters.
   (II) Financial Division:
      (1) Accounting Department: Responsible for accounting and investment matters of the Company.
      (2) Financial Department: Responsible for finance management and cashier business.
4. Tourism & Sales Center: Leading three units of Marketing Business Division, Tourism & Leisure Business Division, and Tea & Channel Business Division.

(I) Marketing Business Division:
(1) Marketing Planning Department: Including Marketing Planning Section and Creative Design Section.
(2) E-commerce Department: Responsible for establishment and operation of the Company's e-commerce.

(II) Tourism & Leisure Business Division:
Leading six units of Sun Moon Lake Antique Assam Tea Farm, Daxi Tea Factory, Daliao Historical Tea House, Tongluo Tea Factory, LuGao Cafe, and Neihu Headquarters Store.

(III) Tea & Channel Business Division:
(1) Tea Sales Department: Responsible for tea sales business of the Company.
(2) Key Account Channel Department: Responsible for agency and commodity sale business of the Company.

5. Tea Manufacturing Center: Leading two units of Tea Manufacturing Division and Technical R&D Division.

(I) Manufacturing Division:
(1) Xiong Kong Tea Factory: Responsible for tea manufacture and production business.
(2) San Yi Tea Factory: Responsible for tea manufacture and production business.
(3) Yu Chi Tea Factory: Responsible for tea manufacture and production business.
(4) Laopi Tea Farm: Responsible for planting, production, and manufacture of tea as well as other agriculture related matters.

(II) Technical R&D Division: Responsible for planting, tending, and R&D of teas for the Company.
Including the quality and R&D of tea, technique pass-on, management of agricultural affairs, internal machine configuration, and process technique support.

II. Information about directors, the General Manager, Assistant General Managers, deputy assistant general managers and the heads of departments and branches

(I) Director and independent director

1. Information about the directors and independent directors of the 23rd Board of Directors

March 22, 2022

Title	Nationality or country of registration	Name	Gender / Age	Date elected (appointed)	Term	Date first elected	Shareholding when elected		Current shareholding		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in the Company or other companies	Other executives, directors or supervisors in a spousal relationship or within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Shares	Shareholding ratio %			Title	Name	Relation	
Chairman	Republic of China	Shan Young Assets Management Co., Ltd.	Not applicable.	2019.08.01	3 years	2019.08.01	94,072,000	11.91%	168,758,000	21.36%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Ching-Yuan Wu	Male 61-70				0	0	0	0	0	0	0	0	Master, Department of Architecture & Urban Planning Director of Sanyang Motor Co., Ltd. Vice Chairman of Sanyang Motor Co., Ltd. Chairman of Sanyang Motor Co., Ltd.	Chairman and General Manager of Sanyang Motor Co., Ltd. Chairman of Nan Yang Industrial Co Ltd. Chairman of Ching-Ta Investments Limited	Nil	Nil	Nil	
Director	Republic of China	Chin-Yen Lin	Female 61-70	2019.08.01	3 years	1996.3.27	17,500,000	2.22%	18,000,000	2.28%	0	0	0	0	Department of Accounting, Fu Jen Catholic University General Manager and Chairman of Taiwan Tea Corporation Chairman of Tai-Ling Biotech Inc. and Tai-Lin Investments Limited	Director of Chinese Products Promotion Center	Nil	Nil	Nil	
Director	Republic of China	DeChuan Development Ltd.	Not applicable.	2019.08.01	3 years	2012.06.05	2,720,000	0.34%	2,720,000	0.34%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Hsuan-Yu Liao Chen	Male 31-40				0	0	0	0	0	0	0	0	Master, College of Management, National Taiwan University Special Assistant to the Chairman of Taiwan Tea Corporation Supervisor of Taiwan Tea Corporation General Manager of VeeTIME Corp. Special Assistant to the Chairman & Trading Officer of Hwa Fong Rubber Ind. Co., Ltd. Chairman of Hwa Fong Rubber Ind. Co., Ltd. Chairman of Alibaba International Ltd. Chairman of DeChuan Development Ltd.	Executive Assistant General Manager of Taiwan Tea Corporation Director of VeeTIME Corp. Director of Hwa Fong Rubber Ind. Co., Ltd. Chairman of Alibaba International Ltd. Chairman of DeChuan Development Ltd.	Nil	Nil	Nil	
Director	Republic of China	Shan Young Assets Management Co., Ltd.	Not applicable.	2019.08.01	3 years	2019.08.01	94,072,000	11.91%	148,361,000	18.78%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Yu-Chang Huang	Male 51-60				0	0	0	0	0	0	0	0	Graduated from a vocational high school Managing Director of Sanyang Motor	Director of Sanyang Motor Co., Ltd.	Nil	Nil	Nil	

															Co., Ltd. Director of Sanyang Motor Co., Ltd.					
Director	Republic of China	WE-FU Investment Co., Ltd.	Not applicable.	2019.08.0	3 years	2019.08.01	8,199,000	1.04%	10,000,,000	1.27%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Managing Director of United Real-Estate Management Co., Ltd. Director of United Asset Management Co., Ltd. Director of Lung-Jih Construction Co., Ltd.	Managing Director of United Real-Estate Management Co., Ltd. Director of United Asset Management Co., Ltd. Director of Lung-Jih Construction Co., Ltd.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Chih-Kuang Yen	Male 41-50				0	0	0	0	0	0	0	0	Master, Columbia University, USA A jury member for the Taiwan Management Institute Master's Thesis Selection President of EO Tashiipei (2017~2018)(Entrepreneurs' Organization Taipei) Director and General Manager of Pu-Lai-Ssu Securities Investment Co., Ltd. Fund Manager of Invesco Securities Investment Trust Co., Ltd. Analyst of Core Pacific Securities Co., Ltd.	Chairman of WE-FU Investment Co., Ltd. Vice Chairman of Kainan University Vice Chairman of Taipei Kai-Nan Vocational High School Director and General Manager of United Real-Estate Management Co., Ltd. Director of United Asset Management Co., Ltd. Director of United Construction Co., Ltd. Director of Unicon Optical Co., Ltd.	Nil	Nil	Nil	
Director	Republic of China	AN-MEI Investment Co., Ltd.	Not applicable.	2019.08.0	3 years	2016.09.29	7,017,428	0.89%	7,017,428	0.89%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil	Not applicable.	Not applicable.	Not applicable.	
		Representative: Shiou-Chyi Lin (Note 1)	Male 61-70				1,200,000	0.15%	1,200,000	0.15%	439,000	0.06%	0	0	Department of Geosciences, National Taiwan University General Manager and Chairman of Oriental Silicas Corporation Chairman of AN-MEI Investment Co., Ltd.	Director, General Manager and Chairman of Oriental Silicas Corporation Director of OSC (Shanghai) Trading Co., Ltd. Chairman of AN-MEI Investment Co., Ltd. Chairman of OSC Siam Silica Co., Ltd. Chairman Chairman of FengTai Industrial Co., Ltd. Chairman of Nanji Chemical Co., Ltd. Director of Lianji Chemical Industry Co., Ltd. Director of Jiangsu Debang Chemical Industry Group Co.,Ltd.	Nil	Nil	Nil	
Director	Republic of China	YSC-MARKETING CO., LTD.	Not applicable.	2019.08.01	3 years	2019.08.01	20,000,000	2.53%	20,000,000	2.53%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Wei-Lin Shao	Male 41-50				0	0	0	0	0	0	0	0	Department of Chemical Engineering, National Cheng Kung University Chairman of Vitalon Foods Co., Ltd. and Chairman of Vitalon Foundation	Chairman of Vitalon Foods Co., Ltd. Chairman of YSC-MARKETING CO., LTD. Chairman of Douball Tea International Co., Ltd. Director of YEC Biotechnology Co., Ltd.	Nil	Nil	Nil	
Director	Republic of China	Global International Investment Co., Ltd.	Not applicable.	2019.08.01	3 years	2014.06.20	18,481,000	2.34%	18,481,000	2.34%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Ling-Chi	Female				210,000	0.03%	157,000	0.02%	2,237,000	0.28%	0	0	Master, University of Illinois at Urbana-Champaign	Chairman of Global International Investment Co., Ltd.	Director representative	Chia-Min Chang	Sister and brother	

		Chang	41-50												Special Assistant to the Chairman of Global Interactive Technologies Corporation Chairman of Global International Investment Co., Ltd. Director of Taiwan Tea Corporation	Chairman of CHAINTEK CORPORATION Director of Thinche Co., Ltd.	of juridical person			
Director	Republic of China	Global International Investment Co., Ltd.	Not applicable.	2019.08.01	3 years	2014.06.20	18,481,000	2.34%	18,481,000	2.34%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Lien-Kai Chan (Note 3)	Male 51-60				0	0	0	0	0	0	0	0	Provincial San-Chung Commercial and Industrial Vocational High School Managing Director of Taiwan Tea Corporation	Director of Hsu-Feng Asset Management Co., Ltd. Chairman of Health-Elite Technology Co., Ltd.	Nil	Nil	Nil	
Director	Republic of China	Chou Chin Industrial Co., Ltd.	Not applicable.	2019.08.01	3 years	2019.08.01	15,298,000	1.94%	21,215,000	2.69%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Shih-Kai Lei (Note 2)	Male 61-70				0	0	0	0	0	0	0	0	Department of Landscape Architecture, Tunghai University Special Assistant to the Chairman of Parkview Group	Nil	Nil	Nil	Nil	
Independent Director	Republic of China	Sheng-Tsheng Lee	Male 51-60	2019.08.01	3 years	2016.09.29	0	0	0	0	0	0	0	0	Master, Institute of China Studies, National Sun Yat-sen University Bachelor of Laws, College of Law and Business, National Chung Hsing University Judge and Division-Chief Judge of Taiwan Taitung District Court Judge of Taiwan Kaohsiung District Court	Convener of the Audit Committee of Taiwan Tea Corporation Convener of the Compensation Committee of Taiwan Tea Corporation Partner of Yuan,Chen & Partners Attorneys-at-Law Director of Taiwan Styrene Monomer Corporation Independent Director of D-Link Corporation Independent Director of Tatung Co., Ltd.	Nil	Nil	Nil	
Independent Director	Republic of China	Chung-Ho Sung	Male 41-50	2019.08.01	3 years	2019.08.01	0	0	0	0	0	0	0	0	Master, Institute of Law, Central Police University Doctor, Institute of Crime Prevention and Corrections, Central Police University Prosecutor of Taiwan Hsinchu District Prosecutors Office Head of Chung - Ho International Law Office	Member of the Audit Committee of Taiwan Tea Corporation Member of the Compensation Committee of Taiwan Tea Corporation Head of Chung - Ho International Law Office	Nil	Nil	Nil	
Independent Director	Republic of China	Li-Chi Yeh	Male 31-40	2019.08.01	3 years	2019.08.01	0	0	0	0	0	0	0	0	Master, College of Law, University of Southern California Lawyer of Yeh Li Chi Law Office	Member of the Audit Committee of Taiwan Tea Corporation Member of the Compensation Committee of Taiwan Tea Corporation Lawyer of Yeh Li Chi Law Office Senior Lawyer of Formosan Brothers Attorneys-at-Law	Nil	Nil	Nil	

Note 1: The Director was elected as a director of Taiwan Tea Corporation as a natural person for the first time on June 13, 2008.
Note 2: Chou Chin Industrial Co., Ltd. reappointed Shih-Kai Lei as the representative to replace Lien-Kai Chan on November 12, 2021.
Note 3: Shin Shih Shin Investment Co., Ltd. reappointed Lien-Kai Chan as the representative to replace Chia-Ming Chang on November 24, 2021.

II. Information about directors, the General Manager, Assistant General Managers, deputy assistant general managers and the heads of departments and branches

(I) Director and independent director

1. Information about the directors and independent directors of the 24th Board of Directors

April 14, 2023

Title	Nationality or country of registration	Name	Gender / Age	Date elected (appointed)	Term	Date first elected	Shareholding when elected		Current shareholding		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in the Company or other companies	Other executives, directors or supervisors in a spousal relationship or within the second degree of kinship			Remarks (Note 1)
							Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Shares	Shareholding ratio %			Title	Name	Relation	
Chairman	Republic of China	Shan Young Assets Management Co., Ltd.	Not applicable.	2022.05.20	3 years	2019.08.01	168,758,000	21.36%	218,761,000	27.69%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
		Representative: Ching-Yuan Wu	Male 61-70				0	0	0	0	0	0	0	0	Master, Department of Architecture & Urban Planning Director of Sanyang Motor Co., Ltd. Vice Chairman of Sanyang Motor Co., Ltd. Chairman of Sanyang Motor Co., Ltd.	Chairman and General Manager of Sanyang Motor Co., Ltd. Chairman of Nan Yang Industrial Co Ltd. Chairman of Ching-Ta Investments Limited	Director	Hui-Hsin Wu	Father and daughter	
Director	Republic of China	Chin-Yen Lin	Female 61-70	2022.05.20	3 years	1996.3.27	18,000,000	2.28%	17,200,000	2.18%	0	0	0	0	Department of Accounting, Fu Jen Catholic University General Manager and Chairman of Taiwan Tea Corporation Chairman of Tai-Ling Biotech Inc. and Tai-Lin Investments Limited	Vice Chairman of Taiwan Tea Corporation	Nil	Nil	Nil	
Director	Republic of China	Shan Young Assets Management Co., Ltd.	Not applicable.	2022.05.20	3 years	2012.06.05	168,758,000	21.36%	218,761,000	27.69%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Chun-Houei Hsieh	Male 71-80				0	0	0	0	0	0	0	0	Department of Mechanical Engineering, National Cheng Kung University Sales Engineer, Plant Manager, General Manager, Chairman of CTE TECH CORP.	Chairman of CTE TECH CORP.	Nil	Nil	Nil	
Director	Republic of China	Shan Young Assets Management Co., Ltd.	Not applicable.	2022.05.20	3 years	2019.08.01	168,758,000	21.36%	218,761,000	27.69%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Yu-Chang Huang	Male 51-60				0	0	0	0	0	0	0	0	Graduated from a vocational high school Managing Director of Sanyang Motor Co., Ltd. Director of Sanyang Motor Co., Ltd.	Director of Sanyang Motor Co., Ltd.	Nil	Nil	Nil	
Director	Republic of China	WE-FU Investment Co., Ltd.	Not applicable.	2022.05.20	3 years	2019.08.01	10,000,000	1.27%	10,000,,000	1.27%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Managing Director of United Real-Estate Management Co., Ltd. Director of United Asset Management Co., Ltd.	Managing Director of United Real-Estate Management Co., Ltd. Director of United Asset Management Co., Ltd.	Not applicable.	Not applicable.	Not applicable.	

														Director of Lung-Jih Construction Co., Ltd.	Director of Lung-Jih Construction Co., Ltd.				
		Representative: Chih-Kuang Yen	Male 41-50				0	0	0	0	0	0	0	0	Master, Columbia University, USA A jury member for the Taiwan Management Institute Master's Thesis Selection President of EO Tashiipei (2017~2018)(Entrepreneurs' Organization Taipei) Director and General Manager of Pu-Lai-Ssu Securities Investment Co., Ltd. Fund Manager of Invesco Securities Investment Trust Co., Ltd. Analyst of Core Pacific Securities Co., Ltd.	Chairman of WE-FU Investment Co., Ltd. Vice Chairman of Kainan University Vice Chairman of Taipei Kai-Nan Vocational High School Director and General Manager of United Real-Estate Management Co., Ltd. Director of United Asset Management Co., Ltd. Director of United Construction Co., Ltd. Director of Unicon Optical Co., Ltd.	Nil	Nil	Nil	
Director	Republic of China	YSC-MARKETING CO., LTD.	Not applicable.	2022.05.20	3 years	2019.08.01	20,000,000	2.53%	20,000,000	2.53%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Wei-Lin Shao	Male 41-50				0	0	0	0	0	0	0	0	Department of Chemical Engineering, National Cheng Kung University Chairman of Vitalon Foods Co., Ltd. and Chairman of Vitalon Foundation	Chairman of Vitalon Foods Co., Ltd. Chairman of YSC-MARKETING CO., LTD. Chairman of Douball Tea International Co., Ltd. Director of YEC Biotechnology Co., Ltd.	Nil	Nil	Nil	
Director	Republic of China	Chou Chin Industrial Co., Ltd.	Not applicable.	2022.05.20	3 years	2019.08.01	15,298,000	1.94%	21,215,000	2.69%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	
		Representative: Shih-Kai Lei (Note 2)	Male 61-70 61-70				0	0	0	0	0	0	0	0	Department of Landscape Architecture, Tunghai University Special Assistant to the Chairman of Parkview Group.	Nil	Nil	Nil	Nil	
Independent Director	Republic of China	Sheng-Tsheng Lee	Male 51-60	2022.05.20	3 years	2016.09.29	0	0	0	0	0	0	0	0	Master, Institute of China Studies, National Sun Yat-sen University Bachelor of Laws, College of Law and Business, National Chung Hsing University Judge and Division-Chief Judge of Taiwan Taitung District Court Judge of Taiwan Kaohsiung District Court	Convener of the Audit Committee of Taiwan Tea Corporation Convener of the Compensation Committee of Taiwan Tea Corporation Partner of Yuan,Chen & Partners Attorneys-at-Law Director of Taiwan Styrene Monomer Corporation Independent Director of D-Link Corporation Independent Director of Tatung Co., Ltd.	Nil	Nil	Nil	
Independent Director	Republic of China	Chung-Ho Sung	Male	2022.05.20	3 years	2019.08.01	0	0	0	0	0	0	0	0	Master, Institute of Law, Central Police University Doctor, Institute of Crime Prevention and Corrections, Central Police University	Member of the Audit Committee of Taiwan Tea Corporation Member of the Compensation Committee of Taiwan Tea	Nil	Nil	Nil	

			41-50											Prosecutor of Taiwan Hsinchu District Prosecutors Office Head of Chung - Ho International Law Office	Corporation Head of Chung - Ho International Law Office				
Independent Director	Republic of China	Li-Chi Yeh	Male 31-40	2022.05.20	3 years	2019.08.01	0	0	0	0	0	0	0	0	Master, College of Law, University of Southern California Lawyer of Yeh Li Chi Law Office	Member of the Audit Committee of Taiwan Tea Corporation Member of the Compensation Committee of Taiwan Tea Corporation Lawyer of Yeh Li Chi Law Office Senior Lawyer of Formosan Brothers Attorneys-at-Law	Nil	Nil	Nil	
Independent director	Republic of China	Sen-Jung Wang	Male 51-60	2022.05.20	3 years	202.05.20	0	0	0	0	0	0	0	0	Ph.D. in Criminal Law, China University of Political Science and Law Taiwan Tainan and Kaohsiung District Prosecutors' Offices / public procurator Managing Attorney of Classic And Superior Attorneys at Law Independent director of Kuo Toong International Co.Ltd. Director of Bioptik Technology, Inc.	Member of the Audit Committee of Taiwan Tea Corporation Member of the Compensation Committee of Taiwan Tea Corporation Managing Attorney of Classic And Superior Attorneys at Law Director of Bioptik Technology, Inc Independent Director of Kuo Toong International Co., Ltd. Director of Tong-Hsing Enterprise Co., Ltd. Independent director of Xxentria Technology Materials Co., Ltd.	Nil	Nil	Nil	

Note 1: If the Chairman, General Manager or personnel with equivalent positions (senior managerial officers) are the same person, have spouse relationship, or are relatives within the first degree of kinship, the reason, rationality, necessity and countermeasures (including increasing independent director seats and more than 2/3 of directors who do not concurrently serve as employees or managerial officers) thereof shall be explained. The operating efficiency will be improved with the Chairman acting currently as the President. Countermeasure: The number of independent directors was changed from 3 to 4 seats through the reelection at the shareholders' meeting on May 20, 2022. A half of the directors are not currently employees or managerial officers.

2. Major shareholders of the corporate shareholder

(2-1) Major shareholders of the corporate shareholder

April 30, 2023

Names of corporate shareholders	Major shareholders of the corporate shareholder	
	Shareholder	Shareholding ratio
Shan Young Asset Management Co., Ltd.	Sanyang Motor Co., Ltd.	100.00%
WE-FU Investment Co., Ltd.	Wen-Lung Yen	37.60%
	Li-Chih Yen Chen	29.25%
	Chih-Kuang Yen	9.00%
	Chih-Yu Yen	9.00%
	Wei-Guo Construction Co., Ltd.	8.66%
	Wen-Tse Yen	3.58%
	Tai-Hsuan Hsia	1.50%
	United Real-Estate Management Co., Ltd.	1.19%
	Hsueh-E Chang	0.30%
YSC-MARKETING CO., LTD.	Vitalon Foods Co., Ltd.	98.00%
	Wei-Lin Shao	1.00%
	Hsin-Hui Shao	1.00%
Chou Chin Industrial Co., Ltd.	China Man-Made Fiber Corporation	46.81%
	Da-Fa Investment Co., Ltd.	27.10%
	Yu-Hui Co., Ltd.	11.19%
	Pan-Xu Investment Co., Ltd.	3.86%
	De-Xing Investment Co., Ltd.	2.50%
	Pan Asia Investment Co., Ltd.	0.80%
	Chou Chang Co., Ltd.	0.68%
	Cheng-Chi Asset Management Co., Ltd.	0.22%
	Mega Securities Co., Ltd.	0.19%
	Shu-Fen Chang	0.18%

Note 1: If the directors or supervisors are the representatives of corporate shareholders, their names should be provided.

Note 2: The names of the major shareholders (Top 10 shareholders in terms of shareholding ratio) of the corporate shareholder and their shareholding ratio shall be provided. Table 2 below shall be filled out if the major shareholder is a corporate entity.

Note 3: Where the entity shareholder is not a corporation, the name of the shareholder and shareholding ratio that shall be disclosed shall be the name and funding or donation ratio of the funder or donor (which may be inquired from the announcement of the Judicial Yuan). Where the donor has passed away, the note, “deceased,” shall be added.

(2-2) Major shareholders if they are corporate entities

April 30, 2023

Names of corporate shareholders (Note 1)	Major shareholders of the corporate shareholder (Note 2)	
	Shareholder	Shareholding ratio
Sanyang Motor Co., Ltd.	Taiyo Investment Limited	6.88%
	Chuan-Yuan Investment Co., Ltd.	5.94%
	Bestford Investment Limited.	5.75%
	Regent Way Investment Limited	3.76%
	Qian-Jing Investment Limited	3.66%
	Ding Jue Investment Co., Ltd.	2.53%
	Ching-Yung Wu	2.52%
	Hong-Bo Investment Limited	2.25%
	Chuang-Fu Development Consultants Co., Ltd	2.14%
	Li-Chu Wu	2.14%
Wei-Guo Construction Co., Ltd.	Li-Chih Yen Chen	0.07%
United Real-Estate Management Co., Ltd.	WE-FU Investment Co., Ltd.	75.02%
	Wei-Guo Construction Co., Ltd.	23.68%
Vitalon Foods Co., Ltd.	Rui-Lin Asset Management Limited	16.21%
	Chen-Li Hsu	9.88%
	Hsun-Ying Hsu	9.25%
	Chu-Pin Hsu	7.04%
	Te-Feng Kao	6.53%
	Han-Chieh Wu	5.57%
	Yu-Chieh Wu	5.57%
	Hsien-Kuang Wu	5.27%
	Pang-Chieh Chen	5.10%
	I-Lin Chen	3.32%
China Man-Made Fiber Corporation	Pan Asia Chemical Corp.	15.51%
	Sheen Ren Knitting Factory Co., Ltd.	4.36%
	Chou Chin Industrial Co., Ltd.	3.65%
	Pan Asia Investment Co., Ltd.	3.11%
	China Man-Made Fiber Investment Co., Ltd.	2.61%
	Vanguard FTSE Emerging Markets Index ETF investment account held in trust by J.P. Morgan Chase, Taipei Branch	1.19%
	iShares Core MSCI Emerging Markets ETF (IEMG) investment account held in trust by the	1.03%

Names of corporate shareholders (Note 1)	Major shareholders of the corporate shareholder (Note 2)	
	Shareholder	Shareholding ratio
	Business Department of Standard Chartered Bank (Taiwan) Limited	
	Yu-Hui Co., Ltd.	0.98%
	Advanced General ETF investment account held in trust by J.P. Morgan Chase, Taipei Branch	0.94%
	De-Xing Investment Co., Ltd.	0.69%
Da-Fa Investment Co., Ltd.	Yu-Hui Co., Ltd.	99.25%
	Kuei-Hsien Wang	0.75%
Yu-Hui Co., Ltd.	Kuei-Hsien Wang	99.99%
	Chia-Ying Shen	0.01%
Pan-Xu Investment Co., Ltd.	Yu-Hui Co., Ltd.	100.00%
De-Xing Investment Co., Ltd.	China Man-Made Fiber Corporation	100.00%
Pan Asia Investment Co., Ltd.	Yu-Hui Co., Ltd.	47.42%
	Da-Fa Investment Co., Ltd.	42.63%
	General Pride Enterprise Co., Ltd.	9.44%
	Kuei-Hsien Wang	0.51%
Chou Chang Co., Ltd.	Chou Chin Industrial Co., Ltd.	48.57%
	Pan Asia Investment Co., Ltd.	36.39%
	De-Xing Investment Co., Ltd.	14.78%
	Ge-Lin Co., Ltd.	0.19%
	Yu-Hui Co., Ltd.	0.05%
	Chung-Tien Hsu	0.01%
	Yun-Lung Chen	0.01%
	Chien-Feng Huang	0.00%
	Yung-Chu Liu	0.00%
	Yu-Feng Wang Lai	0.00%
Cheng-Chi Asset Management Co., Ltd.	I-Wen Chen	23.08%
	I-Sheng Lin	21.79%
	Yen-Ju Wu	17.95%
	Mei-Hsiu Cho	7.69%
	Jung-Pin Lin	7.69%
	Hung-Pin Liao	7.69%
	Mei-Hui He	5.13%
	Chen-Hsiang Cheng	5.13%
	Wei-Min Cho	2.56%
	Jung Sheng Tseng	1.28%

Names of corporate shareholders (Note 1)	Major shareholders of the corporate shareholder (Note 2)	
	Shareholder	Shareholding ratio
Mega Securities Co., Ltd.	Mega Financial Holding Company	100%

Note 1: If the major shareholders in Table 1 are corporations, their names shall be provided.
Note 2: The names of the major shareholders (Top 10 shareholders in terms of shareholding ratio) of the corporation and their shareholding ratio shall be provided.
Note 3: The data are provided by corporate shareholders or come from the 2021 annual reports of listed companies and the company registration data provided by the Department of Commerce, MOEA.

3. Disclosure of the information on the professional qualifications of directors and supervisors and the independence of independent directors:

Conditions / Name		Profession qualifications and experiences (Note 1)	Independence (Note 2)	Number of other public companies where the director concurrently serves as an independent director
Chairman	Shan Young Assets Management Co., Ltd. Representative: Ching-Yuan Wu	Practical operation and management experience in land development, construction, and assets. The current chairman of the Company and Sanyang Motor Co., Ltd. The chairman does not meet any of the conditions specified in Article 30 of the Company Act.		0
Director	Chin-Yen Lin	Practical operation and management experience in financial and accounting affairs, land development, assets, leisure business, and tea business. Former chairman and general manager of the Company and the chairman of Tai-Ling Biotech.,Inc. The director does not meet any of the conditions specified in Article 30 of the Company Act.		0
Director	Shan Young Asset Management Co., Ltd. - Representative: Chun-Houei Hsieh	Practical operation and management experience in business administration, marketing, and financial and accounting affairs. The current chairman of CTE TECH CORP. The director does not meet any of the conditions specified in Article 30 of the Company Act.		0

Name \ Conditions		Profession qualifications and experiences (Note 1)	Independence (Note 2)	Number of other public companies where the director concurrently serves as an independent director
Director	Shan Young Assets Management Co., Ltd. Representative: Yu-Chang Huang	Practical experience in land development, construction, and assets. The current director of Sanyang Motor Co., Ltd. The director does not meet any of the conditions specified in Article 30 of the Company Act.		0
Director	WE-FU Investment Co., Ltd. Representative: Chih-Kuang Yen	Practical operation and management experience in financial management, marketing, and land development. The current chairman of WE-FU Investment Co., Ltd. and the general manager of United Real-Estate Management Co., Ltd. The director does not meet any of the conditions specified in Article 30 of the Company Act.		0
Director	YSC-MARKETING CO., LTD. Representative: Wei-Lin Shao	Practical operation and management experience in business administration, financial and accounting affairs, marketing, tea business, and biotechnology. The current chairman of Vitalon Foods Co., Ltd. and YSC-MARKETING CO., LTD. The director does not meet any of the conditions specified in Article 30 of the Company Act.		0

Conditions / Name		Profession qualifications and experiences (Note 1)	Independence (Note 2)	Number of other public companies where the director concurrently serves as an independent director
Director	Chou Chin Industrial Co., Ltd. Ltd. Representative: Shih-Kai Lei	Practical experience in operation and management as well as landscape and leisure business. The director does not meet any of the conditions specified in Article 30 of the Company Act.		0
Independent director	Sheng-Tsheng Lee	Professional qualifications for a judge and lawyer and practical experience in the direct supervision of the financial officer, accounting officer, responsible accountant, and internal chief auditor of a listed company. Experience: Judge and Division-Chief Judge of Taiwan Taitung District Court, chairman of Ju Long Bao Co., Ltd., supervisor of Taiwan Styrene Monomer Corporation, director of Bank of Kaohsiung, and a member of the Company's first Audit Committee. The current partner of Yuan,Chen & Partners Attorneys-at-Law and the independent director of D-Link Corporation and Tatung Co., Ltd. The independent director does not meet any of the conditions specified in Article 30 of the Company Act.	Compliance with independence requirement, including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; not acting as a director, supervisor or employee of the Company or any company having a specific relation with the Company, or not providing the Company or any of its affiliated company with any commerce, law, finance, accounting services and receiving compensation in the most recent two years.	3

Conditions / Name		Profession qualifications and experiences (Note 1)	Independence (Note 2)	Number of other public companies where the director concurrently serves as an independent director
Independent director	Chung-Ho Sung	Professional qualifications for a public procurator and lawyer. The former prosecutor of Fuchien Kinmen and Taiwan Hsinchu District Prosecutors Offices. The current head of Chung - Ho International Law Office The independent director does not meet any of the conditions specified in Article 30 of the Company Act.	Compliance with independence requirement, including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; not acting as a director, supervisor or employee of the Company or any company having a specific relation with the Company, or not providing the Company or any of its affiliated company with any commerce, law, finance, accounting services and receiving compensation in the most recent two years.	0

Conditions / Name		Profession qualifications and experiences (Note 1)	Independence (Note 2)	Number of other public companies where the director concurrently serves as an independent director
Independent director	Li-Chi Yeh	Professional qualifications for a lawyer. The former legal specialist of New Omni Bank, N.A. for credit loan affairs. The current lawyer of Yeh Li Chi Law Office and senior lawyer of Formosan Brothers Attorneys-at-Law The independent director does not meet any of the conditions specified in Article 30 of the Company Act.	Compliance with independence requirement, including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; not acting as a director, supervisor or employee of the Company or any company having a specific relation with the Company, or not providing the Company or any of its affiliated company with any commerce, law, finance, accounting services and receiving compensation in the most recent two years.	0

Conditions / Name		Profession qualifications and experiences (Note 1)	Independence (Note 2)	Number of other public companies where the director concurrently serves as an independent director
Independent director	Sen-Jung Wang	Professional qualifications for a public procurator and lawyer. The former Taiwan Tainan and Kaohsiung District Prosecutors' Offices / public procurator, Managing Attorney of Classic And Superior Attorneys at Law, independent director of Kuo Toong International Co.Ltd., director of Bioptik Technology, Inc. The current Managing Attorney of Classic And Superior Attorneys at Law, director of Bioptik Technology, Inc., independent director of Kuo Toong International Co.Ltd., independent director of Xxentria Technology Materials Co., Ltd. The director does not meet any of the conditions specified in Article 30 of the Company Act.	Compliance with independence requirement, including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; not acting as a director, supervisor or employee of the Company or any company having a specific relation with the Company, or not providing the Company or any of its affiliated company with any commerce, law, finance, accounting services and receiving compensation in the most recent two years.	2

Note 1: Professional qualifications and experiences: Describe the professional qualifications and experiences of individual directors. For the directors who are members of the Audit Committee and specialize in accounting or financial affairs, describe their accounting or financial background and work experience, including whether the matters referred to in Article 30 of the Company Act do not exist.

Note 2: As for the independent directors, describe the compliance with the independence requirements including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; the number of shares held by the independent director, the spouse or any relative within the second degree of kinship (or in the name of others) and the percentage of the

shareholding; whether any of them acts as a director, supervisor or employees of the company having a specific relation with the Company (refer to Subparagraph 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the compensation for providing the Company or any of its affiliated company with any commerce, law, finance, accounting services in the most recent two years.

4. Diversification and independence of the Board of Directors

(1) Diversification of the Board of Directors: Describe the diversified policy, goal and implementation situation of the Board of Directors. The diversified policy includes but is not limited to the director election standard, required professional qualifications and experiences of the director, and composition or percentage in respect of gender, age, nationality and culture. Describe the concrete goals of the Company and the implementation situation with respect to the aforementioned policy.

A. Structure of the Board of Directors:

The Company's Board of Directors shall give instructions on the strategies of the Company, supervise the management, be responsible to the shareholders' meeting and for all the matters and arrangements related to the corporate governance of the Company, ensure that the Board of Directors exercises its power pursuant to the requirements of laws, regulations, Articles of Incorporation, and resolutions adopted at the shareholders' meeting.

The members of the Board of Directors shall be diversified. The number of the directors serving concurrently as the managerial officers of the Company shall not exceed one-third of the total directors. The Board of Directors shall draw up appropriate diversification guidelines based on its operation, the business operation type, and the development of the Company, including but not limited to the following two major criteria:

1. Basic conditions and values: Gender, age, nationality, culture, etc.
2. Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing, law or environment), professional skills and industry experience.

The board of directors shall have the knowledge, technique, and quality needed for the implementation of their duties. To achieve the ideal goals of the corporate governance, the Board of Directors shall overall have the following abilities:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. International market perspective.
7. Leadership ability
8. Decision-making ability.

(2) The concrete management goals of the diversified policy of the Board of Directors, and the achievement status:

A. Concrete management goals

The Company is dedicated to the development of the tea business and related recreational business. We have nearly 3,720 hectares of land assets. The concrete management goals of the Board's diversified policy requires that at least 1/3 of the directors must have tea-related experience, at least 1/3 of the directors must have the experience in the development of land assets, and at least 1/3 of them have experience in tourism and leisure business; at least 1/3 of the independent directors shall be specialized or have experience in law, finance and accounting and at least one director shall be female.

Concrete management goal	Achievement
At least one director is female	Achieved
At least 1/3 of the directors have tea-related experience	Achieved
At least 1/3 of the directors have the experience in the development of land assets	Achieved
No more than 1/3 of the directors serve concurrently as managerial officers	Achieved
At least 1/3 of the independent directors are specialized or have experience in law, finance and accounting	Achieved

To comply with the industry nature and enhance the competency of the Board of Directors, apart from having

professional knowledge in business management, finance and accounting, law, environment protection, and marketing for the selection of the Company's Board, the Company also hope that the candidates have the industry experience related to the business of the Company, such as tea, land assets, and tourism and leisure. There are currently 11 directors in the Company's Board of Directors and 1 of them is female, occupying 1/11 of the total number of directors. There are 7 non-independent directors and 1 of them is managerial officers (general manager). The number of directors serving concurrently as the managerial officers of the Company occupies 1/7 of the non-independent directors. There are 4 independent directors. 1 of them has a seniority of 6 to 7 years and 2 of them has a seniority of more than 3 years. The other 1 independent director is newly elected for the current term.

Among the selected directors of the current term, there are 7 directors with the experience in land asset development, accounting for 7/11 of the total number of directors; there are 7 directors with the experience in the tea industry, accounting for 7/11 of the total number of directors; and there are 8 directors with the experience in tourism and leisure, accounting for 8/11 of the total number of directors. 1 director is female and the number of the independent directors achieves the goal. It has reached the expectation of diversified and meeting the operation demand for the selection of directors. The reelection of the directors in 2022 has complied with "Corporate Governance 3.0" in advance by adding an independent director to further improve the operation and competency of the Board of Directors.

The implementation of the diversified Board of Directors of the Company is shown in the table below:

B. The Diversified Policy of the Board of Directors and the Associated Implementation Situation:

Title	Name	Gender and nationality		Professional background	Professional knowledge & skills					Industry experience		
		Gender	Nationality	Education	Business management ability	Finance Accounting	Law	Environment	Marketing	Tea	Land assets	Tourism & leisure
Chairman	Ching-Yung Wu	Male	Taiwan	Master, Department of Architecture & Urban Planning	✓	✓		✓	✓		✓	

Director	Chin-Yen Lin	Female	Taiwan	Department of Accounting, Fu Jen Catholic University	✓	✓			✓	✓	✓	✓
Corporate director Representative	Chun-Houei Hsieh	Male	Taiwan	Department of Mechanical Engineering, National Cheng Kung University	✓	✓			✓		✓	
Director representative of juridical person	Yu-Chang Huang	Male	Taiwan	Graduated from a vocational high school	✓	✓		✓	✓		✓	
Director representative of juridical person	Chih-Kuang Yen	Male	Taiwan	Master, Columbia University, USA	✓	✓			✓		✓	
Director representative of juridical person	Wei-Lin Shao	Male	Taiwan	Department of Chemical Engineering, National Cheng Kung University	✓	✓			✓	✓		✓
Director representative of juridical person	Shih-Kai Lei	Male	Taiwan	Department of Landscape Architecture, Tunghai University	✓	✓			✓		✓	
Independent director	Sheng-Tsheng Lee	Male	Taiwan	Master, Institute of China Studies, National Sun Yat-sen University Bachelor of Laws, College of Law and Business, National Chung Hsing University	✓	✓	✓		✓	✓	✓	✓
Independent director	Chung-Ho Sung	Male	Taiwan	Master, Institute of Law, Central Police University Doctor, Institute of Crime Prevention and Corrections, Central Police University	✓	✓	✓		✓			
Independent director	Li-Chi Yeh	Male	Taiwan	Master, College of Law, University of Southern California	✓	✓	✓		✓			
Independent director	Sen-Jung Wang	Male	Taiwan	Ph.D. in Criminal Law, China University of Political Science and Law	✓	✓	✓		✓			

Note: 1. Industry experience includes the tea industry, leisure and tourism industry, and land development business related to the Company.

2. For more information about the election of the directors for the current term, please refer to Pages 57~59 of the Annual Report.

3. For the information on the attendance of the directors at the Board of Directors meeting, please refer to Page 90~91 of the annual report.

(3) Independence of the Board of Directors:

Describe the number and percentage of the independent directors and the independence of the Board of Directors, and explain with

reasons whether the matters referred to in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act do not exist, including describing the relationship of a spouse or a relative within the second degree of kinship between the directors, supervisors of a director and a supervisor.

There are currently 11 directors on the Company's Board of Directors including 7 non-independent directors and 4 independent directors. The number of independent directors occupies 1/3 of the total directors and meets the requirements of "the number of independent directors shall not be less than one-third of the directors" required by the "Corporate Governance 3.0" to be promoted by the competent authority in the future.

There is no relationship of a spouse or a relative within the second degree of kinship between the directors of the current (23rd) and the 24th Board of Directors. (Please refer to Pages 54~56 and Pages 57~59 of the annual report: Information about the directors and independent directors of the 23rd and 24th Board of Directors.)

5.Succession plan for Board members and major management

(1) Succession plan for Board members:

The Company has comprehensive top management associate programs. We have many senior managerial officers having the management and professional capabilities needed to act as directors. We also search for external professional talents to make preparation for the succession of the directors. As for independent directors, they must have the experience in commerce, law, finance, accounting or other work experienced needed for the business of the Company as required by law. We widely look for the people who may act as independent directors of the Company and take them into account in the selection of our independent directors.

(2) Succession plan for major management:

The management at the level of director and above is major management of the Company; the management at the level of manager or assistant manager is the middle management. As for the successors of the management, in addition to outstanding professional and

management capabilities, their values must be compliant with the philosophies of the Company. They shall have the personality traits of ethical management, responsibility, initiative and team work, and good communication and coordination capability, judgement and execution. Middle management is trained to become deputies of top management by dealing with routine matters and taking different training programs. The training provided for the successors of the management includes internal and external training on management competency and adjustment of jobs in order to comprehensively train them for their decision-making capability needed to act as top management. In 2022, 2 persons were promoted to Assistant Manager and Manager, respectively, and 4 persons were promoted to the leading position of centers (directors). By doing so, we train the talents who have the potential to become middle and top managerial officers.

(II) Information about the General Manager, Assistant General Managers, deputy assistant general managers and the heads of departments and branches

April 14, 2023

Title (Note 1)	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shares held by spouse and minor children		Shares held in the names of others		Educational background and experience (Note 2)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
President	Republic of China	Ching-Yung Wu	Male	2022.06.01 (Note 3)	0	0.00%	0	0.00%	0	0.00%	Master, Department of Architecture & Urban Planning Director of Sanyang Motor Co., Ltd. Vice Chairman of Sanyang Motor Co., Ltd. Chairman of Sanyang Motor Co., Ltd.	Chairman and General Manager of Sanyang Motor Co., Ltd. Chairman of Nan Yang Industries Co., Ltd. Chairman of Ching-Ta Investments Limited	Nil	Nil	Nil	
Public Affairs Office Assistant General Manager and the Manager and Spokesperson of Pingtung Branch Office	Republic of China	Li-Chuan Kao	Male	2019.08.12 (Note 4)	1,000	0.00%	0	0.00%	0	0.00%	Department of Accounting, Fu Jen Catholic University CEO of Chung-Tai Capital Co., Ltd. Accounting Section Manager, Manager of Investment Management Department, and Director of Sanyang Motor Co., Ltd.	Nil	Nil	Nil	Nil	
Supervisor and Director of Logistics Center	Republic of China	Hui-Hsin Wu	Female	2022.07.01	0	0.00%	0	0.00%	0	0.00%	Department of Nutrition, Chung Shan Medical University Master, Institute of Food Science and Technology, National Taiwan University Special Assistant to the Chairman of Sanyang Motor Co., Ltd. Special Assistant to the Assistant General Manager of Taiwan Tea Corporation	Special Assistant to the Chairman of SANYANG MOTOR CO., LTD.	General Manager	Ching-Yung Wu	Father and daughter	
Acting manager of Management Center, Director of Administration Division and Manager of Human Resources Department, Secretary of Board of Directors.	Republic of China	Chia-Hui Wan	Female	2008.08.19 (Note 5)	195,000	0.02%	0	0.00%	0	0.00%	Department of History, National Taiwan University Secretary to the General Manager and to the Chairman, and the Section Chief of the Administration Department, Assistant Manager, and Manager of Taiwan Tea Corporation	Nil	Nil	Nil	Nil	
Director of Tourism & Sales Center, Director of Tourism & Leisure Business Division, Director of Marketing Planning Business Division	Republic of China	Hsien-Chi Shih	Male	2022.07.01	0	0.00%	0	0.00%	0	0.00%	Master, Department of New Media and Communication Administration, Ming Chuan University Doctor of advertising major, Communication University of China General Manager of EPOCH ENERGY TECHNOLOGY CORP President of CHEUNG KONG Hutchison Holdings Limited	Nil	Nil	Nil	Nil	
Administration Division, Management Center Assistant Manager of Information Department	Republic of China	Wen-Hao Niu	Male	2012.07.01	0	0.00%	3,000	0.00%	0	0.00%	Department of Traffic Engineering and Management, Feng Chia University Information Officer and Section Manager of Taiwan Tea Corporation	Nil	Nil	Nil	Nil	

Director of Financial Division, Management Center	Republic of China	Ming-Li Hsu	Male	2022.11.14	13,000	0.00%	0	0.00%	0	0.00%	Master in Accounting, Chung Yuan Christian University Senior Manager of the Financial and Accounting Center, Alpha Networks Inc. Project manager of Executive Office, Sanyang Motor Co., Ltd.	Nil	Nil	Nil	Nil	
Financial Division, Management Center Manager of Accounting Department	Republic of China	Ya-Fan Hsu	Female	2022.11.09	0	0.00%	0	0.00%	0	0.00%	Department of Accounting, Yu Da College of Business Section Chief and Assistant Manager of Financial Department of Taiwan Tea Corporation	Nil	Nil	Nil	Nil	
Director of Asset Development Department and Chief of Asset Section, Logistics center Manager of Sanxia Branch Office	Republic of China	Yi-Chiang Lin	Male	2016.04.01 (2015.02.01) (Note 6)	0	0.00%	0	0.00%	0	0.00%	Department of Horticulture, National Taiwan University Technician, Section Manager, Assistant Manager and Manager of Taiwan Tea Corporation	Nil	Nil	Nil	Nil	
Manager of Asset Section, Asset Development Department, Logistics center	Republic of China	Tzu-Lun Li	Female	2013.04.19	10,000	0.00%	0	0.00%	0	0.00%	Ging Chung Business College Section Assistant, Section Manager and Assistant Manager of Assets Department of Taiwan Tea Corporation	Nil	Nil	Nil	Nil	
Asset Development Department, Logistics Center Manager of Miaoli Branch Office under Asset Section	Republic of China	Pei-Wen Hsu	Female	2022.04.12	18,632	0.00%	0	0.00%	0	0.00%	Department of Business Administration, Vanung University Assistant and Clerk of Stock Affairs Department; Section Assistant, Section Chief and Assistant Manager of Assets Department of Taiwan Tea Corporation	Nil	Nil	Nil	Nil	
Procurement Department, Logistics Center Assistant Manager of Import & Export Section	Republic of China	Chun-Lan Yu	Female	2007.01.22	1,000	0.00%	0	0.00%	0	0.00%	Kai Ming Senior Technical and Commercial Vocational School Senior Officer of Motive Power Industry Co., Ltd. Section Chief of Taiwan Tea Corporation	Nil	Nil	Nil	Nil	
Acting Supervisor of Tea Manufacturing Center Director of Production & Manufacturing Division	Republic of China	Chih-Min Teng	Male	2009.05.06 (Note 7)	0	0.00%	0	0.00%	0	0.00%	Department of Electronics, Chien-Hsin Industrial College Assistant Manager, Manager, and Special Assistant to the Chairman of Taiwan Tea Corporation	Nil	Nil	Nil	Nil	

Note 1: It shall include the information about the general manager, assistant general managers, deputy assistant general managers, the heads of departments and branches, and personnel with positions equivalent to the general manager, assistant general managers or deputy assistant general managers. Regardless of titles, the relevant information shall be disclosed.
Note 2: It refers to any experience relevant to the current position of the personnel. If the personnel was an employee in the Company's CPA firm or any affiliate of the Company during the foregoing period, the title and duties of the position shall be clearly described.
Note 3: He was appointed as the General Manager by resolution at the Board of Directors meeting on June 1, 2022.
Note 4: The Board of Directors resolved to appoint Li-Chuan Kao to concurrently serve as the manager of the Pingtung Branch Office from March 01, 2021 on January 21, 2021.
Note 5: Chia-Hui Wan: She was appointed as the secretary to the Board of Directors on August 19, 2008, was appointed to concurrently serve as the manager of the Human Resources Department on June 22, 2012, and was promoted to the director of the Administration Division on January 01, 2017. She was promoted to the acting supervisor of the Management Center on July 1, 2021.
Note 6: Yi-Chiang Lin was appointed to concurrently serve as the manager of the Sanxia Branch Office on April 01, 2006 and was promoted to the director of the Assets Division on February 01, 2015. He was also appointed as the director of the Asset Development Division on July 1, 2022.
Note 7: Chih-Min Teng was appointed to serve as the manager of the Tea Division on May 6, 2009 and was promoted to the director of the Tea Division on October 1, 2018. He was further promoted to the acting supervisor of the Tea Manufacturing Center on July 1, 2022.

III. Remuneration to directors, supervisors, the General Manager and Assistant General Managers in the most recent year

(I) Remuneration to the directors and independent directors of the 23rd and 24th Board of Directors

December 31, 2022; Unit: NT$ thousand

Title	Name	Remuneration to directors								The sum of A, B, C and D and the ratio to net income after tax (Note 10)		Remuneration to directors holding a concurrent position as employee								The sum of A, B, C, D, E, F and G and the ratio to net income after tax (Note 10)		Remuneration from invested businesses other than subsidiaries or from the parent company (Note 11)
		Compensation (A) (Note 2)		Retirement pension (B)		Director remuneration (C) (Note 3)		Business execution fee (D) (Note 4)				Salaries, bonuses and special allowances (E) (Note 5)		Retirement pension (F)		Employee remuneration (G) (Note 6)						
																The Company		All companies in the financial statements (Note 7)				
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	Cash bonus	Stock bonus	Cash bonus	Stock bonus	The Company	All companies in the financial statements	
Chairman	Shan Young Assets Management Co., Ltd. Representative: Ching-Yuan Wu	4,993	4,993	-	-	-	-	60	60	5,053 (0.3054)%	5,053 (0.3054)%	-	-	-	-	-	-	-	-	5,053 (0.3054)%	5,053 (0.3054)%	Nil
Director	Chou Chin Industrial Co., Ltd. Representative: Shih-Kai Lei	-	-	-	-	-	-	60	60	60 (0.0037)%	60 (0.0037)%	-	-	-	-	-	-	-	-	60 (0.0037)%	60 (0.0037)%	Nil
Director	YSC-MARKETING CO., LTD. Representative: Wei-Lin Shao	-	-	-	-	-	-	60	60	60 (0.0037)%	60 (0.0037)%	-	-	-	-	-	-	-	-	60 (0.0037)%	60 (0.0037)%	Nil
Director	Global International Investment Co., Ltd. Representative: Ling-Chi Chang	-	-	-	-	-	-	20	20	20 (0.0012)%	20 (0.0012)%	-	-	-	-	-	-	-	-	20 (0.0012)%	20 (0.0012)%	Nil
Director	Global International Investment Co., Ltd. Representative: Lien-Kai Chan	-	-	-	-	-	-	20	20	20 (0.0012)%	20 (0.0012)%	-	-	-	-	-	-	-	-	20 (0.0012)%	20 (0.0012)%	Nil
Director	Chin-Yen Lin	-	-	-	-	-	-	60	60	60 (0.0037)%	60 (0.0037)%	4,880	4,880	-	-	-	-	-	-	4,940 (0.3021)%	4,940 (0.3021)%	Nil
Director	DeChuan Development Ltd. Representative: Hsuan-Yu Liao Chen	-	-	-	-	-	-	20	20	20 (0.0012)%	20 (0.0012)%	692	692	-	-	-	-	-	-	712 (0.0435)%	712 (0.0435)%	Nil
Director	WE-FU Investment Co., Ltd. Representative: Chih-Kuang Yen	-	-	-	-	-	-	60	60	60 (0.0037)%	60 (0.0037)%	-	-	-	-	-	-	-	-	60 (0.0037)%	60 (0.0037)%	Nil
Director	Shan Young Assets Management Co., Ltd. Representative: Yu-Chang Huang	-	-	-	-	-	-	60	60	60 (0.0037)%	60 (0.0037)%	-	-	-	-	-	-	-	-	60 (0.0037)%	60 (0.0037)%	Nil
Director	AN-MEI Investment Co., Ltd. Representative: Shiou-Chyi Lin	-	-	-	-	-	-	20	20	20 (0.0012)%	20 (0.0012)%	-	-	-	-	-	-	-	-	20 (0.0012)%	20 (0.0012)%	Nil
Director	Shan Young Assets Management Co., Ltd. Representative: Chun-Houei Hsieh	-	-	-	-	-	-	40	40	40 (0.0024)%	40 (0.0024)%	-	-	-	-	-	-	-	-	40 (0.0024)%	40 (0.0024)%	Nil
Independent director	Sheng-Tsheng Lee	720	720	-	-	-	-	60	60	780 (0.0447)%	780 (0.0447)%	-	-	-	-	-	-	-	-	780 (0.0447)%	780 (0.0447)%	Nil
Independent director	Chung-Ho Sung	720	720	-	-	-	-	60	60	780 (0.0447)%	780 (0.0447)%	-	-	-	-	-	-	-	-	780 (0.0447)%	780 (0.0447)%	Nil
Independent director	Li-Chi Yeh	720	720	-	-	-	-	60	60	780 (0.0447)%	780 (0.0447)%	-	-	-	-	-	-	-	-	780 (0.0447)%	780 (0.0447)%	Nil

Independent director	Sen-Jung Wang	444	444	-	-	-	-	40	40	484 (0.0296)%	484 (0.0296)%	-	-	-	-	-	-	-	-	484 (0.0296)%	484 (0.0296)%	Nil
1. Please describe the policy, system, standard and structure of remuneration payment for independent directors and specify the correlation with the remuneration payment amount based on their responsibility, risks taken by them, and their involvement: Please refer to Pages 85~89 in this annual report. 2. Except for what is disclosed in the above table, the remuneration paid to the Company's directors for providing services to all the companies included in the financial statements (such as assuming a non-employee advising post in the parent company, all companies in the financial statements, and reinvestment business) in the most recent year: None.																					

* 1: The representative of Global International Investment Co., Ltd., Ling-Chi Chang, Lien-Kai Chan, the representative of DeChuan Development Ltd., Hsuan-Yu Liao Chen, and the representative of An-Mei Investment Co., Ltd., Hsiu-Chi Lin were dismissed upon expiry of the term of office on May 20, 2022.

2: The directors of the 24th Board of Directors were elected on May 20, 2022. The representative of Shan Young Asset Management Co., Ltd., Chun-Houei Hsieh and the Independent Director Sen-Jung Wang were newly elected Board members.

Remuneration Range for Directors

Remuneration range for directors of the Company	Name of Director			
	Sum of the first 4 remuneration items (A+B+C+D)		Sum of the first 7 remuneration items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Below NT$ 1,000,000	Shih-Kai Lei- Chou Chin, Wei-Lin Shao - YSC, Ling-Chi Chang - Global International Investment, Lien-Kai Chan- Global International Investment, Chin-Yen Lin, Hsuan-Yu Liao Chen - DeChuan, Chih-Kuang Yen - WE-FU, Yu-Chang Huang - Shan Young, Chun-Houei Hsieh- Shan Young, Shiou-Chyi Lin - AN-MEI Investment, Sheng-Tsheng Lee, Chung-Ho Sung, Li-Chi Yeh, Sen-Jung Wang	Shih-Kai Lei- Chou Chin, Wei-Lin Shao - YSC, Ling-Chi Chang - Global International Investment, Lien-Kai Chan- Global International Investment, Chin-Yen Lin, Hsuan-Yu Liao Chen - DeChuan, Chih-Kuang Yen - WE-FU, Yu-Chang Huang - Shan Young, Chun-Houei Hsieh- Shan Young, Shiou-Chyi Lin - AN-MEI Investment, Sheng-Tsheng Lee, Chung-Ho Sung, Li-Chi Yeh, Sen-Jung Wang	Shih-Kai Lei- Chou Chin, Wei-Lin Shao - YSC, Ling-Chi Chang - Global International Investment, Lien-Kai Chan- Global International Investment, Chih-Kuang Yen - WE-FU, Yu-Chang Huang - Shan Young, Chun-Houei Hsieh- Shan Young, Shiou-Chyi Lin - AN-MEI Investment, Sheng-Tsheng Lee, Chung-Ho Sung, Li-Chi Yeh, Sen-Jung Wang	Shih-Kai Lei- Chou Chin, Wei-Lin Shao - YSC, Ling-Chi Chang - Global International Investment, Lien-Kai Chan- Global International Investment, Chih-Kuang Yen - WE-FU , Yu-Chang Huang - Shan Young, Chun-Houei Hsieh- Shan Young, Shiou-Chyi Lin - AN-MEI Investment, Sheng-Tsheng Lee, Chung-Ho Sung, Li-Chi Yeh, Sen-Jung Wang
NT$ 1,000,000 (inclusive) ~ NT$ 2,000,000 (exclusive)				
NT$ 2,000,000 (inclusive) ~ NT$ 3,500,000 (exclusive)				
NT$ 3,500,000 (inclusive) ~ NT$ 5,000,000 (exclusive)	Ching-Yuan Wu - Shan Young	Ching-Yuan Wu - Shan Young	Ching-Yuan Wu - Shan Young, Chin-Yen Lin	Ching-Yuan Wu - Shan Young, Chin-Yen Lin
NT$ 5,000,000 (inclusive) ~ NT$ 10,000,000 (exclusive)				
NT$ 10,000,000 (inclusive) ~ NT$ 15,000,000 (exclusive)				
NT$ 15,000,000 (inclusive) ~ NT$ 30,000,000 (exclusive)				
NT$ 30,000,000 (inclusive) ~ NT$ 50,000,000 (exclusive)				
NT$ 50,000,000 (inclusive) ~ NT$ 100,000,000 (exclusive)				
More than NT$ 100,000,000				
Total	15 persons	15 persons	15 persons	15 persons

Note 1: Directors' names shall be listed separately, and the information on directors and independent directors shall also be listed separately.(For corporate shareholders, the names of the corporate shareholder and its representatives shall be listed separately.) All payments shall be stated in an aggregated manner. Any director who concurrently serves as the General Manager or Assistant General Manager shall be disclosed in this table and in Table (3-1) or Tables (3-2-1) and (3-2-2) below.
Note 2: It refers to the remuneration paid to the director in the most recent year (including director salaries, allowances, severance pay, various bonuses and incentives, etc.).
Note 3: It represents the amount of directors' remuneration resolved for distribution by the Board of Directors in the most recent year.
Note 4: It refers to business execution fees (including travel allowances, special allowances, subsidies, accommodation, corporate vehicle and other in-kind benefits) paid to the director in the most recent year. Where housing, cars, vehicles, or personal allowances are granted, the nature and cost of assets provided, the rental calculated based on the actual or fair value, the cost of petrol and other subsidies shall be disclosed. Where any personal driver is allocated, please make a footnote explaining the salary paid to the driver. However, the salary shall not be counted as part of the compensation paid to the director.
Note 5: It refers to any salary, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles and in-kind benefits that the director received in the most recent year for assuming the role of an employee of the Company (such as the General Manager, Assistant General Manager, or any other managerial officer or employee). Where housing, cars, vehicles, or personal allowances are granted, the nature and cost of assets provided, the rental calculated based on the actual or fair value, the cost of petrol and other subsidies shall be disclosed. Where any personal driver is allocated, please make a footnote explaining the salary paid to the driver. However, the salary shall not be counted as part of the compensation paid to the director. Any salary expenses recognized according to IFRS2 "Share-based Payment," including employee share options, restricted employee shares and the shares subscribed in capital increases in cash, shall be stated as remuneration.
Note 6: It refers to any remuneration that the director received (in cash or in shares) in the most recent year for assuming the role of an employee (such as the General Manager, Assistant General Manager, or any other managerial officer or employee). The amount of employee remuneration resolved for distribution by the Board of Directors in the most recent year shall be disclosed. Where the amount can not be estimated, it shall be calculated based on the actual amount paid last year, and Table 1-3 shall be completed.
Note 7: The total amount of remuneration paid to the Company's directors by all the companies (including the Company) included in the consolidated financial statements shall be disclosed. (The Company no longer prepares consolidated financial statements from 2019.)
Note 8: Each director's name is disclosed in the range corresponding to the total amount of remuneration paid by the Company to the director.
Note 9: Each director's name shall be disclosed in the range corresponding to the total amount of remuneration paid by all the companies (including the Company) included in the consolidated financial statements to the director.
Note 10: Net income after tax refers to that in the most recent year. If IFRSs have been adopted, net income after tax shall refer to that in the individual or separate financial statements in the most recent year.
Note 11: a. Any remuneration received by the director from invested businesses other than subsidiaries or from the parent company shall be clearly stated in the field. (If there was no such remuneration, the word "None" shall be placed in the field.)
b. If the director has received any remuneration from invested businesses other than subsidiaries or from the parent company, the remuneration received by the director therefrom shall belong to Column I in the Remuneration Range table, and Column I shall be renamed "Parent company and all invested businesses."
c. Remuneration refers to any returns, compensation (including employee, director and supervisor compensation) and business execution fees received by the Company's directors for serving as the directors, supervisors or managerial officers of invested businesses other than subsidiaries or of the parent company.
* The basis of the remuneration disclosed in this table is different from the basis of the Income Tax Act; hence the table was prepared solely for information disclosure and not for tax purposes.

(II) Remuneration to the General Manager and Assistant General Managers

December 31, 2022; Unit: NT$ thousand

Title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and special allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				The sum of A, B, C and D and the ratio to net income after tax (%) (Note 8)		Remuneration from invested businesses other than subsidiaries or from the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Cash bonus	Stock bonus	Cash bonus	Stock bonus			
General Manager	Ching-Yung Wu	0	0	0	0	0	0	0	0	0	0	0	0	Please refer to Page 78 of this annual report for more details
General Manager	Chin-Yen Lin	1,500	1,500	0	0	250	250	0	0	0	0	1,750 (0.0001)%	1,750 (0.0001)%	Please refer to Page 78 of this annual report for more details
Executive Assistant General	Hsuan-Yu Liao Chen	690	690	0	0	210	210	0	0	0	0	900 (0.0001)%	900 (0.0001)%	Please refer to Page 78 of this annual report for more details
Assistant General Manager	Ling-Chu Liu	1,320	1,320	54	54	300	300	0	0	0	0	1,674 (0.0001)%	1,674 (0.0001)%	Nil
Assistant General Manager	Li-Chuan Kao	2,023	2,023	106	106	0	0	0	0	0	0	2,129 (0.0001)%	2,129 (0.0001)%	Nil
Total		5,533	5,533	160	160	760	760	0	0	0	0	6,453 (0.0004)%	6,453 (0.0004)%	

∗1. The Board of Directors approved the appointment of Mr. Ching-Yung Wu as General Manager on June 1, 2022. Chairman Wu serves concurrently as the General Manager without receiving the salary for this position.

2. The former General Manager Chin-Yen Lin was promoted to the position of Vice Chairman at the 1st extraordinary meeting of the 24th Board of Directors on May 26, 2022. Her term of office as the General Manager ended on May 31, 2022.

3. Executive Assistant General Manager Hsuan-Yu Liao Chen resigned on June 30, 2022.

4. Assistant General Manager Ling-Chu Liu of the Marketing Business Division applied for retirement on June 30, 2022.

5. Regardless of titles, the information on the personnel who hold positions equivalent to the General Manager or Assistant General Managers (e.g. the President, CEO, General Manager, chief officers, etc.) shall be disclosed.

Remuneration Range for the General Manager and Assistant General Managers

Remuneration range for the General Manager and Assistant General Managers of the Company	Names of the General Manager and Assistant General Managers	
	The Company (Note 6)	All companies in the financial statements (Note 7) E
Below NT$ 1,000,000	Ching-Yung Wu, Hsuan-Yu Liao Chen	Ching-Yung Wu, Hsuan-Yu Liao Chen
NT$ 1,000,000 (inclusive) ~ NT$ 2,000,000 (exclusive)	Ling-Chu Liu, Chin-Yen Lin	Ling-Chu Liu, Chin-Yen Lin
NT$ 2,000,000 (inclusive) ~ NT$ 3,500,000 (exclusive)	Li-Chuan Kao	Li-Chuan Kao
NT$ 3,500,000 (inclusive) ~ NT$ 5,000,000 (exclusive)	0	0
NT$ 5,000,000 (inclusive) ~ NT$ 10,000,000 (exclusive)	0	0
NT$ 10,000,000 (inclusive) ~ NT$ 15,000,000 (exclusive)	0	0
NT$ 15,000,000 (inclusive) ~ NT$ 30,000,000 (exclusive)	0	0
NT$ 30,000,000 (inclusive) ~ NT$ 50,000,000 (exclusive)	0	0
NT$ 50,000,000 (inclusive) ~ NT$ 100,000,000 (exclusive)	0	0
More than NT$ 100,000,000	0	0
Total	5 persons	5 persons

Note 1: The names of General Manager and Assistant General Managers shall be listed separately. All payments shall be stated in an aggregated manner. Any director who concurrently serves as the General Manager and Assistant General Manager shall be disclosed in this table and in Table (1-1) or Tables (1-2-1) and (1-2-2).

Note 2: It refers to salaries, allowances, and severance pay paid to the General Manager and Assistant General Managers in the most recent year.

Note 3: It refers to bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicles, other in-kind benefits, and other compensation provided to the General Manager and Assistant General Managers in the most recent year. Where housing, cars, vehicles, or personal allowances are granted, the nature and cost of assets provided, the rental calculated based on the actual or fair value, the cost of petrol and other subsidies shall be disclosed. Where any personal driver is allocated, please make a footnote explaining the salary paid to the driver. However, the salary shall not be counted as part of the compensation paid to the director. Any salary expenses recognized according to IFRS2 “Share-based Payment,” including employee share options, restricted employee shares and the shares subscribed in capital increases in cash, shall be stated as remuneration.

Note 4: It represents the amount of employee remuneration resolved by the Board of Directors for distribution to the General Manager and Assistant General Managers (in cash or in shares) in the most recent year. Where the amount can not be estimated, it shall be calculated based on the actual amount paid last year, and Table 1-3 shall be completed. Net income after tax refers to that in the most recent year. If IFRSs have been adopted, net income after tax shall refer to that in the individual or separate financial statements in the most recent year.

Note 5: The total amount of remuneration paid to the Company's General Manager and Assistant General Managers by all the companies (including the Company) included in the consolidated financial statements shall be disclosed. (The Company no longer prepares consolidated financial statements from 2019.)

Note 6: The name of the General Manager and each Assistant General Manager shall be disclosed in the range corresponding to the total amount of remuneration paid by the Company thereto.

Note 7: The name of the General Manager and each Assistant General Manager shall be disclosed in the range corresponding to the total amount of remuneration paid by all the companies (including the Company) included in the consolidated financial statements to the General Manager and Assistant General Manager.

Note 8: Net income after tax refers to that in the most recent year. If IFRSs have been adopted, net income after tax shall refer to that in the individual or separate financial statements in the most recent year.

Note 9: a. Any remuneration received by the General Manager and Assistant General Managers from invested businesses other than subsidiaries or from the parent company shall be clearly stated in the field. (If there was no such remuneration, the word “None” shall be placed in the field.)

b. If the General Manager or Assistant General Manager has received any remuneration from invested businesses other than subsidiaries or from the parent company, the remuneration received by him/her therefrom shall belong to Column E in the Remuneration Range table, and Column E shall be renamed “Parent company and all invested businesses.”

c. Remuneration refers to any returns, compensation (including employee, director and supervisor compensation) and business execution fees received by the Company's General Manager and Assistant General Managers for serving as the directors, supervisors or managerial officers of invested businesses other than subsidiaries or of the parent company.

* The basis of the remuneration disclosed in this table is different from the basis of the Income Tax Act; hence the table was prepared solely for information disclosure and not for tax purposes.

(III) Remuneration to the top-five highest-paid executives of the Company (individual disclosure of names and remunerations) (Note 1)

December 31, 2022 Unit: NT$ thousand

Title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and special allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				The sum of A, B, C and D and the ratio to net income after tax (%) (Note 6)		Remuneration from invested businesses other than subsidiaries or from the parent company (Note 7)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies includedin the financial statements (Note 5)		The Company	All companies in the financial statements	
								Cash bonus	Stock bonus	Cash bonus	Stock bonus			
Assistant General Manager	Li-Chuan Kao	2,023	2,023	106	106	0	0	0	0	0	0	2,129 (0.0001)%	2,129 (0.0001)%	Nil
General Manager	Chin-Yen Lin	1,500	1,500	0	0	250	250	0	0	0	0	1,750 (0.0001)%	1,750 (0.0001)%	Please refer to Page 78 of this annual report for more details
Assistant General Manager	Ling-Chu Liu	1,320	1,320	54	54	300	300	0	0	0	0	1,674 (0.0001)%	1,674 (0.0001)%	Nil
Executive Assistant General Manager	Hsuan-Yu Liao Chen	690	690	0	0	210	210	0	0	0	0	900 (0.0001)%	900 (0.0001)%	Please refer to Page 78 of this annual report for more details
Manager	Wei-Pin Huang	735	735	49	49	0	0	0	0	0	0	784 (0.0001)%	784 (0.0001)%	Nil

Note 1: The executives referred to in the said “top-five highest-paid executives” refer to the Company’s managerial officers. As for the standard for identifying managerial officers, it shall be subject to the regulations related to the “managerial officers” in the Letter Tai-Cai-Zheng-San-Zi No. 0920001301 issued by the former Securities and Futures Commission, Ministry of Finance on March 27, 2003. The remuneration to the “top-five highest-paid executives” is calculated based on the total amount of the salaries, retirement pension, bonuses, special allowances, and employee remuneration (namely the sum of A, B, C and D) received by the Company's managerial officers from all the companies included in the consolidated financial statements, and the top-five highest-paid managerial officers are identified. Any director who concurrently serves as any of the said executives shall be disclosed in the table and Table (1-1) above.

Note 2: It refers to salaries, allowances, and severance pay paid to the top-five highest-paid executives in the most recent year.

Note 3: It refers to bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicles, other in-kind benefits, and other compensation provided to the top-five highest-paid executives in the most recent year. Where housing, cars, vehicles, or personal allowances are granted, the nature and cost of assets provided, the rental calculated based on the actual or fair value, the cost of petrol and other subsidies shall be disclosed. Where any personal driver is allocated, please make a footnote explaining the salary paid to the driver. However, the salary shall not be counted as part of the compensation paid to the director. Any salary expenses recognized according to IFRS2 “Share-based Payment,” including employee share options, restricted employee shares and the shares subscribed in capital increases in cash, shall be stated as remuneration.

Note 4: It represents the amount of employee remuneration resolved by the Board of Directors for distribution to the top-five highest-paid executives (in cash or in shares). Where the amount can not be estimated, it shall be calculated based on the actual amount paid last year, and Table 1-3 shall be completed.

Note 5: The total amount of remuneration paid to the Company's top-five highest-paid executives by all the companies (including the Company) included in the consolidated financial statements shall be disclosed. (The Company no longer prepares consolidated financial statements from 2019.)

Note 6: Net income after tax refers to that in the individual or separate financial statements in the most recent year.

Note 7: a. Any remuneration received by the top-five highest-paid executives from invested businesses other than subsidiaries or from the parent company shall be clearly stated in the field. (If there was no such remuneration, the word “None” shall be placed in the field.)

b. Remuneration refers to any returns, compensation (including employee, director and supervisor compensation) and business execution fees received by the Company's top-five highest-paid executives for serving as the directors, supervisors or managerial officers of invested businesses other than subsidiaries or of the parent company.

Note 8: General Manager Chin-Yen Lin’s term of office ended on May 31, 2022; Assistant General Managers Hsuan-Yu Liao Chen left office on June 30, 2022; Assistant General Manager Ling-Chu Liu of the Marketing Business Division applied for retirement on June 30, 2022; Manager Pei-Chen Huang as the head of finance and accounting department resigned on October 23, 2022.

* The basis of the remuneration disclosed in this table is different from the basis of the Income Tax Act; hence the table was prepared solely for information disclosure and not for tax purposes.

(IV) Names of the managerial officers receiving employee remuneration and the distribution thereof

December 31, 2021;Unit: NT$ thousand

	Title (Note 1)	Name (Note 1)	Share amount	Cashamount	Total	Ratio of total amount to net income after tax (%)
Managerial Officer	General Manager	Ching-Yung Wu	0	0	0	0
	President	Chin-Yen Lin				
	Executive Assistant General Manager	Hsuan-Yu Liao Chen				
	Assistant General Manager	Ling-Chu Liu				
	Assistant General Manager	Li-Chuan Kao				
	Manager	Ya-Fan Hsu				
	Manager	Pei-Chen Huang				

Note 1: Names and titles shall be disclosed separately, whereas the amount of remuneration may be disclosed in an aggregated manner.

Note 2: It represents the amount of employee remuneration resolved by the Board of Directors for distribution to the managerial officers (in cash or in shares) in the most recent year. Where the amount can not be estimated, it shall be calculated based on the actual amount paid last year. Net income after tax refers to that in the most recent year. If IFRSs have been adopted, net income after tax shall refer to that in the individual or separate financial statements in the most recent year.

Note 3: Pursuant to the FSC Letter Tai-Cai-Zheng-San-Zi No. 0920001301 dated March 27, 2003, the role of managerial officer covers the following positions:

(1) General Manager and the equivalents thereof
(2) Assistant General Managers and their equivalents
(3) Assistant Managers and their equivalents
(4) Chief financial officers
(5) Chief accounting officers
(6) Any other authorized signatories involved in the Company's administrative affairs

Note 4: If directors, the General Manager and Assistant General Managers have received employee remuneration (in cash or in shares), relevant details shall be disclosed in this table in addition to Table 1-2.

(V) Analysis of the total remuneration paid by the Company and all the companies included in the consolidated financial statements to the Company's directors, supervisors, General Manager and Assistant General Managers in the most recent two years as a percentage of net income after tax stated in the individual or separate financial statements, and description of the policies, standards, and portfolios for paying the remuneration, the procedure for determining the remuneration, and their correlation with the operation performance and future risk exposure.

1. Please refer to the following table for the analysis of the total remuneration paid by the Company and all the companies included in the consolidated financial statements to the Company's directors, supervisors, General Manager and Assistant General Managers in the most recent two years as a percentage of net income after tax:

Unit: NT$ thousand

Item for comparison / Year	Total paid remuneration				Ratio to the Company's net income after tax		Ratio to the net income after tax of all companies in the financial statements	
	2021	2021 (consolidated)	2022	2022 (consolidated)	2021	2022	2021	2022
Director	7,385	Not applicable	8,297	Not applicable	(42.56)%	(0.51)%	Not applicable	Not applicable
General Manager and Assistant General Managers	13,174		9,584		(92.32)%	(0.59)%		
Total	20,679		17,881		(134.88)%	(1.09)%		

Note: 1. The Company held a re-election early on September 29, 2016 to elect three independent directors forming the Audit Committee to replace supervisors.

2. The remuneration of Director Chin-Yen Lin, who concurrently serves as the General Manager and Director Hsuan-Yu Liao Chen, who concurrently serves as the Executive Assistant General Manager, combined in 2021 totaled NT$6,830 thousand and NT$2,650 thousand in 2022, respectively. The latter plus the salary of Chin-Yen Lin as the Vice Chairman appointed on May 26, 2022 summed into NT$5,780 thousand. The amounts shall be included in the total remuneration paid to the [General Manager and Assistant General Managers] in the table above. (Executive Assistant General Manager Hsuan-Yu Liao Chen's term of office ended June 30, 2022; General Manager Chin-Yen Lin's term of office ended May 31, 2022.)

3. The Company no longer prepares consolidated financial statements from 2019.

2. Policies, Standard and Portfolios of Remuneration Payment

The remuneration referred to in the Rules of Compensation Committee includes cash compensation, stock options, profit sharing, and stock ownership, retirement benefits or severance pay,

allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with that of the remuneration for directors and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

I. The policies of remuneration for directors (independent directors) are subject to Articles 20, 23 and 27 of the Company's Articles of Incorporation and determined concerning the typical pay levels adopted by peer companies, including:

(1) Attendance fee for the (independent) directors every time when they attend the Board of Directors meeting.

(2) Where the Company has profit in any fiscal year, the Board of Directors may resolve to allocate no more than 5% as the remuneration for directors.

(3) Four independent directors of the Company's 24rd Board of Directors serve concurrently as the members of the Audit Committee and Compensation Committee. In addition, to execute the audit as a member of the Audit Committee, they must assist the Board of Directors in the implementation and assessment of the overall remuneration policy and system of the Company, including but not limited to the remuneration for directors and managerial officers. They need to make more effort and take more responsibilities. To ensure that the independent directors can fully perform their duties with respect to the operation of the Board of Directors and the Company and maintain their independence in the exercise of their power, the independent directors may receive a fixed monthly remuneration in addition to the attendance fee whenever they attend the Board of Directors meeting. If the Company has profit, the independent directors may, depending on the Company's profitability and subject to the review of the Compensation Committee and Board of Directors, flexibly participate in the distribution of surplus. These policies are executed by the 23rd Board of Directors.

Note: 1. In addition to receiving the attendance fee for each attendance at the Board of Directors meeting as received by non-independent directors, the independent directors of the 24nd term who serve concurrently as a member of the Audit Committee or Compensation Committee may receive a business research and execution fee on a monthly basis.

2. For more information about the number of meetings that the Audit Committee and Compensation Committee had held from January 01, 2022 up to the publication date of this annual report and the issues discussed, please refer to Pages 96~100, 104~108, and 182~187 of the Annual Report.

II. The Chairman and managerial officers of the Company receive the remuneration pursuant to the "Employee Title, Level, and Remuneration Approval Table" adopted by the Board of Directors:

The remuneration for the Chairman and managerial officers of the Company includes the monthly salary, special disbursement, concurrent post allowance, meal allowance, year-end bonus, employee compensation, and the pension provided according to laws.

3. Remuneration Determination Procedure

According to the remuneration determination procedure of the Company, the remuneration for the directors is determined by the Board of Directors under authorization pursuant to the Articles of Incorporation based on the operating status of the Company and with reference to the typical pay levels adopted by peer companies; the remuneration for the Chairman and managerial officers is determined pursuant to the "Employee Title, Level, and Remuneration Approval Table. The above-mentioned remuneration policies were reviewed by the 4th Compensation Committee and submitted to the 2nd meeting of the 23rd Board of Directors to approve the payment standard.

Payment of the remuneration for the employees and directors is implemented pursuant to the Articles of Incorporation and relevant laws and regulations.

4. Relationship with operating performance and future risk:

The Compensation Committee of the Company discusses compensation payment standards and review related systems on a regular basis, and makes decision mainly in consideration of the overall operating status of the Company and different risk factors. The result of the operating performance will affect the payment of the year-end incentive bonus.

5. Analysis of the performance evaluation and remuneration of the Company's directors and managerial officers:

Since the Company had no profits in 2022, the Company did not distribute director and employee remuneration according to the resolution of the Compensation Committee and the Board of Directors. Directors were paid a fixed fee for attending board meetings; independent directors were only paid a monthly fixed salary for serving as the members of the Audit Committee and the Compensation Committee without director remuneration. In addition to the salary to be distributed to the Company's managerial officers determined by the Compensation Committee, the Committee discusses their performance and the business performance last year to determine their year-end incentives in the current year.

If any annual profit is concluded, no less than 1% shall be set aside as remuneration to employees according to Article 27 of the Company's Articles of Incorporation. Director remuneration may be provided up to 5% of the aforesaid annual profit according to the resolution made by the Board of Directors. In addition to the Company's overall business performance, the future operating risks and development trend in the industry, the performance achievement rate of the individual director, and his/her contribution to the Company's performance are taken into account to provide the

director with reasonable remuneration. Relevant performance evaluations and remuneration rationality shall be reviewed by the Compensation Committee and the Board of Directors, and the remuneration system is also reviewed from time to time according to the actual operation and related laws to ensure a balance between the Company's sustainable operation and risk control.

To review the remuneration to directors and managerial officers on a regular basis, the evaluation items for the directors and managerial officers include the fulfillment of the Company's core values, business management ability, financial and business performance indicators, comprehensive management indicators, continued education, and involvement in the sustainable operation according to the "Regulations Governing the Evaluation of Directors and Managerial Officers." In addition, the Company assesses their other special contribution or if they have any significant negative events. The Board of Directors determines the remuneration based on the principle of distribution suggested by the Compensation Committee and the business performance of the Company.
Please refer to Pages 78~82 of this annual reportfor the remuneration to the Company's directors and managerial officers in 2022.

The results of the Company's 2022 performance evaluation (self-evaluation) for the Board of Directors, functional committees and board members were reported at the board meeting on March 14, 2023 and disclosed in this annual report and on the Company's website.

IV. Corporate governance implementation

(I) Operation of the Board of Directors

The 23rd Board of Directors has held 4 meetings from January 01, 2022 up to the publication date of this annual report. The attendance of the directors is described below:

01.01.2022 - 05.19.2022

Title	Name (Note 1)	Actual attendance B	Proxy attendance	Actual attendance rate (%) [B/A] (Note 2)	Number of meetings held during the term A	Remarks
Chairman	Shan Young Assets Management Co., Ltd. Representative: hing-Yuan Wu	4	0	100%	4	2019.08.01 (New corporate director)
Director	Chou Chin Industrial Co., Ltd. Representative: Shih-Kai Lei	4	0	100%	4	2019.08.01 (New corporate director)
Director	YSC-MARKETING CO., LTD. Representative: Wei-Lin Shao	4	0	100%	4	2019.08.01 (New corporate director)
Director	Global International Investment Co., Ltd. Representative: Ling-Chi Chang	4	0	100%	4	2019.08.01 (New corporate director)
Director	Global International Investment Co., Ltd. Representative: Lien-Kai Chan	3	1	75%	4	2021.11.24 appointed another representative
Director	Chin-Yen Lin	4	0	100%	4	2019.08.01 (Reelected)
Director	DeChuan Development Ltd. Representative: Hsuan-Yu Liao Chen	4	0	100%	4	2019.08.01 (New corporate director)
Director	WE-FU Investment Co., Ltd. Representative: Chih-Kuang Yen	3	1	75%	4	2019.08.01 (New corporate director)

Title	Name (Note 1)	Actual attendance B	Proxy attendance	Actual attendance rate (%) [B/A] (Note 2)	Number of meetings held during the term A	Remarks
Director	Shan Young Assets Management Co., Ltd. Representative: Yu-Chang Huang	2	2	50%	4	2019.08.01 (New corporate director)
Director	AN-MEI Investment Co., Ltd. Representative: Shiou-Chyi Lin	4	0	100%	4	2019.08.01 (Reelected corporate director)
Independent director	Sheng-Tsheng Lee	4	0	100%	4	2019.08.01 (Reelected)
Independent director	Chung-Ho Sung	4	0	100%	4	2019.08.01 (Newly elected)
Independent director	Li-Chi Yeh	4	0	100%	4	2019.08.01 (Newly elected)

The 24th Board of Directors has held 12 meetings from May 20, 2022 up to the publication date of this annual report. The attendance of the directors is described below:

05.20.2022 - 05.10.2023

Title	Name (Note 1)	Actual number of presence (attendance) B	Commissioning (engage) presence by proxy	Actual presence (attendance) rate (%) (B/A) (Note 2)	Number of meetings held during the term A	Remarks
Chairman	Shan Young Asset Management Co., Ltd. Representative: Ching-Yuan Wu	12	0	100%	12	2022.05.20 (Reelected)
Director	Chin-Yen Lin	9	3	75%	12	2022.05.20 (Reelected)
Director	Chou Chin Industrial Co., Ltd. Representative: Shih-Kai Lei	12	0	100%	12	2022.05.20 (Reelected)
Director	YSC-MARKETING CO., LTD. Representative: Wei-Lin Shao	11	1	91.67%	12	2022.05.20 (Reelected)
Director	Shan Young Asset Management Co., Ltd. Representative: Chun-Houei Hsieh	12	0	100%	12	2022.05.20 (Reelected corporate director and newly elected representative)
Director	WE-FU Investment	9	3	72.73%	12	2022.05.20

Title	Name (Note 1)	Actual number of presence (attendance) B	Commissioning (engage) presence by proxy	Actual presence (attendance) rate (%) (B/A) (Note 2)	Number of meetings held during the term A	Remarks
	Co., Ltd. Representative: Chih-Kuang Yen					(Reelected)
Director	Shan Young Asset Management Co., Ltd. Representative: Yu-Chang Huang	8	4	63.64%	12	2022.05.20 (Reelected)
Independent director	Sheng-Tsheng Lee	12	0	100%	12	2022.05.20 (Reelected)
Independent director	Chung- Ho Sung	12	0	100%	12	2022.05.20 (Reelected)
Independent director	Li-Chi Yeh	12	0	100%	12	2022.05.20 (Reelected)
Independent director	Sen-Jung Wang	12	0	100%	12	2022.05.20 (Newly elected)

Note1: If the directors or supervisors are corporations, the names of the corporate shareholders and the names of their representatives shall be disclosed.

Note2: (1) If any director or supervisor resigns prior to the end of a financial year, the date of resignation shall be specified in the Remarks field. The actual attendance rate (%) of the director or supervisor is calculated based on the number of board meetings held and the number of his/her actual attendance during his/her term of service.

(2) If a re-election of directors and supervisors takes place prior to the end of a financial year, the newly-elected and former directors and supervisors shall be listed, and the Company shall specify in the Remarks field whether the directors and supervisors are former, newly elected, or reelected, as well as the date of the re-election. The actual attendance rate (%) is calculated based on the number of Board of Directors meetings held during the term of service of the director or supervisor and the number of his/her actual attendance.

(II) Implementation of the evaluation of the Board of Directors in 2022

Interval	Period	Scope	Method	Item
Once a year	2022.01.01-2022.12.31	Board of Directors	Internal self-evaluation	Six dimensions, including the involvement in the Company's operation, improvement of the Board of Directors' decision quality, formation and structure of the Board of Directors, election and continuing education of the directors, internal control, and the submission of relevant proposals to the Board of Directors for discussion according to laws.
		Functional committees (Audit Committee and Compensation Committee)	Internal self-evaluation	Five dimensions, including the involvement in the Company's operation, knowledge of the functional committees' duties, improvement of the functional committees' decision quality, formation and member election of the functional committees, and internal control.
		Individual board members	Self-evaluation by each of the board members	Six dimensions, including the understanding of the Company's goals and tasks, knowledge of directors' duties, involvement in the Company's operation, internal relation maintenance and communication, directors' professional qualification and continuing education, and internal control.

1. Self-evaluation of the Board of Directors' implementation performance:
   Items of the Board of Directors' performance evaluation include six dimensions and 46 indicators. For the result, 35 indicators were scored as "Excellent (5)," and 11 indicators were scored as "Good (4)," indicating that the Board of Directors has fulfilled the responsibility for providing relevant instruction and supervising the Company's strategies, major business activities and risk management, and has been able to establish appropriate internal control systems, actively implement corporate governance and fulfill the Company's corporate social responsibility. The status of the overall implementation was good and conformed to the requirements of corporate governance.

Six dimensions for self-evaluation	Item	Result
A. Involvement in the Company's operation	12	4.5
B. Improvement of the Board of Directors' decision quality	12	4.92
C. Formation and structure of the Board of Directors	7	4.86
D. Election and continuing education of directors	7	4.29
E. Internal control	7	4.86
F. Submission of relevant proposals to the Board of Directors pursuant to laws (matters that shall be submitted to the Board of Directors for discussion)	1	5

2. Self-evaluation of the Audit Committee's implementation performance:

Items of the Audit Committee's performance evaluation include five dimensions and 26 indicators. For the result, 17 indicators were scored as "Excellent (5)," and 7 indicators were scored as "Good (4)," indicating that the status of the Audit Committee's overall implementation was good and conformed to the requirements of corporate governance. The result also showed that the Audit Committee could effectively enhance the function of the Board of Directors.

Five dimensions for self-evaluation	Item	Result
A. Involvement in the Company's operation	4	5
B. Knowledge of the functional committees' duties	7	4.71
C. Improvement of the functional committees' decision quality	7	4.86
D. Formation and member election of the functional committees.	3	4.67
E. Internal control	3	5

3. Self-evaluation of the Compensation Committee's implementation performance:

Items of the Compensation Committee's performance evaluation include five dimensions and 24 indicators. For the result, 18 indicators were scored as "Excellent (5)," and 6 indicators were scored as "Good (4)," indicating that the status of the Compensation Committee's overall implementation was good and conformed to the requirements of corporate governance. The result also showed that the Compensation Committee could effectively enhance the function of the Board of Directors.

Five dimensions for self-evaluation	Item	Result
A. Involvement in the Company's operation	4	5
B. Knowledge of the functional committees' duties	7	4.57
C. Improvement of the functional committees' decision quality	7	4.57
D. Formation and member election of the functional committees.	3	4.67
E. Internal control	3	5

4. Self-evaluation of board members' performance:

Items of board members' performance evaluation include six dimensions and 25 indicators. The evaluation result indicated that most directors totally recognized the effective and efficient implementation for each of the indicators, conforming to the requirements of corporate governance. The implementation could also effectively strengthen the function of the Board of Directors and maintain shareholders' equity.

Six dimensions for self-evaluation	Item	Result
A. Understanding of the Company's goals and tasks	3	3.94
B. Knowledge of directors' duties	3	4.3
C. Involvement in the Company's operation	8	4.08
D. Internal relation maintenance and communication	5	4.11
E. Directors' professional qualification and continuing education	3	4.15
E. Internal control	3	4.03

Note 1: It refers to the interval for carrying out an evaluation of the Board of Directors, e.g. once a year.

Note 2: It refers to the period during which the Board of Directors' evaluation is performed. For example, the Board of Directors' performance during January 1, 2022 and December 31, 2022 was evaluated.

Note 3: The scope covers the performance evaluation of the Board of Directors, individual directors and functional committees.

Note 4: The evaluation can be conducted with internal self-evaluation for the Board of Directors, self-evaluation or peer review for board members, appointment of external professional institutions or professionals, and other appropriate methods.

Note 5: The evaluation includes at least the following items according to the scope:

(1) Board of Directors' performance evaluation: at least includes the involvement in the Company's operation, the Board of Directors' decision quality, formation and structure of the Board of Directors, election and continuing education of the directors, and internal control.

(2) Individual board members' performance evaluation: At least includes the understanding of the Company's goals and tasks, knowledge of directors' duties, involvement in the Company's operation, internal relation maintenance and communication, directors' professional qualification and continuous education, and internal control.

(3) Functional committees' performance evaluation: Involvement in the Company's operation, knowledge of the functional committees' duties, the functional committees' decision quality, formation and member election of the functional committees, and internal control.

The Board of Directors' Handling of Proposals

I. Where the operations of the Board of Directors meet any of the following circumstances, the meeting date, session, contents of proposals, and opinions of all independent directors, and the Company's action on the said opinions shall be specified: Refer to the following table for details.

(I) The matters referred to in Article 14-3 of the Securities and Exchange Act.

(II) In addition to the matters mentioned above, any resolution of the Board of Directors for which dissent or reservation is expressed by any independent director, and such dissent or reservation is recorded in the minutes or a written statement: None.

Board of Directors	Proposal and follow-up actions	Matters specified in Article 14-3 of the Securities and Exchange Act	Dissent or reservation from independent directors	Resolution
23rd Board of Directors 16th meeting	1. Proposal for the Company's 2022 business plan and budgets.		Nil	Passed as proposed by all attending directors
	2. Proposal for the Company to withdraw the approved capital increase from the Securities and Futures Bureau, Financial Supervisory Commission.	✓	Nil	Passed as proposed by all attending directors
	3. Proposal for approval of the 2021 year-end bonus for the Company's managerial officers.	✓	Nil	Passed as proposed by all attending directors
	4. Proposal for approval of the Chairman's 2021 year-end bonus.	✓	Nil	Passed as proposed by all attending directors
	Meeting date: January 18, 2022	The Company's action on independent directors' opinions: None.		
23rd Board of	1. Proposal for the 2021 business		Nil	Passed as proposed by

Board of Directors	Proposal and follow-up actions	Matters specified in Article 14-3 of the Securities and Exchange Act	Dissent or reservation from independent directors	Resolution
Directors 17th meeting	report and separate financial statements.			all attending directors
	2. Proposal for earning distribution and loss reimbursement for 2021.		Nil	Passed as proposed by all attending directors
	3. Proposal for assessment of the independence of the Company's CPAs.		Nil	Passed as proposed by all attending directors
	4. Proposal for appointment of the Company's CPAs, and remuneration thereto.	✓	Nil	Passed as proposed by all attending directors
	5. Proposal for the Company's "Effectiveness evaluation of the internal control system" and "Internal Control System Declaration" for 2021.	✓	Nil	Passed as proposed by all attending directors
	6. Re-election of all board members.	✓	Independent Director Yeh agreed with the amendment proposal.	Passed as proposed by voting.
	Meeting date: March 3, 2022	The Company's action on independent directors' opinions: Announce important information pursuant to regulations.		
23rd Board of Directors 18th meeting	1. Proposal for the Company's bank loans.		Nil	Passed as proposed by all attending directors.
	2. Partial amendments to the Company's "Procedures for Acquisition or Disposition of Assets."	✓	Nil	Passed as proposed by all attending directors
	3. Proposal for the amendment to the causes of the regular of shareholders to be convened.		Nil	Passed as proposed by all attending directors
	4. Proposal on the deliberation on the candidate list of directors (independent directors).	✓	Nil	Passed as proposed by all attending directors
	Meeting date: April 7, 2022	The Company's action on independent directors' opinions: None.		
23rd Board of Directors 19th meeting	1. Proposal for the report of the Company's 2022 Q1 separate financial statements.		Nil	Passed as proposed by all attending directors.
	Meeting date: May 10, 2022	The Company's action on independent directors' opinions: None.		
24th Board of Directors 1st special meeting	1. Electing director Ching-Yuan Wu to continue to be the Company's Chairman.		Nil	Passed by all attending directors.
	2. Electing director Chin-Yen Lin to be the Company's Vice Chairman.		Nil	Passed by all attending directors.
	3. Appointing 4 independent directors as the members of the Company's 5th Compensation		Nil	Passed by all attending directors.

	Committee.			
	Meeting date: May 26, 2022	The Company's action on independent directors' opinions: None.		
24th Board of Directors 2nd special meeting	1. Proposal for approval of the attendance fee for the directors and the compensation for the independent directors of the 24th Board of Directors.		Nil	Passed by all attending directors.
	2. Proposal for the compensation of the Company's Vice Chairman.	✓	Nil	Passed by all attending directors.
	3. Proposal for the appointment of Mr. Ching-Yuan Wu as the Company's General Manager.	✓	Nil	Passed by all attending directors.
	4. Proposal for the compensation of the Company's Chairman who concurrently serves as the General Manager.	✓	Nil	Passed by all attending directors.
	5. Proposal to lawfully lift the competition restrictions on the newly appointed General Manager.	✓	Nil	Passed by all attending directors.
	Meeting date: June 1, 2022	The Company's action on independent directors' opinions: None.		
24th Board of Directors 1st meeting	1. Report of the Company's separate financial statements for the first half of 2022.		Nil	Passed by all attending directors.
	Meeting date: August 9, 2022	The Company's action on independent directors' opinions: None.		
24th Board of Directors 2nd meeting	1. Proposal for selling the tenure of Floor 15 and 15-1 of Building F in Nankang Software Park, Taipei City.	✓	Not applicable.	Supplementary materials required to be provided in another board meeting for discussion.
	Meeting date: August 30, 2022	The Company's action on independent directors' opinions: Prepare supplementary materials and discuss the matter in another board meeting in accordance with the resolution of the Audit Committee.		
24th Board of Directors 3rd meeting	1. Proposal for selling the tenure of Floor 15 and 15-1 of Building F in Nankang Software Park, Taipei City to IBASE TECHNOLOGY INC.	✓	Nil	Passed by all attending directors.
	Meeting date: September 14, 2022	The Company's action on independent directors' opinions: None.		
24th Board of Directors 4th meeting	1. Proposal for changing the business address.		Opposed by Independent Director Li and Independent Director Yeh.	Passed as proposed by voting.
	Meeting date: October 18, 2022	The Company's action on independent directors' opinions: Announce important information pursuant to regulations.		
24th Board of Directors 5th meeting	1. Proposal for the report of the Company's separate financial statements for the first three quarters in 2022.		Nil	Passed by all attending directors.
	2. Proposal for the Company's 2023	✓	Nil	Passed by all

	audit plan.			attending directors.
	3. Proposal for the appointment of the Company's chief financial officer and chief accounting officer.	✓	Nil	Passed by all attending directors.
	Meeting date: November 9, 2022	The Company's action on independent directors' opinions: None.		
24th Board of Directors 6th meeting	1. Proposal for the Company's bank loans.		Nil	Passed by all attending directors.
	2. Proposal for the establishment of the internal important information handling procedures.	✓	Nil	Passed by all attending directors.
	3. Proposal for the change of supervisory employees of the Nantou Branch Office of the Company.		Nil	Passed by all attending directors.
	4. Impromptu motion for requesting the attorney to issue an attorney's letter as soon as possible for clarification of relevant matters with Power Wind Health Industry Incorporated and D.I RETAIL CONSULT CO., LTD.		Nil	Passed by all attending directors.
	Meeting date: December 27, 2022	The Company's action on independent directors' opinions: None.		
24th Board of Directors 7th meeting	1. Proposal for the Company's business plan and budgets.		Nil	Passed by all attending directors.
	2. Proposal for approval of the 2022 year-end bonus for the Company's managerial officers.	✓	Nil	Passed by all attending directors.
	3. Proposal for approval of the 2022 year-end bonus for the Company's Chairman and Vice Chairman.	✓	Nil	Passed by all attending directors.
	Meeting date: January 17, 2023	The Company's action on independent directors' opinions: None.		
24th Board of Directors 8th meeting	1. Proposal for the selection of power generation equipment manufacturer for the bid of "solar power installation in Laopi Tea Farm in Pingtung."		Nil	Passed by all attending directors.
	Meeting date: March 2, 2023	The Company's action on independent directors' opinions: None.		
24th Board of Directors 9th meeting	1. Proposal for the 2022 business report and separate financial statements.		Nil	Passed by all attending directors.
	2. Proposal for earning distribution and loss reimbursement for 2022.		Nil	Passed by all attending directors.
	3. Proposal for the compensation to and annual independence and competency review of the Company's CPAs.	✓	Nil	Passed by all attending directors.
	4. Proposal for the pre-approval of the provision of non-assurance services by the CPA firm.	✓	Nil	Passed by all attending directors.
	5. Proposal for the Company's "Effectiveness evaluation of the internal control system" and	✓	Nil	Passed by all attending directors.

	"Internal Control System Declaration" for 2022.			
	6. Proposal for entering into a lease with Nova Design Co., Ltd.	✓	Nil	Passed by all attending directors.
	7. Proposal for entering into a lease with Sanyang Motor Co., Ltd.	✓	Nil	Passed by all attending directors.
	Meeting date: March 14, 2023	The Company's action on independent directors' opinions: None.		
24th Board of Directors 10th meeting	1. Proposal for the Company's bank loans.		Nil	Passed by all attending directors.
	2. Amendments to the Company's "Articles of Incorporation."		Nil	Passed as proposed by voting.
	3. Proposal for the amendment to the causes of the regular shareholders' meeting to be convened.		Nil	Passed by all attending directors.
	Meeting date: April 20, 2023	The Company's action on independent directors' opinions: None.		

II. For directors' recusal from proposals involving any conflict of interest, the name of the director concerned, contents of the proposals, the reason of the recusal, and the director's participation in the voting shall be specified:

1.. For Proposal 4, the proposal for approval of the 2021 year-end bonus for the Company's managerial officers, discussed at the 16th meeting of the 23rd Board of Directors, Directors Chin-Yen Lin and Hsuan-Yu Liao Chen recused themselves from the discussion and voting of the Proposal in accordance with laws. The Proposal was passed as proposed by all the remaining (independent) directors attending the meeting.

2. For Proposal 5, the proposal for approval of the Chairman's 2021 year-end bonus, discussed at the 16th meeting of the 23rd Board of Directors, Chairman Ching-Yuan Wu recused himself from the discussion and voting of the Proposal in accordance with laws and appointed Director Chin-Yen Lin as the deputy chair. The Proposal was passed as proposed by all the remaining (independent) directors attending the meeting.

3. For Proposal 2, the proposal for the compensation of the Company's Vice Chairman, discussed at the 2nd special meeting of the 24rd Board of Directors, Vice Chairman Chin-Yen Lin recused herself from the discussion and voting of the Proposal in accordance with laws. The Proposal was passed as proposed by all the remaining (independent) directors attending the meeting.

4. For Proposal 4, the proposal for the compensation of the Company's Chairman who concurrently serves as the General Manager, discussed at the 2nd special meeting of the 24rd Board of Directors, Chairman Ching-Yuan Wu recused himself from the discussion and voting of the Proposal in accordance with laws. The Proposal was passed as proposed by all the remaining (independent) directors attending the meeting.

5. For Proposal 5, the proposal to lawfully lift the competition restrictions on the newly appointed General Manager, discussed at the 2nd special meeting of the 24th Board of Directors, Chairman Ching-Yuan Wu recused himself from the discussion and voting of the Proposal in accordance with laws. The Proposal was passed as proposed by all the remaining (independent) directors attending the meeting.

6. For Proposal 4, the proposal for approval of the 2022 year-end bonus for the Company's Chairman and Vice Chairman, discussed at the 7th meeting of the 24th Board of Directors, Chairman Ching-Yuan Wu and Independent Director Sheng-Tsheng Lee, acting as a proxy of Vice Chairman Chin-Yen Lin, recused themselves from the discussion and voting of the Proposal in accordance with laws. The Proposal was passed as proposed by all the remaining (independent) directors attending the meeting.

III. Enhancement of the function of the Board of Directors in the current and the most recent year (e.g. establishment of the Audit Committee, improvement of information transparency, etc.) and the evaluation thereof:

The Company has established the “Rules and Procedures of Board of Directors Meetings” pursuant to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies,” and has held board meetings, followed the rules of procedure, recorded the whole meeting and prepared meeting minutes in details in accordance with the Rules and Procedures of Board of Directors Meetings. The Company has had the Board of Directors and individual directors conduct self-evaluation (or peer evaluation) since 2020 on a regular basis every year pursuant to regulations and report the result to the competent authority accordingly.

(II) Operation of the Audit Committee

The Audit Committee of the Company is composed of 4 independent directors. The function of the Audit Committee is to assist the Board of Directors in the implementation of monitoring the quality and integrity of accounting, audit, financial report procedure and financial control.

The Audit Committee operates mainly for the purpose of overseeing the following matters pursuant to the Company's "Rules of Audit Committee":

I. Fair presentation of the Company's financial statements.
II. Appointment (dismissal) of CPAs, and evaluation of their independence and performance.
III. Effective implementation of the Company's internal control system.
IV. The Company's compliance with the relevant regulations and rules.
V. Control over the Company's existing or potential risks.

The focus of the Audit Committee's annual work in 2022 up to the publication date of this annual report is described as follows:

Item/Year	Q1	Q2	Q3	Q4
I. Establishment or amendment of the Company's internal control system pursuant to Article 14-1 of the Securities and Exchange Act				1. Audit plan. 2. Establishment of the internal important information handling procedures
II. Evaluation of the effectiveness of the internal control system	1. Evaluation of the effectiveness of the internal control system 2. Declaration of internal control self-evaluation			
III. Establishment or amendment of the procedures for handling major financial and	(None)	1. Proposal for partial amendments to the	(None)	(None)

Item/Year	Q1	Q2	Q3	Q4
business activities in accordance with Article 36-1 of the Securities and Exchange Act, including the acquisition and disposal of assets, derivatives trading, loan of funds to others, and providing endorsement/guarantees to others.		"Procedures for Acquisition or Disposition of Assets"		
IV. Matters involving directors' personal interests	(None)	(None)	(None)	(None)
V. Major transactions of assets or derivatives trading	(None)	(None)	1. Proposal for selling the tenure of Floor 15 and 15-1 of Building F in Nankang Software Park, Taipei City.	(None)
VI. Major loans, endorsements or guarantees	(None)	(None)	(None)	(None)
VII. Offering, issuance, or private placement of equity securities	1. Proposal to withdraw the approved capital increase from the competent authority	(None)	1. Proposal for the issue of new shares to increase the Company's capital increase by cash in 2021	1. Proposal to withdraw the approved capital increase from the competent authority
VIII. Appointment or dismissal of, or remuneration to CPAs and their independence and competency	1. Compensation to the appointed CPAs and their independence and competency 2. Pre-approval of the provision of non-assurance services by the CPA firm			

Item/Year	Q1	Q2	Q3	Q4
IX. Appointment/dismissal of chief financial or accounting officers, or chief internal auditors	(None)	(None)	(None)	1. Proposal for the appointment of the Company's chief financial officer and chief accounting officer
X. Annual financial statements signed by or affixed with the seal of the Chairman, managerial officers and chief accounting officer and Q2 financial statements audited by CPAs	1. Business report and separate financial statements 2. Earning distribution and loss reimbursement	Q1 financial statements	Q2 financial statements	Q3 financial statements
XI. Other material matters specified by the Company or competent authorities	1. Internal audit business report 2. Proposal of the business plan and budgets 3. Amendment of the "Code of Ethical Conduct for Directors and Managerial Officers"	Internal audit business report	Internal audit business report	Internal audit business report

The 2nd Audit Committee has held 4(A) meetings from January 01, 2022 up to the publication date of this annual report. The attendance of the members is described below:

01.01.2022-05.19.2022

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Audit Member	Sheng-Tsheng Lee	4	0	100%	Re-election on 2019.08.01 (Reelected)
Audit Member	Chung-Ho Sung	4	0	100%	Re-election on 2019.08.01 (Newly elected)
Audit Member	Li-Chi Yeh	4	0	100%	Re-election on 2019.08.01 (Newly elected)

The 3rd Audit Committee has held 7 (A) meetings from May 20, 2022 up to the publication date of this annual report. The attendance of the members is described below:

05.20.2022-05.10.2023

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Audit Member	Sheng-Tsheng Lee	7	0	100%	Re-election on 2022.05.20 (Reelected)
Audit Member	Chung-Ho Sung	7	0	100%	Re-election on 2022.05.20 (Reelected)
Audit Member	Li-Chi Yeh	7	0	100%	Re-election on 2022.05.20 (Reelected)
Audit Member	Sen-Jung Wang	7	0	100%	Re-election on 2022.05.20 (Newly elected)

Note 1: If any independent director resigns prior to the end of a financial year, the date of resignation shall be specified in the Remarks field. The actual attendance rate (%) of the independent director is calculated based on the number of Audit Committee meetings held and the number of his/her actual attendance during his/her term of service.

Note 2: If a re-election of independent directors takes place prior to the end of a financial year, the newly-elected and former independent directors shall be listed, and the Company shall specify in the Remarks field whether the independent directors are former, newly elected, or reelected, as well as the date of the re-election. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings held during the term of service of the independent director and the number of his/her actual attendance.

Other particulars:

I. Where the operations of the Audit Committee meet any of the following circumstances, the meeting date of the Audit Committee meeting and the session, contents of proposals, objections or reservations or important suggestions raised by independent directors, resolutions made by the Audit Committee, and the Company's action on the opinions of the audit members shall be specified: (Refer to the following table.)

(I) The matters referred to in Article 14-5 of the Securities and Exchange Act.

(II) In addition to the matters mentioned above, any resolution approved by more than two-thirds of all the directors but not approved by the Audit Committee: None

Audit Committee	Proposal and follow-up actions	Matters specified in Article 14-5 of the Securities and Exchange Act	Any resolution approved by more than two-thirds of all the directors but not approved by the Audit member in addition to the matters mentioned above
2nd Audit Committee 14th meeting	1.Proposal for the Company's 2022 business plan and budgets.		Nil
	2. Proposal for the Company to withdraw the approved capital increase from the Securities and Futures Bureau, Financial Supervisory Commission.	✓	Nil
	Audit Committee's resolution: Passed as proposed at the 14th meeting on January 18, 2022 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		
2nd Audit Committee 15th meeting	1.Proposal for the 2021 business report and separate financial statements.	✓	Nil
	2.Proposal for earning distribution and loss reimbursement for 2021.	✓	Nil
	3. Proposal for assessment of the independence of the Company's CPAs.		Nil
	4. Proposal for appointment of the Company's CPAs, and remuneration thereto.	✓	Nil
	5.Proposal for the Company's "Effectiveness evaluation of the internal control system" and "Internal Control System Declaration" for 2021.	✓	Nil
	Audit Committee's resolution: Passed as proposed at the 15th meeting on March 3, 2022 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		
2nd Audit Committee 16th meeting	1. Partial amendments to the Company's Procedures for Acquisition or Disposition of Assets.	✓	Nil
	Audit Committee's resolution: Passed as proposed at the 16th meeting on April 7, 2022 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		
2nd Audit Committee 17th meeting	1. Proposal for the report of the Company's 2022 Q1 separate financial statements.		Nil
	Audit Committee's resolution: Passed as proposed at the 15th meeting on May 10, 2022 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		
3rd Audit Committee 1st meeting	1. Proposal for the report of the Company's separate financial statements for the first half of 2022.		Nil
	Audit Committee's resolution: Passed as proposed at the 1st meeting on August 9, 2022 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of		

	Directors.		
3rd Audit Committee 2nd meeting	1. Proposal for selling the tenure of Floor 15 and 15-1 of Building F in Nankang Software Park, Taipei City.	✓	Nil
	Audit Committee's resolution: Passed at the 2nd meeting on August 30, 2022 on the condition that the supplementary materials would be provided and the information on the following matters would be given: 1. the operational considerations of the proposal for selling the properties and the pros and cons thereof; 2. the workplace arrangement plans for the employees; 3. the utilization of the funds obtained therefrom. The proposal was further discussed in another board meeting.		
	The Company's action on the Audit Committee's opinions: To be discussed in the next board meeting in accordance with the resolution of the Audit Committee.		
3rd Audit Committee 3rd meeting	1. Proposal for the report of the Company's separate financial statements for the first three quarters in 2022.		Nil
	2. Proposal for the Company's 2023 audit plan.	✓	Nil
	3. Proposal for the appointment of the Company's chief financial officer and chief accounting officer.	✓	Nil
	Audit Committee's resolution: Passed as proposed at the 3rd meeting on November 9, 2022 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		
3rd Audit Committee 4th meeting	1. Proposal for the establishment of the internal important information handling procedures.	✓	Nil
	Audit Committee's resolution: Passed as proposed at the 4th meeting on December 27, 2022 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		
3rd Audit Committee 5th meeting	1.Proposal for the Company's 2023 business plan and budgets.		Nil
	2. Proposal for whether the leases of the new business location and the Hukou Office in Hsinchu shall be subject to Article 15 of the Procedures for Acquisition or Disposition of Assets and Article 14-3 of the Securities and Exchange Act.		Nil
	Resolution of the Audit Committee: During the 5th meeting on January 17, 2023, the first proposal was approved as proposed and sent to the Board of Directors for review. The second proposal was dealt with without the need to follow Article 15 of the Procedures for Acquisition or Disposition of Assets and Article 14-3 of the Securities and Exchange Act		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		
3rd Audit Committee 6th meeting	1. Proposal for the selection of power generation equipment manufacturer for the bid of "solar power installation in Laopi Tea Farm in Pingtung."		Nil
	Impromptu motion: Receipt of the whistleblowing report from a shareholder.		Nil
	Audit Committee's resolution: Passed as proposed at the 6th meeting on March 2, 2023 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		
3rd Audit Committee 7th meeting	1. Proposal for the 2022 business report and separate financial statements.	✓	Nil
	2. Proposal for earning distribution and loss reimbursement for 2022.	✓	Nil
	3. Proposal for the compensation to and annual independence and competency review of the	✓	Nil

	Company's CPAs.		
	4. Proposal for the pre-approval of the provision of non-assurance services by the CPA firm.		Nil
	5. Proposal for the Company's "Effectiveness evaluation of the internal control system" and "Internal Control System Declaration" for 2022.	✓	Nil
	6. Proposal for entering into a lease with Nova Design Co., Ltd.	✓	Nil
	7. Proposal for entering into a lease with Sanyang Motor Co., Ltd.	✓	Nil
	Audit Committee's resolution: Passed as proposed at the 7th meeting on March 14, 2023 and submitted to the Board of Directors for review.		
	The Company's action on the Audit Committee's opinions: Passed as proposed by the Board of Directors.		

II. For independent directors' recusal from proposals involving any conflict of interest, the name of the independent director concerned, contents of the proposals, the reason of the recusal, and the independent director's participation in the voting shall be specified: None.

III. Communication of independent directors with the chief internal auditor and CPAs (including important matters, methods and results with respect to communication regarding the Company's financial and business statuses): Refer to the following table for details.

The Company's chief internal auditor makes a report to independent directors on a quarterly basis and participates in every Audit Committee meeting to make an internal audit report and provide audit results in the quarter for the independent directors to understand the Company's operational status. The chief internal auditor and CPAs are invited to the Audit Committee meetings held every year and every six months to discuss about issues relevant to financial statements, audits, and corporate governance best practice principles in order to sign the independent directors' review report.

1. Independent directors and the chief internal auditor shall make a report regarding the Company's internal audit implementation and internal control operation at a regular meeting that shall be held at lease once per quarter. A meeting may be held at any time in case of material irregularities. In addition, audit reports shall be delivered to the independent directors via e-mail on an irregular basis. Communications and results

Date	Communication of independent directors with the internal auditor	Result
2022/01/14	Audit report for December 2021 via e-mail	Acknowledged with no further comments
2022/01/18	1. Pre-meeting and chief internal auditor's report on the audit implementation in October~December 2021 and Q3 follow-up report	Acknowledged with no further comments
2022/02/16	Audit report for January 2023 via e-mail	Acknowledged with no further comments
2022/03/03	1. Pre-meeting and chief internal auditor's report on the audit implementation in January~February 2022 and Q4 follow-up report	Acknowledged with no further comments
	2. Report on the implementation of the 2021 audit plan	Acknowledged with no further comments
	3. Review of the "Evaluation of the effectiveness of the internal control system" and "Internal Control System Declaration" for 2021.	Approved and submitted to the Board of Directors for resolution
2022/03/14	Audit report for February via e-mail	Acknowledged with no further comments
2022/04/07	Chief internal auditor's report on the audit implementation in March 2022	Acknowledged with no further comments
2022/04/14	Audit report for March via e-mail	Acknowledged with no further comments
2022/05/10	Pre-meeting and chief internal auditor's report on the audit implementation in April 2022	Acknowledged with no further comments
2022/05/16	Audit report for April via e-mail	Acknowledged with no further comments
2022/06/23	Audit report for May via e-mail	Acknowledged with no further comments
2022/07/19	Audit report for June via e-mail	Acknowledged with no further comments
2022/08/9	Pre-meeting and chief internal auditor's report on the audit implementation during May and June 2022	Acknowledged with no further comments
2022/08/17	Audit report for July via e-mail	Acknowledged with no further comments
2022/08/30	Chief internal auditor's report on the audit implementation in July 2022	Acknowledged with no further comments
2022/09/20	Audit report for August via e-mail	Acknowledged with no further comments
2022/10/19	Audit report for September via e-mail	Acknowledged with no further comments
2022/11/09	1. Pre-meeting and chief internal auditor's report on the audit implementation during August and September 2022	Acknowledged with no further comments

Date	Communication of independent directors with the internal auditor	Result
	2. Review of the 2023 audit plan	Approved and submitted to the Board of Directors for resolution
2022/11/25	Audit report for October via e-mail	Acknowledged with no further comments
2022/12/27	Audit report for November via e-mail	Acknowledged with no further comments
2023/01/19	Audit report for December via e-mail	Acknowledged with no further comments
2023/02/23	Audit report for January 2023 via e-mail	Acknowledged with no further comments
2023/03/14	1. Pre-meeting and chief internal auditor's report on the audit implementation during October 2022 and January 2023	Acknowledged with no further comments
	2. Review of the "Effectiveness evaluation of the internal control system" and "Internal Control System Declaration" for 2022	Approved and submitted to the Board of Directors for resolution

2. CPAs shall make a report with respect to the audit or review of the Company and its subsidiaries' financial statements, and the Company's internal control and audit to independent directors and fully communicate with them about any material adjusting entries and any impact from the amendment of laws and regulations on the statement of accounts at a regular meeting that shall be held at least once a year. A meeting may be held at any time in case of material irregularities.

Date	Communication of independent directors with CPAs
2022/03/03	I. CPAs' explanation and discussion about the audit matters for the 2021 separate financial statements: 1. Independence of CPAs 2. Contents of the letter of representation 3. Significant risks 4. Implementation and results of internal control tests 5. Key audit matters 6. Audit differences identified in the audit 7. Relationship and transaction with related parties 8. Perspectives on the material qualitative aspects of the accounting practices 9. Valuation adjustments to the equity instruments measured at fair value through other comprehensive income 10. CPAs' audit opinions to be issued in 2021 II. Updates of securities and exchange laws and regulations
2022/08/09	I. CPAs' explanation and discussion about the audit matters for the 2022 Q2 separate financial statements: 1. Independence of CPAs 2. Contents of the letter of representation 3. Audit differences identified in the review 4. A review report to be issued by the CPAs

Date	Communication of independent directors with CPAs
	5. Updates of securities and exchange laws and regulations 6. New trends in sustainable development
2022/11/09	I. CPAs' explanation and discussion about the audit matters for the 2022 Q3 separate financial statements II. Annual audit plan III. Updates of securities and exchange laws and regulations IV. Major amendments to the IESBA Code
2023/03/14	I. CPAs' explanation and discussion about the audit matters for the 2022 separate financial statements: 1. Independence of CPAs 2. Contents of the letter of representation 3. Significant risks 4. Implementation and results of internal control tests 5. Key audit matters 6. Audit differences identified in the audit 7. Relationship and transaction with related parties 8. Perspectives on the material qualitative aspects of the accounting practices 9. Valuation adjustments to the equity instruments measured at fair value through other comprehensive income 10. CPAs' audit opinions to be issued in 2022 II. Amendments to the provisions regarding independence in the IESBA Code that are applicable to public interest entities III. Updates of securities and exchange laws and regulations

(III) Implementation of corporate governance, differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance principles pursuant to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and disclose them?	V		(I) We established the corporate governance principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the principles were adopted at the 11th meeting of the 17th Board of Directors. The provisions of the principles were subsequently amended pursuant to the letters of the Taiwan Stock Exchange Corporation. (II) The Company disclosed the "Corporate Governance Best Practice Principles" on the Market Observation Post System and the Company's website.	No difference We resolved at the 19th meeting of the 22nd Board of Directors on June 13, 2019 to amend the Corporate Governance Best Practice Principles.
II. Shareholding structure and shareholders' equity (I) Does the Company have an internal procedure in place and handle shareholders' suggestions, doubts, disputes, and lawsuits accordingly?	V		(I) For the method of handling shareholders' suggestions, doubts or disputes, in addition to a spokesperson appointed to accept the suggestions from the shareholders or explain their doubts, the personnel of the Stock Affairs Section also spares no effort to provide satisfying	No difference

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			answers in words or in writing after understanding and reviewing the shareholders' suggestions or doubts.	
(II) Does the Company have a list of major shareholders who actually control the Company and the persons who have ultimate control over the major shareholders?	V		(II) The Company has always kept an eye on the increase/decrease in directors' shareholding and the changes in mortgages, entered specific information into the designated information reporting website for public disclosure in accordance with regulations, and been familiar with the list of major shareholders and their shareholding when closing accounts every month or on the ex-rights date.	No difference
(III) Does the Company establish or implement any risk control measures and firewall mechanisms between the Company and its affiliates?	V		(III) The Company and each of the affiliates operate separately, and hence each company has its own internal control system. We have established and implemented subsidiary management regulations. Therefore, we have followed laws and regulations to conduct risk assessment and establish appropriate firewall mechanisms between the Company and the affiliates.	No difference The Company has had no subsidiaries since December 18, 2017.
(IV) Does the Company have internal regulations to prohibit insiders of the	V		(IV) The "Insider Trading Prevention Regulations" and "Code of Ethical Conduct for Directors	No difference Please refer to Page 131-134

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
Company from using undisclosed information in the market to trade securities?			and Managerial Officers" have been formulated to prohibit the insiders of the Company from using the undisclosed information on the market to trade securities. We also remind the insiders not to violate laws on an irregular basis.	of this annual report for the Company's directors and managerial officers' participation in courses relevant to insider trading prevention in 2022.
III. Formation and responsibilities of the Board of Directors (I) Whether the Board of Directors develop diversified policies and concrete management goals and implements them thoroughly?	V		(I) The selection of directors is conducted in accordance with the "diversified composition of the Board of Directors" set forth in Article 20 of Corporate Governance Best Practice Principles. Apart from the profession and experience requirements of business management, finance, and international trade, the Company aims to select directors with the professions or experiences that meet its industry nature. The professions or experiences of currently selected directors already cover the requirement of the operations of the Company	No difference

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			and meet the management goals of the Board of Directors, including business management, international trade, tea industry, leisure industry, land development, environmental protection and law. In addition, to support the Corporate Governance 3.0 - Sustainable Development Roadmap promoted by the competent authority, the Company has increased the number of independent directors from 3 to 4 during the re-election at the 2022 shareholders' meeting. The number of independent directors of the Company is not less than 1/3 of the total directors. Please refer to Page 64~70 of the annual report for the formation of the Board of Directors and their diversification.	
(II) Does the Company voluntarily establish any functional committees other than the Compensation Committee and Audit Committee set up pursuant to laws?	V		(II) We will plan to set up other functional committees according to relevant laws and regulations, the Company's business status and scale.	No difference
(III) Does the Company establish regulations and methods for evaluating the	V		(III) The Company resolved at the 20th meeting of the 20th Board of Directors on July 5, 2019 to	The "performance evaluation of the

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
performance of the Board of Directors, conduct regular performance evaluations every year, and report the results to the Board of Directors? Are the results utilized as the basis for the remuneration and nomination for re-election of individual directors?			formulate the "Regulations Governing the Performance Evaluation of the Board of Directors" and to start the evaluation in 2020. The 2022 performance evaluation was completed before the first quarter in 2023 in accordance with the regulations, and the results were reported at a board meeting.	Board of Directors" for 2022 was completed in the first quarter in 2023. The relevant information was also uploaded to the Market Observation Post System and reported at the Board of Directors meeting on March 14, 2023 in accordance with the regulations. (Please refer to Pages 93~95 of this annual report for more details.)
(IV) Does the Company assess the independence of the CPAs on a regular basis?	V		(IV) The Company requires CPAs to provide a "declaration of independence" every year and assesses whether the CPAs meet independence requirements according to the relevant procedures. The assessment of the CPAs' independence was completed at the 17th meeting of	No difference

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			the 23rd Board of Directors on March 3, 2022. We also assessed the independence and competency of the CPAs at the 9th meeting of the 24rd Board of Directors on March 14, 2023. Please refer to Pages 125~128 of this annual report for assessment.	
IV. Does your TWSE/TPEx-listed company designate competent corporate governance personnel in an appropriate number along with a chief corporate governance officer responsible for related matters (including but not limited to providing information required for directors and supervisors to perform their duties, ensuring that directors and supervisors follow laws and regulations, handling matters related to the Board of Directors and shareholders' meetings, and preparing minutes of the Board of Directors and shareholders' meetings)?	V		In addition that the Company appointed the Secretariat Office, Board of Directors to serve as the corporate governance unit and resolved at the board meeting on August 27, 2008 to designate Division Director Chia-Hui Wan as the secretary to the Board of Directors. We appointed Assistant General Manage Li-Chuan Kao as the corporate governance officer according to laws at the 11th meeting of the 23rd Board of Directors on May 11, 2021. Both of them have more than three years of meeting or financial management experience in public listed companies. Their responsibilities at least include the following matters: 1. Handling company registration and change registration. 2. Handling affairs relevant to Board of Directors meetings and shareholders' meetings in	No difference

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			accordance with laws and ensuring that the Company follows the laws and regulations related to Board of Directors meetings and shareholders' meetings. 3. Preparing the minutes of Compensation Committee meetings, Audit Committee meetings, Board of Directors meetings and shareholders' meetings. 4. Providing information required for directors to perform their duties and related to the latest legal development relevant to the operation of the Company to help directors (independent directors) observe laws and regulations. 5. Dealing with affairs relevant to investor relations. 6. Other matters referred to in the Articles of Incorporation or contracts.	
V. Does the Company establish a channel for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), design a stakeholder section on the Company's website, and appropriately respond to important CSR issues for	V		The Company has designed a stakeholder section on the Company' website at: https://www.ttch.com.tw/zh/stakeholder/stakeholder. The stakeholders may provide suggestions regarding the issues that they are concerned about or communicate with the Company through the channel. We will handle these suggestions appropriately and make direct responses as soon as	No difference

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
which the stakeholders are concerned?			possible.	
VI. Does the Company commission a professional registrar to deal with matters related to shareholders' meetings?	V		The Company commissions the Stock Transfer Department of Grand Fortune Securities Co., Ltd. to held the Company's shareholders' meetings and handle stock affairs. （The proposal to change the Company's shareholder service agent to Concord Securities Co., Ltd from April 1, 2023 was adopted at the board meeting on January 17, 2023. ）	No difference
VII. Information disclosure				
(I) Does the Company establish a website to disclose information concerning financial affairs and corporate governance?	V		(I) The Company has disclosed the information about financial affairs and corporate governance on the website at: https://www.ttch.com.tw/zh/governance/governance.	No difference
(II) Does the Company use other information disclosure methods (such as building an English website, assigning dedicated personnel for collection and disclosure of information, implementing a spokesperson system, and publishing the process of investor conferences on the website)?	V		(II) In addition to the information disclosed on the Company's website for investors' reference, a spokesperson and deputy spokesperson are appointed to answer the questions from shareholders. The Marketing Department updates the Company's information on the website on an irregular basis.	No difference

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(III) Does the Company publish and file its annual financial statements within two months after the close of the fiscal year? Does the Company publish and file the Q1, Q2 and Q3 financial statements and monthly operational performance prior to the required deadline?		V	(III) We publish and file our annual financial statements within 75days after the close of every fiscal year; publish and file the financial statements within 45 days after the close of Q1, Q2 and Q3 in every fiscal year; and publish and file the operational performance of the previous month 10 days before every month.	The Company publishes and files financial statements and monthly operation reports pursuant to Article 36 of the Securities and Exchange Act.
VIII. Does the Company have other important information that are helpful to understand the implementation of the corporate governance (including but not limited to the interests and care of employees, investor relationship, supplier relationship, rights of stakeholders, continuing education of directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and liability insurance coverage for directors and supervisors)?	V		(I) In addition to the Employee Welfare Committee set up to ensure and maintain employees' welfare and provide free annual medical check-ups for the employees, the Labor-Management Committee established in March 2014 holds regular labor-management meetings to improve labor relations. We constantly organize training on occupational safety and health and improvement of the professional capability of the employees. For employees choosing the old pension system, 8.58% of the income, as retirement funds, is deposited in accounts at the Department of Trusts of the Bank of Taiwan for	No difference

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			yields on a monthly basis in accordance with the Labor Standards Act; for employees covered by the new pension system, 6% of the total salary is transferred to individual accounts at the Bureau of Labor Insurance. All the rights and interests of our employees are guaranteed.	
	V		(II) We take care of disadvantaged groups, support the government policy of "employment of disabled workers," offer equal work opportunities for employees, and provide a safe and promising working environment. The Company won the Best Growth Award in the "Visible Abilities with Unlimited Employment Opportunities" corporate model evaluation held by the Taipei City Government in 2016. Our Pingtung Branch Office has been presented the award of "Excellent Unit Employing Workers with Disabilities in Pingtung County" by the Pingtung County Government for three consecutive years since 2018 to acknowledge our efforts	No difference

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			to actively employ disabled workers in response to the government policy.	
	V		(III) The relations with shareholders and investors, and the rights and interests of the suppliers having a business relationship with the Company and of stakeholders are maintained and guaranteed in accordance with laws.	No difference
	V		(IV) The Company designs a stakeholder section on the website providing multiple communication channels for stakeholders (shareholders, investors, customers, employees, communities, neighborhoods, suppliers (contractors), media, government units, etc.) to maintain the legal rights of both parties.	No difference
	V		(V) For detailed information related to the corporate governance training participated by the Company's directors and managerial officers, please refer to the following tables of "2022 Continuing Education of the Company's Directors" and "2022 Managerial Officers' Continuing Education and Training Related to Corporate	Several directors completed the continuing education courses for directors.

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
	V		Governance." (VI) The Company purchased directors and managerial officers' liability insurance for 2018 (with a policy term beginning August 1, 2018, and ending July 31, 2019) on July 30, 2018. The insurance has been renewed on August 1 every year (with a policy term beginning August 1 in the current year and ending July 31 in the following year) since then. The main contents of the insurance policy were reported to directors at the 13th meeting of the 22nd Board of Directors, the 1st, 7th and 13th meetings of the 23rd Board of Directors, and the 1st meeting of the 24th Board of Directors.	No difference
IX. On the basis of the result of corporate governance evaluation released by TWSE's Corporate Governance Center in the most recent year, please describe the matters to which improvements have been made. Regarding the matters to which improvements have yet to be made, please list those	V		(I) We started to prepared an English version of 2017 separate and consolidated financial statements in 2018 to improve information transparency. An English version of the notice of annual shareholders' meetings started to be prepared in 2018. In 2021, we begin to prepare an English version of the annual report and meeting handbook to protect shareholders' rights and	Although the Company does not commission a professional institution to conduct corporate governance evaluations, there are no material defects found during

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
which have been selected as priorities and the measures to be taken.			interests and allow foreign companies to receive the same information. (II) The Company arranged a re-election at the extraordinary meeting of shareholders on August 1, 2019. Therefore, the Chairman and the General Manager for the current term are not the same person. (III) The Company resolved at the 8th meeting of the 23rd Board of Directors on November 12, 2020 to establish the Company's "Regulations on Risk Management Policies and Procedures" and reported the implementation of risk management in 2020 at the 9th meeting of the 23rd Board of Directors on January 21, 2021. Similarly, the implementation of risk management in 2022 was reported to the Board of Directors on January 17, 2023. (IV) The Company has timely published the English version of important messages consistent with laws and regulations since January 1, 2022. (V) The Company has timely published the English version of	the Company's corporate governance self-evaluations. We will continue to implement corporate governance.

Item for evaluation	Implementation (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			the sustainability report since September 2022. (VI) After the re-election of all directors in 2022, the number of independent directors is not less than 1/3 of the total directors now, which corresponds to one of the requirements of the Corporate Governance 3.0 - Sustainable Development Roadmap.	

Note: No matter whether the "Yes" or "No" box is checked, the implementation shall be described in the Summary field

III. (IV) CPA independence assessment procedure (Period of evaluation: 2023/01/01-2023/12/31)

Description

1. The CPA independence assessment procedure is established based on the Certified Public Accountant Act, the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and the Statements on Auditing Standards.
2. According to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 "Integrity, Objectivity and Independence," the relevant terms are defined as follows:

   Financial interests: Refer to equity securities or other securities, corporate bonds, loans, other debt instruments, or interests, including the rights thereof and any benefits and obligations derived therefrom.

   Direct financial interests:

   - Financial interests directly owned by an individual, corporate or firm, or over which the individual, corporate or firm has control.
   - Financial interests gained by an individual, corporate or firm through mutual investments with others, and the individual, corporate or firm has control over the mutual investments.

Indirect financial interests: Financial interests gained by an individual, corporate or firm through mutual investments with others, and the individual, corporate or firm has no control over the mutual investments.

Family: refers to the spouse (domestic partner) and minor children.

Relative: Refers to direct relatives by blood, direct relatives by marriage, and brothers and sisters.

CPA Independence Assessment Procedure		Compliance with requirements	
		Yes	No
1.	Financial interests		
	(1) Do the members of the audit team of the CPA firm and their family have direct financial interests or significant indirect financial interests in the Company? (2) Do other partners of the CPA firm and their family have direct financial interests or significant indirect financial interests in the Company? (3) Do the CPA firm and its affiliated companies have direct financial interests or significant indirect financial interests in the Company?	v	
	Conclusion: None of the said circumstances are found during the assessment.		
2.	Financing and guarantees (applying to non-financial industries)		
	Is there mutual financing or guarantee activities between the Company and the firm, its affiliated companies and the members of its audit team?	v	
	Conclusion: None of the said circumstances are found during the assessment.		
3.	Business relationship		
	(1) Is there close business relationships between the firm, its affiliated companies and the members of its audit team and the Company or the directors, supervisors and managerial officers thereof? Such relationships include: ■ A strategic alliance in which there are material interests between the firm and the Company or any shareholder, director, supervisor or managerial officer thereof who has control over the Company. ■ An alliance formed to mutually market the services or products of the firm or its affiliated companies and the services or products offered by the Company. ■ A relationship in which the firm or its affiliated companies and the Company mutually promote or sell the products or services of the other party to gain profits. (2) Does the Company sell goods or provide services to the firm, its affiliated companies, or the members of its audit team within the scope of normal business activities?	v	
	Conclusion: None of the said circumstances are found during the assessment.	v	

CPA Independence Assessment Procedure		Compliance with requirements	
		Yes	No
4.	Family and personal relationships		
	(1) Do the family of the audit team members serve as a director, supervisor, or managerial officer of the Company or serve in a post where they may exert direct and significant influence on audit engagement, or have they been in the aforesaid positions during the audit period? (2) Do the relatives of the audit team members serve as a director, supervisor, or managerial officer of the Company or serve in a post where they may exert direct and significant influence on audit engagement, or have they been in the aforesaid positions during the audit period?	v	
	Conclusion: None of the said circumstances are found during the assessment.		
5.	Employment relationship		
	(1) Does the firm or any of its audit team members serve as a director, supervisor, or managerial officer of the Company or serve in a post where the firm or the member may exert direct and significant influence on audit engagement? (2) If any member of the audit team, CPA or former CPA of the firm is employed by the Company, please assess the influence of the following factors on the independence of the CPA: ■ The post in which he/she serves in the Company. ■ The period between the date of resignation from the firm and the date of employment in the Company. ■ The importance of the post in which he/she served in the firm. (3) Is there any member of the audit team who is known to be employed by the Company? (4) Do the CPAs or employees of the CPA firm or its affiliated companies serve as a director, supervisor, managerial officer of the Company or serve in an equivalent post?	v	
	Conclusion: None of the said circumstances are found during the assessment.		
6.	Gift, endowment, and preferential treatment		
	Does the Company provide gifts, endowments or preferential treatment that are not valuable to the members of the audit team in accordance with accepted social customs or business customs without any purpose or intention of influencing professional decisions or obtaining confidential information?	v	
	Conclusion: There is no abnormal circumstance found during the assessment.		
7.	Job rotation for CPAs		
	Does the CPA serve as an engagement partner of the Company for less than seven years? Is the CPA reappointed as the engagement partner	v	

CPA Independence Assessment Procedure		Compliance with requirements	
		Yes	No
	after at least 2 years following a job rotation?		
	Conclusion: None of the said circumstances are found during the assessment.		
8.	Non-audit service		
	Does the Company ask the CPA about the details of non-audit services he/she provides for the Company and about the influence thereof on his/her independence?	v	
	Conclusion: None of the said circumstances are found during the assessment.		
9.	CPA's independence declaration		
	Receipt of the CPA's independence declaration to the Audit Committee (or an equivalent governance unit, if there is no Audit Committee).	v	
	Conclusion: The CPA's independence declaration is received.		

Taiwan Tea Corporation CPA competency assessment report

Dimension of assessment	Assessment indicator	Yes	No	Description of assessment
Professionalism	1.1 CPA firm staff's experience of audit: Do the senior audit personnel have enough experience of audit to carry out the audit work?	✓		Regarding the audit team, including the CPAs and senior audit personnel, of EY Taiwan (hereinafter referred to as "EY") for the Company's financial statements, their years of audit service, educational background and experience of audit are adequate for the audit of our financial statements. The average years of service of the CPAs and the supervisors at the level of manager or higher are 19.5 years and 13.8 years, respectively.
	1.2 Training hours of the CPA firm Do the CPAs and senior audit personnel receive enough educational training every year to acquire professional knowledge and skills on a continuous basis?	✓		EY requires that the audit personnel at all levels should get certain hours of training every year. In 2022, the average training hours of the CPAs and the senior audit personnel were 76.9 and 79.2, respectively, which was equivalent to the average in the industry. The CPAs also took additional courses in the relevant associations and institutions; the training hours thereof are not included in the aforementioned numbers of hours.
	1.3 Turnover rate of the CPA firm: Does the CPA firm maintain enough human resources with an adequate level of seniority?	✓		The average turnover rate of EY's senior audit personnel in 2022 and 2021 was 17.35% and equivalent to that of the peers in the industry.

Dimension of assessment	Assessment indicator	Yes	No	Description of assessment
	1.4 Professional support of the CPA firm: Does the CPA firm have enough professional staff (e.g. evaluation personnel) to support the audit team?	✓		In 2022, EY had professional personnel with expertise in computer auditing, financial evaluation and tax consultation, etc. that supported the audit unit; the percentage of such support was 9.9% and better than the average of the peers in the industry.
Quality control	2.1 Workload of the CPAs: Do the CPAs have a workload that is appropriate and not excessive?	✓		The lead CPA, Chih-Ming Chang, serves as the lead CPA for an average of 7 public companies, and the time of engagement accounts for 33.3 % of the available working hours. His workload is not excessive.
	2.2 Engagement of the CPA firm in the audit process: Are the members of the CPA firm's audit team appropriately engaging in each audit phase?	✓		The engagement hours of EY audit team made up 44.5% in the audit planning phase and 55.5% in the implementation phase. The team's level of engagement was similar to the industry's average percentage of engagement hours in the audit planning phase (41.2%) and in the implementation phase (58.8%) and may be deemed as reasonable.
	2.3 Review by the engagement quality control reviewer (EQCR): Does the EQCR spend enough hours in the review of the audit case?	✓		EY requires that the qualified EQCRs should have specific educational background and experience. The EQCR hours for the Company's financial statements constitute 1% of the process, which is equivalent to the average level in the industry and thus deemed as reasonable.
	2.4 Support capacity of the CPA firm: Does the CPA firm have enough human resources for quality control to support the audit team?	✓		EY has established a comprehensive audit quality sampling mechanism. In 2022, there were 21 people responsible for the quality control, including the personnel for risk management, audit quality control, professional consultation in relation to accounting and auditing, and employee training, etc.; the percentage of their support to the audit unit was 2.7%, indicating that EY had enough human resources for quality control to support the audit team.
Independence	3.1 Non-audit fees: Do the non-audit services hold a percentage in fees that does not impact the independence?	✓		The fees of the non-audit services provided by EY and its affiliates for the Company made up 36.6% of the total fees. Since it's below 40%, the independence was not impacted.
	3.2 Familiarity with the Company: Are the accumulative years of the CPA firm's certification of the annual financial statements	✓		EY has been responsible for the certification of the Company's financial statements for 10 years, but the CPAs, Chih-Ming Chang and Chun-Ting Ma, have been engaged in the certification of the Company's financial

Dimension of assessment	Assessment indicator	Yes	No	Description of assessment
	ensured to have no impact on the independence?			statements for less than 7 years, which conforms with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and thus causes no impact on their independence.
	3.3 Audit fees: Are the CPA audit fees reasonable? Has it been ensured that there are no "contingent fee" agreements?	✓		The audit fees are reasonably adjusted every year based on the considerations of the human resources invested and the volume of business operations; there have not been any contingent fee agreements.
	3.4 Appointment of audit personnel: Has it been ensured that no former audit personnel of the CPA firm are employed as the chief financial officer or other positions that play a role in major decision-making?	✓		The Company does not employ any former audit personnel of the CPA firm as our chief financial officer or other positions that play a role in major decision-making.
Supervision	4.1 Defects in external inspection and the punishment thereof: Does the CPA firm control the quality and audit the case as per the relevant laws, regulations and standards?	✓		EY has been inspected by the Financial Supervisory Commission in the most recent 3 years, and no significant defects in quality control have been found.
	4.2 Letters from the competent authority for improvements: Does the firm control the quality and audit the case as per the relevant laws, regulations and standards, with no letters asking for improvements received from the competent authority?	✓		The Company has received no letters from the competent authority for improving the financial statements in the most recent 3 years. As for EY, the average of the times of receiving such letters in the most recent 3 years are 0.33 times per year, which is equivalent to the number of other CPA firms and causes no significant impact on the audit quality of the Company's financial statements.
Innovation capacity	5.1 Innovation planning or initiatives: Is the CPA firm committed to the enhancement of audit quality, including its innovation capacity and planning?	✓		EY continues to adopt or devise initiatives or plans regarding the enhancement of audit quality, including the constant reinforcement of internal quality review process, regular publication of internal digital newspaper for latest information, and promotion of digital audit. The tools that have been developed and applied, such as the audit knowledge base system EY Atlas, audit collaboration platform EY Canvas and digital analysis tool Helix, help boost the audit quality in an effective manner.

Resolution: All attending directors and independent directors passed the proposal of the

independence and competency assessment for CPAs without objections at the 9th meeting of the 24th Board of Directors on March 14, 2023.

VIII. (V) The Company shall inform the companies of directors and supervisors of any updates of regulations related to corporate governance and the governance training courses for the directors and supervisors.

(1) Continuing education of directors (independent directors) from 2022 up to April 10, 2023

Title	Name	Course date	Organizer	Course title	Number of hours
Representative of corporate director	Ching-Yung Wu	2022.12.14	Taiwan Corporate Governance Association	Transnational and Sustainable Management	3HR
Representative of corporate director	Ching-Yung Wu	2022.08.11	Taiwan Corporate Governance Association	Discussion on the Corporate Sustainability Transformation Based on the ESG Investment and Financing	3HR
Representative of corporate director	Yu-Chang Huang	2022.12.14	Taiwan Corporate Governance Association	Transnational and Sustainable Management	3HR
Representative of corporate director	Yu-Chang Huang	2022.08.11	Taiwan Corporate Governance Association	Discussion on the Corporate Sustainability Transformation Based on the ESG Investment and Financing	3HR
Representative of corporate director	Wei-Lin Shao	2022.12.16	Taipei Foundation of Finance	Carbon Management for Sustainable Environment - Planning of Pathways of Low-Carbon Transformation - Carbon Credit and Pricing	3HR
Representative of corporate director	Wei-Lin Shao	2022.11.18	Taiwan Corporate Governance Association	The Business Merger and Acquisition Process: A Discussion on the Key Issues of Mergers and Acquisitions Integration	3HR
Representative of corporate director	Chih-Kuang Yen	2023.03.17	Taiwan Corporate Governance Association	Common Defects Listed Companies Have in the Operation of Board of Directors (Case Sharing)	2.5 HR
Representative of corporate director	Chih-Kuang Yen	2023.03.10	Taiwan Corporate Governance	Shareholders' Meeting, Management Rights, and Equity Strategies	3HR

Title	Name	Course date	Organizer	Course title	Number of hours
			Association		
Representative of corporate director	Chih-Kuang Yen	2022.12.16	Taiwan Corporate Governance Association	Understanding Related-Party Transactions and Non-Arm's Length Transactions through Case Studies	3HR
Representative of corporate director	Chih-Kuang Yen	2022.11.18	Taiwan Corporate Governance Association	The Business Merger and Acquisition Process: A Discussion on the Key Issues of Mergers and Acquisitions Integration	3HR
Independent director	Sheng-Tsheng Lee	2022.08.12	Taiwan Corporate Governance Association	Analysis of the Impact of Minimum Tax and Taiwan’s Anti-Tax Avoidance System on Corporate Tax Governance from the Perspective of Directors and Supervisors	3HR
Independent director	Sheng-Tsheng Lee	2022.08.04	Taiwan Corporate Governance Association	What's on the Investors’ Mind: Discussion on the Corporate Sustainability Transformation Based on the ESG Investment and Finance	3HR
Independent director	Sheng-Tsheng Lee	2022.07.19	Taiwan Corporate Governance Association	Carbon Management Trends and Response Measures for Net-Zero	3HR
Independent director	Sheng-Tsheng Lee	2022.07.05	Taiwan Corporate Governance Association	2030/2050 Green Industrial Revolution	3HR
Independent director	Sheng-Tsheng Lee	2022.03.09	Taiwan Institute of Directors	Leadership Academy Forum: Restart in the New Reality - A New Side of Taiwan with Digital Technology	3HR
Independent director	Chung- Ho Sung	2022.08.26	Taiwan Corporate Governance Association	How the Audit Committee Supervises the Effectiveness of Internal Control	2HR
Independent director	Li-Chi Yeh	2022.11.25	Taiwan Corporate Governance	Analysis of the Legal Restrictions and Decisions on the Shareholding of	3HR

Title	Name	Course date	Organizer	Course title	Number of hours
			Association	Directors and Supervisors	
Independent director	Li-Chi Yeh	2022.11.08	Taiwan Corporate Governance Association	New Level of Corporate Governance - Creating an Ethical Management-Based Company	3HR
Independent director	Sen-Jung Wang	2022.11.09	Securities and Futures Institute	Precise Grasp of ESG Sustainability Formula	3HR
Independent director	Sen-Jung Wang	2022.11.09	Securities and Futures Institute	Major Issues Related to Taxation and the Securities and Exchange Act in 2022	3HR

(2) Participation of managerial officers in continuing education and training courses related to corporate governance from 2022 up to April 10, 2023:

Title	Name	Course date	Organizer	Course title	Number of hours
Chief corporate governance officer	Li-Chuan Kao	2022.04.26	Taiwan Corporate Governance Association	Labor Dispute Prevention and Corporate Governance	3HR
Chief corporate governance officer	Li-Chuan Kao	2022.04.13	Securities and Futures Institute	The Business Merger and Acquisition Process: A Discussion on the Issues of Mergers and Acquisitions Integration	3HR
Chief corporate governance officer	Li-Chuan Kao	2022.04.12	Securities and Futures Institute	Technological Development and Business Models of Blockchain	3HR
Chief corporate governance officer	Li-Chuan Kao	2022.04.06	Securities and Futures Institute	Global Risk Acknowledgement - The Opportunities and Challenges in the Next Decade	3HR
Chief corporate governance officer	Li-Chuan Kao	2022.03.23	Independent Director Association Taiwan	Protection and Strategy on Information Security and Risk Management in the Metaverse Trend	3HR
Chief corporate governance officer	Li-Chuan Kao	2022.03.11	Quantum International Corp, Georgeson, and Taiwan Stock	Discussion on the Independent Directors and 2022 Shareholders' Meeting from the International Perspective	1HR

Title	Name	Course date	Organizer	Course title	Number of hours
			Exchange Corporation		
Chief corporate governance officer	Li-Chuan Kao	2022.03.09	Independent Director Association Taiwan	ESG Climate Risk Management - Hedging Applications and Development Trends in Financial Instruments	3HR
Audit Manager	Kuang-Chih Cheng	2022.09.23	The Institute of Internal Auditors - Chinese Taiwan	Analysis and Application of Financial Statements	6HR
Audit Manager	Kuang-Chih Cheng	2022.10.28	The Institute of Internal Auditors - Chinese Taiwan	In-Depth Analysis of Risk Management for Corporate Fraud Audit	6HR
Financial Manager	Pei-Chen Huang	2022.09.26 & 2022.09.27	Accounting Research and Development Foundation	Continuing Education Course for Chief Accounting Officers at Issuers and Stock Exchanges	12HR

(IV) The formation and operation of the Compensation Committee

1. The Company established the "Rules of Compensation Committee of Taiwan Tea Corporation" based on the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" announced by the Financial Supervisory Commission, and resolved at the 5th board meeting of the 20th Board of Directors on October 13, 2011 to appoint three Compensation Committee members for the 1st Compensation Committee.
2. Independent Directors Sheng-Tsheng Lee, Chung- Ho Sung, Li-Chi Yeh and Sen-Jung Wang were appointed as the members of the 5th Compensation Committee according to the resolution made at the 1st special meeting of the 24th Board of Directors. The term of the four members is the same as the term of the directors of the 24th Board of

Directors, namely from May 26, 2022 to May 19, 2025.

(1) Information about the members of the 5th Compensation Committee

Conditions / Member type (Note 1) / Name		Profession qualifications and experiences (Note 2)	Independence (Note 3)	Number of other public companies where the member concurrently serves as a compensation committee member
Independent director (Convener)	Sheng-Tsheng Lee	1. A member of the Company's 4rd Compensation Committee and the convener of the current Compensation Committee. 2. For the information on the work experience, please refer to Pages 57~59 of the annual report: Information about the directors and independent directors of the 24rd Board of Directors.) 3. Qualifications for a judge and lawyer.	Compliance with independence requirement, including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; not acting as a director, supervisor or employee of the Company or any company having a specific relation with the Company, or not providing the Company or any of its affiliated company with any commerce, law, finance, accounting services and receiving compensation in the most recent two years.	2
Independent director	Chung-Ho Sung	1. For the information on the work experience, please refer to Pages 57~59 of the annual report: Information about the directors and independent directors of the 24rd Board of Directors.)	Compliance with independence requirement, including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; not acting as a director, supervisor or employee of the Company or any company	0

Conditions / Member type (Note 1)	Name	Profession qualifications and experiences (Note 2)	Independence (Note 3)	Number of other public companies where the member concurrently serves as a compensation committee member
		2. Qualifications for a prosecutor and lawyer.	having a specific relation with the Company, or not providing the Company or any of its affiliated company with any commerce, law, finance, accounting services and receiving compensation in the most recent two years.	
Independent director	Li-Chi Yeh	1. For the information on the work experience, please refer to Pages 57~59 of the annual report: Information about the directors and independent directors of the 24rd Board of Directors.) 2. Qualifications for a lawyer.	Compliance with independence requirement, including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; not acting as a director, supervisor or employee of the Company or any company having a specific relation with the Company, or not providing the Company or any of its affiliated company with any commerce, law, finance, accounting services and receiving compensation in the most recent two years.	0
Independent director	Sen-Jung Wang	1. For the information on the work experience, please refer to Pages 57~59 of the annual report: Information about the directors and independent directors of the 24th Board of Directors.	Compliance with independence requirement, including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship does not act as a director, supervisor or employee of the Company or any of its affiliated companies; not acting as a director,	2

Conditions / Member type (Note 1)	Name	Profession qualifications and experiences (Note 2)	Independence (Note 3)	Number of other public companies where the member concurrently serves as a compensation committee member
		2. Qualifications for a lawyer.	supervisor or employee of the Company or any company having a specific relation with the Company, or not providing the Company or any of its affiliated company with any commerce, law, finance, accounting services and receiving compensation in the most recent two years.	

Note 1: Please fill out the form with a concrete description of the years of service, professional qualifications, experiences, and independence status of each Compensation Committee member. For independent directors, it is allowed to give a reference to Table 1 on Pages57~59 on the information about the directors and supervisors (1). Please specify that the member is an independent director or others in the "Member type" field. (Add a note for the convener.)

Note 2: Profession qualifications and experiences: Describe the professional qualifications and experience of each Compensation Committee member.

Note 3: Independence: Describe the compliance of the Compensation Comm members with the independence requirements including but not limited to whether the independent director, the spouse or any relative within the second degree of kinship acts as a director, supervisor or employee of the Company or any of its affiliated companies; the number of shares held by the independent director, the spouse or any relative within the second degree of kinship (or in the name of others) and the percentage of the shareholding; whether any of them acts as a director, supervisor or employees of the company having a specific relation with the Company (refer to Article 6, Paragraph 1, Subparagraph 5~8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the compensation for providing the Company or any of its affiliated company with any commerce, law, finance, accounting services in the most recent two years.

(2) Information on the operation of the Compensation Committee

①The Company's Compensation Committee consists of 4 members.

②The term of the members of current Compensation Committee: May 26, 2022–May 19, 2025

The 4th and 5th Compensation Committee has held 6(A) meetings from January 01 in the most recent year (2021) up to the publication date of this annual report. The attendance of the members is described below:

2022.01.01-2022.05.19

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Sheng-Tsheng Lee	2	0	100%	2019.08.12 (Reelected)
Member	Chung-Ho Sung	2	0	100%	2019.08.12 (Newly elected)
Member	Li-Chi Yeh	2	0	100%	2019.08.12 (Newly elected)

111.05.26-112.04.16

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Sheng-Tsheng Lee	4	0	100%	2022.05.26 (Reelected)
Member	Chung-Ho Sung	4	0	100%	2022.05.26 (Reelected)
Member	Li-Chi Yeh	4	0	100%	2022.05.26 (Reelected)
Member	Sen-Jung Wang	4	0	100%	2022.05.26 (Newly elected)

Note: (1)If any Compensation Committee member resigns prior to the end of a financial year, the date of resignation shall be specified in the Remarks field. The actual attendance rate (%) of the member is calculated based on the number of Compensation Committee meetings held and the number of his/her actual attendance during his/her term of service.

(2)If a re-election of Compensation Committee members takes place prior to the end of a financial year, the newly-elected and former members shall be listed, and the Company shall specify in the Remarks field whether the members are former, newly elected, or reelected, as well as the date of the re-election. The actual attendance rate (%) is calculated based on the number of Compensation Committee meetings held during the term of service of the member and the number of his/her actual attendance.

Other particulars:

I. If the Board of Directors does not adopt or revise the suggestions of the Compensation Committee, the date and session of the board meeting, contents of the proposals, meeting resolutions, and the Company's action on the opinions of the Compensation Committee shall be specified (If the remuneration resolved by the Board of Directors is higher than

that suggested by the Compensation Committee, the differences and the reason thereof shall be specified.): None.

II. In the event that any member of the Compensation Committee has expressed dissent or reservation over the Committee's resolutions, and that the dissent or reservation has been recorded or delivered in writing, the date and session of the Compensation Committee meeting, contents of the proposals, opinions of all the members, and the action on such opinions shall be specified: None.

The Company's 4th and 5th Compensation Committee have held 6 meetings from the most recent year up to April 16, 2023, with the following matters discussed:

Compensation Committee	Proposal for discussion and resolution	Resolution	The Company's action on members' opinions
4th Compensation Committee 7th meeting	1. Proposal for the Company's policy, system, standard and structure of remuneration payment for directors and managerial officers in 2022.	Passed as proposed	Nil
	2. Proposal for approval of the distribution of the 2021 year-end bonus for the Company's managerial officers.	Passed as proposed	Nil
	3. Proposal for approval of the distribution of the Chairman's 2021 year-end bonus.	Passed as proposed	Nil
	Compensation Committee's resolution: Passed as proposed by all attending members at the 7th meeting on January 18, 2022, and then submitted to the 16th meeting of the 23rd Board of Directors for review and passed as proposed.		
4th Compensation Committee 8th meeting	＊Report of no distribution of the remuneration to directors and employees in 2021.		
	Compensation Committee's resolution: The report was acknowledged at the 8th meeting on March 3, 2022.		
5th Compensation Committee 1st special meeting	1. Proposal for approval of the attendance fee for the directors and the compensation for the independent directors of the 24th Board of Directors.	Passed as proposed	Nil
	2. Proposal for the compensation of the Company's Vice Chairman.	Passed as proposed	Nil
	3. Proposal for the compensation of the Company's Chairman who concurrently serves as the General Manager.	Passed as proposed	Nil
	Compensation Committee's resolution: Passed as proposed by all attending members at the 1st special meeting on June 1, 2022, and then submitted to the 2nd special meeting of the 24th Board of Directors for review and passed as proposed.		
5th Compensation Committee 1st meeting	1. Proposal for the compensation of the Company's chief financial officer and chief accounting officer.	Passed as proposed	Nil
	Compensation Committee's resolution: Passed as proposed by all attending members at the 1st meeting on November 9, 2022, and then submitted to the 5th meeting of the 24th Board of Directors		

Compensation Committee	Proposal for discussion and resolution	Resolution	The Company's action on members' opinions
	for review and passed as proposed.		
5th Compensation Committee 2nd meeting	1. Proposal for the Company's policy, system, standard and structure of remuneration payment for directors and managerial officers in 2023.	Passed as proposed	Nil
	2. Proposal for approval of the distribution of the 2022 year-end bonus for the Company's managerial officers.	Passed as proposed	Nil
	3. Proposal for approval of the distribution of the 2022 year-end bonus for the Company's Chairman and Vice Chairman.	Passed as proposed	Nil
	Compensation Committee's resolution: Passed as proposed by all attending members at the 2nd meeting on January 17, 2023, and then submitted to the 7th meeting of the 24th Board of Directors for review and passed as proposed.		
5th Compensation Committee 3rd meeting	＊Report of no distribution of the remuneration to directors and employees in 2022.		
	Compensation Committee's resolution: The report was acknowledged at the 3rd meeting on March 14, 2023.		

(V)Implementation status of sustainable development, differences from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons thereof

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
I. Has the Company established a governance framework for the promotion of sustainable development and set up a dedicated (concurrent) unit for sustainable development? Does the Board of Directors authorize the top management to deal with the sustainable development and how is the supervision status of the Board of Directors?	V		The Company set up the Public Affairs Office in 2013 as approved by the Board of Directors. It, together with the BOD Secretariat Office, takes the responsibility for organizing public welfare activities, and implementing and promoting relevant sustainable development activities. The Sustainable Development Committee of the Company is comprised of the heads and employees of the departments concurrently. The management representative of the Sustainable Development Committee is the assistant general manager of the Public Affairs Office. The Committee has the subordinate units of the Business Management Team, Social Engagement Team, and Environmental Protection Team. The BOD Secretariat Office acts as the administration unit and is responsible for reporting the implementation result to the Board of Directors on an irregular basis (at least once a year). BOD Secretariat Office reported the implementation and promotion	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			status of the sustainable development activities to the Board of Directors on January 18, 2022, March 03, 2022, May 10, 2022, August 09, 2022 and November 09, 2022. The Board of Directors supervises the implementation of sustainable development, including the Company's assessment and review of sustainable development indicators, relevant risk policies and response strategies, analysis of the problems and review of countermeasures with respect to the Company's core business competitiveness and operating results, ethical management education and training, and the implementation status of various public welfare and social care events.	
II. Does the Company, based on the principle of materiality, conduct an assessment on environmental, social, and corporate governance risks related to its operation and establish relevant risk management policies or strategies? (Note 2)	V		The Company sets "health, leisure, environment" as the core of our management philosophy and "co-existence with the land" as the main goal in order to create a close connection with the land of Taiwan. Thus, we formulate risk management strategies for the environmental, social and corporate governance issues with respect to our operation (including the head office and each subsidiary,	No difference The implementation status of the risk management in 2022 was reported at the 7th meeting of the 24th Board of Directors on January 17,

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			recreational tea factory and tea leaves producing farm). We have established the "Regulations on Risk Management Policies and Procedures of Taiwan Tea Corporation" related to our operation based on the principle of materiality, and the Regulations were passed at the 8th meeting of the 23rd Board of Directors on November 12, 2020. The implementation status of the risk management in 2020, 2021 and 2022 was reported to the Board of Directors in Q1 of the respective following year. They have been disclosed on the website of the Company.	2023.
III. Environmental issue (I) Does the Company establish environmental management systems suitable for the Company's industrial characteristics?	V		(I) The Company belongs to an industry that does not cause environmental pollution. As a company engaged in tea production and leisure business, our environmental management system is described below: 1. We encourage employees to save energy, turn off power, reduce elevator usage, recycle printing paper, etc.. 2. The Tea Manufacture Department introduces a high-efficiency water saving	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			system for the agricultural business to reduce water consumption and improve cultivation to avoid using large amounts of chemical fertilizer in order to create a water-saving, eco-friendly and sustainable operating environment in the industry. 3. Since 2014, the filter bag, cotton thread and label of most of our 3D tea bags have been made of corn starch which is natural, non-toxic, eco-friendly, and decomposable. 4. Since 2015, our annual reports and meeting handbooks for shareholders' meetings have been printed with FSC-certified eco-friendly recycled paper and soy ink. We use eco-friendly, recyclable, and recycled packaging materials for the package of our own products.	
(II) Does the Company endeavor to improve the energy efficiency and use recycled materials that have a low impact on the environmental load?	V		(II) 1. The Company performs waste sorting, provides recycling and food waste bins, promotes the social responsibilities of recycling and environmental protection, and appoints the General Affairs Section of	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			the Administration Department to oversee overall environmental maintenance. 2. The Israeli drip irrigation system adopted to cultivate tea trees in our Laopi Tea Farm in Pingtung has saved 70% of the water resource and reduced the use and waste of fertilizer, thereby saving the expanse for purchasing fertilizer and the wages to workers for applying the fertilizer, and protecting the environment. The coverage rate of the drip irrigation system is 100%.	
(III) Does the Company assess the current and future risks and opportunities which climate change potentially brings to the Company and take measures in response to climate-related issues?	V		(III) The Company has implemented the TCFD (Task Force on Climate-Related Financial Disclosures) framework, which provides a clear and efficient medium that enables the Company to facilitate communication with the stakeholders and obtain climate-related financial information that matches the expectation of the market. The countermeasures for immediate improvements: We adjust the temperature on air conditioners of the offices based on the	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			room temperature, and aim to reduce the cost for utilities in each year by 3% compared to the previous year. Our former headquarters in Nangang replaced traditional lighting sets in the offices with 58 LED lighting sets amounting to NT$ 0.88 million (with a government subsidy of NT$ 0.44 million) in October 2019; the power consumption of each of the original lighting fixtures is 80 watt, while the power consumption of each of the substitute LED lighting fixtures is 32 watt. In addition, the new factory in Pingtung has adopted energy-saving facilities and installed solar panels on the roof. These measures are expected to help save energy effectively.	
(IV) Does the Company make statistics of its greenhouse gas emission, water consumption and total waste weight in the previous two years and establish policies for energy saving, carbon reduction, reduction of greenhouse gas emission and water consumption, or		V	(IV) Although we does not make statistics of our greenhouse gas emission, water consumption and total waste weight in the previous two years, we establish the “Strategies and Methods for Greenhouse Gas Management” and disclose specific actions on environmental protection on the Company’s website for	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
management of other waste?			stakeholders' reference.	
IV. Social issue				
(I) Does the Company develop management policies and procedures in accordance with the relevant regulations and international human rights conventions?	V		(I) We have formulated work rules based on the Labor Standards Act to protect the rights and interests of our employees. In addition, the "Policy of the Rights of Labor" was established pursuant to the Social Accountability 8000 International Standard on March 16, 2018 to ensure the human rights and work conditions of labors and fulfill our corporate social responsibility.	No difference The Company discloses the "Guidelines for Employee Complaint" and "Policy of the Rights of Labor" on the website.
(II) Does the Company establish and implement proper employee welfare measures (including remuneration, leaves and other welfare) and reflect its business performance or results in the employee remuneration?	V		(II) The Company has the "Employee Title, Level, and Remuneration Approval Table" for determining the remuneration to employees according to their educational background, work experience, professional knowledge and skills, and years of service. The remuneration to the employees is approved without discrimination in gender. The Company has observed the relevant regulations in the Labor Standards Act. In order to ensure our employees' rights and interests, we have signed	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			an “employment contract” with all the employees to protect their rights and interests regardless of their sex, race, religion, political stance or marriage. To support the government’s policy and fulfill the corporate social responsibility of hiring people with disabilities, we employ disabled people and give them equal opportunities for promotion. Our tea factories (farms) also have part-time vacancies for them. We treat our employees based on the core principles of equity and anti-discrimination. TTC had a total of 304 employees in 2022, of which 134 were female and 170 were males, accounting for 44% and 56%, respectively. There were 3 managerial officers, of which 1 (33%) were female and 2 were male (67%).In addition, to take care of the health of the employees and their family members, the Company provides regular physical examinations and takes out term insurance, medical insurance (including spouse and unmarried children under	

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			23 years of age), and accident insurance for the employees. We conduct employee performance evaluations every year. The result of the evaluation, the work attitude during the year, and the training performance of the employee affect his/her remuneration, year-end bonus, and promotion. A special year-end bonus will be granted in accordance with the status of the participation in the social welfare events of the Company in the current year.	
(III) Does the Company provide its employees with a safe and healthy work environment, and provide safety and health education to its employees regularly?	V		(III) The security guards of the Company's head office in Hukou, Hsinchu County, implement access control 24 hours a day and perform regular fire control drills and office sterilization procedures. Moreover, the Company has the catering personnel to take annual medical check-ups in accordance with the criteria for best management practices of food businesses and offers medical checkups to the employees every two years. In addition to the engagement of doctors and nurses in Pingtung Branch Office and the head office to provide regular	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			health-related services for the employees, we constantly arrange labor safety and health training and relevant lectures, engage medical workers to talk about health-related issues for the employees, and organize physical fitness activities. These measures indicate that we extremely value the physical and mental health of our employees. To provide our employees and job seekers with a work environment that protects them from sexual harassment and to prevent any sexual harassment event in the workplace, the "Measures, Complaint and Punishment Guidelines for Sexual Harassment Prevention" have been established. The Company has proactively provided training in labor safety and fire safety to minimize the risk of occupational accidents and established a reporting mechanism. In 2022, there were 9 occupational incidents involving 9 employees in the Company (4 incidents were traffic accidents during the commute to and off from	

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
			work). In addition to immediately sending to the hospital by other employees and reporting the accident, we continuously enhance the educational training on labor safety to prevent occurrence of accidents due to carelessness.	
(IV) Does the Company have effective programs for development and training regarding employees' career skills?	V		(IV) In addition to the training for new employees, the external professional training and internal training are arranged for our employees every year to help develop their competence.Please refer to Pages 246~253 for the information on the education training in 2022.	No difference
(V) With respect to the issues of customer health and safety, customer privacy, and marketing and labeling for products and services, does the Company conform to the relevant regulations and international standards as well as establish relevant consumer/customer rights protection policies and complaint procedures?	V		(V) We market our products and services with honest labels and description in compliance with relevant regulations and international standards and strictly prohibit deceit, misleading, fraud or any other act that damages the trust or rights of customers. We take all responsibilities related to our products and services and put great emphasis on marketing ethics. Regarding the procedures of R&D, procurement, production, operation and service, the transparency and safety of the	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
(VI) Does the Company establish supplier management policies that require suppliers to follow relevant regulations concerning the issues of environmental protection, occupational safety and health, or labor rights? How is the implementation thereof?	V		information with respect to our products and services are ensured. The Company has established and disclosed consumer right policies. To protect the rights of customers, 0800 toll-free hotlines are available for customer service and complaint to provide instant services and assistance. (VI) Before doing business with suppliers, the Company assesses whether the supplier has any record indicating that it has caused negative impacts on the environment and society to avoid making transactions with suppliers that do not conform to the Company's CSR policies. The contract between the Company and any of our main suppliers requires both parties to follow their CSR policies. If the supplier violates its policies and the violation has a significant impact on the environment and society of the community as a source of supply, the Company may terminate or rescind the contract. We evaluate our suppliers on a yearly basis to maintain the interests of consumers.	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
V. Does the Company prepare the sustainable development report or other reports that disclose non-financial information of the Company with reference to internationally accepted report preparation guidelines or guides? Is any third-party verification or assurance opinion acquired for the above-mentioned reports?	V		The Company was no longer required to prepare CSR reports in 2014. Since then, we have actively used internationally accepted guidelines as references to the early issue, the "Sustainable Development Report of Taiwan Tea Corporation" and uploaded the same to the MOPS and the Company's website for disclosure. We have commissioned a consulting firm to provide guidance regarding the preparation of sustainable development reports that conform to the regulations on food businesses since 2019. Furthermore, we have obtained an assurance report issued by EY Taiwan as a third-party verifying agency based on the GRI core index. (including food safety, corporate governance, local procurement, and supplier management).	No difference
VI. If the Company has established its own sustainable development best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any difference between the implementation and its sustainable development best practice principles: None.				
VII. Other important information useful to the understanding of the implementation of CSR: (I) Community engagement 1. The Company has been dedicated to public welfare activities, such as donating supplies to help disabled groups and underprivileged people, and taking measures regarding energy saving and carbon reduction in line with the government's environmental protection policy. We encourage engagement in the communities in				

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	

Taipei City, New Taipei City, Taoyuan City, Miaoli County, Nantou County and Pingtung County where our branches are located in order to make specific actions and contributions that facilitate the prosperity and development of local areas. For example, we purchase patrol cars and build sentry boxes for the neighborhood watch team of the Community Development Association of Shengxing Village in Sanyi Township; improve the roads, streetscape and hygiene in Jiuhu Village, Tongluo Township; maintain the environment of Longquan Village, Neipu Township, Pingtung County; and dredge the sediments in large ditches in Zhonglin Village, Neipu Township.

2. In 2022, we supported Dongxing Temple in Daxi District, Taoyuan and the Community Development Association of Shengxing Village in Sanyi Township, Miaoli for organizing community activities and Double Ninth Festival events, and supported Xihu Community Development Association in Sanyi Township to purchase equipment. By doing so, we played a role in the community-based religious activities, showed our care to the elderly and the disadvantaged, and demonstrated our enthusiasm for caring for our neighborhood.

(II) Social welfare service

In 2022, the Company visited the Huashan Nangang Service Station to show our care to the disadvantaged and the solitary elderly residents in Nangang. The employees, serving as one-day community volunteers, followed the volunteers of the Huashan Nangang Service Station to bring warmth and love by donating supplies and accompanying those people. Also, our employees were given the opportunity to take action as the support for the disadvantaged by purchasing moon cake gift boxes from the YUAN Care Home in Miaoli County.

(III) Dedication to environmental protection and food safety

1. The area for cultivation in organic tea farms is increased on a continuous basis.
2. The efficient water saving irrigation system is introduced to reduce water consumption.
3. ISO22000 and HACCP quality management procedures are adopted for tea factories.
4. We reduce the use of pesticide to place the health improvement for plants as the priority while enhancing the safety of food materials.
5. The fertilizer management principles are implemented for the planting of our crops in order to prevent eutrophication of rivers and to not use too much fertilizer.
6. We conduct planting management in a quality agriculture manner, use liquid fertilizer of aerobic fermentation and trace elements to nourish crops, cultivate the crops in a vegetative

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
cultivation manner to provide organic materials needed for the crops whenever necessary, improve the soil structure to minimize the impact of extreme weather on the crops, and thereby create a harmonious agricultural environment to produce quality products. (IV) We provide our Laopi Tea Farm as an internship workplace for the students of relevant agricultural departments in universities to help them understand the operations relevant to the industry and prepare for seeking employment early. The universities in collaboration with us are National Pingtung University of Science and Technology (NPUST) and Meiho University (MU). In 2022, our internship program was attended by 2 students from the Department of Plant Industry, NPUST, 4 students from the Department of Biomechatronics Engineering, NPUST, 3 students from the Department of Food Science and Nutrition, MU, and 2 students from the Department of Biological Science and Technology, MU. (V) We provide our Laopi Tea Farm as a place for universities, colleges, and the research units of the Council of Agriculture to research and discuss the development of agricultural techniques in order to enhance the agricultural techniques in Taiwan. 1. State financed students from National Pingtung University of Science and Technology visited the farm. 2. Agricultural and Food Agency TGAP+ Seminar. 3. The students of Department of Forestry and Department of Animal Science, National Pingtung University of Science and Technology, visited the farm. (VI) The farm participated in providing the internship site for The Farmer's Academy in August 2022 to help young farmers who are interested in tea production learn in-depth tea production and processing procedures. (VII) The farm participated in the teaching of the industrial program for the "Master College" of the National Pingtung University of Science and Technology. (VIII) The following participants came to visit and learn the smart agricultural production at Laopi Tea Farm in 2022: 1. A delegation from Wei Hsun Farm visited the tea production process. 2. A delegation of 13 participants from the Southern Taiwan Joint Service Center of the Executive Yuan visited the tea garden and gave instructions. 3. Tea Research and Extension Station, Council of Agriculture 4. A delegation of 40 participants from Sun Moon Lake Tea Culture Promotion Association paid a visit.				

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	

5. A delegation from Taiwan Tea Manufacturers' Association visited the farm
6. A delegation of visitors from Agronomy Society of Taiwan.
7. Agricultural delegations from Japan, South Korea, and Singapore visited the farm for exchange and learning.
8. A delegation of Dalum Academy of Agricultural Business, Denmark.

(IX) We have been devoted to the integration of the production and sales of tea leaves to ensure the safety of food sources. With the idea of "land protection" in mind, we have progressively increased the area for planting in our organic tea and coffee farms while maintaining the environment and ecology. Moreover, through a long-term investment in personnel training, we have trained our technicians effectively. Our products that have been repeatedly recognized by the jury in various tea evaluations are shown as follows:

1. We participated in the [2022 National Winter Oriental Beauty Tea Evaluation] and won the second and third prizes as well as the third, second and first-plum awards with 18 items.
2. We participated in the [2022 National Summer Oriental Beauty Tea Evaluation in Miaoli] and won the first prize, second prize, third prize, third-plum award, second-plum award and first-plum award.
3. We participated in the [2022 Quality Miaoli Black Tea Evaluation] and won the first, golden, silver, bronze and excellence awards.
4. We participated in the [2022 Song Hong Black Tea Evaluation in Nantou] and won the first, second and third places under the Top Class category as well as the first, golden, and excellence awards.
5. We participated in the [2022 Tao Ying Black Tea Evaluation in Taoyuan] and won the first prize, golden prize, silver prize, and excellence award.
6. We participated in the [2022 Sun Moon Lake Black Tea Evaluation held by the Yuchi Township Farmers' Association] and won the excellence award under the category of the Red Jade Black Tea.
7. We participated in the [2022 Sun Moon Lake Coffee Evaluation] and won two top prizes.

(X) The Company's ESG reports can be found at:
http://mops.twse.com.tw/mops/web/t100sb11
https://www.ttch.com.tw/zh/responsibility/csr

The Company is one of the listed companies and is well aware of the importance of

Item for evaluation	Implementation (Note 1)			Differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary (Note 2)	
corporate sustainable operation. We have the social responsibility to take care of our employees, protect the human rights of our personnel, and maintain the health of consumers. In addition to pursuing profits by devoting ourselves to the operation of the Company, we also value the rights and interests of consumers. We will uphold the management philosophies of "co-existence with the land" and "health, leisure, environment" to carefully select quality products for distribution and produce safe, health, excellent and reliable products for consumers.				

Note 1: If "Yes" under the implementation column is checked, please explain any important policies, strategies, measures adopted and the implementation thereof; if "No" under the implementation column is checked, please explain the differences and reasons in the "differences from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons thereof" column, and describe the relevant policies, strategies and measures to be adopted in the future.

Note 2: The "materiality principle" refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and other stakeholders.

(VI) Implementation of ethical corporate management, differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
I. Establishment of ethical management policies and programs (I) Does the Company establish ethical corporate management policies that are adopted by the Board of Directors and explicitly state such policies and the practice thereof in its Articles of Incorporation and external documents? Do the Board of Directors and top management actively fulfill their commitments to implementing the management policies?	V		(I) 1. The Company established the "Ethical Management Best Practice Principles" at the 17th meeting of the 19th Board of Directors, and then disclosed the same on the Company's website and MOPS after the Principles were adopted at the annual meeting of shareholders in 2011. The Company amended the provisions of the Principles at the 6th meeting of the 21st Board of Directors in accordance with regulations and submitted the amended provisions to the annual meeting of shareholders in 2015. On July 5, 2019, the amended provisions were adopted at the 20th of the 22nd Board of Directors and submitted to the annual meeting of shareholders in 2020 for reporting. 2. We report the implementation of ethical	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly with the inclusion of the prevention measures against each behavior specified in Article7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		management and reaffirm our determination to conduct "ethical management" and implement "corporate governance" to the Board of Directors on an irregular basis (at least once a year). 3. When signing contracts with customers, the Company informs them they are required to observe the "honesty and integrity" agreement. (II) We have formulated in our "Ethical Management Best Practice Principles" the preventive measures against the business activities specified in Article7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" or those within their business scope which are at a higher risk of being involved in unethical conduct. In addition, we have established an effective accounting system and internal control system, and reviewed them irregularly to ensure the effectiveness of these systems. To actively prevent unethical conduct,	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
(III) Does the Company specify the operating procedures, behavior guidelines, discipline of violation and complaint system in the prevention program for unethical conduct, and implement the program accordingly? Does the Company regular review and modify the program	V		the Company formulated the "Report and Complaint System for Violation of Ethical Management" on January 15, 2015, and resolved at the 19th meeting of the 22nd Board of Directors on June 13, 2019 to establish the "Procedures for Ethical Management and Behavior Guidelines" pursuant to the relevant regulation of the Company's Ethical Management Best Practice Principles to provide the Company's directors, managerial officers, employees and substantial controllers with clear directions for the performance of their duties. The Guidelines have been announced and given effect. (III) The Company formulated the "Report and Complaint System for Violation of Ethical Management" on January 15, 2015, resolved at the 19th meeting of the 22nd Board of Directors on June 13, 2019 to establish the "Procedures for Ethical Management and Behavior Guidelines," and disclosed the relevant regulations on	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
mentioned above?			the Company's website and MOPS. The management has also been clearly informed that if there is any decision or transaction that is likely to involve a conflict of interest of directors or managerial officers, such director or managerial officer shall not participate in the process of the decision or voting.	
II. Implementation of ethical management (I) Does the Company have the integrity record of the trading counterparty assessed and the clauses of ethical conduct expressed in the contract signed between them?	V		(I) Prior to any business transactions, the Company shall take into consideration the legality of the counterparts and whether they have any record of unethical conduct, and shall avoid any dealings with persons so involved. All important contracts between the Company and others shall include ethical management policies.	No difference
(II) Does the Company establish a specific unit for the Board of Directors to promote corporate ethical management and regularly (at least once a year) report the ethical management	V		(II) To achieve sound ethical corporate management, the Secretariat Office, Board of Directors, a specific unit for the Board of Directors, shall be responsible for establishing ethical	No difference The Company has disclosed the organizational structure and functional operation of the ethical management on the

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
policy, prevention program of unethical conduct and implementation status of supervision to the Board of Directors?			management policies and prevention programs and supervising the implementation thereof together with the Human Resources Department and Legal Affairs Department. The Secretariat Office, Board of Directors shall report the implementation status of ethical management, including the relevant training and guidance of regulations, to the Board of Directors irregularly (at least once) every year. (A report is submitted to the directors at the 6th, 7th, 8th 13th and 16th (January 18, 2022) meetings of the 23rd Board of Directors and the 5th meetings of the 24th Board of Directors on November 9, 2022, respectively.)	website.
(III) Does the Company have policies against conflicts of interest, provide appropriate reporting channels, and implement them?	V		(III) All important contracts between the Company and others shall include ethical management policies. If the trading counterpart is discovered to be engaged in unethical conduct, the Company may terminate or rescind the contract at any time. A system for	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
(IV) Does the Company establish an effective accounting system and internal control system to implement ethical management? Does the internal audit unit draft relevant audit plans based on the results of the unethical conduct risk assessment? Is the compliance of the prevention program for the unethical conduct audited accordingly by the internal audit unit or committed accountants?	V		avoidance of conflict of interest of directors has been specified in our Rules and Procedures of Board of Directors Meetings. (IV) We have established effective systems for accounting and internal control. The auditors of the Company have examined the compliance with these systems. The "Regulations on Risk Management Policies and Procedures of Taiwan Tea Corporation" was established in 2020 and then submitted to the 8th meeting of the 23rd Board of Directors on November 12, 2020 for adoption to strengthen the audits and prevent unethical conduct. In addition, the implementation status of the risk management in 2020, 2021 and 2022 was reported to directors at the 9th and 16th meetings of the 23rd Board of Directors on January 21, 2021 January 18, 2022, and 7th meeting of the 24th Board of Directors on January 17, 2023, respectively.	No difference
(V) Does the Company regularly organize internal and external training regarding	V		(V) We have regularly organized internal and external training regarding ethical	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
ethical management?			management since 2014. Moreover, we have collaborated with the Intellectual Property Right Protection Service Team of the Ministry of Economic Affairs since 2018 for four consecutive years to invite Attorney Ruey-Sen Tsai of Lee and Li, and the lawyer Chih-Te Wang of the Lien & Lin Law Firm to give lectures on the topic of "Trading Secrets and Trademarks" in order to help our employees understand more about the regulations on the protection of intellectual property rights. To enhance corporate information safety and reinforce risk management in response to the policy of the competent authority, an investigator from the Taipei City Field Division, Minister of Justice Investigation Bureau, was invited to be the speaker of the lecture on "Corporate Anti-Corruption" to share actual cases and provide our employees with correct actions for information safety protection so as to ensure the	

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
			confidentiality of our data and the protection of personal data. In 2022, we organized internal and external training courses (including insider trading prevention, ethical management legal compliance, food safety and health management and inspection, accounting system, labor laws and regulations, and internal control) in relation to ethical management; a total of 211 people participated in these courses, totaling 484 hours. We also convey the importance of ethical management to our employees and management in internal training on an irregular basis.	
III. Operation of the Company's whistleblowing system (I) Does the Company establish a specific whistleblowing and rewarding system, and provide convenient reporting channels, and have competent personnel assigned to deal with such issues?	V		(I) We established the "Report and Complaint System for Violation of Ethical Management" on January 15, 2015. Personnel have been assigned to deal with reported matters according to the level to which the matter belongs. If the matter reported by the	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
			whistleblower is found to be true during the investigation and the whistleblowing has a great contribution to the Company, the whistleblowing will be reported to the Chairman and rewards may be granted to the whistleblower.	
(II) Does the Company establish standard operating procedures for investigation of matters reported by whistleblowers, measures to be taken following the conclusion of the investigation, and relevant mechanisms for confidentiality?	V		(II) The Company has specified in the "Report and Complaint System for Violation of Ethical Management" the investigation procedures classified as Level A, B and C and confidentiality mechanisms.	No difference
(III) Does the Company take any measures to protect whistleblowers from improper treatment as a result of their whistleblowing?	V		(III) We have taken protection measures for whistleblowers and allowed anonymous reporting to prevent them from being treated improperly as a result of whistleblowing.	No difference
IV. Enhancing information disclosure Does the Company have the contents of its ethical management best practice principles and the implementation thereof disclosed on its website	V		We have disclosed our "Ethical Management Best Practice Principles" on our website athttps://www.ttch.com.tw/zh/governance/governanceand on the MOPS.	No difference

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
and MOPS?				
V. If the Company has established its own ethical management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe any difference between the implementation and its ethical management best practice principles: None.				
VI. Other important information useful to the understanding of the Company's implementation of ethical management: (e.g. the Company's review and amendment of the ethical management best practice principles established thereby) (I) We amended the provisions of the "Ethical Management Best Practice Principles" according to the Letter Tai-Zheng-Zhi-Li-Zi No.1030022825 issued by the Taiwan Stock Exchange. The amended provisions were adopted at the 6th meeting of the 21st Board of Directors and reported at the annual meeting of shareholders in 2015. On July 5, 2019, the provisions amended pursuant to the Letter Tai-Zheng-Zhi-Li-Zi No.1080008378 were adopted at the 20th of the 22nd Board of Directors and then reported at the annual meeting of shareholders in 2020. (II) To implement ethical management policies and actively prevent unethical conduct, the "Procedures for Ethical Management and Behavior Guidelines" were adopted at the 19th meeting of the 22nd Board of Directors on June 13, 2019 to provide the Company's directors, managerial officers, employees and substantial controllers with clear directions for the performance of their duties. (III) The Company has internal control and audit systems in place, fulfills requirements in relation to corporate governance, strengthens the function of the Board of Directors, allows independent directors to exert their functions, improves information transparency, and maintains shareholders' equity. Our employees, managerial officers and directors are also required to follow our ethical management policies. (IV) Each of our employees has signed an "employee employment contract" with the Company. With respect to ethical management, the regulations to prohibit receiving endowments, rebates or commissions have been specified in the contract. We have also established the "Code of Conduct or Ethics for Employees" and "Code of Conduct for Directors and Managerial Officers." (V) In addition to the "Guidelines for Supplier Management," when signing a contract with a supplier, we also attach the "Honesty and Integrity Agreement of Taiwan Tea Corporation" specifying that our employees and the supplier shall maintain a high				

Item for evaluation	Implementation (Note 1)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons thereof
	Yes	No	Summary	
standard of self-discipline and integrity and observe the ethical management policies when doing business. (VI) Partial amendment of the "Code of Ethical Conduct for Directors and Managerial Officers" was approved according to relevant regulations at the 10th meeting of the 23rd Board of Directors on March 18, 2021 and reported to the 2021 annual meeting of shareholders.				

Note 1: No matter whether the "Yes" or "No" box is checked, the implementation shall be described in the Summary field.

(1)The Code of Ethical Conduct for Directors and Managerial officers

Article 1: Purpose of adoption

This Code is adopted to encourage directors and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards and to help interested parties better understand the ethical standards of the Company.

Article 2: Contents of the Code

(1) Minimizing incentives to pursue personal gain:

Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company. Examples include when a director or managerial officer of the Company is unable to perform their duties objectively and efficiently, or when a person in such a position takes advantage of his/her position in the Company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The Company shall pay particular attention to loans of funds, provisions of guarantees, major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise in which the aforesaid personnel works. However, if the aforesaid parties are not subject to the above-mentioned procedures and may have conflicts of interest with the Company, the party concerned shall be notified to voluntarily explain to the Board of Directors of the Company whether there is any potential conflict between them and the Company.

(2) Minimizing opportunities to pursue personal gains:

The Company shall prevent any directors or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gains or acquire such gains by using company property or information or taking advantage of their positions; (2) Competing with the Company. When the Company has an opportunity for profit, it is the directors and managerial officers' responsibility to maximize the reasonable and proper benefits that can be obtained by the Company.

(3) Confidentiality:

The directors and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

(4) Fair trade:

Directors and managerial officers shall treat all the suppliers and customers, competitors, and employees of the Company fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions or through misrepresentation of important matters, or

other unfair trading practices.

(5) Safeguarding and proper use of company assets:

All directors and managerial officers have the responsibility to safeguard company assets and ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or a waste of the assets will directly impact the Company's profitability.

(6) Legal compliance:

The Company shall strengthen the compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

(7) Encouraging reporting on illegal or unethical activities:

The Company shall raise the awareness of ethics internally and encourage employees to report to any of the Company's Audit Committee, managerial officer, chief internal auditor, or other appropriate individuals upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make the employees aware that the Company will do its best to ensure the safety of whistleblowers and protect them from reprisals.

(8) Disciplinary measures:

When a director or managerial officer violates the Code of Ethical Conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the Code. It shall, without delay, disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the Code violated, and the disciplinary actions taken. The Company shall establish a relevant complaint system to provide remedies for the person acting in violation of the Code of Ethics Conduct.

Article 3: Procedures for exemption

The Board of Directors shall adopt an exemption for directors or managerial officers from compliance with the Code of Ethical Conduct. The information on the date on which the Board of Directors adopted the exemption, objections or reservations of independent directors, and the period of, reasons for, and principles supporting the application of the exemption must be disclosed without delay on the MOPS, so that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the Code and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstances under which such an exemption occurs.

Article 4: Methods of disclosure

The Company shall disclose the Code of Ethical Conduct it has adopted, and any amendments to it, on the company website, in the annual reports and prospectuses, and on the MOPS.

Article 5: Enforcement

The Company's Code of Ethical Conduct, and any amendments to it, shall enter into force after being adopted by the Audit Committee and the Board of Directors and

submitted to a shareholders' meeting.

(2) Report and Complaint System for Violation of "Ethical Management"

I. General provisions

1. The System is established to govern the professional conduct of the directors, supervisors, management personnel, and employees of the Company, and encourage them to strictly observe relevant laws, industry regulations and guidelines, professional ethics, and the rules and bylaws of the Company to create good practices of integrity, diligence, and professionalism, and avoid the occurrence of any conduct that may affect the interests of the Company and shareholders.
2. The "whistleblowing" referred to in the System means that any unit or person reports or discloses to the Company any conduct in violation of the "ethics management" of the Company or the Code of Ethics Conduct regarding the "conduct or ethics" of the employees or any conduct affecting the interests of the Company in an open or non-open form.
3. The whistleblower and informed party include the top management personnel, each branch and department, and all the employees to the extent of covering all the business management and development matters.
4. All the whistleblowing information is confidential to the informed party to protect the whistleblower. The whistleblowing case involving any top managerial officer of the Company will be communicated to the Audit Office to protect the whistleblower's interests.

II. Scope of whistleblowing

1. The conduct violating the company's financial system or attempting to manipulate the company's financial statements, such as any direct or indirect influence of the management or any employee on the authenticity and correctness of the financial statements.
2. The conduct violating the law, order, or rule applicable to the Company.
3. The Conduct violating the policy, system, or code of ethics of the Company.
4. The Conduct pursuing improper gains or taking or offering commercial bribes in violation of the integrity in business operation.
5. The corrupt conduct of the management or any employee in any form.
6. The conduct of any other kinds affecting the interests of the Company.

III. Whistleblowing approach

The whistleblower may report violations by letter or email or in a face-to-face manner using the real name.

1. Mail address: No. 3, Zhonghua Road, Hukou Township, Hsinchu County
2. Email: 999@ttch.com.tw
3. Internal acceptance unit: Chairman Office

The Company makes the whistleblowing methods public via announcement or other approaches. Whistleblowers may report violations using the announced methods.

IV. Whistleblowing handling process

1. Acceptance
   (1) Dedicated whistleblowing handling personnel are appointed in the Chairman Office. All whistleblowing matters, including relevant emails, letters, or interviews, shall be recorded and filed properly. Relevant emails shall be printed out for filing purposes. Letters shall be retained together with the envelopes.
   (2) After recording the whistleblowing matters, the whistleblowing handling personnel shall ensure whether they meet the investigation requirements.
   (3) For the whistleblowing matters that do not meet the investigation requirements, the whistleblowing handling personnel shall record the reasons, submit them to the Chairman for approval, and keep them in the archives.
2. Investigation
   (1) For the whistleblowing matters that meet the investigation requirements, the Chairman designates a project leader for the whistleblowing case to form a project team and handle the case based on the following grades:
   Grade A:
   For the whistleblowing case involving any director, supervisor or management team of the Company, or any matters that are serious in nature, make initial investigation and judgment of the complaints and take the following actions if the circumstances concerned are basically true:
      1. For the whistleblowing case involving the discipline violating conduct of any director against the Articles of Incorporation or the “Ethical Management Best Practice Principles” of the Company, report to a supervisor of the Company to decide the investigation method and put forward handling proposals based on the result of the investigation.
      2. For the whistleblowing case involving the discipline violating conduct of any top management personnel against the Articles of Incorporation or the “Ethical Management Best Practice Principles” of the Company, report to the Chairman of the Company to decide the investigation method and put forward handling proposals based on the result of the investigation.
      3. For the whistleblowing case involving the discipline violating conduct of any supervisor against the Articles of Incorporation or the “Ethical Management Best Practice Principles” of the Company, report to the Board of Directors of the Company to decide the investigation method, report to the shareholders’ meeting, and put forward handling proposals based on the result of the investigation.
      4. For the whistleblowing case involving any management deficiencies or other major faults at the company level, report to the Board of Directors of the Company without delay. The Board of Directors shall decide the investigation method pursuant to the internal control system and requirements of the Company. After the circumstances are ascertained, the unit responsible for the investigation raises the handling and improvement suggestions and proposals,

and report the handling status to the Board of Directors of the Company.

Grade B:

Take the following actions for the whistleblowing case in which the circumstances concerned are true and constitute discipline violating conduct but does not involve any director, supervisor, and top management personnel of the Company upon initial investigation and judgment:

1. For the whistleblowing or complaint case involving the discipline violating conduct of any person or any violation of the Company's "Code of Conduct or Ethics for Employees," the Chairman Office shall designate personnel to make further investigation and verification of the case, put forward handling proposals based on the result of the investigation, or provide handling suggestions to the unit (department) of the informed party. The unit (department) of the informed party is responsible for handling the whistleblowing. The handling department (unit) shall report the result to the Chairman Office.
2. For the whistleblowing or complaint case involving the management deficiencies or faults of the Company or incident related unit, the Chairman Office notifies the department concerned timely to put forward suggestions or proposals on remedial or rectification measures for the management deficiencies listed in the whistleblowing case. The department concerned shall take remedial or rectification measures in a timely manner for its deficiencies or faults based on the suggestions or proposals and shall report the result to the Chairman Office in time.

Grade C:

If the initial investigation and judgment indicate a whistleblowing or complaint case involving malicious attack, false accusation, or calumniation due to personal animosity, the appropriate punishment will be imposed or the whistleblower will be transferred to the judicial organ depending on the severity of the damage brought about by the effect that the act of the whistleblower on the informed party or the Company.

1. The whistleblower may understand the handling progress of the whistleblowing case through the whistleblowing handling personnel.
2. The project leader of the whistleblowing case may, if needed, contact the whistleblower through the whistleblowing personnel to acquire more information. Except for special circumstances, the whistleblowing case's project leader shall not contact the whistleblower directly, if possible, to minimize the risk of disclosure of the whistleblower.

3. Investigation results

The Legal Affairs Department of the Company transfers the whistleblowing case that discloses lawbreaking conduct and is found true during the judicial organ investigation.

V. Appeal

Any internal person of the Company who is punished or is an informed party of a whistleblowing case may file an appeal to ascertain the truth in a way as defined in this article.

VI. Maintenance of whistleblowing files

1. Whistleblowing files mean all the data recording the processes of registration, acceptance, investigation and reporting, including but not limited to paper documentation, audio files, and the data in any other forms.
2. After the investigation report is put forward, the project leader shall collect and compile relevant whistleblowing files, transfer them to the whistleblowing handling personnel, and control all the whistleblowing files as confidential documentation.

VII. Requirements and regulations on whistleblowing

1. The whistleblowing handling personnel shall keep confidential properly the information related to the whistleblower. All the matters such as the concrete whistleblowing contents and related investigation tasks shall be handled without disclosing the whistleblower's identity. The name, department, contact information of the whistleblower shall in no circumstances be made public without the written consent of the whistleblower. The Company shall impose discipline on the whistleblowing handling personnel who violate this article or do not act with the due care of a good administrator depending on the severity of the case.
2. Where the whistleblowing handling personnel have the relationship of a relative or friend with the whistleblower or informed party, or the whistleblowing handling personnel or any of their relatives or friends has any interests in the whistleblowing case. There are other circumstances that may affect the whistleblowing case. The whistleblowing personnel shall voluntarily avoid the case. The whistleblower may request avoidance from the handling personnel related to the whistleblowing case.
3. The whistleblower shall provide the name and unit of the informed party, the concrete facts of violations, and the circumstances and proofs, and shall be responsible for the whistleblowing contents. No person shall report any violations on behalf of others or use the whistleblowing system to discredit or take vengeance on the informed party. Where an intentional false accusation or calumniation against the informed party is found true, the requirements of relevant laws shall apply.
4. The whistleblower shall report the issue using the normal approaches of the Company.
5. Where cooperation of the whistleblower is needed, the whistleblower shall cooperate appropriately and provide correct information, and shall not interfere with the investigation of the whistleblowing case.
6. Relevant departments and personnel shall cooperate appropriately with the whistleblowing handling personnel in the investigation and connection of evidence.
7. No personnel of the Company shall obstruct or suppress whistleblowing cases in any form or take any actions to attack or hurt whistleblowing handling personnel. Where any of the acts above are proved true, the Company will impose discipline or transfer the case to the judicial organ.

VIII. Rewards to whistleblowers

If what the whistleblower reports is found true during the investigation and has a great contribution to the Company, the whistleblowing will be reported to the Board of Directors. The Chairman may grant rewards depending on the circumstances.

IX. Supplementary provisions

The System, and its amendment, take effect upon approval of the Chairman.

(3) Insider Trading Prevention Regulations

Article 1 To establish a good management system to prevent insider trading, the Company formulated the Regulations in accordance with Article 8 of the " Regulations Governing Establishment of Internal Control Systems by Public Companies" for compliance.

Article 2 Definition of insider trading:

According to Paragraph 1 in Article 157-1 of the Securities and Exchange Act, once any person stated in the subparagraphs under the Paragraph knows any information about a material impact on the price of the stocks of the issuing company, he/she purchases or sells its stocks listed or traded on the Taipei Exchange or the equity-type securities before the information is disclosed or within 18 hours after the disclosure.

Article 3 Constituent element of insider trading:

I. Subject: The regulations prohibiting insider trading shall apply to any persons specified in the subparagraphs under Paragraph 1 in Article 157-1 of the Securities and Exchange Act:

(1) Insider:

1. a director, supervisor, and/or managerial officer of the company, and/or a natural person designated by the government or a juristic person to perform duties as a representative. According to competent authorities' interpretation, a "managerial officer" may be a general manager, deputy general manager, assistant manager or their equivalents, and may also be a financial officer, accounting officer or any other personnel managing affairs for the company or have the authority to sign on behalf of the company; (Subparagraph 1)
2. shareholders holding more than 10% of the shares of the company. (Subparagraph 2)

(2) Quasi-insider:

1. any person who has learned the information because of occupational or controlling relationship:

   a company employee, or a lawyer or CPA appointed by the company to handle relevant affairs, who has learned any material information due to the occupational relationship. A quasi-insider may also be a parent company that has learned any material information of any of its subsidiaries due to the controlling relationship.

   According to competent authorities' interpretation, a "person who has

learned the information because of occupational relationship" includes but not limited to any conventional practitioner including lawyers, CPAs or management consultants and generally may be any person who is able to obtain any information that leads to changes in the price of the stocks of the issuing company by taking advantages of his/her job; (Subparagraph 3)

2. a person who, though no longer among those listed in one of the preceding three subparagraphs, has only lost such status within the last six months. (Subparagraph 4)

(3) Tippee: any person who has learned the information from any of the persons named in the preceding four subparagraphs.

II. "Information that has a material impact on the price of stocks":

The information refers to any information related to the finance and business affairs of the Company, or the supply and demand of the Company's securities on the market, or public tender of such securities. The information will have a material impact on the price of the Company's stocks or will have a material impact on a reasonably prudent investor's investment decision. To clarify the standard for identifying material information, competent authorities enacted the "Regulations Governing the Scope of Material Information and the Means of its Public Disclosure" on May 30, 2006.

These Regulations specify the scope for 19 types of material information, including the information relating to any material transaction of public offering and issuance or private placement of equity-type securities, capital reduction, corporate merger, acquisition, or split, share exchange, conversion, or transfer of shares from others, direct or indirect investment project; occurrence of a significant event of internal control-related malpractice, irregular transactions, or defalcation of the Company's assets; an error or omission in a financial report prepared by the Company, with respect to which relevant regulations require a correction to and further a restatement of the financial report; the situation that the Company's securities traded on the centralized securities exchange market are subject to an event of bidding, auctioning, material default in settlement, change of the original method of trading, or suspension, limitation, or termination of trading, or that there is any circumstance that may lead to any such event.

III. Knowing possession:

refers to a subject who has learned any material information of the Company, for example, Director Mr. A learns that the board of director adopts the proposal for suspending the business of Company E due to his attendance at the meeting.

IV. Timing of purchase or sale:

The said Director Mr. A purchases or sells the stocks of Company E after he learned the material information and before disclosure of such information or

within 18 hours after the disclosure.

V. Subject of purchase or sale:

including listed, OTC, or emerging stocks, or other equity-type securities such as convertible corporate bonds.

Article 4 Criminal and civil liabilities for illegal insider trading:

1. Criminal liability:

Any person violating the regulations prohibiting insider trading may be sentenced to imprisonment not less than 3 years but not more than 10 years and may also be punished by a fine over NT$10,000,000 but not to exceed NT$200,000,000 in accordance with Paragraph 1 in Article 171 of the Securities and Exchange Act; if the stability of the securities market is harmed, the punishment shall be increased by one-half.

If the proceeds seized from crime by the person reach more than NT$100,000,000, the person shall be sentenced to a term of imprisonment not less than 7 years and be punished a fine over NT$25,000,000 but not to exceed NT$500,000,000 according to Paragraph 2 in the same article; if the stability of the securities market is harmed, the punishment shall be increased by one-half.

2. Civil liability:

Subject to Paragraph 2 in Article 157-1 of the Securities and Exchange Act, any person in violation of the regulations prohibiting insider trading shall be held liable to trading counterparts who on the day of the violation undertook the opposite-side trade with bona fide intent, for damages in the amount of the difference between the price of securities bought or sold by the said counterpart who may claim for compensation and the average closing price for ten business days after the date of public disclosure. The court may, upon the request of the counterpart, treble the damages payable by the said violators should the violation be of a severe nature; the court may also reduce the damages where the violation is minor.

Article 5 Regulations on Insider Trading Prevention Management:

1. Establish and maintain insider information.
2. File the information about the shareholding of insiders.
3. Learn if there is any abnormity in the changes in the insiders' shareholding.
4. Discuss the solution for discovered abnormities with relevant departments.
5. Strengthen the promotion of insider trading.
6. Conform to the principle of material information disclosure.

Article 6 Where there are any matters that are not covered in the Regulations, they shall be subject to the Securities and Exchange Act.

Article 7 The Regulations shall take effect after the Chairman's approval, and the same shall apply to any amendments thereto.

(VII) Query methods of the Company's corporate governance principles and related rules

In addition to establishing the Corporate Governance Best Practice Principles pursuant to laws and regulations, we irregularly make public the financial and business information on MOPS and disclose related financial information, important resolutions of the Board of Directors, and relevant rules on our website for the investors to enquire.

Query method:

1. MOPS

(http://mops.twse.com.tw/mops/web/index) under the "Establishment of Related Rules and Regulations on Corporate Governance" in the "Corporate Governance" tab. The documents are available for download.

2. The website of the Company

(https://www.ttch.com.tw/zh/governance/governance)

(VIII) Other information that useful for understanding more about the implementation status of corporate governance.

1. Acquisition of certificates by the Company's personnel related to transparency of financial information

Certificate acquired	Issuer	Number of personnel
Certified Internal Auditor	The Institute of Internal Auditors - Chinese Taiwan	1
Internal control personnel	Securities and Futures Institute	4
Share affairs personnel	Securities and Futures Institute	1

2. The Company establishes the "Insider Trading Prevention Regulations" and "Important Information Handling Regulations" as a basis for us to deal with and disclose important information. We review both regulations on an irregular basis to ensure their compliance with applicable laws and practices. SOP documents with regard to the aforementioned two regulations are prepared and

announced on our website for managerial officers and employees to look up whenever necessary. We also irregularly notify the employees about important information and related matters to which attention shall be paid.

3. We report the implementation status of insider trading prevention to the Board of Directors on an irregular basis every year (at least once). For more information on the dissemination of prevention from participation of directors and managerial officers in insider trading in 2022 and related educational training courses, please refer to Pages 131~134 and 247~253 of the Annual Report. The information on concrete implementation of prohibition from insider trading is disclosed on our website.

(IX) Implementation of the internal control system

1. Declaration on internal control

Internal Control System Declaration of Taiwan Tea Corporation

Taiwan Tea Corporation
Internal Control System Declaration

Date: March 14, 2023

Based on the result of self-inspection of the Company's internal control system in 2022, we hereby declare the following:

I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of the Directors and managerial officers. Such a system has been established. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, and asset security), reliable, timely and transparent financial reporting, and compliance with relevant regulations and laws.

II. There are inherent limitations to even the most well-designed internal control system. Therefore, an effective internal control system can only reasonably assure achievement of the three goals mentioned above. Furthermore, changes in the environment and circumstances may all affect the effectiveness of the internal control system. However, the internal control system of the Company features a self-monitoring mechanism that allows us to immediately take corrective actions upon identification of any deficiencies.

III. The Company has assessed the effectiveness of the design and implementation of the internal control system based on the criteria for examining the effectiveness of internal control systems specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria for examining the effectiveness of internal control systems in the "Regulations" divide an internal control system into five components based on the processes of management and control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring operation. Each component elements includes several item. Please see "Regulations" for the aforementioned items.

IV. The Company has adopted the aforementioned criteria to examine the effectiveness of the design and implementation of the internal control system.

V. Based on the result of the assessment described above, the Company considers the design and implementation of the internal control system to be effective as at December 31, 2022. This system (including the supervision and management of subsidiaries) has provided reasonable assurance with regard to the Company's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and compliance with relevant laws and regulations.

VI. This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or concealment in the public statement above is subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This declaration was adopted by the Board of Directors on March 14, 2023 without any objections from the 11 attending directors. The contents of the declaration were unanimously agreed by the directors.

Taiwan Tea Corporation

Chairman: Ching-Yuan Wu (signature)
General Manager: Ching-Yuan Wu (signature)

2. If a CPA is entrusted to perform a special audit on the internal control system, the audit report shall be disclosed: None.

(X) If there has been any legal penalty against the Company or the internal personnel thereof, or any disciplinary penalty by the Company against the internal personnel thereof for violation of the internal control system, in the most recent year up to the publication date of this annual report, where the result of such penalty could have a material impact on shareholders' equity or securities prices, the penalty, main deficiencies, and improvement thereof shall be disclosed

None.

(XI) Major resolutions at shareholders meetings and Board of Directors meetings in the most recent year up to the publication date of this annual report:

1. Major resolutions at the annual meeting of shareholders in 2022 and implementation thereof:

Meeting date	Summary of major proposals	Resolution	Implementation
2022.05.20	Re-election of all board members	7 general directors elected Shan Young Asset Management Co., Ltd. Representative: Ching-Yuan Wu 1,850,599,313 votes Chin-Yen Lin 1,326,499,892 votes Shan Young Asset Management Co., Ltd. Representative: Yu-Chang Huang 500,114,835 votes Shan Young Asset Management Co., Ltd. Representative: Chun-Houei Hsieh 500,023,921 votes YSC-MARKETING CO., LTD. Representative: Wei-Lin Shao 396,277,048 votes Chou Chin Industrial Co., Ltd. Representative: Shih-Kai Lei 387,460,768 votes WE-FU Investment Co., Ltd. Representative: Chih-Kuang Yen 158,631,423 votes 4 independent directors elected Chung- Ho Sung 727,027,607 votes Sen-Jung Wang 727,020,985 votes Li-Chi Yeh 392,511,659 votes	The proposal was carried out as per the resolution of the shareholders' meeting. Further, the Chairman and Vice Chairman were elected at the 1st special meeting of the 24th Board of Directors on May 26, 2022; such corporate changes have been registered upon the approval of the Ministry of Economic Affairs on June 9, 2022.

		Sheng-Tsheng Lee 130,304,534 votes	
	2021 operational financial statements (including the business report and separate financial statements)	Voting results: 551,838,538 affirmative votes, accounting for 84.48% of the total votes represented by the attending shareholders in the voting. 6,197 dissenting votes (0.00%) 101,305,845 votes abstained/not voted (15.51 %) Invalid votes represented by shareholders present: 0 (0%) The number of affirmative votes exceeded the number required by law. The proposal was passed as proposed.	Transfer to relevant accounts pursuant to the resolution.
	Earning distribution and loss reimbursement for 2021	Voting results: 551,886,951 affirmative votes, accounting for 84.53 % of the total votes represented by the attending shareholders in the voting. 518,180 dissenting votes (0.07%) 100,445,449 votes abstained/not voted (15.38 %) Invalid votes represented by shareholders present: 0 (0%) The number of affirmative votes exceeded the number required by law. The proposal was passed as proposed.	The proposal has been implemented in accordance with the resolution made by the shareholders' meeting.
	Proposal for Release of the Prohibition on New Directors from Participation in Competitive Business	Voting results: 551,868,147 affirmative votes, accounting for 84.53% of the total votes represented by the attending shareholders in the voting. 54,618 dissenting votes (0.00%), 100,927,815 votes abstained/not voted (15.45%) Invalid votes represented by shareholders present: 0 (0%) The number of affirmative votes exceeded the number required by law. The proposal was passed as proposed.	The proposal has been implemented in accordance with the resolution made by the shareholders' meeting.

2. Major resolutions at Board of Directors meetings in 2022 up to the publication date of this annual report:

(1) Major resolutions at Board of Directors meetings in 2022 and 2023 include:

Meeting date	Meeting type	Major resolution
2022.01.18	16th meeting of the 23rd Board of Directors	＊Internal audit report ＊Report of matters related to corporate governance and sustainable development (corporate social responsibility). ➢ Report of the implementation of intellectual property management in 2021. ➢ Report of the implementation of risk management in 2021. 1. Proposal for the Company's 2022 business plan and budget was adopted. 2. Proposal for the Company to withdraw the approved capital increase from the Securities and Futures Bureau, Financial Supervisory Commission, was adopted. 3. Proposal for the policy of remuneration payment for directors and managerial officers recommended by the Compensation Committee in 2022 was adopted. 4. Proposal for approval of the distribution of the 2021 year-end bonus for the Company's managerial officers was adopted. 5. Proposal for approval of the distribution of the Chairman's 2021 year-end bonus was adopted.
2022.03.03	17th meeting of the 23rd Board of Directors	＊Report of matters related to corporate governance. ➢ Report of the implementation of the performance evaluation of the Board of Directors in 2021. 1. Proposal for the 2021 business report and separate financial statements were adopted. 2. Proposal for earning distribution and loss reimbursement for 2021 was adopted. 3. Proposal for an annual assessment of the independence of the Company's CPAs was adopted. 4. Proposal for appointment of the Company's CPAs and remuneration thereto was adopted. 5. Proposal for the Company's "Effectiveness evaluation of the internal control system" and "Internal Control System Declaration" for 2021 was adopted. 6. Proposal for reelection of all the directors at the 2022 annual meeting of shareholders was adopted. 7. Proposal for the acceptance of shareholders' director nomination and the place and period for the acceptance was

Meeting date	Meeting type	Major resolution
		adopted. 8. Proposal for agreement of the 2022 shareholders' meeting to lawfully lift the competition restrictions on the elected directors of this new (24th) Board of Directors was adopted. 9. Proposal for the matters about the cause of the 2022 annual meeting of shareholders and the establishment of relevant matters was adopted.
2022.04.07	23rd Board of Directors 18th meeting	＊Report of matters related to corporate governance. 1. Passed the change of supervisory employees of the Miaoli Branch Office of the Company. 2. Passed the proposal that the Company plans to extend the contract or other credit related matters with the original credit extension bank. 3. Passed the proposal of partial amendments to the Company's "Procedures for Acquisition or Disposition of Assets." 4. Passed the amendment to the causes of 2022 regular Shareholders' Meeting to be convened at No. 19, Sanmin Road, Hukou Township, Hsinchu County at 09:00 am on May 20, 2022. 5. Passed the candidate list of directors (independent directors) of the Company.
2022.05.10	19th meeting of the 23rd Board of Directors	＊Report of matters related to corporate governance. ＊Promotion of sustainable development - The Company's planning report of GHG emission inventories and audits. 1. Proposal for the report of the Company's 2022 Q1 separate financial statements was adopted.
2022.05.26	1st special meeting of the 24th Board of Directors	1. The director, Ching-Yuan Wu, was elected Chairman by all attending directors and independent directors. 2. The director, Chin-Yen Lin, was elected Vice Chairman by all attending directors and independent directors. 3. Appointment of the independent directors, Chung- Ho Sung, Sen-Jung Wang, Li-Chi Yeh and Sheng-Tsheng Lee, as the members of the Company's 5th Compensation Committee was approved.
2022.06.01	2nd special meeting of the 24th Board of Directors	1. Proposal for approval of the attendance fee for the directors and the compensation for the independent directors of the 24th Board of Directors was passed. 2. Proposal for the compensation of the Company's Vice Chairman was adopted. 3. Appointment of Mr. Ching-Yuan Wu as the Company's General Manager was approved. 4. Proposal for the compensation of the Company's Chairman

Meeting date	Meeting type	Major resolution
		who concurrently serves as the General Manager was adopted. 5. Proposal for agreement to lawfully lift the competition restrictions on the newly appointed General Manager was adopted.
2022.08.09	1st meeting of the 24th Board of Directors	＊Report of renewal of the liability insurance for directors and supervisors in 2022. ＊Report of matters related to corporate governance. ＊Promotion of sustainable development - The Company's planning report of GHG emission inventories and audits. 1. Report of the Company's separate financial statements for the first half of 2022 was approved.
2022.08.30	2nd meeting of the 24th Board of Directors	1. Proposal for selling the tenure of Floor 15 and 15-1 of Building F in Nankang Software Park, Taipei City was adopted.
2022.09.14	3rd meeting of the 24th Board of Directors	1. Proposal for selling the tenure of Floor 15 and 15-1 of Building F in Nankang Software Park, Taipei City to IBASE TECHNOLOGY INC. was adopted.
2022.10.18	4th meeting of the 24th Board of Directors	1. Proposal for moving the location to No. 285 Tanmei St., Neihu District in Taipei City in response to the Company's operational needs was adopted.
2022.11.09	5th meeting of the 24th Board of Directors	＊Report of matters related to corporate governance - Promotion of insider trading prevention ＊Promotion of sustainable development - The Company's planning report of GHG emission inventories and verification. 1. Proposal for the report of the Company's separate financial statements for the first three quarters in 2022 was adopted. 2. Proposal for the Company's 2023 audit plan was adopted. 3. Proposal for the appointment of the Company's chief financial officer and chief accounting officer was adopted.
2022.12.27	6th meeting of the 24th Board of Directors	1. Proposal for the Company's bank loans was adopted. 2. Proposal for the establishment of the internal important information handling procedures was adopted. 3. Proposal for the change of supervisory employees of the Nantou Branch Office of the Company was adopted. 4. Impromptu motion for requesting the attorney to issue an attorney's letter as soon as possible for clarification of relevant matters with Power Wind Health Industry Incorporated and D.I RETAIL CONSULT CO., LTD., which was agreed by all attending directors and independent

Meeting date	Meeting type	Major resolution
		directors, was adopted.
2023.01.07	7th meeting of the 24th Board of Directors	∗ Report of matters related to corporate governance. ➢ Report of the implementation of intellectual property management in 2022. ➢ Report of the implementation of risk management in 2022. ∗ Report of CSR-related matters. 1. Proposal for the Company's 2023 business plan and budgets was adopted. 2. Proposal for the policy of remuneration payment for directors and managerial officers recommended by the Compensation Committee in 2023 was adopted. 3. Proposal for approval of the distribution of the 2022 year-end bonus for the Company's managerial officers was adopted. 4. Proposal for approval of the distribution of the 2022 year-end bonus for the Company's Chairman and Vice Chairman was adopted. 5. Proposal for the change of shareholder service agent was adopted.
2023.03.02	8th meeting of the 24th Board of Directors	1. Proposal for the selection of power generation equipment manufacturer for the bid of "solar power installation in Laopi Tea Farm in Pingtung" was adopted.
2023.03.14	9th meeting of the 24th Board of Directors	∗ Report of matters related to corporate governance. ➢ Report of the implementation of the performance evaluation of the Board of Directors in 2022. ➢ Promotion of sustainable development - The Company's planning report of GHG emission inventories and audits. 1. Proposal for the 2022 business report and separate financial statements was adopted. 2. Proposal for earning distribution and loss reimbursement for 2022 was adopted. 3. Proposal for the compensation to and annual independence and competency review of the Company's CPAs was adopted. 4. Proposal for the pre-approval of the provision of non-assurance services by the CPA firm was adopted. 5. Proposal for the Company's "Effectiveness evaluation of the internal control system" and "Internal Control System Declaration" for 2022 was adopted. 6. Proposal for entering into a lease with Nova Design Co., Ltd. was adopted. 7. Proposal for entering into a lease with Sanyang Motor Co., Ltd. was adopted. 8. Proposal for the matters about the cause of the 2023 annual meeting of shareholders and the establishment of relevant

Meeting date	Meeting type	Major resolution
		matters was adopted.
2023.04.20	10th meeting of the 24th Board of Directors	1. Proposal for the Company's bank loans was adopted. 2. Partial amendments to the Company's "Articles of Incorporation" were adopted. Proposal for amendment to the causes of the 2023 shareholders' meeting was adopted.

(2) Resolution:

In proposal 6 in the 17th meeting of the 23rd Board of Directors, the representative of Chou Chin Industrial Co. Ltd. director Shih-Kai Lei proposed the amendment to maintain 13 directors (including 5 independent directors). After voting, 5 directors, including independent director Li-Chi Yeh, director Wei-Lin Shao, director Ling-Chi Chang, director Lien-Kai Chan and director Shih-Kai Lei, agreed with the amendment, and 8 directors, including independent director Sheng-Tsheng Lee, independent director Chung- Ho Sung, and director Ching-Yuan Wu, etc., agreed with the original proposal; the original proposal was adopted. Moreover, regarding the proposal for changing the business address discussed in the 4th meeting of the 24th Board of Directors, 4 directors, including independent director Sheng-Tsheng Lee, independent director Li-Chi Yeh, director Chin-Yen Lin, and director Shih-Kai Lei, expressed dissent, while 7 directors, including independent director Chung- Ho Sung, independent director Sen-Jung Wang, director Ching-Yuan Wu, etc., agreed with the proposal; the proposal was approved.

Partial amendments to the Articles of Incorporation of the Company were discussed at the 10th meeting of the 24th Board of Directors. Except for Director Shih-Kai Lei, the representative of Chou Chin Industrial Co., Ltd., all the rest 10 directors unanimously approved the amendments.

For other proposals, they were passed as proposed by all

attending directors and independent directors.

(3) Implementation: All proposals have been implemented pursuant to the resolution.

4. Major resolutions at Audit Committee meetings in 2022 up to the publication date of this annual report:

(1) Major resolutions at Audit Committee meetings in 2022 and 2023 include:

Meeting date	Meeting type	Major resolution
2022.01.18	2nd Audit Committee 14th meeting	Internal audit report 1. Proposal for the Company's 2022 business plan and budgets was adopted. 2. Proposal for the Company to withdraw the approved capital increase from the Securities and Futures Bureau, Financial Supervisory Commission, was adopted.
2022.03.03	2nd Audit Committee 15th meeting	Internal audit report 1. Proposal for the 2021 business report and separate financial statements were adopted. 2. Proposal for earning distribution and loss reimbursement for 2021 was adopted. 3. Proposal for an annual assessment of the independence of the Company's CPAs was adopted. 4. Proposal for appointment of the Company's CPAs and remuneration thereto was adopted. 5. Proposal for the Company's "Effectiveness evaluation of the internal control system" and "Internal Control System Declaration" for 2021 was adopted. .
2022.04.07	2nd Audit Committee 15th meeting	Internal audit report 1. Passed the proposal of partial amendments to the Company's "Procedures for Acquisition or Disposition of Assets."
2022.05.10	2nd Audit Committee 17th meeting	Internal audit report 1. Proposal for the report of the Company's 2022 Q1 separate financial statements was adopted.
2022.08.09	3rd Audit Committee 1st meeting	Internal audit report 1. Proposal for the report of the Company's separate financial statements for the first half of 2022 was adopted.
2022.08.30	3rd Audit Committee	Internal audit report 1. Proposal for selling the tenure of Floor 15 and 15-1 of

Meeting date	Meeting type	Major resolution
	2nd meeting	Building F in Nankang Software Park, Taipei City was adopted.
2022.11.09	3rd Audit Committee 3rd meeting	Internal audit report 1. Proposal for the report of the Company's separate financial statements for the first three quarters in 2022 was adopted. 2. Proposal for the Company's 2023 audit plan was adopted. 3. Proposal for the appointment of the Company's chief financial officer and chief accounting officer was adopted.
2022.12.27	3rd Audit Committee 4th meeting	Internal audit report 1. Proposal for the establishment of the internal important information handling procedures was adopted.
2023.01.17	3rd Audit Committee 5th meeting	1. Proposal for the Company's 2022 business plan and budget was adopted. 2. Proposal for the leases of the new business location and the Hukou Office in Hsinchu was adopted. According to the experts' opinion, it's not necessary for the proposal to be reviewed by the Audit Committee and the Board of Directors for now; however, once the leases have been held for over 1 year, the proposal shall be submitted to the Audit Committee and the Board of Directors as per regulations for review.
2023.03.02	3rd Audit Committee 6th meeting	1. Proposal for the selection of power generation equipment manufacturer for the bid of "solar power installation in Laopi Tea Farm in Pingtung" was adopted.
2023.03.14	3rd Audit Committee 7th meeting	Internal audit report 1. Proposal for the 2022 business report and separate financial statements was adopted. 2. Proposal for earning distribution and loss reimbursement for 2022 was adopted. 3. Proposal for the compensation to and annual independence and competency review of the Company's CPAs was adopted. 4. Proposal for the pre-approval of the provision of non-assurance services by the CPA firm was adopted. 5. Proposal for the Company's "Effectiveness evaluation of the internal control system" and "Internal Control System Declaration" for 2022 was adopted. 6. Proposal for entering into a lease with Nova Design Co., Ltd. was adopted. 7. Proposal for entering into a lease with Sanyang Motor Co., Ltd. was adopted.

(2) Resolution:

Regarding the proposal for selling the tenure of properties in Nankang Software Park discussed in the 2nd meeting of the 3rd Audit Committee, independent director Li-Chi Yeh expressed a reservation; 3 independent directors, including Sheng-Tsheng Lee, agreed with the proposal on the condition that the supplementary materials would be provided and the information on the following matters would be given: 1. the operational considerations of the proposal for selling the properties and the pros and cons thereof; 2. the workplace arrangement plans for the employees; 3. the utilization of the funds obtained therefrom. The proposal was further discussed for a resolution in another board meeting.

For other proposals, they were passed as proposed by all the independent directors.

(3) Implementation: All proposals have been implemented pursuant to the resolution after being submitted to the Board of Directors for review.

(XII) If any directors or supervisors (audit members) express dissent or reservation, which has been recorded or is delivered in writing, over any major resolutions made by the Board of Directors in the most recent year up to the publication date of this annual report, the contents of such resolutions shall be disclosed

In the 17th meeting of the 23rd Board of Directors, the representative of Chou Chin Industrial Co. Ltd Director Shih-Kai Lei proposed the amendment to maintain 13 directors (including 5 independent directors). After voting, 5 directors, including independent director Li-Chi Yeh, director Wei-Lin Shao, director Ling-Chi Chang, director Lien-Kai Chan, director Shih-Kai Lei, agreed with the amendment, and this proposal adopted the original proposal. Independent Director Yeh agreed with the amendment proposal, so the important information was announced pursuant to regulations.

Regarding the proposal for changing the business address discussed in the 4th meeting of the 24th Board of Directors, 4 directors, including independent director Sheng-Tsheng Lee,

independent director Li-Chi Yeh, director Chin-Yen Lin and director Shih-Kai Lei, expressed dissent, while 7 directors, including independent director Chung- Ho Sung, independent director Sen-Jung Wang, director Ching-Yuan Wu, etc., agreed with the proposal; the proposal was approved.

(XIII) Resignation or discharge of the Company's Chairman, General Manager, and chief accounting, financial, internal audit, corporate governance and R&D officers in most recent year up to the publication date of this annual report

2023.04.20

Title	Name	Date of inauguration	Date of dismissal	Reason for resignation or dismissal
General Manager	Chin-Yen Lin	2019.08.01	2022.05.31	Adjustment of duties (promoted to Vice Chairman)
Chief Financial and Accounting Officer	Pei-Chen Huang	2013.02.21	2022.10.20	Adjustment of duties

V. Information about CPAs' fees

(I) Information about CPAs' fees

Unit: NT$ thousand

Name of CPA firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remarks
EY Taiwan	Chih-Ming Chang	2022/01/01 ～ 2022/12/31	2,250	206	2,456	ESG Confirmation Service Fee NT$183 thousand, and meal fee for financial statement audit NT$23 thousand.
	Chun-Ting Ma					

Please specify the content of non-audit service fee: (such as tax certificate, confirmation, or other financial consulting services)

1. If the CPA firm has been changed and the audit fee paid to the new CPA firm in the year is less than the previous year, the amounts before and after the replacement as well as the reasons thereof shall be disclosed: None.
2. If the audit fee decreases by more than 10% YoY, the decreased amount, percentage and reason for the decrease shall be disclosed: None.

VI. Information about the replacement of CPAs

If the Company changed CPAs in the most recent two years and their subsequent periods, the following information shall be disclosed: None.

VII. The Company's Chairman, General Manager, or managerial officers responsible for handling financial or accounting affairs held a position in the CPA firm or any of its affiliates in the most recent year

None.

VIII. Transfer of equity interests and changes in pledge of equity conducted by directors, supervisor, managerial officers, and shareholders having a shareholding ratio of more than 10% in the most recent year up to the publication date of this annual report

(I) Changes in equity of directors, supervisors, managerial officers, and major shareholders

Title	Name	2022		As at April 14 of the year	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairman	Shan Young Assets Management Co., Ltd.. Representative: Ching-Yuan Wu	53,337,000	0	5,490,000	0
Director	Chin-Yen Lin	0	0	(800,000)	0
Director	Chou Chin Industrial Co., Ltd. Representative: Shih-Kai Lei	0	0	0	0
Director	YSC-MARKETING CO., LTD. Representative: Wei-Lin Shao	0	0	0	0
Director	Wei-Fu Investment Co., Ltd. Representative: Chih-Kuang Yen	100,000	0	0	0
Director	Shang-Yang Asset Management Co., Ltd. Representative: Yu-Chang Huang	53,337,000	0	5,490,000	0
Director	Shang-Yang Asset Management Co., Ltd. Representative: Yu-Chang Huang	53,337,000	0	5,490,000	0
General Manager	Ching-Yung Wu	0	0	0	0
Assistant General Manager	Li-Chuan Kao	0	0	0	0
10%	Shan Young Assets Management Co., Ltd.	53,337,000	0	5,490,000	0
Independent director	Sheng-Tsheng Lee	0	0	0	0

Title	Name	2022		As at April 14 of the year	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Independent director	Chung-Ho Sung	0	0	0	0
Independent director	Li-Chi Yeh	0	0	0	0
Independent director	Sen-Jung Wang	0	0	0	0
Chief financial officer	Ya-Fanf Hsu	0	0	0	0
Chief accounting officer	Ya-Fanf Hsu	0	0	0	0

(II) Information on transfer of equity interests: None.

(III) Information on pledge of equity: There is no counterpart that is a related party with respect to pledge of equity.

IX. Information on the Top 10 shareholders in shareholding ratio who are related parties to each other or have a spousal relationship or are relatives within the second degree of kinship.

Information on Top 10 shareholders in shareholding ratio who are related parties to each other

April 14, 2023

Name	Shares held by shareholders		Shares held by spouse and minor children		Total shares held in the name of others		The title or name and relationship of the Top 10 shareholders who are related parties to each other or have a spousal relationship or are relatives within the second degree of kinship as referred to in ROC GAAP N. 6.		Remarks
	Number of shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title	Relation	
Shan Young Assets Management Co., Ltd. Representative: Li-Chu Wu	218,761,000	27.69%	Not applicable.	Not applicable.	0	0%	Nil	Nil	
	-	-	-	-	-	-	Nil	Nil	
Taichung Bank Insurance Brokers Co., Ltd. Representative：Li-Tzu Lai	27,578,000	3.49%	Not applicable.	Not applicable	0	0%	Nil	Nil	
	0	0%	-	-	-	-	Nil	Nil	
Chou Chin Industrial Co., Ltd. Representative: Kuei-Hsien Wang	21,215,000	2.69%	Not applicable.	Not applicable	0	0%	China Man-Made Fiber Corporation De-Xing Investment Co., Ltd. Pan Asia Chemical Corp.	The same responsible person	
	-	-	-	-	-	-			
China Man-Made Fiber Corporation Representative: Kuei-Hsien Wang	20,000,000	2.55%	Not applicable.	Not applicable	0	0%	Chou Chin Industrial Co., Ltd. De-Xing Investment Co., Ltd. Pan Asia Chemical Corp.	The same responsible person	
	-	-	0	0%	0	0%	Nil	Nil	
YSC-MARKETING CO., LTD. Representative: Wei-Lin Shao	20,000,000	2.53%	Not applicable.	Not applicable	0	0%	Nil	Nil	
	0	0%	0	0%	0	0%	Nil	Nil	
Chia Yi Development Service Co., Ltd. Representative:	19,017,000	2.41%	0	0%	0	0%	Nil	Nil	
	-	-	-	-	-	-	Nil	Nil	

Name	Shares held by shareholders		Shares held by spouse and minor children		Total shares held in the name of others		The title or name and relationship of the Top 10 shareholders who are related parties to each other or have a spousal relationship or are relatives within the second degree of kinship as referred to in ROC GAAP N. 6.		Remarks
	Number of shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title	Relation	
Cheng-Hsueh Tsai									
Chin-Yen Lin	17,200,000	2.18%	0	0%	0	0%	Nil	Nil	
De-Xing Investment Co., Ltd. Representative: Kuei-Hsien Wang	13,177,000	1.67%	Not applicable.	Not applicable	0	0%	China Man-Made Fiber Corporation Chou Chin Industrial Co., Ltd. Pan Asia Chemical Corp.	The same responsible person	
	-	-	-	-	-	-			
Earth Power Construction Co., Ltd. Representative: Chin-Hui Liu	12,648,000	1.60%	Not applicable.	Not applicable	0	0%	Nil	Nil	
	-	-	-	-	-	-	Nil	Nil	
Pan Asia Chemical Corp. Representative: Kuei-Hsien Wang	12,394,000	1.57%	Not applicable.	Not applicable.	0	0%	China Man-Made Fiber Corporation Chou Chin Industrial Co., Ltd. De-Xing Investment Co., Ltd.	The same responsible person	
	-	-	-	-	-	-			

X. For the total number of shares held in any single invested business by the Company, its directors, supervisors, managerial officers, and any businesses controlled directly or indirectly by the Company, the comprehensive shareholding ratio is calculated in a consolidated manner

None

Four. Fundraising Overview

I. The Company's capital and shares

(I) Source of capital

1. Source of capital

Date	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Offset by any property other than cash	Others
1995.6	-	291,910,180	2,919,101,800	291,910,180	2,919,101,800	Capitalization of capital reserves NT$583,820,360	Nil	Approved by Letter (84)5, 12 TAI-CAI-ZHENG-(1)-ZI No.28028 on May 12, 1995 from the Securities and Futures Commission, Ministry of Finance
1996.5	-	364,887,725	3,648,877,250	364,887,725	3,648, 877,250	Capitalization of capital reserves NT$729,775,450	Nil	Approved by Letter (85) TAI-CAI-ZHENG-(1)-ZI No.23367 on April 16, 1996 from the Securities and Futures Commission, Ministry of Finance
1997.7	-	695,309,132	6,953,091,320	620,309,132	6,203,091,320	Capitalization of capital reserves NT$2,554,214,070	Nil	Approved by Letter (86) TAI-CAI-ZHENG-(1)-ZI No. 48072 on June 16, 1997 from the Securities and Futures Commission, Ministry of Finance
1997.12	10	695,309,132	6,953,091,320	695,309,132	6,953,091,320	Capital increase in cash NT$750,000,000	Nil	Approved by Letter (86) TAI-CAI-ZHENG-(1)-ZI No.80083 on October 24, 1997 from the Securities and Futures Commission, Ministry of Finance
1998.6	-	1,600,000,000	16,000,000,000	973,432,784	9,734,327,840	Capitalization of capital reserves NT$2,781,236,520	Nil	Approved by Letter (87) TAI-CAI-ZHENG-(1)-ZI No.30758 on April 9, 1998 from the Securities and Futures Commission, Ministry of Finance
1999.6	-	1,600,000,000	16,000,000,000	1,168,119,341	11,681,193,410	Capitalization of capital reserves NT$1,946,865,570	Nil	Approved by Letter (88) TAI-CAI-ZHENG-(1)-ZI No.42884 on May 11, 1999 from the Securities and Futures Commission, Ministry of Finance
2003.8	10	1,600,000,000	16,000,000,000	902,372,191	9,023,721,910	Capital reduction NT$2,657,471,500	Nil	Approved by Letter (92) TAI-CAI-ZHENG-(1)-ZI No.0920122149 on June 19, 2003 from the Securities and Futures Commission, Ministry of Finance
2005.10	10	1,600,000,000	16,000,000,000	649,527,500	6,495,275,000	Capital reduction NT$2,528,446,910	Nil	Approved by Letter JIN-GUAN-ZHENG-YI-ZI No.0940126244 on August 23, 2005 from the Financial Supervisory Commission, Executive Yuan

Date	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Offset by any property other than cash	Others
2006.9	3	1,600,000,000	16,000,000,000	696,197,500	6,961,975,000	Private fundraising (NT$3 per share) NT$466,700,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.09501224630 on October 2, 2006 from the Ministry of Economic Affairs
2007.7	10	1,600,000,000	16,000,000,000	720,000,000	7,200,000,000	Private fundraising (NT$10 per share) NT$238,025,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.09601194420 on August 15, 2007 from the Ministry of Economic Affairs
2007.11	10	1,600,000,000	16,000,000,000	730,000,000	7,300,000,000	Private fundraising (NT$10 per share) NT$100,000,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.09601291090 on November 27, 2007 from the Ministry of Economic Affairs
2008.7	10	1,600,000,000	16,000,000,000	775,000,000	7,750,000,000	Private fundraising (NT$10 per share) NT$450,000,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.09701189950 on July 31, 2008 from the Ministry of Economic Affairs
2008.11	4.5	1,600,000,000	16,000,000,000	800,000,000	8,000,000,000	Private fundraising (NT$4.5 per share) NT$250,000,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.09701293000 on November 14, 2008 from the Ministry of Economic Affairs
2009.9	10	1,600,000,000	16,000,000,000	532,000,000	5,320,000,000	Capital reduction NT$2,680,000,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.09801177900 on August 10, 2009 from the Ministry of Economic Affairs
2010.1	15	1,600,000,000	16,000,000,000	600,000,000	6,000,000,000	Capital increase in cash NT$680,000,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.09901075350 on April 21, 2010 from the Ministry of Economic Affairs
2011.6	17.8	1,600,000,000	16,000,000,000	618,224,581	6,182,245,810	Replacement of convertible bonds by new shares NT$182,245,810	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10001164950 on July 21, 2011 from the Ministry of Economic Affairs
2011.9	17.8	1,600,000,000	16,000,000,000	629,550,386	6,295,503,860	Replacement of convertible bonds by new shares NT$113,258,050	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10001242220 on October 20, 2011 from the Ministry of Economic Affairs
2011.11	16-20	1,600,000,000	16,000,000,000	616,440,386	6,164,403,860	Repurchase of treasury stocks NT$131,100,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10001263320 on November 17, 2011 from the Ministry of Economic Affairs
2012.11	18	1,600,000,000	16,000,000,000	666,440,386	6,664,403,860	Private fundraising (NT$18 per share)	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10101241760 on November 26, 2012 from the Ministry of

Date	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Offset by any property other than cash	Others
						NT$500,000,000		Economic Affairs
2013.7	17.5	1,600,000,000	16,000,000,000	667,394,671	6,673,946,710	Replacement of convertible bonds by new shares NT$9,542,850	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10201149350 on July 23, 2013 from the Ministry of Economic Affairs
2013.10	17.5	1,600,000,000	16,000,000,000	667,788,951	6,677,889,510	Replacement of convertible bonds by new shares NT$3,942,800	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10201221600 on November 1, 2013 from the Ministry of Economic Affairs
2014.1	17.5	1,600,000,000	16,000,000,000	715,228,694	7,152,286,940	Replacement of convertible bonds by new shares NT$474,397,430	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10301016150 on January 27, 2014 from the Ministry of Economic Affairs
2014.4	17.5	1,600,000,000	16,000,000,000	719,565,799	7,195,657,990	Replacement of convertible bonds by new shares NT$43,371,050	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10301067550 on April 22, 2014 from the Ministry of Economic Affairs
2014.7	17.5	1,600,000,000	16,000,000,000	720,240,079	7,202,400,790	Replacement of convertible bonds by new shares NT$6,742,800	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10301132930 on July 4, 2014 from the Ministry of Economic Affairs
2014.7	-	1,600,000,000	16,000,000,000	720,240,000	7,202,400,000	Cancellation and capital reduction upon waiver to hold shares NT$790	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10301132930 on July 4, 2014 from the Ministry of Economic Affairs
2015.6	15.81	1,600,000,000	16,000,000,000	783,490,000	7,834,900,000	Private fundraising (NT$15.81 per share) NT$632,500,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10401113660 on June 18, 2015 from the Ministry of Economic Affairs
2015.11	11~20	1,600,000,000	16,000,000,000	770,000,000	7,700,000,000	Repurchase of treasury stocks NT$134,900,000	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10401245070 on November 20, 2015 from the Ministry of Economic Affairs
2018.4	14.82	1,600,000,000	16,000,000,000	790,000,000	7,900,000,000	Private fundraising (NT$14.82 per share)	Nil	Approved by Letter JING-SHOU-SHANG-ZI No.10701039720 on April 16, 2018 from the Ministry of

Date	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Offset by any property other than cash	Others
						NT$200,000,000		Economic Affairs

Note 1: The data up to the publication date of this annual report in the current shall be listed.

Note 2: The effective (approval) date and document number for capitalization shall be noted.

Note 3: If shares were issued at an amount less than par value, such information shall be marked distinctly.

Note 4: If monetary claims or technologies are offset against share payments, such information shall be specified, and the type and amount of such offset shall also be noted.

Note 5: For shares belonging to private fundraising, the information shall be marked distinctly.

2. Type of shares

Type of shares	Authorized Capital			Remarks
	Outstanding shares (Note 2)	Unissued shares	Total	
Common stock	790,000,000	810,000,000	1,600,000,000	The outstanding shares included 63,250,000 shares, which were issued with private fundraising in June 2015 and 20,000,000 shares, which were issued with private fundraising in April 2018 and restricted to be listed for trading for 3 years.

Note 1: Please specify whether the stock was the stock listed in the Stock Exchange market or an OTC market. (Stocks that were restricted for trading in the Stock Exchange market or an OTC market shall be noted.)

Note 2.:The shares were listed stocks.

3. All information related to the declaration system: None.

(II) Structure of shareholders

April 14, 2023

Structure of shareholders / Number of shares	Government	Financial institution	Other corporate shareholders	Foreign corporation and individual	Individual	Treasury shares	Total
Number of personnel	24	97	664	161	97,524	1	98,471
Shareholding	169,791	613,132	424,756,485	68,149,658	296,310,925	9	790,000,000
Shareholding ratio	0.02%	0.08%	53.77%	8.63%	37.51%	0.00%	100.00%

Note: The company listed in Taiwan as a primary TWSE-listed or TPEx-listed company or registered as an emerging stock company shall disclosed the shareholding ratio of the investors from Mainland China; investors from Mainland China mean the nationals, corporations, groups, other institutions or their investees in any third areas specified in Article 3 of the Regulations Governing the Permission of Investment by Nationals in Mainland Area.

(III) Ownership dispersal

Face value at NTD 10 per share

April 14, 2023

Securities holding range	Number of shareholders	Shareholding	Shareholding %
1-999	69,874	12,925,665	1.64%
1,000-5,000	22,144	46,746,010	5.92%
5,001-10,000	3,279	25,158,327	3.18%
10,001-15,000	992	12,444,954	1.58%
15,001-20,000	577	10,626,272	1.35%
20,001-30,000	531	13,499,034	1.71%
30,001-40,000	258	9,207,102	1.17%
40,001-50,000	161	7,540,020	0.95%
50,001-100,000	305	22,225,570	2.81%
100,001-200,000	145	20,668,576	2.62%
200,001-400,000	87	25,142,401	3.18%
400,001-600,000	37	18,189,499	2.30%
600,001-800,000	14	9,308,109	1.18%
800,001-1,000,000	7	6,301,696	0.80%
More than 1,000,001 shares	60	550,016,765	69.62%
Total	98,471	790,000,000	100.00%

(IV) List of major shareholders

April 14, 2023

Share / Names of major shareholders	Shares held	Shareholding ratio
Shan Young Assets Management Co., Ltd.	218,761,000	27.69%
Taichung Bank Insurance Brokers Co., Ltd.	27,578,000	3.49%
Chou Chin Industrial Co., Ltd.	21,215,000	2.69%
China Man-Made Fiber Corporation	20,130,000	2.55%
YSC-MARKETING CO., LTD.	20,000,000	2.53%
Chia Yi Development Service Co., Ltd.	19,017,000	2.41%
Chin-Yen Lin	17,200,000	2.18%
De-Xing Investment Co., Ltd.	13,177,000	1.67%
Earth Power Construction Co., Ltd.	12,648,000	1.60%
Pan Asia Chemical Corp.	12,394,000	1.57%

(V) Information on the market price, net value, earnings, and dividends per share in the most recent year

Item \ Year			2021	2022
Market price per share (Note 1)	Maximum		25.6	24.50
	Minimum		16.10	17.65
	Average		18.58	20.30
Net value per share (Note 2)	Before distribution		18.58	16.44
	After distribution		18.58	16.44
Earnings per Share	Weighted average number of shares		790,000,000	790,000,000
	Earnings per share (Note 3)		(1.42)	(2.07)
Dividends per share	Cash dividends		0.00	0.00
	Issuance of bonus shares	From retained earnings	-	-
		From capital reserves	-	-
	Accumulated unpaid dividends (Note 4)		-	-
ROI analysis	P/E ratio (Note 5)		NA	NA
	P/D ratio (Note 6)		-	-
	Cash dividend yield (Note 7)		-	-

＊If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: The table lists the maximum and minimum market price of common stocks for each year, and the annual average market price is calculated based on the annual trading value and volume of each year.

Note 2: Please fill in the information based on the number of shares issued by the end of the fiscal year and the allocation by the resolution of the Board of Directors or the Shareholders' Meeting of the next fiscal year.

Note 3: Where the earnings per share that shall be adjusted retrospectively due to stock dividend distribution, the earnings per share prior to and after the adjustment shall be specified.

Note 4: As for the issuance conditions of equity securities, if the undistributed dividends in the current year may be accumulated to and distributed in the year in which profit is made, the undistributed dividends accumulated to the current year shall be disclosed separately.

Note 5: P/E ratio = Average closing price per share in current year/earnings per share.

Note 6: P/D ratio = Average closing price per share in current year/cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share in current year.

Note 8: The net value per share and earnings per share shall be the information of the financial data for the most recent period audited and attested or reviewed by a CPA as of the date of publication of the annual report; for other columns, the information shall be the financial data of the current fiscal year as of the date of publication of the annual report. The 2022 Q1 financial data of the Company were not reviewed by CPAs.

(VI) Description of the Company's dividend policies, implementation thereof, and expected significant changes

1. Dividend policy:

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, 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 allocation of the residual balance plus the undistributed earnings, and submit 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.

2. Dividend distribution proposed at the shareholders' meeting:

The Company resolved and proposed the appreciation and distribution of retained earnings for 2021 and 2022, respectively, at the annual meeting of shareholders on May 20, 2022 and at the board meeting on March 14, 2023. Since there were losses in 2021 and 2022, no earnings were distributed. The proposal for 2022 earning distribution and loss reimbursement will be resolved at the annual

meeting of shareholders to be held on June 12, 2023.

3. Expected significant changes:

According to the amendment of Articles 240 and 241 of the Company Act, the Company resolved at the 16th meeting of the 22nd Board of Directors and the annual meeting of shareholders in 2019 to amend Article 27-1 of the Articles of Incorporation: "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, according to the Articles of Incorporation, 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, and then the allocation shall be reported at a shareholders' meeting." There is no significant changes in other dividend policies.

(VII) The impact of issuance of bonus shares proposed at the shareholders' meeting on the Company's business performance and EPS

It is not applicable since the Company will not distribute shareholder stock dividends and employee stock bonus for 2022 according to the resolution adopted at the Company's board meeting on March 14, 2023.

(VIII) Remuneration to employees, directors and supervisors

1. The percentage or scope of the remuneration to employees and directors specified in the Articles of Incorporation:

Annual profits concluded by the Company shall be subject to employee remuneration of at least 1% which may be distributed in shares or in 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.

The resolution made to employee remuneration and director remuneration shall be adopted by majority of directors at a board

meeting attended by at least two-thirds of the members in 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.

2. The basis for estimating the remuneration to employees and directors, basis for calculating the number of shares to be distributed as employee remuneration, and accounting treatment of any difference between the distributed and estimated amounts, in the current period:

   The Company's employee remuneration and director remuneration are estimated in accordance with the Articles of Incorporation and then recognized as the operating cost or operating expense based on their natures. If there is any difference between the amount adopted at the shareholders' meeting and the estimated amount in the financial statements, such difference is treated as a change in accounting estimates and recognized as the profit or loss in the following year.

3. Distribution of the remuneration adopted by the Board of Directors:

   Since the Company incurred losses in 2022, we did not estimate the remuneration to employees and directors.

   (1) If the remuneration to employees, directors and supervisors is distributed in cash or stocks, and the distributed amount is different from the estimated amount of recognized expenses, the difference, reason and action therefor shall be disclosed: None.

   (2) The amount of stock distributed as employee remuneration and the ratio thereof to the total of net income after tax and employee remuneration stated in the individual or separate financial statements in the current period: None.

4. If the actual distribution of the remuneration (including the number, amount and price of stocks distributed) to employees, directors and supervisors in the previous year is different from the recognized remuneration to employees, directors and supervisors, the difference, reason and action therefor shall be explained:

Since the Company incurred losses in both 2021 and 2022, we did not distribute and estimate the remuneration to employees and directors.

(IX) Repurchase of the Company's shares

None.

II. Issuance of corporate bonds

None.

III. Issuance of preferred stocks

None.

IV. Issuance of overseas depository receipts

None.

V. Issuance of employee stock option certificates

None.

(I) The issuance of employee stock option certificates that have not fallen due as of the publication date of this annual report and the impact thereof on shareholders' equity shall be disclosed. If any employee stock option certificates are issued through private placement, they shall be marked distinctly

The Company does not issue employee stock option certificates.

(II) The names, status of acquisition and subscription of managerial officers and top-10 employees who have acquired employee stock option certificates as of the publication date of this annual report

The Company does not issue employee stock option certificates.

VI. Issuance of restricted employee shares

None.

(I) The issuance of restricted employee shares that have not met all the vesting conditions as of the publication date of this annual report and the impact thereof on shareholders' equity

None.

(II) The names and status of acquisition of managerial officers and top-10 employees who have acquired restricted employee shares as of the publication date of this annual report

None.

VII. Issuance of new shares in connection with mergers or acquisitions or with the acquisition of shares of another company

None.

The Company does not issue new shares in connection with mergers or acquisitions or with the acquisitions of shares of another company.

(I) Issuance of new shares in connection with mergers or acquisitions or with the acquisition of shares of another company in the most recent year up to the publication date of this annual report

None.

(II) The status of issuance of new shares through mergers or acquisitions or with the acquisition of shares of another company that has been resolved by the Board of Directors in the most recent year up to publication date of this annual report, and the basic information on the merged/acquired or transferee companies: If the issuance of new shares related to mergers or acquisitions or with the acquisition of shares of another company is in progress, the status thereof and its impact on shareholders' equity shall be disclosed

None.

VIII. Implementation of capital utilization plans

None and not applicable.

Five. Operation Overview

I. Business item

(I) Business scope

Our business items are as follows according to the Company's Articles of Incorporation:

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 the law, except those subject to special approval.

1. Main contents and revenue proportion of the Company's business operations

Main operation	2022 revenue proportion
General goods trading	93.65%
Engineering	4.61%
Others	1.74%
Total	100.00%

2. The Group's current product categories

Tea	Existing customers: We collaborate with packaged beverage factories, chain stores of hand-shaken tea, hotels, coffee shops, and other channels to sell the following products: 1. Bulk custom tea leaves for commercial purpose. 2. Bulk crude tea leaves for commercial and wholesale purposes. 3. Packs of tea leaves for commercial purpose. 4. Packaged tea and tea bags sold through channels.
Neihu Headquarters Store	1. All kinds of coffee and tea of our own brand - loose tea/ tea bags/ gift boxes with tea leaves cultivated by using organic farming, natural farming and conventional farming methods. 2. "TTC Shop" teatime snacks, tea cakes, dried fruit, etc.. 3. Eat-in and take-out services for tea and coffee.
LuGao Cafe	1. Coffee beans and beverages of our own brand, "LuGao Cafe",

	including drip bags and coffee gift boxes. 2. 9 additional light meals and desserts, and our own "LuGao" single origin coffee, Italian coffee and tea drinks. 3. "TTC Shop" teatime snacks and special tea products.
Sun Moon Lake Antique Assam Tea Farm	1. The black tea is made from tea leaves cultivated, produced and processed by the Tea Factory (including products produced using organic farming, natural farming and conventional farming methods with zero detection of harmful additives). 2. Local seasonal vegetable food buffets, cold-brewed tea, our own brand "LuGao Coffee," and "TTC Shop" products. 3. Procured local natural agricultural processed products without chemical additives.
Tongluo Tea Factory	1. "Tongluo Tea Factory" black tea and "Oriental Beauty Tea" with local features. 2. Tea farm guided tour, tea picking, tea processing and one-day tea farmer DIY activities. The special tea picker set meals, light meals, tea and coffee. 3. The tea products of our own brand, including loose tea/ tea bags/ gift boxes with tea leaves cultivated by using the organic farming, natural farming and conventional farming methods, our "LuGao Coffee" products, and externally procured tea ware, iron teapots and creative products in connection with tea.
Daliao Historical Tea House	1. Cold and hot beverages, our "TTC" tea, "LuGao Coffee" products and "TTC Shop" teatime snacks, tea cakes, dried fruit, etc., as well as externally procured teaware, iron teapots and creative products in connection with tea. 2. "Wild tea" and "old tree tea" which are rare and also the main tea product of the Tea House. 3. Tea culture guided tour activities (pre-booking is required) or irregular lectures on tea.
Daxi Tea Factory	1. Guided tour activities to demonstrate the culture, history, building, and tea processing procedures of the Tea Factory in the past. 2. "Daxi Tea Factory" tea products - "Honey Flavor Black Tea" made from local tea leaves cultivated by using the natural farming method.

	3. Our “TTC” tea products such as loose tea/ tea bags/ gift boxes, “LuGao Coffee” products and “TTC Shop” teatime snacks, tea cakes, dried fruit, etc.. 4. Special comfort food buffets, handmade sweet tea eggs, dessert, and meals. 5. Externally procured tea ware, iron teapots and creative products in connection with tea.
Key account	1. Private brand: The products of our private brands available in PX Mart stores. 2. Foreign brands: Italian Divella products, Australian Gossips red wines, and imported whiskey products.。

3. New products to be developed

Tea	Laopi Tea Farm provides different classified tea leaves including Assam Black Tea, Red Jade Black Tea, Honey Flavor Black Tea, Formosa Oolong Tea, Oolong Tea, and Red Oolong Tea.。
Neihu Headquarters Store	Some light meal sets as well as suitable meals, beverages and products are offered
LuGao Cafe	1. LuGao picnic set is provided for visitors to enjoy the beautiful landscape in the Cafe. 2. Cake options in the Cafe will be adjusted to bring more choices with a diversity of visual features to go with the coffee. 3. The “SL34” coffee and “Yellow Catuai” coffee will be introduced. 4. 2 types of cold brew coffee are available.
Sun Moon Lake Antique Assam Tea Farm	1.2-3 types of new tea will be available (Honyun Black Tea, Purple Bud Black Tea, Jhinhsuan Black Tea). 2.3-4 suitable agricultural products are offered; 2-3 vegetable meals are adjusted according to the season.
Tongluo Tea Factory	1. Tea beverages are added or adjusted; 2-3 new packaged tea products are offered. 2. Creative products related to the local culture are developed.
Daliao Historical	Tea beverages are offered or in the combination with creative cultural products for the festivals in New Taipei City.

Tea House	
Daxi Tea Factory	1. Tea gift boxes are adjusted, with 4 new designs available. ◦ 2. New products are promoted by linking to the guided tour.
Key account	1. More diverse products that meet the conditions of product distribution and the market demands will be introduced. 2. Products of Taiwan Tea Corporation's self-owned brands may be customized based on projects.
Marketing	1. The Company will form alliances with different industries to launch Lunar New Year and Holiday gift boxes or permanent products based on a two-brand strategy. 2. We are committed to providing new products of tea and coffee locally grown in Taiwan. 3. 6 TTES series ice cream flavors made with the self-produced tea and coffee as ingredients are to be available.

(II) Overview of the industry

1. Current situation and development of the industry

Tea	1. Due to the prosperous development of tea beverages and bubble tea business in Taiwan as a tea importing country, the tea leaves imported to Taiwan account for 75% of the total consumed tea leaves, indicating that Taiwan has lacked for the materials for commercial tea which is a specialty of Taiwan. For the large demand for commercial tea, we have built Laopi Tea Farm featuring three elements of [technology, ecology and food safety]. We have improved efficiency and quality through technical management, reduced costs and expenses with mechanical production, and ensured food safety by adopting traceability management to produce special and competitive commercial tea materials. 2. Laopi Tea Farm is a tea plantation with an area of 452 hectares. It is the largest production base of commercial tea in Taiwan and is currently engaged in mass production gradually. 3. As tea safety incidents have occurred in recent years, there is more demand for safe tea on the market. Laopi Tea Farm helps customers to pay more attention to the safety of the food.

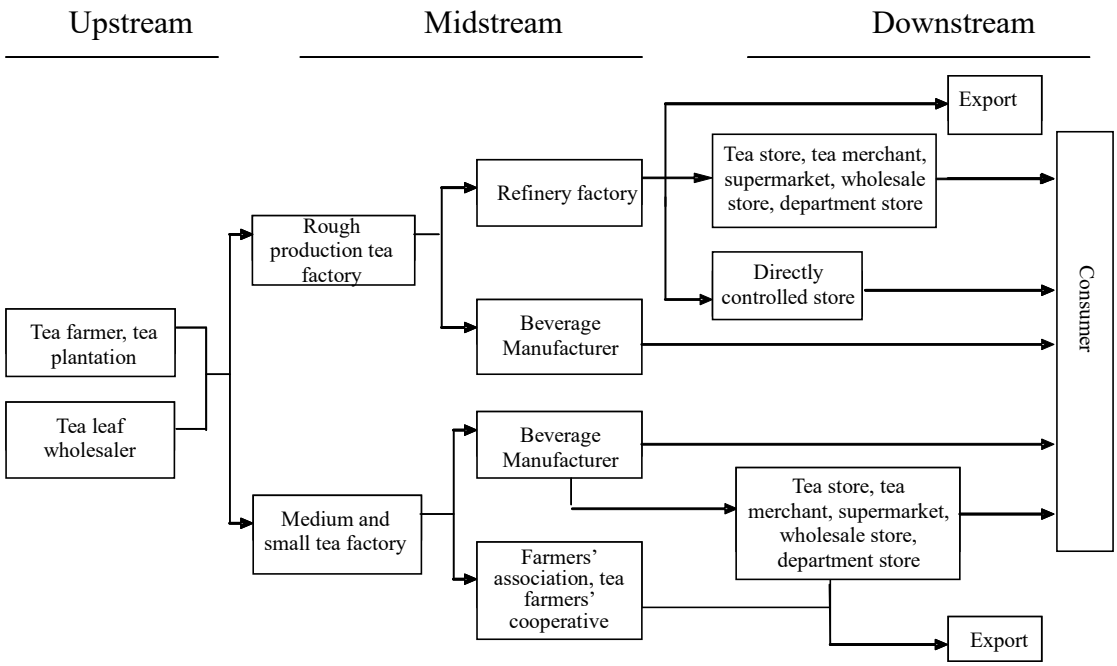
	Producing and selling products directly by us is the policy of the Company to provide customers quality options without the concern about safety.
Neihu Headquarters Store	1. Headquarters Store mainly serve the customers in the park, with the companies and residents around the Headquarters Store as the secondary customers. 2. The personnel of the store interact with the customers in a face-to-face manner. They can receive product information when buying beverages or commodities to understand the persistence and value of our brand in favor of sales, goodwill and brand visibility. 3. After the business district is full of compaies and stores in the future, our business will be more prosperous.
LuGao Cafe	The number of coffee consumers has grown in recent years. The stable growth of the market and climate change lead to reduced production of coffee and the rising cost of coffee beans is expected in the future. The local LuGao coffee has a different flavor from imported coffee and the local advantages exist in this difference. For instance, the freshness of the raw coffee beans represents the special flavor of the local coffee. LuGao Cafe's guided tour regarding the planting of coffee helps understand the process from a coffee bean to a cup of coffee, and visitors can participate in hands-on activities to grind coffee beans and brew coffee by themselves, arouse their interest in coffee, and become loyal to the brand.
Sun Moon Lake Antique Assam Tea Farm	1.More young people become coffee consumers as the hand-shaken tea beverages (bubble tea) emerge. It is different from canned tea, especially the quality hand-picked brand tea. We persist in clean and good tea by consistently realizing our core business value, namely maintaining the quality of tea products and developing new products with our philosophy in mind. These give us a good opportunity to help more customers accept good tea and commodities. 2. We have had about 20 hectares of farming areas in Nantou for a long time. In addition to TTES No. 18 (Red Jade Black Tea) as our main product, TTES No. 8 we planted during the period

	from 2016 to 2020 has progressively come to the stage of mass production, and Honyun Black Tea, Purple Bud Black Tea, Jhinhsuan Black Tea are additionally included in the scope of products. These are helpful for making up for the reduced production due to climate change as well as organic and natural farming methods.
Tongluo Tea Factory	1. The factory space has been redesigned to separate the venue for activities and the tea drinking area, so that the route can be smoother and the separated areas can be independent from each other without the concern about disturbance. 2. The Tung Blossom Festival in May, the "Oriental Beauty Tea" competition in August, the "Miaoli Black Tea" in September, and the Florist's Daisy Festival in November are the focuses of the year. Purchasing the tea participating in the competition in advance has become an important event for loyal customers.
Daxi Tea Factory	1. All the required renovations have been completed for old constructions, including the renovation of outdoor wooden walkways and continuous optimization of some areas. Daxi Tea Factory has been one of the locations that the Taoyuan City Government designates as a must for foreign special guests. 2. Daxi Tea Factory participates in the tourism factory events organized by Taoyuan City Government and forms cross-industry alliances with tourism companies and hotels to develop more markets for the factory.
Daliao Historical Tea House	1. As the former dormitory of the old factory manager during the Japanese Occupation Period, the building of the tea house itself reflects the old history. Visitors can recall the old Japanese style or talk about tea, recognize tea, and experience the historical evolution of the tea culture. 2. "Wild tea" and "old tree tea" are rare and only sold at Daliao Historical Tea House to demonstrate their unique quality. 3. Daliao Historical Tea House participates in the tourism factory events organized by New Taipei City Government. The integrated promotion and supporting resources from New Taipei City Government are very helpful to make up for the inconvenient transport and attract more customers that would

	not participate without these resources.
Key account	1. The products of Taiwan Tea Corporation's self-owned brands have been widely sold in the markets and through virtual channels. 2. The business of product distribution has been developed in a steady manner. 3. We increase the depth and scope of development of competitive products to produce more profits.
Marketing	1. The Company has been collaborating and interacting with the public sector, integrating local resources and connecting with relevant industries to jointly facilitate the development of leisure business. 2. The existing products, foods and beverages sold are reviewed regularly; new items are released to replace the old ones so that the competitiveness can be maintained. 3. We devise interactive courses such as tea evaluation as well as pour-over coffee making and have in-depth communication with customers, thereby showing our brand value to the consumers and promoting brand loyalty.
E-commerce	1. We promote our brands, achieve greater popularity, and place online ads that ultimately guide customers to the shopping cart. 2. We carry on the operation of large e-commerce channels to launch our products and maintain the customer emotional relationship.

2. Correlation between upstream, midstream, and downstream of the industry

A. Tea



The upstream tea industry mainly engages in the economic activities of picking of tea leaves and processing of crude tea; the midstream industry is responsible for the processing, grading and packing of refined tea; the downstream industry serves as the sales channels of the products. The maintain activities of the upstream, midstream, and downstream tea manufacturing industries and the correlation between them are described as follows:

a. Upstream - The upstream industry is more labor intensive and the technique of producing partially-fermented tea in Taiwan is better than other countries.

The rich techniques and experience of personnel are required for the cultivation, research and planting of tea trees and picking of tea leaves. Rough processing, in particular, needs more experienced personnel because of the time limitation in

the process of a chemical reaction. The tea manufacturing industry in Taiwan has been developed in early years, driving the prosperity of the upstream industry in which the technique of producing partially-fermented tea that the Taiwanese are fond of has been well-developed.

b. Midstream - There are many medium and small tea factories in the midstream industry.

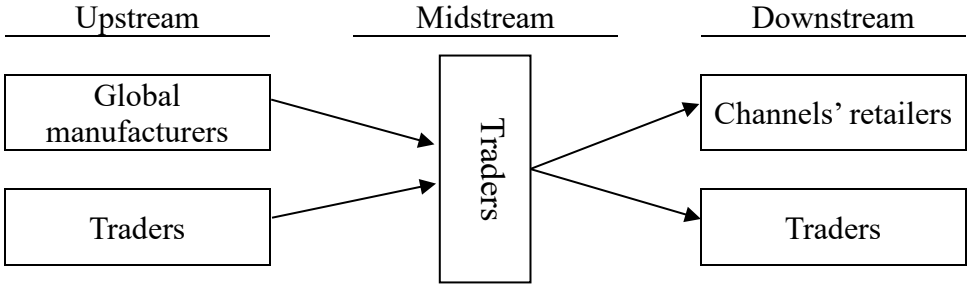
   These factories refer to the factories engaging mainly in the refining, processing and packaging processes of tea leaves for drinking. The midstream industry creates economic benefits by making the crude tea produced in the upstream industry marketable and worth aging to enhance the added values of tea leaves. The industry also communicates information in the market to upstream factories and works in variety development or R&D of production processes to produce products that meet the market requirements.

c. Downstream - There are many tea merchants and tea stores in the downstream industry.

   Tea leaves for drinking may be sold through channels to consumers after being refined, processed and packaged. However, the downstream tea manufacturing industry in Taiwan has competed with new channels such as wholesale stores, TV shopping and online shopping in recent years, and thus the sale of tea leaves through traditional tea stores and merchants are thereby limited. Therefore, it is difficult to create economic benefits.

   We have an area of more than 3,720 hectares of land used for tea farms, fruit farms and forest lands and own tea manufacturing factories with the FSSC and HACCP introduced. Moreover, we have been devoted to the production and processing of tea leaves and selling them on both domestic and overseas markets, business activities across the upstream, midstream and downstream industries to aim at becoming a provider producing and selling tea leaves with various brands.

B. 1. Import and export business



The main functions of the trading industry are brokering deals and matching supply and demand, and the structures of the upstream and downstream industries vary based on type of the products of traders. On the one hand, traders focus on obtaining international and industrial information, and on the other hand, they have the ability to make financial operations to build a relationship between the upstream and downstream industries by taking advantage of the information and their good financial turnover. Due to changes in the structure of global industries, upstream sellers from which some traders purchase products are not limited to sellers in one country or region. Based on the type of products sold by the sellers, the upstream sellers and downstream purchasers can be very different. Overall, trading business plays an important role in the development of Taiwan economy and enable the partnership between upstream and downstream suppliers to become more extensive and close.

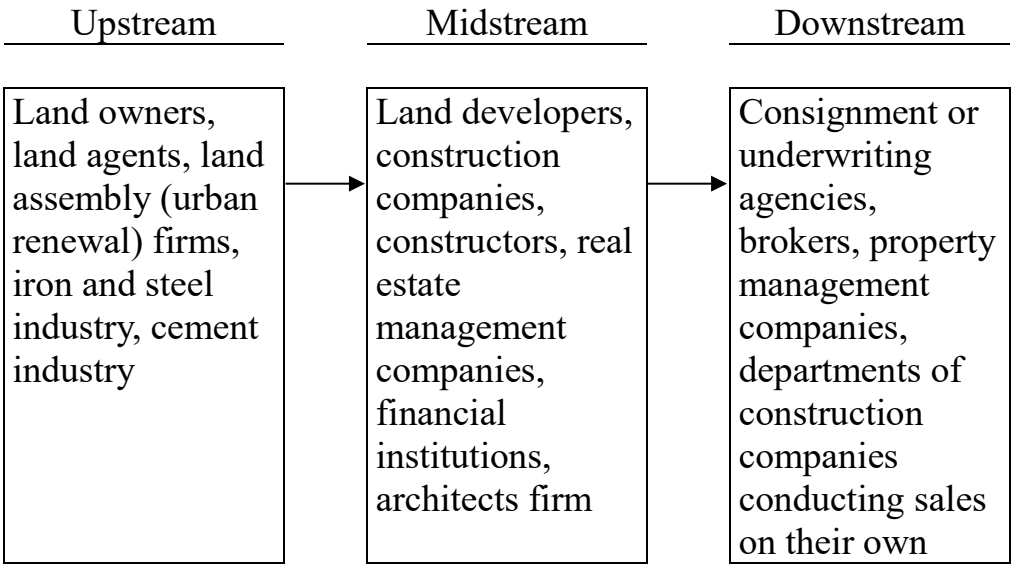
2. Key account business

Upstream: Private tea farms, coffee farms, refineries, foreign suppliers, and manufacturers.

Midstream: Logistics, distributors, agents, TTC import purchasing agents.

Downstream: Chain supermarkets, wholesale stores, companies, consumers, consumers to whom distributors sell products.

C. Land development



The upstream land development industry engages in acquisition of land and building materials. We have an area of more than 3,720 hectares of land in Taiwan, and our land available for development is of high value. Investment and construction are the main activities in the midstream industry. Construction companies or land developers serve as the coordinator, integrator and controller in the industry. After acquiring land in the upstream industry, the companies or developers commission architects (professional consultants) to perform product positioning, planning and design, contract with constructors for construction, request financial institutions for financing of funds, and commission downstream firms for sale or management after the construction is completed.

We play a role in the upstream and midstream industries. The “Sun Moon Lake Antique Assam Tea Farm” was developed in Yuchi, Nantou, to promote quality leisure agriculture and make the Tea Farm to become an important tourist attraction in Central Taiwan. In addition to the “Xiong Kong Tea Plantation” opened in Sanxia, New Taipei City in

2008, the “Daliao Historical Tea House” in Sanxia District, New Taipei City, “Daxi Tea Factory” near Cihu, Taoyuan were put into operation in the end of 2013; the “Tongluo Tea Factory” was opened in July 2016; the “LuGao Cafe” started its operation in August 2019. The establishment of these recreational bases can facilitate the sales of our tea leaves and coffee, the development of our leisure business and the enhancement of the value of the land around the Company.

For the industrial and commercial complex covering an area of 26 hectares at the Guaizihu Section in Sanyi, Miaoli. The land is basically for sale.

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3. Development trends of our products and competition status

Tea	1. We sell tea leaves produced in our private tea farms and factories. The materials, semi-finished goods and finished goods are inspected through the pesticide residue testing of SGS to ensure segmentation from small tea factories. 2. Laopi Tea Farm plants different varieties of tea and allocates production equipment for the purpose of producing tea products made from fermented, partially fermented and completely fermented tea leaves, and engages in different production, processing and manufacturing processes based on the market needs. To follow the development trend of tea beverages, our competitors acquire materials from small farmers or import them, and thus the pesticide, product flavor, and yield cannot be well-controlled. To sum up, the Company possesses competitive advantages.
Neihu Headquarters Store	More companies enter the park which the Headquarters Store serves and more business opportunities are created as a result. Though there is competition from nearly existing stores, the Headquarters Store is advantageous in the convenience, differentiation of commodities, and relatively good environment, which are helpful for more purchases.

LuGao Cafe	1. LuGao Cafe is located in a place with beautiful landscape surroundings. This feature and the unique local coffee flavor are the niche to attract more visitors. 2. As the Company plants more coffee trees every year, new coffee bean species such as SL34, Geisha, and Villa Sarchi will be produced on schedule. Coffee products of different species have been introduced to the market. Diversification is a major feature of the purchase at LuGao Cafe. 3. We continuously participate in coffee competitions, training professional talents specialized in brewing LuGao coffee, and improving the coffee processing and baking capability to manifest our best local advantages.
Sun Moon Lake Antique Assam Tea Farm	1. We will remain growing tea trees in the natural environment, protecting them on an ongoing basis, and communicating the awareness of organic planting and environmental protection. 2. Sun Moon Lake Antique Assam Tea Farm has the golden years of tea and cannot be copied by other tea factories. The history is not duplicable and the legacy in the production of tea is the most treasurable asset of the old tea factory. 3. In addition to the famous TTES No. 18 (Red Jade Black Tea), TTES No. 8 (Assam Black Tea) is one of the representatives of our black tea series products. We integrate tea with food and use local seasonal food materials to make original comfort food. This is also a widely recognized great feature of the Sun Moon Lake Antique Assam Tea Farm.
Tongluo Tea Factory	1. “Miaoli Black Tea” and “Oriental Beauty Tea” made locally are the most representative tea products of the factory. They contribute to the promotion of tea products as well as the management and growth. 2. The exclusive One-Day Tea Farmer event which is amusing and educational at the same time combines tourism and tea production to help visitors gain a deeper understanding of the production in the tea industry and thereby facilitate the sale of tea products.
Daliao Historical	1. The combination of an old Japanese residence and a modern space provides a special atmosphere that cannot be reproduced

Tea House	and is also another way to present the tea culture. 2. Made from tea leaves from tall tea trees grown freely and naturally in mountains covered by dense forests for years, "wild tea" which is true to its name is rare and of good quality and features an unusual taste. The thick tea leaves from native Assam tea plants growing for over 50 years create a mellow and thick texture for "old tree tea." 3. Due to the lower capacity and the lack of direct public transportation, the tea house needs time to build customer bases. Meanwhile, the tea house actively participates in the events organized by the government to attract customers with public support.
Daxi Tea Factory	1. The unique Honey Flavor Black Tea made locally has been synonymous with the tea factory. The tea factory upholds the philosophy of planting and making tea of good quality, promotes clean tea and develops loyal customers over time. 2. The history and architecture are the biggest assets of the tea factory. Its glory days are an advantage that cannot be duplicated as well as one of the highlights in the guided tours for the tea factory.
Key account	1. The products grown at our private tea and coffee farms are promoted and sold in the market in an active manner. 2. We act as the agent of renowned brands to distribute their products. 3. We avoid the concerns about food safety through batch-by-batch inspection, natural farming techniques and organic certification, thereby boosting our competitiveness.
Marketing	We take the advantage of sourcing raw materials from our own tea farms and coffee farms to fully control the integrated process used to produce products in compliance with the laws and regulations. Self-inspection is performed to ensure food safety. This is not only the core in the communication with consumers and promotion of our products, but also the feature that help enhance brand image and loyalty.
E-commerce	1. We reach the online target audience of tea and coffee lovers in a progressive manner.

	2. Differentiation is a focus for the brands and products promoted online. We have the niche as a listed company with a century-old tea factory as well as private tea and coffee farms. Further, conducting planting, production, manufacture, and sale on our own, we provide local products of excellent quality for replacing the imported products.

(III) Techniques and research development status

1. The R&D expenses in the most recent year up to the publication of this annual report:

Tea	About NT$ 7 million for R&D of new technologies. (Please refer to Pages 375-376 of this annual report for more details.)

2. Successfully developed products in the most recent year up to the publication date of this annual report:

Tea	1. Red Jade Black Tea made from hand-plucked tea leaves and sold through hand-shaken tea chains. 2. Formosa Red Oolong Tea sold through hand-shaken tea chains. 3. Assam Black Tea sold to beverage manufacturers.
LuGao Cafe	1. Newly launched “LuGao” coffee beans SL34, Geisha coffee beans, 6 types of pour-over coffee, and another 6 types of Italian coffee. 2. LuGao picnic set. 3. 2 types of cold brew coffee.
Sun Moon Lake Antique Assam Tea Farm	1. 3 brand tea products from “Sun Moon Lake Antique Assam Tea Farm” and 4 gift boxes for Lunar New Year 2022. 2. 6 substitutional dishes in each quarter for comfort food buffets. 3. 9 new “TTC Shop” products.
Tongluo Tea Factory	1. 3 types of new food. 2. 4 new gift boxes. 3. New tea leaf ice cream.
Daliao Historical Tea House	1. 4 new gift boxes.

Daxi Tea Factory	1. 3 types of new food. 2. 4 new gift boxes. 3. New tea leaf ice cream.
Key account	1. 4 new tea gift boxes. The sole agent of Italian Divella Series in Taiwan.

(IV) Long-term and short-term business development plans

Tea	Short-term:1. Sale of the tea produced in the tea plantation of Laopi Tea Farm is the core of the business. 2. Arrange key accounts to the visit tour and give presentation at Laopi Tea Farm. 3. Develop products suitable for shelf sale and catering. 4. Cooperate with other tea factories to develop customers in the beverage manufacturing and hand-shaken tea industries. Long-term:1. Create brand awareness continuously and develop business through different channels. 2. Laopi Tea Farm conducts mass production of commercial tea and develop customers such as leading beverage manufactures and chain stores of hand-shaken tea. 3. Cooperate with other tea factories to develop and produce customized tea products.
Neihu Headquarters Store	Short-term: Sell tea and coffee to consumers and provide them with a chance to understand TTC's tea and coffee products. Long-term: Build loyal customer bases and promote the Company's products of high quality.
LuGao Cafe	Short-term: Introduce locally made coffee to visitors and emphasize the difference between the coffee and imported coffee to make them appreciate LuGao Cafe's coffee and ignite their interest in drinking the locally made coffee. Long-term: Arrange guided tours in the cafe (2 trial tours was

		held in 2022) to allow the visitors to understand the process from a coffee bean to a cup of coffee. Provide coffee brewing internship programs and professional courses for the visitors to stimulate consumption and create brand loyalty and purchasing power.
Sun Moon Lake Antique Assam Tea Farm	Short-term: Long-term:	Convey the history, culture, tea production and advantages of the tea farm. Maintain a toxin-free natural environment and sell clean tea and seasonal vegetable food. Adopt natural farming, protect the environment while ensuring the brand awareness and quality, and establish royal customer bases with the philosophy of promoting clean and good tea.
Tongluo Tea Factory	Short-term: Long-term:	Make the tea factory become synonymous with "Oriental Beauty Tea" and the best place for "One-Day Tea Farmer." Share the uniqueness of locally made tea, especially "Oriental Beauty Tea," and provide more knowledge on the planting, production and flavor of tea leaves for visitors through DIY tea picking and processing activities, thereby building brand loyalty.
Daliao Historical Tea House	Short-term: Long-term:	Develop inter-industry cooperation or participate in the events organized by city governments and adjust the catering service items to explore potential demand and attract more visitors. Develop the visitors' interest in "old tree tea" and "wild tea" and organize tea-related courses to establish brand loyalty.
Daxi Tea Factory	Short-term: Long-term:	Present the history of the tea factory to help explore the origin of a cup of good tea and introduce what is meant by good tea and the aesthetics of the tea factory through guided tours. Continue to optimize products as well as adding tea-related courses and activities.

Key account	Short-term: Focus on the existing customers, exploit new customers and develop new products. Long-term: Increase market share, improve corporate image and enhance brand image.
Marketing	Short-term:1. Actively expand collaboration items with travel agencies and assist in developing more customers at recreational locations to enhance the performance on weekdays. 2. Assist in finishing plans for on- and off-line marketing activities according to the requirements of each recreational location, store and business unit. 3. Develop new product with the aim to build a two-brand alliance, and create new business opportunities through cross-channel collaboration and resource sharing. Long-term: Focus the overall marketing strategies on ensuring safety, health, sustainability and environmental protection.
E-commerce	Short-term: Continue to improve the initial fundamental establishment of departments. Long-term: Promote brand vision and volume through Internet marketing.

II. Overview of market and production & marketing

(I) Market analysis

1. Sales region and market share of our major products

(1) Sales region for major products of the Group

Tea	The tea of the Company is mainly sold to the channels in Taiwan: Commercial tea channel: Hand-shaken tea store, fast food chain store, 5-star hotel, Chinese and western restaurants, coffee shop, beverage factory. Packaged tea channel: supermarket, wholesale market, tax-free shops at airports.
Neihu Headquarters Store	1.Stores in the technology park. 2. Customers of the old Neihu Store and those royal to TTC in northern Taiwan.
LuGao Cafe	1. Visitors travelling to Lu Gao in Nantou. 2. Customer bases resulting from cross-industry alliances. 3. Visitors receiving recommendations from the Company's recreational locations.
Sun Moon Lake Antique Assam Tea Farm	1. Visitors travelling to Lu Gao in Nantou. 2. Customer bases resulting from cross-industry alliances. 3.Users of long-term relationship and customers that need home delivery of the Sun Moon Lake Antique Assam Tea Farm.
Tongluo Tea Factory	1. Visitors to the tea factory as the main source of customers with home delivery service or gifting business as the secondary channel. 2. Visitors receiving recommendations from the Company's recreational locations.
Daliao Historical Tea House	1. Visitors to the tea house or consumers receiving recommendations from other tea factories, and home delivery service. 2. Visitors attracted through the events organized by the government or self-arranged art activities.

Daxi Tea Factory	1. Visitors intending to visit the tea factory as the primary source of customers, followed by those coming to the factory after watching news reports or dramas. 2. Visitors receiving recommendations from the Company's recreational locations. 3. Gifting service for companies during festivals and home delivery service for customers with long-term loyalty.
Key account	Product distribution: Major distributor. Proprietary trading: PX Mart and regular direct customers.
E-commerce	Large e-commerce channels on the internet

(2) Market Share of the Company's major products

The Company has a variety of business items and in the only company that has integrated tea production and marketing systems, including our own tea factories, sale of commercial tea beverages, recreational businesses, agency of imported commodities, lease of assets and development of land. Hence, it is impossible to acquire related statistical data of market shares.

2. Analysis of the market supply, demand and growth in the future

Tea	1. The effect of the global extreme climate may raise the price of the tea leaf raw material. 2. The fierce price competition on the consumer market may lead to elimination of the brands that do not have special features. 3. The consumer market of tea has grown stably every year. The famous bubble tea brands in Taiwan drive the prosperous development of the bubble tea business in China and Asia. There is a bid demand for raw material. 4. The consumer market of tea has grown stably every year. 5. Hand-shaken tea stores are popular in the world and helpful for active development of the tea market. 6. Many leading beverage brands and bubble tea chain stores attach importance to the safety of raw material. The traceability

	management mode of the Company is very advantageous.
Neihu Headquarters Store	As the companies move their head office here, a higher demand for everyday goods and more gifting services lead to business opportunities. Thanks to a maturing awareness of organic and natural consumption, products with good quality grow and are embraced.
LuGao Cafe	The demand for coffee has grown stably in recent years. The freshness and unique flavor of the coffee beans grown locally separate them from imported coffee beans. The integrated production and various coffee species at LuGao Cafe help generate business opportunities leading to growth.
Sun Moon Lake Antique Assam Tea Farm	Consumers have a higher awareness of safe food. The tea farm proves that it has been dedicated to offering safe food with its farming philosophy adopted for years, sale of clean, organic and toxin-free tea and products, and support for agricultural products and food buffet produced with the same philosophy. The market and demand do not make a great leap forward, but a step-by-step growth.
Tongluo Tea Factory	The complex management mode satisfies the dining demand. The “One-Day Tea Farmer” tea picking and production activity also combines education and tourism to allow visitors to not only get closer to tea trees, but also understand more about tea picking and production, thereby boosting their interest in tea or encouraging them to drink tea with better quality, “Oriental Beauty Tea” in particular.
Daliao Historical Tea House	The unusual taste of the “wild tea” and “old tree tea” customized for this place is complementary to the old residence as well as the art and cultural activities here while being unique.
Daxi Tea Factory	The architecture and history of the factory show the story of the tea that cannot be duplicated and pass on the spirit of tea production over the past 100 years. The developed area around the tea farm in the mountain behind the factory can attract more visitors to drive the sales of the branded tea.
Key account	We strive for getting resources from the manufacturer and

	participate in marketing events to expand marketing channels and achieve stable growth in the business performance.
E-commerce	We keep on satisfying the needs of tea and coffee consumers on the Internet. Moreover, we operate with reasonable prices, control food safety and stabilize the source of supply.

3. Competitive niche of products

Tea	1. We are a listed company and has good corporate social image. 2. We have our own tea plantations and factories for management, production, manufacture, and sale of tea products to ensure segmentation from other tea factories in competition. 3. Laopi Tea Farm passed the FSSC22000 and HACCP food factory safety certifications. It is now applying to renew the RFA certification. 4. We provide customized services for large chain store customers and reasonably satisfy the demands of different customers. 5. Laopi Tea Farm is developed with the goal to become a tea plantation of high production volume with 6 harvests every year. Its products can be used as a substitute for import tea leaves and contribute to the improvement of tea-drinking quality of the people in Taiwan. 6. High safety: Integrated pesticide safety control and third-party inspection are applied to meet the highest standards of the industry. 7. Stable quality: The tea leaves come from a single source and automated production facilities are deployed.
Neihu Headquarters Store	1. The store provides a face-to-face service and offers clean and organic products produced using natural farming techniques. 2. Our reputation and guarantee as a listed company allow consumers to drink our products without worry.
LuGao Cafe	1. The open cafe area and transparent coffee production give confidence to consumers. 2. The freshness of the locally produced coffee beans earns them an unmatchable reputation. 3. A variety of coffee species and flavors can meet the demand of

	customers with different tastes. 4.The guided tour and experiencing course for brewing pour-over coffee find the target audience of the brand.
Sun Moon Lake Antique Assam Tea Farm	The niche of the brand and reputation for quality built for years lies in the tea products with premium quality, food products and relevant goods. The products and goods are "clean," "ecological," "environmentally friendly," "organic," "toxin-free" and focus on "co-existence with the land," which is in line with the unbreakable philosophy and reputation of the tea farm and also explains why consumers recognize them.
Tongluo Tea Factory	1. The local "Oriental Beauty Tea" and "Miaoli Black Tea" are the evidence of ensured quality in famous production areas. 2. The One-Day Tea Farmer event of our own tea farm starts from picking, kneading and baking tea leaves to bringing the personally handmade tea home. Visitors can taste the tea-based set meal that cannot be duplicated at other resorts. .
Daliao Historical Tea House	"Old tree tea" is traceable to native Assam tea trees growing for nearly 50 years. "Wild tea" grows in a natural environment nourished only with rain water and air. Both feature rich and sweet taste and stand multiple infusion. They are rare, unmatchable, and special tea.
Daxi Tea Factory	The sweetness and aroma specific to the tea produced using natural agricultural techniques, "Honey Flavor Black Tea" in particular, tell its history and give a feeling of transcending time and space. The tea kneading machines that have operated for more than 70 years at the factory are still running as if they are passing on their tasks.
Key account	1. Products that we distribute are well-known. 2. We conduct production, manufacture and sale on our own. With integrated operation, we provide the consumers with safe products. 3. Our customized services allow us to have high mobility to meet the requirements of different markets.
E-commerce	Differentiation is a focus for the brand and products. We communicate with the consumers and emphasize our niche:

	being a listed company, having a century-old tea factory, and owning tea and coffee farms. We conduct planting, production, manufacture, and sale on our own, creating excellent quality locally instead of through imports.

4. Favorable and unfavorable factors of development and countermeasures

Tea	Favorable factors: 1. We manage the tea plantations and factories independently and can ensure the quality and safety or our products from planting in the tea plantations to the manufacturer of tea at the factory. 2. Our private brands can ensure long-term operation and profitability. 3. The sound financial status of the Company supports the total planning in the agricultural areas and the investments in phases to introduce equipment and technology. 4. We have established deep relationship and friendship with our major customers for many years, and this enhances our sales advantages in the long run. 5. Laopi Tea Farm is engaged in development of new species, including planting, modern irrigation system, mechanical tea tree breeding and harvesting system, automated tea factory, and investment in other agricultural technologies. We cooperate with beverage manufacturers to development new customized tea products. 6. Laopi Tea Farm plants flat-ground tea trees, introduces automated breeding and harvesting systems, and promotes management of tea plantations on the flat

	ground. Tea products can be sold to beverage factories and hand-shaken tea stores. Unfavorable factors: 1. There are many competitive brands on the shelves at the channels. They compete in price and the quality is quite different. 2. The customers of commercial tea channels usually purchase tea at low prices. Countermeasures: 1. Create brand value continuously and develop business through different channels. 2. Develop customers with the same awareness of quality and safety as the Company and sell products to these customers. 3. Arrange major customers to visit Laopi Tea Farm to enhance their confidence and facilitate the sales of its tea products. 4. Reinforce the cooperation with the two largest convenience stores to improve the brand awareness in order to boost the sales of hand-shaken drinks via the channels. 5. Create brand value and emphasize the features of the tea to ensure segmentation from imported low-priced tea. 6. Develop and sell the products to beverage manufacturers that requires the RFA certification.
Neihu Headquarters Store	Favorable factors: 1. Keep providing services for loyal customers in Taipei City and develop new customer bases to increase the sales. 2. Provide products guaranteed with the goodwill of the Company to ensure good and safe local products.

	Unfavorable factors: Companies do not completely move to the business district where the Neihu Headquarters Store is located as expected, and the number of customers is limited. Countermeasures: Enhance regular customers, create customer emotional relationship in the existing business district, and extend links to the customers outside the business district.
LuGao Cafe	Favorable factors: The coffee beans are produced locally in the cafe where the process from "a coffee bean to a cup of coffee" is adopted. The beautiful landscape around the cafe is also an important advantage to attract visitors. Unfavorable factors: The flavor of local coffee is much less diversified than that of imported coffee. It is difficult to retain talents in the mountain area, so the manpower requirements will be an issue. Countermeasures: 1. Separate the coffee beans from imported coffee beans and enhance their freshness and variety. 2. Enhance professional training and cultivate professionals.
Sun Moon Lake Antique Assam Tea Farm	Favorable factors: The tea farm offers tea products with great quality and has persisted in the brand philosophy and built reputation for years. Unfavorable factors: The price competition is fierce and disorderly, and there are many products of quite different quality on the market. Countermeasures: Fulfill and convey the brand commitments to attract more customers in support of the philosophy. Increase incentives to attract groups to the factory and provide experiencing as well as tea understanding activities to learn

		about the application of tea in daily life.
Tongluo Tea Factory	Favorable factors: Unfavorable factors: Countermeasures:	Help understand the special tea manufacturing process by organizing the One-Day Tea Farmer event. Be inconveniently located. Visitors must drive to the area and there is no bus available. In the seasons when flower-related events are organized, make better use of the Facebook fan page and official website, actively receive tour groups from corporate customers and welfare committees, and work together with travel service or market platform operators to attract more tourists.
Daliao Historical Tea House	Favorable factors: Unfavorable factors: Countermeasures:	Daliao Historical Tea House is an old Japanese residence left from the Showa period. After the renovation, the tea house becomes a place combining the historical interest, art and culture. With tea as the carrier, the flavor of the "wild tea," and "old tree tea" make people perceive the unique and rich tea culture in Taiwan. There is no direct bus available and the transport is inconvenient for visitors. 1. Continue conducting courses and guided tours to attract more visitors. 2. Keep providing tea understanding courses to help visitors become more particular about tea and its taste.
Daxi Tea Factory	Favorable factors:	1. The factory has a well-known beautiful historical and cultural building. 2. The factory makes and sells good tea. Its "Honey Flavor Black Tea" produced using natural agricultural techniques has gained reputation.

	Unfavorable factors: It is rather hard to attract visitors to stay longer, which reduces their spending at here. Countermeasures: Renovate and develop the area outside of the factory, such as the tea mountain trail where visitors can enjoy the view of tea trees and flowers. Offer a variety of products or foods to meet the visitors' needs and stimulate their consumption.
Key account	Favorable factors: Be an agent of famous quality products or for a private brand with good will. Unfavorable factors: The price of raw materials and shipping increases, and the sailing schedule has been delayed in the pandemic. As such, it is unable to fully control the business opportunity. Countermeasures: Integrate dealership channels, place orders based on the quarterly plan, and the original factory ships good in advance.
E-commerce	Favorable factors: Private tea and coffee farms, integrated production and sales, quality control, products from the century-old tea factory along with recreational locations are able to attract consumers. Unfavorable factors: Prices of some products fluctuate on the Internet, which is a cause of concern for the consumers. Countermeasures: Develop large e-commerce channels on the Internet, provide first hand operation and reasonable price, and stabilize the source of supply to gradually gain consumers' confidence.

(II) Important purposes and production processes of main products

Tea	Production process:

	Soil preparation➝Planting➝Cultivation➝Picking ➝Tea leaves➝Sun withering➝Indoor withering ➝Stir fixation➝Kneading➝Rolling➝Initial dry ➝Final dry➝Refining➝Finished product
Neihu Headquarters Store	Food and beverage made using the tea and coffee produced by the Company are offered and sold.
LuGao Cafe	Important purpose: Sale of LuGao coffee beans, coffee products and beverages. Production process: Coffee - TTC coffee farm, Planting→Picking→Washing (natural or honey processing)→Raw bean→Screening and shelling/→Baking Beverage - Pour-over coffee made by professionals or coffee made with coffee machines are offered with the coffee beans of our own brand as the material.
Sun Moon Lake Antique Assam Tea Farm	Important purpose: Sale of Red Jade Black Tea, tea leaves, and cold-brewed tea. Production process: Tea leaves may not be fermented, partially fermented, or completely fermented depending on the production process. The black tea of Sun Moon Lake Antique Assam Tea Farm is completed fermented. Production process: Tea leaves→Withering→Kneading →Deblocking→Fermentation→Drying →Refining and grading Tea beverage : Tea is hand-fused and offered by professionals with the tea leaves of Sun Moon Lake brand as the material.
Tongluo Tea Factory	Important purpose: Sale of Oriental Beauty Tea, tea leaves, and tea beverages.

	Production process: 1. Black tea: Tea leaves→Withering→Kneading→Deblocking →Fermentation→Drying→Refining and grading 2. Tea beverage - Tea is hand-infused and offered on the spot with the tea leaves of the Tongluo brand as the material.
Daliao Historical Tea House	Important purpose: Sale of "old tree tea," "wild tea," tea leaves and tea beverages. 1. Old tree black tea: Tea leaves→Withering→Kneading →Deblocking→Fermentation→Drying→Refining and grading 2. Wild green tea: Tea leaves→Withering→Stir fixation →Kneading→Drying→Refining→Packaging 3. Tea beverage - Tea is hand-infused and offered on the spot with the tea leaves of TTC brand as the material.
Daxi Tea Factory	Important purpose: Sale of Honey Flavor Black Tea , tea leaves, and tea beverages. Production process: 1. Black tea: Tea leaves→Withering→Kneading→Deblocking →Fermentation→Drying→Refining and grading 2. Green tea: Tea leaves→Withering→Stir fixation →Kneading→Drying→Refining→Packaging 3. Tea beverage - Tea is hand-infused and offered on the spot with the tea leaves of Daxi brand as the material.
Key account	Important purpose: Divella products, imported alcoholic goods, and tea products of TTC brand introduced to the market and sold through channels. Production process: 1. Produced by overseas manufacturer →Agency agreement→Importation →Launched through distributors or TTC→Consumer. 2. Tea products of TTC brand: The raw material is the tea leaf from our own tea plantation. Rough production,

	refining, and packaging are completed in an integrated production process.

(III) Supply status of main materials

Tea	The tea leaves mainly come from our tea plantations and factories. We produce and sell tea products by ourselves. The tea leaves produced by each factory are described by type below: 1. Xiong Kong Tea Factory: Organic Bi-Lo-Chung Green Tea, Organic Honey Flavor Black Tea. 2. San Yi Tea Factory: Baozhong Tea, Oolong Tea, Honey Flavor Black Tea, Oriental Beauty Tea. 3. Yuchi Tea Factory: Red Jade Black Tea, Assam Black Tea, Honyun Black Tea 4. Laopi Tea Farm: Jhinhsuan Green Tea, Honey Flavor Black Tea, Red Jade Black Tea, Assam Black Tea, Jhinhsuan Black Tea, Jhinhsuan Oolong Tea and White Tea. 5. Laopi Refinery Factory: The tea leaves from all other factories are collected and refined, packaged, produced, and manufactured to commodities.
Neihu Headquarters Store	Products come from the Company and each production base. The supply is sufficient without concern.
LuGao Cafe	LuGao Cafe has its own land for planting and production. It supplies different coffee beans depending on the demand.
Sun Moon Lake Antique Assam Tea Farm	The farm conducts planting, production, manufacture, planting under commission, purchase for processing, and sale on its own.
Tongluo Tea Factory	The factory has its own agricultural land for planting and production.
Daliao Historical Tea House	Products come from the tea leaves planted, produced and manufactured by the Company on its own.

Daxi Tea Factory	The factory has its own agricultural land and conducts planting, production, manufacture, and sale on its own.
Key account	1. Agent service: Orders are placed to overseas manufacturers to meet the demands of the dealers and customers. 2. Products comes from the tea and coffee farms owned by TTC.

(IV) Names of customers that accounted for more than 10% of the total purchase (sales) in any of the most recent two years, the amount and proportion of the purchase (sales), and the reason for the change.

(Where disclosure of the name of any customer is not allowed due to the contract, it may be replace with a code.)

1. Information on the main suppliers in the most recent two years

Unit: NTD thousand

	2021				2022			
Item	Name	Amount	Annual net purchase ratio (%)	Relationship with the issuer	Name	Amount	Annual net purchase ratio (%)	Relationship with the issuer
1	XX882261	9,117	6.98%	Nil	C0025	8,545	6.80%	Nil
2	T1095	8,553	6.55%	Nil	F0010	8,408	6.69%	Nil
3	Others	112,867	86.46%	Nil	Others	108,762	86.51%	Nil
	Net purchase	130,537	100.00%		Net purchase	125,715	100.00%	

Note 1: Names of suppliers that accounted for more than 10% of the total purchase amount in the most recent two years and the amount and proportion of the purchase; where disclosure of the name of any supplier is not allowed due to the contract or the counterparty is an individual and not a related party, the name may be replace with a code.

Note 2: Up to the publication date of this annual report, the 2023 Q1 financial data of the Company were not reviewed by CPAs.

Note 3: Reason for the change: The tea farm have been maturing and the quantity of materials used has reduced as a result. Thus, the rank with respect to product purchase rose.

2. Information on the main customers to which goods were sold in the most recent two years

Unit: NTD thousand

	2021				2022			
Item	Name	Amount	Annual net sales ratio (%)	Relationship with the issuer	Name	Amount	Annual net sales ratio (%)	Relationship with the issuer
1	L1041	37,967	10.28%	Nil	R0002	31,629	8.39%	Nil
2	Others	331,236	89.72%	Nil	Others	345,367	91.61%	Nil
	Net sales	369,203	100.00%		Net sales	376,996	100%	

Note 1: Names of customers that accounted for more than 10% of the total sales amount in the most recent two years and the

amount and proportion of the sales; where disclosure of the name of any customer is not allowed due to the contract or the counterparty is an individual and not a related party, the name may be replace with a code.

Note 2: Up to the publication date of this annual report, the 2023 Q1 financial data of the Company were not reviewed by CPAs.

Note 3: Reason for the change: The undertaken construction project was completed and no new case was received. Thus, the rank with respect to product sales rose.

(V) Production quantity and value in the most recent two years

Unit: Kg/NTD thousand

Year / Production quantity/ value / Main products	2021			2022		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Tea leaf	947,041	947,041	220,202	1,289,307	1,289,307	309,150
Others (Note 3)	-	-	10,702			7,751

Note 1: Capacity means the quantity of production that a company creates using existing production equipment under normal operation in consideration of downtime and holidays.

Note 2: If the production of products is replaceable, it can be incorporated in the calculation of the capacity and a note of description is needed.

Note 3: Others include dried fruit, fruit vinegar, honey, candy, peanut butter, sesame butter, rice cracker, tea vermicelli, camellia oil, bamboo charcoal-filtered water, cold-brewed tea, and coffee.

(VI) Sales quantity and value in the most recent two years

Unit: Quantity - Kg
Value - NTD thousand

Year / Sales quantity/ value / Main products	2021				2022			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Tea leaf	410,803	220,419	-	-	543,723	251,000	-	-
Others	-	148,784	-	-	-	125,996	-	-
Total	410,803	369,203	-	-	543,723	376,996	-	-

III. The Number of employees, their average service seniority, average age, and education level distribution ratio in the most recent two years up to the publication date of this annual report

Year		2021	2022	Up to April 10, 2023 in current year (Note 1)
		Standalone	Standalone	Standalone
Number of employees	Management officers	54	54	51
	R&D personnel	4	3	3
	Staff	122	96	84
	Operator	155	151	134
	Total	331	304	272
Average age		40.5	42	41.6
Average years of service		6.8	7.08	7.16
Education distribution ratio	Doctoral Degree	1	1	1
	Master's degree	11	10	11
	University/ college	159	150	129
	Senior high school	111	101	89
	Below senior high school	49	42	42

Note: 1. The data up to the publication date of this annual report in the current year shall be listed.

IV. Information on environmental expenditure

(I) Losses arising from environmental pollution in the most recent year up to the publication date of this annual report.

The Company does not belong to the industry that brings about environment pollution, and there is no environment pollution record.

(II) Estimated amount that may incur currently or in the future and countermeasures

The Company persists in the business philosophy of "health, leisure, environment" and "co-existence with the land" and pays special attention to the issues on GHG and environmental protection. There are no concerns about pollution during the production. Disposal of ordinary industrial wastes are commissioned to qualified suppliers and we establish the "Strategies and Methods for Greenhouse Gas" to follow. Hence, there is no environmental pollution up to the publication date of this annual report.

V. Labor-capital relations

(I) Various employee welfare measures, continuous education, training, retirement systems of the Company and their implementation status; agreements between employers, and employees. and various measures for protecting the interests of employees:

Employee welfare items	Implementation status
Work environment	The head office is located at No. 3, Zhonghua Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County, close to the exit of the Hsinchu Interchange. There are restaurants and financial institutions in the vicinity. It is convenient with great amenities. The factory area is full of greenery and beautiful scenery with flowers and trees. An ecological pool is available to protect the natural environment. It is spacious and equipped with comprehensive facilities such as employee cafeteria and stores, vending machines and ATM machines, gymnasium, and employee activity center.
Staff dormitory	The Company has provided high-quality free employee dormitories in Sanxia, New Taipei City; Hukou, Hsinchu City; Daxi, Taoyuan City; Tongluo, Miaoli County; and Pingtung City., and air conditioners, wash machines, TV sets, networks, kitchens, recreation rooms, and other facilities are

Employee welfare items	Implementation status
	available to meet the accommodation demands of the employees from other cities and counties.
Monthly meal allowance	In addition to the wage, full-time employees can receive a meal allowance of NTD 2,200 every month or the Company hires a cook to provide food service.
Employee safety	Employees at the head office use their employee identification cards to enter the factory area. Security guards control access to the factory 24 hours a day on weekdays and public holidays. In cooperation with the General Affairs Section, the building, fire and air conditioning facilities are regularly checked for their safety. Fire prevention drills are held every six months. No dangerous machines are installed at the workplace and no pollutant, waste or substance harmful to the environment is produced during the work. There is no concern about any threats to the personal safety of the employees. The Company emphasizes the health of the employees and provides them with regular free physical examination. Smoking is prohibited in the office according to the Tobacco Hazards Prevention Act of the government and promotion activities are arranged to exhort employees to give up smoking. We implement the Act of Gender Equality in Employment by setting up a “sexual harassment reporting system” to protect the safety of the employees at the workplace.
Employee welfare measures	(1) For the employees who participate in and effect labor and health insurance according to the regulations of the government, the Company will transfer the application for the maternity, injury or sickness, disability, old-age, survivor, or retirement benefits to the Bureau of Labor Insurance according to the “Labor Insurance Act” and “Enforcement Rules of the Labor Insurance Act.” (2) All the employees of the Company participate in life insurance without regard to their rank or function, and the Company is responsible for full payment of the insurance

Employee welfare items	Implementation status
	premium. The insurance policy covers term life insurance, hospitalization insurance, accident insurance, cancer insurance and occupation accident insurance. The spouse and children under 23 are also covered in the hospitalization, accident, and cancer insurance. (3) Travel safety insurance at an insured amount of NT$ 10 million is effected for the employees on overseas business travel without regard to their rank. (4) After expiration of the probation period, full-time employees join the Employee Welfare Committee of the Company and enjoy all the welfare measures when they are officially appointed, including allowance for three festivals, company trip, physical examination, recreational ball game, and year-end party. In addition, the Company provides employees and their children with scholarship and wedding and bereavement support payments. Regulations on compensation for occupational accident and consolation money for employees have been established.
Employee education	We encourage employees to make the best use of time for further education. In addition to application for in-service education, employees are arranged to participate in the courses of the Bureau of Labor Insurance on labor laws and regulations. For the courses provided by the competent authorities of Securities and Futures Bureau and Taiwan Stock Exchange, the heads of related departments will dispatch employees for these courses if needed.
Employee training	New employees must take general training courses (including finance, procurement, information, basic knowledge of law, and knowledge of tea introduction of stores, work rules, Personal Data Protection Act, orientation training, and employee welfare). The head of each department concerned arrange professional training if needed for the work. (For example, all the employees of the recreational stores must

Employee welfare items	Implementation status
	take regular professional training in the tea field, including knowledge of tea, infusion of tea, introduction of coffee products, coffee brewing, and reception etiquette training; for other departments, ERP operation training, training of marketing and trading personnel, public relation, etc.) The Company organizes irregular educational training for employees if needed for the business, including business training, understanding and promotion of new products, pruning and trimming of tea trees, fertilization management, practical tea manufacturing courses, and tea evaluation training. The financial and HR departments dispatch personnel for the courses on "Workshop on Promoting the Adoption of International Financial Reporting Standards in Taiwan," promotion activities related to financial and tax affairs, and amendments to the Labor Standards Act. External training in 2022: (1) 4 staff of the Financial Department participated in the continuing education courses. The total training hours were 33 and the expense totaled NT$20.7 thousand. (2) 4 staff of the Audit Office participated in the audit training courses. The total training hours were 24 and the expense totaled NT$12 thousand. (3) 6 staff of the HR Department participated in the training courses. The total training hours was 126 and the expense totaled NT$29.5 thousand. (4) 39 staff of the Pingtung Branch Office (Laopi Tea Farm) participated in the training courses, including the training on operation of fork lift trucks over 1 ton, training for the agricultural product resume counselor, warehouse management, ISO 9001, food safety and hygiene lecture, and occupational safety workshop. The total training hours were 311 and the expense totaled NT$64.51 thousand.

Employee welfare items	Implementation status
	(5) 7 staff from the Tongluo Tea Factory, Sun Moon Lake Antique Assam Tea Farm and Marketing Department participated in the "HACCP Workshop on Food Safety Management System," "Fireproof Manager" and "Tea Sensory and Inspection." The total training hours were 86 and the expense totaled NT$20.3 thousand. (6) 3 staff of the Xiong Kong Tea Factory participated in the "HACCP Workshop on Food Safety Management System" and "Training for First-aid Personnel." The total training hours were 65 and the expense totaled NT$12.3 thousand. (7) 6 staff of the Yu Chi Tea Factory under the Tea Division participated in the "HACCP Workshop on Food Safety Management System," "Taichung-Changhua-Nantou Regional Workshop on Fertilizer and Pest Management for Organic Agriculture," "Primary and Intermediate Certification Courses for Coffee Roasters" and other relevant courses. The total training hours were 130 and the expense totaled NT$108 thousand. (8) 3 staff from the San Yi Tea Factory and Miaoli Branch Office participated in the "HACCP Workshop on Food Safety Management System" and "Introduction to Graphic Science - AUTOCAD 2D." The total training hours were 80 and the expense totaled NT$30 thousand. Internal educational training in 2022: (1) A total of 242 staff from the head office and all branch offices participated in the "Ethical Management," "Prevention of Unlawful Infringement" and "Labor Safety and Health" held by the Human Resources Department, totaling 285 training hours. (2) 3 staff of the Sun Moon Lake Antique Assam Tea Farm

Employee welfare items	Implementation status
	participated in the "Training on Sun Moon Lake Antique Assam Tea Farm Guided Tour" for a total of 96 hours. (3) 5 staff from the Assets Department, Development Department and head office participated in the "International Trend of Nature-Based Carbon Credits and Trading" held by the Assets Department for a total of 12.5 hours. (4) The Yu Chi Tea Factory conducted training courses including "Educational Training on Agriculture, Maintenance and Repair," "Training on Occupational Safety, Food Safety and Hygiene" and "Fire Organization Training." 59 staff participated with a total of 301 training hours. (5) A total of 38 staff from the Xiong Kong Tea Plantation, Daxi Tea Factory, LuGao Cafe, and Sun Moon Lake Antique Assam Tea Farm participated in the course on "Labor Safety and Health." The total training hours were 74. (6) A total of 2,340 staff from Laopi Tea Farm participated in the courses on operation of weeders and safe operation of tea tree pruning machines, training on tea seedling planting, cultivation, fertilization and pesticide application, and course on operation of agricultural machines. The total training hours were 1231.5. (7) Miaoli Branch Office organized "Educational Training on Labor Safety" courses. A total of 11 staff participated in these courses with 33 training hours in total. (8) A total of 109 new comers took the "Educational Training for New Employees" in 2022. The total training hours was 382.3. 2,716 staff of the Company participated in the training for a total of 3,363.3 hours in 2022, and the expense totaled NT$293.3 thousand. The Company also passed the TTQS certification and received a subsidy of NT$70.7 thousand for

Employee welfare items	Implementation status
	training from the Workforce Development Agency under the corporate talent development program.
Retirement system	In response to the implementation of the new pension system, except for employees choosing the old pension system, for whom 8.58% of the income, as retirement funds, is deposited in accounts at the Department of Trusts of the Bank of Taiwan for yields on a monthly basis in accordance with the Labor Standards Act, the Company transfers 6% of the total salary to individual accounts at the Bureau of Labor Insurance for the employees covered by the new pension system from July 1, 2005.
Code of conduct or ethics for employees	The Company has established the "Code of Conduct or Ethics for Employees." The employees shall faithfully perform their duties, observe all reasonable rules and regulations of the Company, and follow the reasonable instructions of the chief officers at all levels. The chief officers shall instruct employees friendly and teach them attentively. Any leave or business trip shall be subject to the attendance management regulations and business trip regulations of the Company. Employees shall work seriously, take good care of public property, reduce waste of resources, improve the quality and efficiency of products, and shall not swagger and swindle in the name of the Company or disclose trading secrets outward.

Code of Conduct or Ethics for Employees:

台灣農林股份有限公司 TAIWAN TEA CORPORATION

Code of Conduct or Ethics for Employees

Established on 03.05.2014

1. The Company has established work rules and a Code of Conduct or Ethics for Employees for compliance of the employees in their routine work and actions. The Code of conduct and ethics that the employees should follow are described below:
   (1) The Company's employees shall have team awareness during the implementation of duties and shall abandon egoism, persist in the principle of good faith, and act in a manner of initiative, conscientiousness, and responsibility.
   (2) The Company's employees shall not have discrimination or supplanting against others due to gender, race, religious belief, party grouping, sexual orientation, rank, nationality and age.
   (3) The Company's employees shall jointly maintain a healthy and safe working environment and shall not have any behavior of sex harassment, violence, threat or menace.
   (4) The Company's employees shall be responsible for maintaining and maximizing the proper earning that can be obtained by the Company and shall not:
      a. use the Company's property, information or take advantage of their positions to have chances to pursue gains for themselves or any third party;
      b. compete with the Company.
   (5) The Company's employees shall fairly treat the parties having business with the Company, and no preference shall be given to any related parties with which they conduct transactions. When performing duties, the Company's employees shall not request, agree to offer, deliver or receive any form of gifts, entertainment, rebates, bribes or improper gains for the benefit of themselves or any third parties. However, the gifts and entertainment shall be limited to those with respect to social customs and manners or those permitted by the Company.

(6) The Company's employees shall keep any information known thereby due to their functions, which may have a significant impact on the Company's trading price of securities, in confidential in accordance with the Securities and Exchange Act before such information is disclosed in public. Also, they shall not use the information to conduct insider trading.

(7) The Company's employees shall mutually respect personal privacy and shall not spread any rumor or slander. They shall also carefully retain any matters or confidential information known thereby due to their functions. They shall not disclose such matters or information to others or use them for any purpose other than work unless such matters or information are disclosed by the Company or must be provided for the performance of duties. The same shall apply after termination of their employment.

(8) The confidential information referred to in the preceding paragraph includes the Company's personnel and client information, inventions, business secrets, technical data, product design, manufacturing professional knowledge, financial and accounting data, intellectual property rights, and any other undisclosed information which may be used by competitors or may cause damages to the Company or our clients after being disclosed.

(9) The Company's employees shall ensure the correctness and completeness of the documented information in any form handled thereby and retain such information appropriately.

(10) The Company's employees shall protect the Company's data, information systems and network equipment from being stolen, interrupted, destructed and invaded when performing their duties to ensure the confidentiality, completeness and availability of all the data.

(11) The Company's employees shall not, in any way, influence other employees to provide political contributions, support specific political parties or candidates, or participate in any other political activities. In addition, they shall also not engage in political activities during working time at the working space.

(12) The Company's employees shall abide by the laws related to intellectual property rights. They shall not illegally use or copy any intellectual property protected by copyright, including books, magazines and software.

(13) The Company's directors shall actively promote the Company's ethical principles and encourage the employees to report any known illegal behavior or violation of the Code to the directors in a non-anonymous

manner. The Company shall spare no effort to keep whistle-blowers' identity confidential to protect them from any threats.

2. In order to maintain gender equality in the workplace and provide our employees a working and service environment free of sexual harassment, the Company establishes the Prevention and Handling Procedures of Sexual Harassment for our employees.
3. Computers are the equipment necessary for the Company's employees. In order to govern the employees' behavior of using electronic equipment, the Company establishes the Information Safety Policy, the Regulations on Use of Software, and the Internet and E-mail Management Rules for our employees.
4. The Company is a company using information systems. Therefore, the use and development of software correlate to our daily works. In order to protect intellectual property rights, the Company specifies on our employment agreements that any intellectual property rights of any third parties shall not be infringed.

Guidelines for Employee Complaint

Guidelines for Employee Complaint

Established on 2015.12.22

Basis: Subject to Article 32 of the Labor Inspection Act.

Article 1 (Unit or personnel handling complaints)

The Company's employees may submit a complaint to the following personnel if they find any circumstance violating the provisions under the paragraphs in Article 2 of the Guidelines:

1. Directors of their units.
2. Human Resources Department.

Article 2 (Scope of complaints)

The scope of employee-related matters within which a complaint may be made:

The Company's employees may submit a complaint with respect to the following circumstances as long as they occur during the employees' employment and can be proved:

1. Where loss or damage of the employees' legitimate rights and interests results from any matters that are not covered in the Company's current systems, regulations, guidelines or administrative measures, or any negligence.
2. Where the employees' rights and interests or work are violated or negatively affected due to violation, abuse of authority, or improper treatment or behavior of other employees.
3. Where the employees experience sexual harassment. (Subject to Regulations for Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace.)
4. Other circumstances which are related to business affairs, or for which a complaint should be submitted, or which can be proved.

Article 3 (The format of complaint application form)

Where the rights and interests of the Company's employees are

damaged, they shall use a complaint application form containing the information in the following paragraphs to submit written complaints within 6 months after such damage:

1. Receiver.

2. Contents of the complaint.

3. Name, address, phone number of the complainant; name, address, phone number of the service unit.

4. Date of complaint.

Article 4 (Handling procedure)

Complaint handling procedure:

1. Complaints submitted to directors of units may be in oral form, while other complaints shall be submitted in written form.
2. For complaints submitted to directors of units, the handling personnel shall make a complaint decision within 1 month after accepting such complaint. Where the complainant is dissatisfied with such a complaint decision, he/she may re-submit a complaint according to the format of the complaint application form to the Human Resources Department within 1 month.
3. The Human Resources Department shall make a complaint decision within 1 month after accepting a re-submitted complaint. Where the complainant is dissatisfied with such a complaint decision, he/she may re-submit a complaint according to the format of the complaint application form to the Company's labor-management conference through the Human Resources Department within 1 month to make a final decision.
4. Complaint decisions and final decisions shall be given to the complainant in written and confidential form, and notify the Human Resources Department of the same; for re-submitted complaints, notify general managers of the same.

Article 5 (Dismissed)

When the Company's employee-related complaints meet one of the following circumstances, they shall be dismissed:

1. A complaint is re-submitted for the incident which has already been closed or withdrawn through the complaint handling

procedure.

2. A complaint lacks specific facts or contents or is submitted without a real name.
3. A complaint is submitted for any matter that exceeds the scope of complaints under the Guidelines.

Article 6 (Suspension of handling)

The handling of a complaint shall be suspended if the complainant applies for mediation or file a suit for the complaint.

Article 7 (Handling of false accusations)

If the Company's employee-related complaints are determined to be false accusations, the punishment shall be subject to the Company's Guidelines of Reward and Punishment for Employees.

Article 8 (Obligation of complainants and handling personnel of responsible units)

1. A complainant is obligated to be inquired, reply to inquiries faithfully and provide relevant information during the complaint handling procedure.
2. The handling personnel of responsible units and related parties are obligated to keep any complaints confidential. Otherwise, cases regarding violation of such obligation will be submitted to the Disciplinary Committee and handled in accordance with the Company's relevant work rules.
3. Before the handling process of an incident for which a complaint is submitted or re-submitted is concluded, the complainant and handling personnel shall keep the relevant information confidential and shall not disclose them.
4. If a party discloses any information related to the complaint with intentional negligence, the party may be, with the agreement of more than half of the Complaint Committee members, handed over to the Human Resources Department and punished depending on the level of the disclosure.
5. Every director and the defendant shall not impose any behavior related to discrimination, threat, post transfer, or other harmful treatment on the complainant, and shall not affect his/her work

due to his/her complaint against them.

6. A complainant and the complaint handling personnel shall take a matter-of-fact attitude. A complainant shall be punished according to related regulations if he/she gives false witness, falsely incriminates or deceives someone, or expose his/her past from malice to attack him/her, or disturbs the order and employee cohesion of the Company on purpose.

Article 9 (Authority of complaint handling personnel)

The complaint handling personnel is responsible for handling complaints within the authorized scope of the administrative system. It shall collect and analyze the relevant information and promptly complete the procedure with fairness, steadiness, and faithfulness.

Article 10 (Period for closure)

A complaint shall be concluded within 1 month after being accepted, whereas, if necessary, the period may be increased by another 1 month, and the complainant shall be informed.

Article 11 The Guidelines shall take effect after the general managers' approval, and the same shall apply to any amendments thereto.

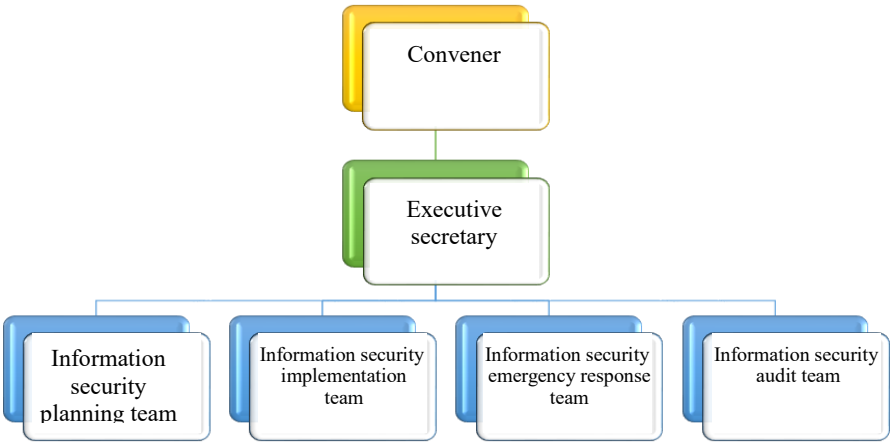
(II) Any loss incurred due to labor-management disputes in the last year up to the publication date of this annual report and any current and future possible estimates and response measures

None.

VI. Cyber security management

(I) The Company's cyber security and risk management structure, cyber security policies, specific management programs, and resources invested in cyber security management

1. Cyber security structure



Executive secretary	Information Department, responsible for cross-unit coordination, and the effective operation and continuous improvement of the information security management system.
Information security planning team	Information Department, responsible for the planning and coordination of the information security management system and related internal technologies.
Information security implementation	All the Company's departments, responsible for the implementation and practice of the information

team	security management system.
Information security emergency response team	Information Department, responsible for the response, handling and reporting of mass emergencies as well as follow-up correction and prevention.
Information security audit team:	Audit Office, responsible for the internal audit of the information security management system.

2. Cyber security policies, specific management programs, and resources invested in cyber security management

The Company's information security is considered from an overall perspective covering technology, management and procedures and is ensured by the whole organization with the top management's support and sufficient resources. With respect to the technology, we utilize software and hardware (e.g. firewall, anti-virus software, and devices for email filtering and for blocking illegal devices) to protect the Company's important assets from corruption. Due to the repaid changes in cyber security threats, our technology and equipment are updated on a continuous basis in order to provide protection for our information assets. At the management level, after information security policies, requirements and procedures are developed, the information security requirements are thoroughly implemented to create an information security management system with risk management as the core and effective information security control as the foundation. In this way, we are able to identify problems at any time and make continuous improvements to reduce risks and enhance information security management performance. Regarding the procedural aspect, the information security and risks in operational

procedures are analyzed to have more specific control points, so as to tackle all kinds of information security issues in a more effective and logical way.

In addition, with the risk management and internal audit, the confidentiality, integrity and availability of the information assets can be ensured.

(II) Losses resulting from mass cyber security incidents, their possible impacts and countermeasures in the most recent year up to the publication date of this annual report

None.

VII. Important contracts

The parties, main contents, restrictive clauses, and start and end dates of any supply/sales contracts, technical cooperation contract, long-term loan contracts, and other important contracts that may affect shareholders' equity that remain effective up to the publication date of this annual report and expire in the most recent year:

Important Contracts of Taiwan Tea Corporation

Nature of contract	Party	Star and end dates	Main details	Restrictive clauses
Lease contract	Yong Da Security Service Co., Ltd.	2022.02.01-2023.01.31	Laopi Tea Farm Security Lease Contract	Nil
Lease contract	Hi-Life International Co., Ltd.	2019.06.01-2029.05.31	House Lease contract (Wende Rd.)	Nil
Lease contract	Jia Jie Apartment Administration Co., Ltd.	2021.12.31-2022.12.31	Asia Plaza Building B1-B3 Security Lease Contract	Nil
Lease contract	Huan-Tsai Chen, Chien-Min Wu, Chunghwa Telecom, Taiwan Mobile, FET, and APT	2019.10.01-2025.09.30	Lease of Land Section 52, 180-1 and 749 in Longquan Section, Neipu Township	Nil
Lease contract	Pau Far Energy Corp.	2019.01.24-2040.05.19	The roof of Laopi Tea Farm	Nil
Lease contract	Pau Far Energy Corp.	2019.02.20-2040.09.24	Laopi Tea Farm Phase-II Dormitory Ceiling Construction Project	Nil
Trading contract	Kawasaki- Kiko Co., Ltd.	2022.07.10-2023.07.10	Trading contract of picking machines (7 sets)	Nil
Trading contract	Cross Service Co., Ltd.	2019.12.02-2022.02.14	Laopi Farm Color Sorter Trading Contract	Nil
Trading contract	Liftek Corporation	2022.11.11 - up to now	Self-propelled aerial lift vehicle trading contract	Nil
Engineering contract	Jih Sheng Corporation	2022.05.25-2022.11.25	Arrangement and renovation of agricultural facilities and buildings at Xiong Kong Tea Factory	Nil
Engineering contract	Hokuan Engineering Co., Ltd.	2018.04.24- up to now	Sewage treatment equipment construction for the residences to the north of the Tongluo Science Park	Nil

Nature of contract	Party	Star and end dates	Main details	Restrictive clauses
Engineering contract	Hokuan Engineering Co., Ltd.	2018.04.24-up to now	Sewage treatment equipment construction for the industrial and commercial complex to the north of the Tongluo Science Park	Nil
Engineering contract	Ri Sheng Engineering Co., Ltd.	Signed on 11.25.2022 (construction start date - 180 calendar days)	Basic engineering of the water tower above the agricultural facility at Xiong Kong	Nil
Engineering contract	SP Gas Co., Ltd.	2018.12.03-2038.12.06	Laopi Tea Factory Natural Gas Pipe Construction Project	Nil
Engineering contract	Metropolitan Engineering Consulting Co.,Ltd.	2020.02.20-up to now	Construction Project in Industrial Park, Jiuhu North Section, Tongluo	Nil
Engineering contract	Metropolitan Engineering Consulting Co.,Ltd.	2022.09.01 - up to now	Construction Project in Industrial Park, Jiuhu North Section, Tongluo (modification)	Nil
Engineering contract	Dragon International Development Consultants Co., Ltd	2020.09.18-up to now	Development of Recreational Facilities in Zhuwei Section, Tongluo	Nil
Engineering contract	Metropolitan Engineering Consulting Co.,Ltd.	2021.12.02-up to now	Sanyi Technology and Logistics Industry Park	Nil
Engineering contract	Metropolitan Engineering Consulting Co.,Ltd.	2022.01.10 - up to now	Petition and In-house Design for Shimen Ertong Urban Plan	Nil
Engineering contract	AMASTek Inc.	2020.12.22-2023.12.31	Laopi Tea Factory Production Line Monitoring System Project	Nil
Engineering contract	Da Mao Air Conditioning Industrial Co., Ltd.	2021.01.29-up to now	Dust collection engineering for rough manufacturing plant and refinery plant in Laopi	Nil
Cloud Era Project	Council of Agriculture, Executive Yuan	2021.07.01-2022.12.31	Project for Industry Participation in Digital Transformation of Agriculture in the Cloud Era	Nil
Loan contract	Nankang Science Industrial Park Branch	2022.09.30-2025.09.30	Mid-term loan	Nil

Nature of contract	Party	Star and end dates	Main details	Restrictive clauses
	of Chang Hwa Commercial Bank			
Loan contract	Nankang Science Industrial Park Branch of Chang Hwa Commercial Bank	2023.02.22-2028.02.22	Mid-term loan	Nil
Loan contract	Mega Bills	2023.02.09-2025.02.08	Mid-term loan	Nil
Loan contract	Fuhsing Branch of Hua Nan Commercial Bank	2019.05.22-2029.05.22	Long-term loan	Nil
Loan contract	Fuhsing Branch of Hua Nan Commercial Bank	2022.06.10-2024.06.10	Mid-term loan	Nil
Loan contract	Fuhsing Branch of Hua Nan Commercial Bank	2020.09.28-2027.09.28	Mid-term loan	Nil
Loan contract	World Trade Center Branch of Taiwan Business Bank	2023.02.01-2025.02.01	Mid-term loan	Nil
Loan contract	World Trade Center Branch of Taiwan Business Bank	2023.02.01-2025.02.01	Mid-term loan	Nil
Loan contract	World Trade Center Branch of Mega International Commercial Bank	2022.06.05-2024.06.04	Mid-term loan	Nil
Loan contract	World Trade Center Branch of Mega International Commercial Bank	2021.07.01-2028.07.01	Mid-term loan	Nil
Loan contract	World Trade Center Branch of Mega International Commercial Bank	2021.07.01-2028.07.01	Mid-term loan	Nil
Loan contract	Hsingong Branch of Land Bank of Taiwan	2021.10.28-2026.10.28	Mid-term loan	Nil
Loan contract	Hsingong Branch of Land Bank of Taiwan	2021.10.28-2026.10.28	Mid-term loan	Nil
Loan contract	Hsingong Branch of Land Bank of Taiwan	2021.10.28-2026.10.28	Mid-term loan	Nil

Six. Financial Overview

I. Condensed financial statement and statement of comprehensive income and CPAs' audit opinions in the most recent five years

(I) Condensed balance sheet

1. Condensed separate balance sheet - IFRSs

Unit: NT$ thousand

Item \ Year		Financial data in the most recent five years (Notes 1, 4)				
		2018	2019	2020	2021	2022
Current asset		1,105,072	1,113,001	1,178,483	1,230,423	1,285,546
Property, Plant and Equipment (Note 2)		6,017,285	6,091,527	6,504,497	6,693,697	6,250,807
Net investment property		16,729,301	17,163,854	17,093,694	16,039,029	14,096,586
Intangible Assets		2,328	1,948	1,512	5,445	9,841
Other assets		502,189	225,404	320,302	280,773	207,677
Total assets		24,356,175	24,595,734	25,098,488	24,249,367	21,850,457
Current liabilities	Before distribution	499,045	618,539	1,001,587	372,474	1,001,144
	After distribution (Note 3)	736,010	618,539	1,001,587	372,474	1,001,144
non-current liabilities		7,705,343	8,213,526	8,304,711	9,199,158	7,863,132
Total liabilities	Before distribution	8,204,388	8,832,065	9,306,298	9,571,632	8,864,276
	After distribution (Note 3)	8,441,353	8,832,065	9,306,298	9,571,632	8,864,276
Share capital		7,900,000	7,900,000	7,900,000	7,900,000	7,900,000
Additional paid-in capital		2,109,775	2,206,175	2,206,175	2,206,175	2,197,948
Retained earnings	Before distribution	6,086,068	5,705,191	5,688,758	4,569,818	2,939,408
	After distribution (Note 3)	5,849,103	5,705,191	5,688,758	4,569,818	2,939,408
Other equity		(40,456)	(47,697)	(2,743)	9,969	(51,175)
Total equity	Before distribution	16,151,787	15,763,669	15,792,190	14,677,735	12,986,181
	After distribution (Note 3)	15,914,822	15,763,669	15,792,190	14,677,735	12,986,181

Note 1:The separate financial statements of the Company from 2018 to 2022 have been audited by CPAs.

Note 2:The Company did not performed asset revaluation from 2018 to 2022 .

Note 3:The 2018 shareholders' meeting resolved cash dividend distribution of NT$ 0.3 per share; the 2019 and 2020 shareholders' meeting resolved not to distribute dividends; the 2022 Board of Directors resolved not to distribute dividends. This resolution is to be approved at the shareholders' meeting.

Note 4:Up to the publication date of this annual report, the 2023 Q1 financial data of the Company were not reviewed by CPAs.

(I) Condensed balance sheet

2. Condensed balance sheet - IFRSs

Unit: NT$thousand

Item \ Year		Financial data in the most recent five years (Note 1)				
		2018	2019	2020	2021	2022
Current asset		1,105,072	Not applicable.			
Property, Plant and Equipment (Note 2)		6,017,285				
Net investment property		16,729,301				
Intangible Assets		2,328				
Other assets (Note 2)		502,189				
Total assets		24,356,175				
Current liabilities	Before distribution	499,045				
	After distribution (Note 3)	736,010				
non-current liabilities		7,705,343				
Total liabilities	Before distribution	8,204,388				
	After distribution (Note 3)	8,441,353				
Equity attributable to the owner of the parent company		16,151,787				
Share capital		7,900,000				
Additional paid-in capital		2,206,175				
Retained earnings	Before distribution	6,086,068				
	After distribution (Note 3)	5,849,103				
Total equity	Before distribution	16,151,787				
	After distribution (Note 3)	15,914,822				

Note 1: The consolidated financial statements of the Company from 2018 were audited by CPAs.

Note 2: The Company did not perform asset revaluation from 2018.

Note 3: The 2018 shareholders' meeting resolved cash dividend distribution of NT$ 0.3 per share; the 2019 and 2020 shareholders' meeting resolved not to distribute dividends; the 2022 Board of Directors resolved not to distribute dividends. This resolution is to be approved at the shareholders' meeting.

(II) Statement of comprehensive income

1. Condensed separate statement of comprehensive income - IFRSs

Unit: NT$ thousand

Item \ Year		Financial data in the most recent five years (Note 1)				
		2018	2019	2020	2021	2022
Operating revenue		254,237	298,998	311,765	369,203	376,996
Gross profit		115,603	120,848	124,644	117,507	164,913
Operating profit or loss		(172,642)	(169,026)	(147,563)	(182,575)	(154,671)
Non-operating revenue and expense		118,666	(3,529)	115,015	(952,058)	(1,459,219)
Net profit (loss) before tax		(53,976)	(172,555)	(32,548)	(1,134,633)	(1,613,890)
Net profit (loss) for the year		(41,988)	(145,955)	(17,351)	(1,122,349)	(1,635,114)
Other comprehensive income (net after tax) for the period		(14,553)	(5,198)	45,872	16,121	(56,440)
Total consolidated income for the current period		(56,541)	(151,153)	28,521	(1,106,228)	(1,691,554)
Earnings per Share	Basic	(0.05)	(0.18)	(0.02)	(1.42)	(2.07)
	Dilution	(0.05)	(0.18)	(0.02)	(1.42)	(2.07)

Note 1: The separate financial statements of the Company from 2018 to 2022 have been audited by CPAs.
Note 2: Up to the publication date of this annual report, the 2023 Q1 financial data of the Company were not reviewed by CPAs.

2. Condensed consolidated statement of comprehensive income - IFRSs

Unit: NT$ thousand

Item \ Year		Financial data in the most recent five years (Note 1)				
		2018	2019	2020	2021	2022
Operating revenue		254,237	Not applicable.			
Gross profit		115,603				
Operating profit or loss		(172,642)				
Non-operating revenue and expense		118,666				
Net profit (loss) before tax		(53,976)				
Net profit (loss) for the year		(41,988)				
Other comprehensive income (net after tax) for the period		(14,553)				
Total consolidated income for the current period		(56,541)				
Net profit attributable to the owner of the parent company		(41,988)				
Total comprehensive income attributable to the owner of the parent company		(56,541)				
Earnings per Share	Basic	(0.05)				
	Dilution	(0.05)				

Note 1: The consolidated financial statements of the Company from 2018 have been audited by CPAs.

(III) Names of CPAs and their audit opinions

Year/ period	CPA firm	Address	Title	Name	Audit opinion
2018	EY Taiwan	Address: 9F., No. 333, Section 1, Keelung Road, Taipei City, Taiwan	Certified Public Accountant	Li-Huang Li Wen-Fang Fu	Unqualified opinion
2019	EY Taiwan	Address: 9F., No. 333, Section 1, Keelung Road, Taipei City, Taiwan	Certified Public Accountant	Chih-Ming Chang Chun-Ting Ma	Unqualified opinion
2020	EY Taiwan	Address: 9F., No. 333, Section 1, Keelung Road, Taipei City, Taiwan	Certified Public Accountant	Chih-Ming Chang Chun-Ting Ma	Unqualified opinion
2021	EY Taiwan	Address: 9F., No. 333, Section 1, Keelung Road, Taipei City, Taiwan	Certified Public Accountant	Chih-Ming Chang Chun-Ting Ma	Unqualified opinion
2022	EY Taiwan	Address: 9F., No. 333, Section 1, Keelung Road, Taipei City, Taiwan	Certified Public Accountant	Chih-Ming Chang Chun-Ting Ma	Unqualified opinion

II. Financial analysis in the most recent five years

(I) Financial analysis of separate statements in the most recent five years - IFRSs

Analysis item (Note 2) \ Year (Note 1)		Financial analysis in the most recent five years				
		2018	2019	2020	2021	2022
Financial structure (%)	Ratio of liabilities to assets	33.68	35.90	37.07	39.47	40.56
	Ratio of long-term capital to property, plant, and equipment	396.47	393.61	370.46	356.7	333.54
Solvency	Current ratio (%)	221.43	179.94	117.66	330.33	128.40
	Quick ratio (%)	46.91	26.01	20.49	69.52	27.74
	Interest coverage ratio (times)	0.01	(1.16)	0.54	(12.18)	(13.45)
Operating ability	Receivables turnover rate (times)	13.95	17.60	17.30	13.68	10.88
	Average days' sales in receivables	26.16	20.73	21.09	26.68	33.54
	Inventory turnover rate (times)	0.17	0.20	0.21	0.28	0.22
	Payables turnover rate (times)	0.60	11.26	12.89	9.61	8.39
	Average days' sales in inventory	2,147.05	1,825.00	1,738.09	1,303.57	1,659.09
	Property, plant and equipment turnover rate (times)	0.04	0.04	0.04	0.05	0.05
	Total asset turnover rate (times)	0.01	0.01	0.01	0.01	0.01
Profitability	Return on assets (%)	0.00	(0.35)	0.18	(4.28)	(6.70)
	Return on equity (%)	(0.25)	(0.91)	(0.11)	(7.36)	(11.82)
	Ratio of net income before tax to paid-in capital (%)	(0.68)	(2.18)	(0.41)	(14.36)	(20.42)
	Net profit margin (%)	(16.51)	(48.81)	(5.56)	(303.99)	(433.72)
	EPS (NT$)	(0.05)	(0.18)	(0.02)	(1.42)	(2.07)
Cash flows	Cash flow ratio (%)	NA	NA	NA	NA	NA
	Cash flow adequacy ratio (%)	30.17	24.43	20.83	26.08	(28.77)
	Cash reinvestment ratio (%)	NA	NA	NA	NA	NA
Leverage	Operating leverage	(0.36)	(0.43)	(0.63)	(0.49)	(0.95)
	Financial leverage	0.75	0.69	0.65	0.68	0.58

Please describe the reasons for change in the financial ratio in the most recent two years. (Analysis is not needed if the change in increase or decrease does not reach 20%.)

1. Decrease of the current ratio and quick ratio: Mainly due to the increase of one-year maturity long-term loans.
2. Decrease of the receivables turnover rate and increase of average days' sales in receivables: Mainly caused by the increase of receivables.
3. Decrease of the inventory turnover rate and increase of average days in sales: The main reason was the decline in the construction cost.
4. Decrease of the return on assets, return on equity, ratio of net income before tax to paid-in capital, net profit margin, and EPS: Primarily due to the recognized loss in impairment of properties, plants, equipment, investment properties and biological assets in accordance with the IAS36 requirements.
5. Decrease of the cash flow adequacy ratio: Primarily due to the rise of net cash outflow from operating activities for the current period.
6. Increase of the operating leverage: Mainly due to the increased fixed cost caused by the completion of the construction of Laopi Tea Factory.

Note 1: The separate financial statements of the Company from 2018 to 2022 have been audited by CPAs.

Note 2: Up to the publication date of this annual report, the 2023 Q1 financial data of the Company were not reviewed by CPAs.

Note 3: Please refer to Pages 272~274 for the calculation formula.

(II) Financial analysis of consolidated statements in the most recent five years - IFRSs

Analysis item (Note 3) \ Year (Note 1)		Financial analysis in the most recent five years				
		2018	2019	2020	2021	2022
Financial structure (%)	33.68	33.68	Not applicable.			
	396.47	396.47				
Solvency	Current ratio (%)	221.43				
	Quick ratio (%)	46.91				
	Interest coverage ratio (times)	0.01				
Operating ability	Receivables turnover rate (time)	13.95				
	Average days' sales in receivables	26.16				
	Inventory turnover rate (times)	0.17				
	Payables turnover rate (time)	0.60				
	Average days' sales in inventory	2,147.05				
	Property, plant and equipment turnover rate (times)	0.04				
	Total asset turnover rate (time)	0.01				
Profitability	Return on assets (%)	0.00				
	Return on equity (%)	(0.25)				
	Ratio of net income before tax to paid-in capital (%)	(0.68)				
	Net profit margin (%)	(16.51)				
	EPS (NT$)	(0.05)				
Cash flows	Cash flow ratio (%)	NA				
	Cash flow adequacy ratio (%)	32.68				
	Cash reinvestment ratio (%)	NA				
Leverage	Operating leverage	(0.36)				
	Financial leverage	0.75				

Note 1: The consolidated financial statements of the Company from 2018 were audited by CPAs.

Note 2: The formulas below shall be listed at the end of the Table in the annual report:

1. Financial structure
   (1) Debt to assets ratio = Total liabilities / total assets.
   (2) Ratio of long-term funds to property, plant, and equipment = (Total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency
   (1) Current ratio = Current assets / current liabilities.
   (2) Quick ratio = (Current assets - inventory - prepayment) / current liabilities.
   (3) Interest coverage ratio = Net profit before income tax and interest expenses / interest expenses for the period.
3. Operating ability
   (1) Receivables (including accounts receivable and notes receivable from operation) turnover rate = Net sales / average balance of receivables (including accounts receivable and notes receivable from operation).
   (2) Average days' sales in receivables = 365 / receivables turnover rate.
   (3) Inventory turnover rate = Cost of sales / average inventory.
   (4) Payables (including accounts payable and notes payable from operation) turnover rate = Cost of sales / average balance of payables (including accounts payable and notes payable from operation).
   (5) Average days' sales in inventory = 365 / inventory turnover rate.
   (6) Property, plant and equipment turnover rate = Net sales / average net property, plant and equipment.
   (7) Total assets turnover rate = Net sales / average total assets.
4 Profitability
   (1) Return on assets = [Profit and loss after tax + interest expense × (1 - tax rate)] / average total assets.
   (2) Return on equity = Profit and loss after tax / average net equity.
   (3) Net profit margin = Profit and loss after tax / net sales.
   (4) EPS = (Net profit after tax - dividends from preferred shares) / weighted average number of issued shares. (Note 4)
5. Cash flows
   (1) Cash flow rate = Net cash flow from operating activities / current liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities in the most recent five years / (capital expenditure + increase in inventory + cash dividends) in the most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends) / (gross of property, plant and equipment + long-term investment + other non-current assets + operating funds). (Note 5)
6. Leverage
   (1) Operating leverage = (Net operating revenue - variable costs and expenses of operations) / operating profit (Note 6).
   (2) Financial Leverage = Operating income / (Operating income - Interest expenses).

Note 3: For the aforementioned calculation formula of EPS, attention shall be paid to the following matters during the measurement:
1. The weighted average number of common shares shall apply rather than the issues shares at the end of the year.
2. In case of capital increase in cash and trading of treasury stocks, the circulation period shall be taken into account when calculating the weighted average number of stocks.
3. In case of capital increase by earnings or capital reserve, retrospective adjustment must be conducted in proportion to the increase of capital when calculating the EPS in the previous year and every six months without the need to consider the issue period for the said increase of capital.
4. If the preferred stocks are inconvertible cumulative preferred stocks, the dividends of the current year (distributed or not) shall be deducted from the net profit after tax, or net loss after tax must be added. If the preferred stocks are not cumulative preferred stocks, the dividends from preferred stocks shall be deducted from the net profit after tax, if any; no adjustment is needed in case of loss.

Note 4: For the cash flow analysis, attention shall be paid to the following matters during the measurement:
1. Net cash flow from operating activities means the net cash inflow from operating activities in the

statement of cash flow.

2. Capital expenditure means the cash outflow from capital investment every year.
3. Increase of inventory shall be calculated only when the balance at the ending of the period is greater than the balance at the beginning of the period; it shall be calculated as zero if the inventory decreases at the end of the year.
4. Cash dividends include the cash dividends from common and preferred shares.
5. Gross of property, plant and equipment means the total amount of the property, plant and equipment before deduction of accumulated depreciation.

Note 5: Issuers shall distinguish fixed from variable operating costs and expenses by their nature. When estimations or subjective judgments are involved, special attention shall be paid to their reasonableness and consistency shall be maintained.

III. Audit Committee's review report on the financial statements in the most recent years

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

IV. Separate financial statements of the Company in the must recent year audited and certified by CPAs

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; asses 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		1,285,546	1,230,423
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		20,564,911	23,018,944
TOTAL ASSETS		$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 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)

	Notes	For the Years Ended December 31 2022	2021
OPERATING REVENUE	4 & 6.(15) & 7	$376,996	$369,203
OPERATING COSTS	6.(17) & 6.(18)	(212,083)	(251,696)
GROSS PROFIT		164,913	117,507
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		(319,584)	(300,082)
OPERATING LOSS		(154,671)	(182,575)
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		(1,459,219)	(952,058)
LOSS BEFORE INCOME TAX		(1,613,890)	(1,134,633)
INCOME TAX (EXPENSE) INCOME	4 & 6.(21)	(21,224)	12,284
NET LOSS		(1,635,114)	(1,122,349)
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		(56,440)	16,121
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$(1,691,554)	$(1,106,228)
EARNINGS (LOSSES) PER SHARE (NT$)			
Basic earnings (losses) per share	6.(22)		
Continuing operating loss after tax, net		$(2.07)	$(1.42)
Net Loss		$(2.07)	$(1.42)
Diluted earnings (losses) per share	6.(22)		
Continuing operating loss after tax, net		$(2.07)	$(1.42)
Net Loss		$(2.07)	$(1.42)

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)

			Retained Earnings			Others	
Item	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	Total Equity
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	$7,900,000	$2,197,948	$497,188	$3,343,669	$728,961	$9,969	$14,677,735
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	$7,900,000	$2,197,948	$497,188	$3,333,058	$(890,838)	$(51,175)	$12,986,181

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)

	For the Years Ended December 31	
	2022	2021
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.

Taiwan Tea Corporation
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021
(Amounts expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)
(Audited)

1. HISTORY AND ORGANIZATION

Taiwan Tea Corporation (the "Company") as successor of Mitsui & Co., Ltd was established with four subsidiaries responsible for agriculture, fishery, forestry and animal husbandry in 1950. The Company was privatized since the government implemented the Land-to-the-Tiller Policy in 1952. The Company diversified its operations into production and marketing of tea and other agricultural products, leisure industry, import/export trading (including food and wine), interior design, renovation and construction and real estate management and development. On February 1962, the Company was approved and listed on Taiwan Stock Exchange (TWSE). The Company is registered in No.285, Tanmei St., Neihu Dist., Taipei City 114, Taiwan (R.O.C.). The Company's major operating center is located in No.3, Zhonghua Rd., Hukou Township, Hsinchu Country 303, Taiwan (R.O.C.).

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The individual financial statements of the Company for the years ended December 31, 2022 and 2021 were approved and authorized for issue by the Board of Directors on March 14, 2023.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2022. The new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB

a	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

(a) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2023 have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024

A. IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 17 "*Insurance Contracts*"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 *Insurance Contracts* – from annual reporting periods beginning on or after 1 January 2023.

C. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

D. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

E. Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The financial statements of the Company for the years ended December 31, 2022 and 2021 have been prepared 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 FSC of the Republic of China.

(2) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign currency transactions

The Company's financial statements are presented in NT$.

Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Current and non-current distinction

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Company holds the asset primarily for the purpose of trading
C. The Company expects to realize the asset within twelve months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle
B. The Company holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

All other liabilities are classified as non-current.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through

profit or loss, directly attributable transaction costs

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Company's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

i the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

ii the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

i purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

ii financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

i the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

ii the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

i A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

ii When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income should be reclassified from equity to profit or loss as a reclassification adjustment.

iii Interest revenue calculated by using the effective interest method (effective interest rate times the carrying amount of the financial asset) or the method stated below should be recognized in profit or loss.

(i) Purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.
(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently become credit-impaired financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through amortization process of the effective interest rate method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(7) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(8) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition is accounted for as follows:

Inventories cost is based on weighted average cost basis. Work in progress and finished goods include cost of direct labor and a proportion of manufacturing overheads based on normal operating capacity. Inventories valuation is based on lower of cost or net realizable value and the comparison is made on each individual item.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(9) Investments accounted for using the equity method

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint

venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorate basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment*

of Assets. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(10) Property, plant and equipment

Property, plant and equipment (include bearer plant) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company's forest is mostly under conservation. Felling is restricted or forbidden and should be approved by the authority for 99% of the forest. For the other 1%, the Company is not intended to fell and sell the forest by the sake of environment conversation. The authority passes a limit on the number of approval every year. Therefore, the forest was recognized as land (land attachment).

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	
Wooden	5~10 years
Metal	10~20 years
Brick	20~30 years
Reinforced Concrete	40~60 years
Machinery and equipment	3~20 years
Transportation equipment	3~11 years
Office equipment	3~11 years
Other equipment	2~20 years
Right-of-use assets	1~5 years
Leasehold improvements	The shorter of lease terms or economic useful lives
Tea tree	20~40 years
Fruit tree	50 years
Coffee tree	20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(11) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the

requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30～50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(12) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(13) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated

amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life.

The Company's accounting policies on intangible asset are summarized below:

	Computer software
Useful life	Finite use life
Amortization method used	Amortized on a straight-line basis over the estimated useful life
Internally generated or externally acquired	Externally acquired

(14) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-

generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(15) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Company manufactures and sells tea products and sells real estate. Sales are recognized when the control of the goods is transferred to the customer and the goods are delivered to the customers. At this time, the customer have the right to decide the sale and price of the product, and are capable to prevent other enterprise to manage the use or receive the benefits of the product.

The Company provides its customer with no warranty with the purchase of the products.

The credit period of the Company's sale of goods is from 30 to 90 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Company usually collects the payments shortly after transfer of goods to customers; therefore,

there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Construction Revenue

The Company provides maintenance services for the sale of interior construction. Most of the contracts of the Company is customized by the need of customers. The Company has the right to the completion ration of the construction. Accordingly, the Company may recognize the revenue by the completion ratio of the construction. Usually, the contracts have a fixed consideration. Contractual considerations are collected throughout the time list which are negotiated with the customers. When the Company provide the services to customers which exceed the amount paid from the customer, the contacts should be recognized as contract assets. However, when the amount paid from the customer exceed service provided by the Company, the contacts should be recognized as contract liabilities. For some of the contracts, customers pay the amount according to the bill provided by the Company, and the Company can recognize as revenue.

The period between the transfers of contractual product or service to the customer and the payments by customers is usually within one year, thus, no price was modified by time value of money.

(16) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(17) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(18) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the Company's individual financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(19) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and

tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have

been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's individual financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the individual financial statements:

A. Operating lease commitment — Company as the lessor

The Company has entered into commercial property lease agreements for several combinations of investment properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at

the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis. Please refer to Note 6 for more details.

C. Fair value of investment property

As the fair value of investment property disclosed on the balance sheet cannot be determined from active market, instead the fair value is estimated through valuation methods including sales comparison, land development analysis approach, income approach and cost approach. Changes in assumptions about these valuation methods could affect the disclosed fair value of the investment property and impairment testing. Please refer to Note 6 and 12 for more details.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As at	
	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$810	$1,135
Checking accounts	1,516	2,622
Demand deposits	237,054	211,413
Total	$239,380	$215,170

The above cash and cash equivalents were not pledged as collateral or restricted for uses.

(2) Financial assets at fair value through other comprehensive income - non-current

	As at	
	December 31, 2022	December 31, 2021
Equity instrument investments measured at fair value through other comprehensive income:		
Unlisted companies' stocks	$381	$61,525

Financial assets at fair value through other comprehensive income were not pledge.

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2022 and 2021 are as follow:

	For the years ended December 31,	
	2022	2021
Related to investments held at the end of the reporting period		
Dividends recognized during the period	$74,728	$6

(3) Notes receivable, accounts receivable and account receivable - related parties

	As at	
	December 31, 2022	December 31, 2021
Notes receivable	$4,099	$10,650
Less: loss allowance	-	-
Notes receivable, net	$4,099	$10,650
Accounts receivable	$24,922	$23,785
Less: loss allowance	(99)	(4)
Accounts receivable, net	$24,823	$23,781

Accounts receivable - related parties	$3,931	$2,003
Less: loss allowance	-	-
Accounts receivable - related parties, net	$3,931	$2,003

A. The notes receivable and accounts receivable were from operations.

B. The notes receivable and accounts receivable were not pledged.

C. Accounts receivables are generally on 30-to-90-day terms (excluding construction). The terms of the construction are dependent on the scale and complexity of the projects. Receivables are collected according to the progress of the construction and reserves are collected at the end of the warranty period according to the contracts. As of December 31, 2022 and 2021, total carrying amount of accounts receivable were NT$28,853 thousand and NT$25,788 thousand, respectively. Please refer to Note 6.(16) for more details on loss allowance of accounts receivable for the years ended December 31,2022 and 2021. Please refer to Note 12 for more details on credit risk management.

(4) Inventories

	As at	
	December 31, 2022	December 31, 2021
Property - land	$704,704	$704,704
Merchandise inventory	20,213	27,285
Finished goods	36,734	42,679
Work in process	20,839	8,320
Raw materials	141,355	95,792
Supplies	22,103	23,560
Goods in transit	754	-
Total net value	$946,702	$902,340

A. Please refer to Note 8 for more details on inventories above pledged as security.

B. The expenses relevant to inventory were recognized in operating cost in 2022 and 2021 as follows:

	For the years ended December 31,	
	2022	2021
Cost of inventory sold	$176,710	$161,039
Loss on scrap of inventory	1,936	1,527
Gain or loss on physical count, net	4	17
Loss on decline in market value of inventory	1,517	4,675
Total	$180,167	$167,258

C. The Company did not recognize gain from price recovery of inventory for the year ended December 31, 2022 and 2021.

(5) Investments accounted for using the equity method

In December 2021, the Company sold all the shares issued by Great Construction System Inc. in the amount of NT$13,702 thousand, and recognized gains on disposals of investments in the amount of NT$14,871 thousand.

Investments in associates

A. The investments in associates of the Company were not significant. The summary financial information of related party is listed below:

	For the years ended December 31,	
	2022	2021
Net (loss) income	$-	$(10,682)
Other comprehensive income, net	-	965
Comprehensive income for the period	$-	$(9,717)

The company holds 34.36% of the voting rights of Great Construction System Inc., it is the single largest shareholder. Total ratio of voting rights held by the chairman and president of Great Construction System Inc. exceeds the Company. Once the cooperation of these two investors to prevent our company from leading the relevance activities of Great Construction System Inc. Therefore, the company has no control over Great Construction System Inc., Ltd. and only has a significant influence.

B. There is not a quoted market price for investments in associates.

(6) Property, plant and equipment

	As at	
	December 31, 2022	December 31, 2021
Owner occupied property, plant and equipment	$6,250,807	$6,686,961
Property, plant and equipment leased out under operating leases	-	6,736
Total	$6,250,807	$6,693,697

A. Owner occupied property, plant and equipment

	Land and land improvements	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvement	Bearer plant	Other equipment	Construction in progress	Total
Cost									
As at January 1, 2022	$4,505,273	$1,068,199	$185,476	$26,682	$1,300	$870,063	$306,678	$87,992	7,051,663
Additions (Note1)	765	581	31,122	2,933	-	97,567	18,384	34,222	185,574
Disposals	(59)	(2,606)	(8,388)	(7,242)	-	(1,524)	(38,642)	-	(58,461)
Transfers	-	1,001	(315)	-	-	-	6,970	(7,656)	-
Other changes	-	10,337	-	-	-	1,524	14,420	-	26,281
Transfer to non-current assets held for sale(Note 2)	(163,863)	(272,536)	-	-	-	-	(192)	-	(436,591)
As at December 31, 2022	$4,342,116	$804,976	$207,895	$22,373	$1,300	$967,630	$307,618	$114,558	$6,768,466
As at January 1, 2021	$4,219,211	$545,954	$113,840	$31,162	$16,598	$744,452	$309,381	$909,665	$6,890,263
Additions	663	569	8,873	87	-	121,647	9,720	92,703	234,262
Disposals	(5,962)	(2,684)	(13,402)	(4,567)	(15,298)	-	(62,410)	-	(104,323)
Transfers	291,361	524,360	76,165	-	-	3,964	49,987	(914,376)	31,461
As at December 31, 2021	$4,505,273	$1,068,199	$185,476	$26,682	$1,300	$870,063	$306,678	$87,992	$7,051,663
Depreciation and impairment									
As at January 1, 2022	$4,265	$176,285	$42,562	$18,175	$434	$26,632	$96,349	$-	$364,702
Depreciation	987	23,535	10,448	3,156	433	16,449	31,862	-	86,870
Impairment loss	7,730	24,186	13,355	540	-	60,692	111,669	1,489	219,661
Disposals	(58)	(2,606)	(8,389)	(7,242)	-	(1,524)	(37,312)	-	(57,131)
Transfers	-	(1)	-	-	-	-	1	-	-
Other changes	-	3,673	-	-	-	-	-	-	3,673
Transfer to non-current assets held for sale (Note 2)	-	(100,010)	-	-	-	-	(106)	-	(100,116)
As at December 31, 2022	$12,924	125,062	$57,976	$14,629	$ 867	$102,249	$202,463	$1,489	(517,659)
As at January 1, 2021	$9,228	$161,528	$38,844	$19,088	$15,298	$22,491	$126,239	$-	$392,716
Depreciation	914	17,198	8,299	3,614	434	4,141	29,836	-	64,436
Impairment loss	-	-	8,856	-	-	-	-	-	8,856
Disposals	(5,877)	(2,441)	(13,371)	(4,527)	(15,298)	-	(59,726)	-	(101,240)
Transfers	-	-	(66)	-	-	-	-	-	(66)
As at December 31, 2021	$4,265	$176,285	$42,562	$18,175	$434	$26,632	$96,349	$-	$364,702
Net carrying amount as at:									
As at December 31, 2022	$4,329,192	$679,914	$149,919	$7,744	$433	$865,381	$105,155	$113,069	$6,250,807
As at December 31, 2021	$4,501,008	$891,914	$142,914	$8,507	$866	$843,431	$210,329	$87,992	$6,686,961

Note1 : The new part of construction in progress in this year has not been inspected and accepted, so the relevant balance has not been paid, which amount is $5,770 thousand.

Note2 : On September 14, 2022, the Board of Directors passed a resolution to dispose of the land and buildings located in Nangang District, Taipei City, and signed a contract with Ibase Technology Inc. on September 14, 2022. The real estate sales contract has been handed over and transferred on December 27,2022 and

December 29, 2022, respectively. Please refer to Note 6.(19) for related disposal gains and losses.

B. Property, plant and equipment leased out under operating leases

	Buildings
Cost:	
As at January 1, 2022	$10,338
Additions	-
Disposals	(10,338)
As at December 31, 2022	$-
As at January 1, 2021	$10,338
Additions	-
As at December 31, 2021	$10,338
Depreciation and impairment:	
As at January 1, 2022	$3,602
Depreciation	71
Disposals	(3,673)
As at December 31, 2022	$-
As at January 1, 2021	$3,388
Depreciation	214
As at December 31, 2021	$3,602
Net carrying amount as at:	
December 31, 2022	$-
December 31, 2021	$6,736

C. Non-current assets held for sale

As at January 1,2022	Transfer from property, plant and equipment	Transaction amount (Note)	Cost of sale	Gain from disposal	As at December 31, 2022
$-	$336,475	$983,931	$336,475	$647,456	$-

Note: The total transaction amount is NT$1,000,000 thousand, NT$16,069 thousand is deducted for disposal related expenses.

D. Accumulated impairment

As at December 31, 2022 and 2021, the accumulated impairment of the Company's property, plant and equipment is as follows:

Item	As at December 31, 2022	As at December 31, 2021
Land and land improvements	$7,730	$-
Buildings	30,379	8,092
Machinery and equipment	22,211	9,241
Transportation equipment	540	-
Bearer Plant	59,168	-
Other equipment	111,669	-
Construction in Progress	1,489	-
Total	$233,186	$17,333

The evidence obtained in the Company's internal report in 2022 showed that the economic benefits of the assets were not as expected, and some real estate, plant and equipment were written down to their recoverable amounts, and as a result impairment loss amount of 219,661 thousand has been recognized in the statement of comprehensive income. The recoverable amount was based on fair value less costs of disposal. The fair value is weighted by the comparison approach, the land development analysis approach and the cost approach, which has been categorized within Level 3 of the fair value hierarchy

The key assumptions the Company used to measure the fair value less costs of disposal are as follows:

(i) Comparison approach: estimated by the price per *ping* (about 3.3 square meters).

(ii) Land development analysis approach: It is developed and improved according to the legal use and use intensity of the land. Under normal circumstances, the total sales amount after development is expected, the profit rate is 10%~15%, the cost required for development or construction, and the capital interest of the total cost required for development or construction Comprehensive interest rate 0.75%~2.51%

(iii) Cost approach: Refers to the method of obtaining the reconstruction cost or replacement cost of the survey and appraisal target on the price date, deducting the accumulated depreciation amount or other deductible parts, to calculate the price of the survey and

appraisal target.

In 2021, the Company recognized impairment loss of property, plant and equipment in the amount of NT$8,856 thousand, which was due to the unusable of individual assets.

In 2022 and 2021, the reversal of accumulated impairment was NT$3,808 thousand and NT$4,690 thousand, resulted from the disposal of property, plant and equipment.

E. The capitalized borrowing costs and capitalization rate of borrowing costs for inventory (property - land) and property, plant and equipment are as follows:

	For the years ended December 31,	
	2022	2021
Inventory (property – land) & Construction in Progress	$-	$3,557
Capitalization rate of borrowing costs	-%	1.54%~1.65%

Interest expenses before capitalization were NT$111,625 thousand and NT$89,339 thousand, and the capitalized borrowing costs were NT$0 thousand and NT$3,557 thousand for the years ended December 31, 2022 and 2021, respectively.

F. The Company's property, plant and equipment is under pledge for bank loan. Please refer to Note 8 for more details.

G. Advance receipts for land

The Securities & Futures Institute on March 25, 1995 issued Order No. Taiwan-Financial-Securities-11592, which sets out the following provisions for compliance: gain on sale of land should be recognized after transfer ownership and hand over indeed of land. As at December 31, 2022 and 2021, the amount of the price received by the Company, which is related to transaction of land expected to complete transfer ownership and hand over the land within a year are NT$16,528 thousand and NT$10,724 thousand, which is recognized as contract liabilities.

H. The Company's land at Tongluo Township Miaoli County was acquired by The Science Park Bureau according to Article 11 of the Land Expropriation Act. and was transferred in 2001. Some of the compensation payable to the lessee was still under discussion. Therefore, the compensation payable to the lessee and the receivable from the Miaoli County Government were recorded as estimates. Adjustments can be made should there be any difference. As at December 31, 2022 and 2021, the compensation receivable from the Miaoli County Government was both NT$654 thousand, recognized as other

receivable. As at December 31, 2022 and 2021, the compensation payable to the lessee was both NT$2,075 thousand, recognized as other payable. As of the report date, the discussion of the compensation has not been completed.

I. Following the relevant regulations, the Company had employed other people's names to register agricultural land for the time being, and these lands were set to be pledged by the Company. As at December 31, 2022 and 2021, the lands that were yet to be registered for property rights are worth NT$27,790 thousand and NT$48,430 thousand and were recognized in other non-current assets. Please refer to Note 6.(9) for impairment information in 2022.

(7) Investment property

The Company has entered into commercial property leases on its owned investment properties with terms of between 1 and 10 years.

	Land	Building	Total
Cost:			
As at January 1, 2022	$16,464,685	$1,072,761	$17,537,446
Addition - subsequent expenditure	1,194	-	1,194
Disposal	(28,759)	-	(28,759)
Transfer from inventories, property, plant and equipment and other account	846	-	846
As at December 31, 2022	$16,437,966	$1,072,761	$17,510,727
As at January 1, 2021	$16,481,840	$1,072,761	$17,554,601
Addition - subsequent expenditure	13,033	-	13,033
Disposal	(67,455)	-	(67,455)
Transfer from non-current assets held for sold	4,720	-	4,720
Transfer from inventories, property, plant and equipment and other account	32,547	-	32,547
As at December 31, 2021	$16,464,685	$1,072,761	$17,537,446
Depreciation and impairment			
As at January 1, 2022	$977,466	$520,951	$1,498,417
Depreciation	-	28,514	28,514
Impairment losses	1,752,257	134,953	1,887,210
As at December 31, 2022	$2,729,723	$684,418	$3,414,141
As at January 1, 2021	$56,554	$404,353	$460,907
Depreciation	-	32,956	32,956
Impairment losses	920,912	83,642	1,004,554
As at December 31, 2021	$977,466	$520,951	$1,498,417
Net carrying amount as at:			
December 31, 2022	$13,708,243	$388,343	$14,096,586
December 31, 2021	$15,487,219	$551,810	$16,039,029

As of December 31,2022 and 2021, the accumlated impairment of the Company's investment property is as follows:

	As at	
Item	December.31,2022	December.31,2021
Land and land improvements	$2,729,723	$977,466
Buildings	319,890	184,937
Total	$3,049,613	$1,162,403

For the year ended December 31, 2022, the carrying amount of certain investment properties for lease have been written down to their recoverable amount, and as a result impairment loss amount of NT$1,887,210 thousand has been recognized in the statement of comprehensive income. The recoverable amount was based on fair value less costs of disposal. The fair value was measured using a weighted average of the income approach and the comparison approach, which has been categorized within Level 3 of the fair value hierarchy.

The key assumptions the Company uses to measure the fair value less costs of disposal are as follows:

(i) Income approach: considering the market rent or average income that a property can be expected to earn under current market conditions, the vacancy rate7%~12%, additional cost of renovations 25%~30% and the capitalization rate, which is 2.03%.

(ii) Comparison approach: estimated by the price per *ping* (about 3.3 square meters).

(iii) Land development analysis approach: It is developed and improved according to the legal use and use intensity of the land. Under normal circumstances, the total sales amount after development is expected, the profit rate is 10%~15%, the cost required for

development or construction, and the capital interest of the total cost required for development or construction Comprehensive interest rate 0.75%~2.51%

	For the years ended December 31,	
	2022	2021
Rental income from investment property	$3,908	$3,698
Less: Direct operating expenses from investment property generating rental income	(777)	(2,076)
Direct operating expenses from investment property not generating rental income	(6,753)	(5,385)
Total	$(3,622)	$(3,763)

A. The Company's investment property was pledged as collateral for bank loan, refer to Note 8 for more details.

B. The Company possesses investment property measured at fair value amounting to NT$31,269,651 thousand and NT$45,166,183 thousand on December 31, 2022 and 2021, respectively. The fair values of investment property valued by an independent external appraisal expert based on market evidence and comparison method, were NT$10,045,086 thousand and NT$4,689,047 thousand, respectively. The fair values of investment property valued by internal self-estimation on the basis of market evidence and comparison method, which input is estimated by the price of square meters, were NT$21,224,565 thousand and NT$40,477,136 thousand, respectively.

C. The Company’s investment property contains several items about land development and recreation industry which principally take place at Taipei, New Taipei city, Taoyuan, Miaoli,

Nantou, etc. Additionally, business office located on Sec. 1 Zhongxiao W Road acquired Food and Beverage Service Activities authority.

(8) Intangible assets

	Computer Software
Cost:	
As at January 1, 2022	$12,550
Addition – acquired separately	5,989
As at December 31, 2022	$18,539
As at January 1, 2021	$7,278
Addition - acquired separately	5,272
As at December 31, 2021	$12,550
Amortization and Impairment:	
As at January 1, 2022	$7,105
Amortization	1,593
As at December 31, 2022	$8,698
As at January 1, 2021	$5,766
Amortization	1,339
As at December 31, 2021	$7,105
Net carrying amount as at:	
December 31, 2022	$9,841
December 31, 2021	$5,445

Amortization expense of intangible asset under the statement of comprehensive income:

	For the years ended December 31,	
	2022	2021
Operating Costs	$1,593	$1,339

(9) Other non-current assets

	As at	
	December 31, 2022	December 31, 2021
Advance payments in equipments	$79,166	$70,252
Refundable deposits	61,383	62,163
Other non-current assets - employed other people's names to register land	27,790	48,430
Other non-current assets - others	35,475	36,548
Total	$203,814	$217,393

Please refer to Note 6.(8) for detailed information of the other non-current assets - employed other people's names to register land.

Other non-current assets are mainly land development projects, involving a number of land lots. All costs associated with the land development projects have been classified under construction in progress and other non-current assets. The project-related cost was mainly capitalized personnel expenses and progress payment.

The evidence obtained in the Company's internal report in 2022 showed that the economic benefits of the assets were not as expected, and some other non-current assets – employed other people's names to register land were written down to their recoverable amounts, and as a result impairment loss amount of 20,640 thousand has been recognized in the statement of comprehensive income. The recoverable amount was based on fair value less costs of disposal. The fair value is weighted by the comparison approach, the land development analysis approach and the cost approach, which has been categorized within Level 3 of the fair value hierarchy

The key assumptions the Company used to measure the fair value less costs of disposal are as follows:

1. Comparison approach: estimated by the price per *ping*. (About 3.3 square meters).

2. Land development analysis approach: It is developed and improved according to the legal use and use intensity of the land. Under normal circumstances, the total sales amount after development is expected, the profit rate is 10%~15%, the cost required for development or construction, and the capital interest of the total cost required for development or construction Comprehensive interest rate 0.75%~2.51%.

3. Cost approach: Refers to the method of obtaining the reconstruction cost or replacement cost of the survey and appraisal target on the price date, deducting the accumulated depreciation amount or other deductible parts, to calculate the price of the survey and appraisal target.

(10) Short-term borrowings

	As at	
	December 31, 2022	December 31, 2021
Credit loans	$50,000	$80,000
Available credit limit	$96,605	$80,000
Interest rates	1.25~4.182%	1.02%~2.90%

The interest rates were based on NTD, EUR and US letter of credit loans' ranges. Please refer to Note 8 regarding the Company's assets that were pledged as collateral.

(11) Short-term notes and bills payable

A. As at December 31, 2022 and 2021, the Company's unused credit limit of short-term notes payable amounted to NT$50,000 thousand.

B. The commercial paper that was guaranteed by financial institution with maximum maturity

date of 180 days and one year contract due time was issued by the Company.

C. For information relating to the Company's assets that were pledged as collateral, please refer to Note 8.

(12) Long-term borrowings

Creditor	As at December 31, 2022	Maturity and terms of repayment
Chang Hwa Bank	$25,000	The contract will be due on September 26, 2025 for repayment.
Mega Bills	1,167,800	The contract will be due on January 24, 2024 and capital employment and repayment are under the Note Issuance Facility.
Hua Nan Bank	16,555	The contract will be due on May 22, 2029 and since June 22, 2019 interest payment was amortized monthly.
Hua Nan Bank	90,000	The contract will be due on June 20, 2024 and capital employment and repayment are under the Note Issuance Facility.
Hua Nan Bank	67,780	The contract will be due on September 28, 2027. Since December 28, 2020 the payment was amortizes quarterly (NT$3,580 thousand per term), and the balance was paid off in the final term
Taiwan Business Bank	550,000	The contract will be due on December 28, 2023 and capital employment and repayment are under the Note Issuance Facility.
Mega Bank	300,000	The contract will be due on June 4, 2023 for repayment.
Mega Bank	587,000	The contract will be due on July 1, 2028. Since July 1, 2022, the payment was made semi-annually with a total of 13 terms(1ST ~12TH term NT$30,000 thousand, 13TH term NT$240,000 thousand.)
Mega Bank	225,000	The contract will be due on July 1, 2028. Since July 1, 2022, the payment was made semi-annually with a total of 13 terms(1ST ~12TH term NT$15,000 thousand, 13TH term NT$60,000 thousand.)
En Tie Bank	100,000	The contract will be due on December 28, 2023. Since December 28, 2020 the payment was amortized quarterly. The first 2 terms are grace periods. Starting from the 3RD term, the payment was amortized quarterly(NT$25,000 thousand per term), and the balance will be paid off by the due date.
Land Bank of Taiwan	2,300,000	The contract will be due on October 28, 2026. The date of the expiration of two years from October 28, 2021will be the first term, and the following payment was made semi-annually with a total of 7 terms (1ST~2ND NT$69,000 thousand, 3RD ~6TH NT$115,000 thousand, 7TH NT$1,702,000 thousand.)
Land Bank of Taiwan	70,000	The contract will be due on October 28, 2026. The date of the expiration of two years from October 28, 2021 will be the first term, and the following payment was made semi-annually with a total of 7 terms (1ST~2ND NT$2,100 thousand, 3RD ~6TH NT$3,500 thousand, 7TH NT$51,800 thousand.)
Subtotal	5,499,135	
Less: current portion	(828,000)	
Total	$4,671,135	
Authorized credit limit	$6,278,800	

Creditor	As at December 31, 2022	Maturity and terms of repayment
Unused line of credit	$500,000	
Interest rate range	1.070%~2.4841%	

In 2022, the new loan issued amounting to NT$15,892,600 thousand and principal repayment amounting to NT$16,566,000 thousand.

Creditor	As at December 31, 2021	Maturity and terms of repayment
Chang Hwa Bank	$50,000	The contract will be due on September 30, 2024 for repayment.
Chang Hwa Bank	250,000	The contract will be due on September 30, 2023 for repayment.
Chang Hwa Bank	168,300	The contract will be due on March 19, 2030 and since June 19, 2020 interest payment was amortized into 118 terms.
Mega Bill	1,1680,000	The contract will be due on January 10, 2023 and capital employment and repayment are under the Note Issuance Facility.
Hua Nan Bank	19,135	The contract will be due on May 22, 2029 for repayment and since June 22, 2019 interest payment was amortized monthly.
Hua Nan Bank	90,000	The contract will be due on June 8, 2023 for repayment.
Hua Nan Bank	82,100	The contract will be due on September 28, 2027. Since December 28, 2020 the payment was amortizes quarterly (NT$3,580 thousand per term), and the balance was paid off in the final term.
Taiwan Business Bank	705,000	The contract will be due on December 28, 2023 and capital employment and repayment are under the Note Issuance Facility.
Mega Bill	230,000	The contract will be due on June 4, 2023 for repayment.
Mega Bill	600,000	The contract will be due on July 1, 2028. Since July 1, 2022, the payment was made semi-annually with a total of 13 terms(1ST ~12TH term NT$30,000 thousand, 13TH term NT$240,000 thousand.)
Mega Bill	240,000	The contract will be due on July 1, 2028. Since July 1, 2022, the payment was made semi-annually with a total of 13 terms(1ST ~12TH term NT$15,000 thousand, 13TH term NT$60,000 thousand.)
En Tie Bank	200,000	The contract will be due on December 28, 2023. Since December 28, 2020 the payment was amortized quarterly. The first 2 terms are grace periods. Starting from the 3RD term, the payment was amortized quarterly(NT$25,000 thousand per term), and the balance will be paid off by the due date.
Land Bank of Taiwan	2,300,000	The contract will be due on October 28, 2026. The date of the expiration of two years from October 28, 2021will be the first term, and the following payment was made semi-annually with a total of 7 terms (1ST~2ND NT$69,000 thousand, 3RD ~6TH NT$115,000 thousand, 7TH NT$1,702,000 thousand.)
Land Bank of Taiwan	70,000	The contract will be due on October 28, 2026. The date of the expiration of two years from October 28, 2021 will be the first term, and the following payment was made semi-annually with a total of 7 terms (1ST~2ND NT$2,100 thousand, 3RD ~6TH NT$3,500 thousand, 7TH NT$51,800 thousand.)
Subtotal	6,172,535	
Less: current portion	(182,300)	
Total	$5,990,235	

Creditor	As at December 31, 2021	Maturity and terms of repayment
Authorized line of credit	$6,994,400	
Unused line of credit	$700,000	
Interest rate range	1.070%~1.987%	

In 2021, the new loan issued amount to NT$16,185,650 thousand and principal repayment amounting to NT$15,855,640 thousand.

Refer to Note 8 for collateral for long-term borrowings.

(13) Post-employment benefits

A. Defined contribution plan

The defined contribution plan of the Company's Employee Retirement Plan is regulated according to the provisions of the Labor Pension Act. In accordance with the Act, contributions made by the employer cannot be lower than 6% of the participant's monthly wages. Therefore, The Company makes 6% contributions of the monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance on a regular basis.

For the years ended December 31, 2022 and 2021, the expenses related to defined contribution plan amounted to NT$9,552 thousand and NT$9,743 thousand, respectively.

B. Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 8.58% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandating, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$2,029 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022

As at December 31, 2022 and 2021, the defined benefit plan of the Company was expected to be expired in 2031 and 2030, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2022 and 2021:

	For the years ended December 31,	
	2022	2021
Current period service costs	$162	$172
Interest income or expense	37	29
Total	$199	$201

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As at	
	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$37,818	$44,266
Plan assets at fair value	(38,137)	(37,919)
Other non-current liabilities - Accrued pension liabilities recognized on the balance sheets	$(319)	$6,347

Reconciliation of liability of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As at January 1, 2021	$47,831	$(37,000)	$10,831
Current period service costs	172	-	172
Net interest expense (income)	141	(112)	29
Subtotal	48,144	(37,112)	11,032
Remeasurements of the net defined benefit liability asset:			
Actuarial gains and losses arising from changes in demographics assumptions	39	-	39
Actuarial gains and losses arising from changes in financial assumptions	(1,642)	-	(1,642)
Experience adjustments	(297)	-	(297)
Return on plan assets	-	(544)	(544)
Subtotal	(1,900)	(544)	(2,444)
Payments from the plan	(1,978)	1,978	-
Contributions by employer	-	(2,241)	(2,241)
As at December 31, 2021	$44,266	$(37,919)	$6,347
Current period service costs	162	-	162
Net interest expense (income)	304	(267)	37
Subtotal	44,732	(38,186)	6,546
Remeasurement of defined benefit			

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
liabilities/asset			
Actuarial gains and losses arising from changes in financial assumptions	(2,152)	-	(2,152)
Experience adjustments	342	-	342
Return on plan assets	-	(2,894)	(2,894)
Subtotal	(1,810)	(2,894)	(4,704)
Payments from the plan	(5,106)	5,106	-
Contribution by employer	-	(2,161)	(2,161)
As at December 31, 2022	$37,816	$(38,135)	$(319)

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As at	
	December 31, 2022	December 31, 2021
Discount rate	1.30%	0.70%
Expected rate of salary increases	2.00%	2.00%

As at December 31, 2022 and 2021, the sensitivity analysis for significant assumption is shown below:

	Effect on the defined benefit obligation			
	2022		2021	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.25%	$-	$845	$-	$987
Discount rate decrease by 0.25%	874	-	1,024	-
Future salary increase by 0.25%	866	-	1,008	-
Future salary decrease by 0.25%	-	841	-	977

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(14) Equities

A. Common stock

The Company's authorized capital were both NT$16,000,000 thousand, issued capital were both NT$7,900,000 thousand, consisting of 790,000 thousand shares and 790,000 thousand shares at $10 par value each as at December 31, 2022 and 2021, respectively. Each share has one vote and the right to receive dividends.

B. Capital surplus

	As at	
	December 31, 2022	December 31, 2021
Additional paid-in capital	$1,807,534	$1,807,534
Treasury shares transactions	346,303	346,303
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired /disposed of	14,671	14,671
Employee stock options	29,375	29,375
Stock option from convertible bonds	64	64
Donated stock received	1	1
Total	$2,197,948	$2,197,948

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

The Company is at growing stage of its life cycle and the business scale is expanding. In order to ensure the sustainable development, the retained earnings of the future should be set aside as stated below:

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company after paying taxes. After making good of the deficit, 10% of the

reserve should be set aside as legal reserve only if the amount of the legal reserve has reached that of the paid-in capital. The remaining reserve should be set aside as special reserve. If there is reserve remaining, it can be combined with the accumulated unappropriated earnings and distributed.

The board of directors should make the earnings distribution proposal considering the Company's operation and ask the shareholders' resolution to distribute dividends. When the Company distributes shareholder dividends, it can be distributed in cash or stocks, and the cash dividend cannot be less than 10% of the total shareholder dividends. If the company has distributed cash to distribute all or part of dividends and bonuses or legal reserve and capital surplus, it may authorize the board of directors to attend with more than two-thirds of the directors, and more than half of the attending directors agree to do so, and report shareholders' meeting.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The Company has reversed special reserve to retained earnings for years period ended December 31, 2022 and 2021 as results of the use, disposal or reclassification of related assets in the amounts set out below:

	As at	
	December 31, 2022	December 31, 2021
Opening balance	$3,343,669	$3,363,664
Disposal of associates	(10,611)	(19,995)
Ending balance	$3,333,058	$3,343,669

The earnings distribution and dividends per share as approved by the board of directors' meeting on March 14, 2023 and resolved by the shareholder's meeting on May 20, 2022. Because the Company suffered losses in both 2022 and 2021, no earnings was distributed. According to the Company Act, the Company reserves NT $1,601 thousand to be set aside as legal reserve appropriation.

Please refer to Note 6.(18) for details of bonus to employees.

(15) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contract with customers		
Commodity	$353,056	$302,657
Construction contract	17,377	59,295
Subtotal	370,433	361,952
Rental revenue	6,563	7,251
Total	$376,996	$369,203

Analysis of revenue from contracts with customers during the years ended December 31, 2022 and 2021 are as follows:

A. Disaggregation of revenue

For the year ended December 31, 2022

	Trade and Department Store	Assets	Construction	Total
Revenue from contract with customers				
Commodity	$296,182	$346	$-	$296,528
Construction contract	-	-	17,377	17,377
Other operation	56,528	-	-	56,528
Subtotal	352,710	346	17,377	370,433
Rental revenue	882	5,681	-	6,563
Total	$353,592	$6,027	$17,377	$376,996
Timing of revenue recognition:				
At a point in time	$352,710	$346	$-	$353,056
Over time	882	5,681	17,377	23,940
Total	$353,592	$6,027	$17,377	$376,996

For the year ended December 31, 2021

	Trade and Department Store	Assets	Construction	Total
Revenue from contract with customers				
Commodity	$302,567	$90	$-	$302,657
Construction contract	-	-	59,295	59,295
Subtotal	302,567	90	59,295	361,952
Rental revenue	1,603	5,648	-	7,251
Total	$304,170	$5,738	$59,295	$369,203
Timing of revenue recognition:				
At a point in time	$302,567	$90	$-	$302,657
Over time	1,603	5,648	59,295	66,546
Total	$304,170	$5,738	$59,295	$369,203

B. Contract balances

(a) Contract assets - current

	As at		
	December 31, 2022	December 31, 2021	January 1,2021
Contract assets-the recognized construction in progress is greater than the payment request	$3,647	$3,873	$5,784

(b) Contract liabilities – current

	As at		
	December 31, 2022	December 31, 2021	January 1,2021
Advance receipts for sales	$666	$914	$538
Advance receipts for land	16,528	10,724	11,710
Contract liabilities-the progress of the request is greater than the recognized construction in progress	2,508	4,690	-
Total	$19,702	$16,328	$12,248

The significant changes in the Company's balances of contract liabilities for the years

ended December 31, 2022 and 2021 are as follows:

	For the years ended December 31,	
	2022	2021
The opening balance transferred to revenue	$3,096	$7,508
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	$6,470	$11,588

(c) Transaction price allocated to unsatisfied performance obligations

The Company's transaction price allocated to unsatisfied performance obligations is not significant.

(d) Assets recognized from costs to fulfil a contract

None.

(16) Expected credit losses/ (gains)

	For the years ended December 31,	
	2022	2021
Operating expenses - Expected credit losses/(gains)		
Accounts receivable	$95	$(65)

Please refer to Note 12 for more details on credit risk.

The Company's contract assets are mainly arisen from construction. The Company only transacts with counterparties with good credit rating and with no significant default risk. Consequently, it is not expected that the counterparties will not meet its obligations under a contract, leading to a financial loss.

The Company measures the loss allowance of its accounts receivables (including accounts receivables - related parties) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at December 31, 2022 and 2021 were as follow:

The Company considers the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

As at December 31, 2022

	Not yet due	Overdue			
	(Note)	<=30 days	31-60 days	>=61 days	Total
Gross carrying amount	$28,533	$280	$40	$-	$28,853
Loss rate	0.10%	20.96%	28.26%	100%	
Lifetime expected credit losses	29	59	11	-	99
Subtotal	$28,504	$221	$29	$-	$28,754

As at December 31, 2021

	Not yet due	Overdue			
	(Note)	<=30 days	31-60 days	>=61 days	Total
Gross carrying amount	$25,721	$1	$65	$1	$25,788
Loss rate	0.01%	1.33%	1.85%	9.28%	
Lifetime expected credit losses	3	-	1	-	4
Subtotal	$25,718	$1	$64	$1	$25,784

Note: The Company's note receivables are not overdue.

The movement in the provision for impairment of accounts receivable and other receivable, during the years ended December 31, 2022 and 2021 is as follows:

	Accounts receivable
As at January 1, 2022	$4
Addition/(reversal) for the current period	95
As at December 31, 2022	$99
As at January 1, 2021	$69
Addition/(reversal) for the current period	(65)
As at December 31, 2021	$4

(17) Leases

A. Company as a lessee

The Company leases various properties, including real estate such as land and buildings, transportation equipment and office equipment. The lease terms range from 1 to 5 years. There are no restrictions placed upon the Company by entering into these leases.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As at	
	December 31, 2022	December 31, 2021
Buildings	$253	$556
Transportation equipment	2,862	1,185
Office equipment	48	114
Total	$3,163	$1,855

During the years ended December 31, 2022 and 2021, the Company's additions to right-of-use assets amounting to NT$2,476 and NT$718 thousand, respectively.

ii. Lease liabilities

	As at	
	December 31, 2022	December 31, 2021
Lease liabilities	$3,283	$1,942
Current	$788	$810
Non-current	$2,495	$1,132

Please refer to Note 6.(19).D for the interest on lease liabilities recognized during the years ended December 31, 2022 and 2021 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2022	2021
Buildings	$303	$303
Transportation equipment	799	600
Office equipment	66	66
Total	$1,168	$969

(c) Income and costs relating to leasing activities

	For the years ended December 31,	
	2022	2021
The expenses relating to short-term leases	$729	$592
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	1,296	1,641

(d) Cash outflow relating to leasing activities

During years ended December 31, 2022 and 2021, the Company's cash outflows for lease principal repayment are NT$1,207 thousand and NT$1,010 thousand. For short-term leases payment is NT$1,991 thousand and NT$2,208 thousand.

(e) Other information relating to leasing activities

None.

B. Company as a lessor

Please refer to Note 6.(10) for details on the Company's owned investment properties and investment properties held by the Company as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments	$6,563	$7,251

Please refer to Note 6.(9) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2022 are as follow:

	As at	
	December 31, 2022	December 31, 2021
Not later than one year	$2,895	$3,231
Later than one year but not later than two years	1,639	1,538
Later than two years but not later than three years	1,295	1,483
Later than three years but not later than four years	718	1,200
Later than four years but not later than five years	686	686
Later than five years	971	1,685
Total	$8,204	$9,823

(18) Summary statement of employee benefits, depreciation and amortization expenses by function

Function / Description	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits expense						
Salaries and wages	$79,188	$130,600	$209,788	$88,632	$124,880	$213,512
Labor and health insurance	8,685	11,134	19,819	8,919	11,181	20,100
Pension	4,289	5,462	9,751	4,344	5,600	9,944
Director's remuneration	-	13,869	13,869	-	14,335	14,335
Other employee benefits expense	11,603	14,781	26,384	10,381	12,855	23,236
Depreciation	58,295	58,328	116,623	47,751	50,824	98,575
Amortization	441	1,152	1,593	498	841	1,339

As at December 31, 2022 and 2021, the number of employees of the Company were 313 and 341, respectively. Among them, the number of directors who have not served as employees were 9 and 11.

The Company's average employee benefits expense was NT$874 thousand for the year ended December 31, 2022. (the current year employee benefits expense excluding director's remuneration / the current year average number of employees excluding the number of non-employee directors)

The Company's average employee benefits expense was NT$808 thousand for the year ended December 31, 2021. (the prior year employee benefits expense excluding director's remuneration / the prior year average number of employees excluding the number of non-employee directors)

The Company's average salaries and wages were NT$690 thousand for the year ended December 31, 2022. (the current year salaries and wages / the current year average number of employees excluding the number of non-employee directors)

The Company's average salaries and wages were NT$647 thousand for the year ended December 31, 2021. (the prior year salaries and wages / the prior year average number of employees excluding the number of non-employee directors)

The Company's average salaries and wages increased by 6.66% for the year ended December 31, 2022. (the current year average salaries and wages minus the prior year average salaries and wages / the prior year average salaries and wages)

As at December 31, 2022 and 2021, The remuneration of the supervisor are both NT$0 thousand, and the company has set up an audit committee to replace the supervisor in accordance with the regulation.

The company's directors and executive officers' remuneration policy is based on the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". It is reviewed by the Compensation Committee then submitted to the Board of

Directors for approval.

The remuneration policy for executive officers is mainly determined based on personal academic experience, performance, contribution to the company, future potential and company operating performance; the remuneration policy for employees and directors is based on the company's surplus year and is in accordance with the Company's articles of Incorporation. The salary appraisal of the company's employees is mainly based on their academic experience, professional skills and the value of the position held, as well as the salary level of the same industry, and the salary is paid according to the company's "employee title, grade and salary appraisal table". Employee's salary includes principal salary, various allowances, job bonus, overtime pay and various bonuses, etc. Bonus distribution depends on the company's annual operating surplus status and the contribution of departments and individuals.

The Company amended the Company's Articles of Incorporation at the shareholder's meeting on May 23, 2019. According to the resolution, minimum 1% of the profit of the period should be distributed as employee's compensation and maximum 5% of the profit of the period should be distributed as supervisor's compensation. However, if there is accumulated deficit, the deficit should be covered first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the board of directors' resolution regarding the employee compensation can be obtained from the "Market Observation Post System" on the website of the TWSE.

As the operations in 2022 and 2021 resulted in a net loss, no employee compensation and remuneration to directors and supervisors were estimated and accrued.

(19) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2022	2021
Bank interest income	$98	$22

B. Other income

	For the years ended December 31,	
	2022	2021
Others	$8,734	$3,908
Dividend income	74,728	6
Government grants	-	13,410
Total	$83,462	$17,324

In June 2021, the Ministry of Economic Affairs announced a bailout subsidy program to assist the industry affected by the impact of COVID-19 pandemic. In accordance with the operation directions for bailout subsidy, the Company applies government grants for employee salaries and necessary operating costs. The grant is recognized as other income over the period

necessary to match the costs that is intended to compensate.

C. Other gains and losses

	For the years ended December 31,	
	2022	2021
Losses on disposal of property, plant and equipment	$(1,011)	$(2,712)
Gains on disposal of investment properties	49,889	125,351
Gains on disposal of investments	-	14,871
Gain on disposal of non-current assets classified as held for sale	647,456	-
Foreign exchange gains (losses), net	26	(25)
Impairment losses - Investment properties	(1,887,210)	(1,004,554)
Impairment losses - property, plant and equipment	(219,661)	(8,856)
Impairment losses - other non-current assets	(20,640)	-
Others	(3)	(15)
Total	$(1,431,154)	$(875,940)

D. Finance costs

	For the years ended December 31,	
	2022	2021
Interest on borrowings from bank	$111,550	$82,679
Interest on lease liabilities	72	53
Others	3	50
Total	$111,625	$82,782

(20) Components of other comprehensive income

For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of defined benefit plans	$4,704	$-	$4,704	$-	$4,704
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(61,144)	-	(61,144)	-	(61,144)
Total of other comprehensive income	$(56,440)	$-	$(56,440)	$-	$(56,440)

For the year ended December 31, 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of defined benefit plans	$2,444	$-	$2,444	$-	$2,444
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	12,712	-	12,712	-	12,712
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	965	-	965	-	965
Total of other comprehensive income	$16,121	$-	$16,121	$-	$16,121

(21) Income taxes

The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2022	2021
Current income tax expense (income):		
Current income tax charge	$-	$-
Land value increment tax	30,237	6,168
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(9,013)	(18,452)
Total income tax expense (income)	$21,224	$(12,284)

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2022	2021
Accounting profit (loss) before tax from continuing operations	$(1,613,890)	$(1,134,633)
Tax at the domestic rates applicable to profits in the country concerned	$(322,778)	$(226,926)
Tax effect of revenues exempt from taxation	(150,356)	(7,128)
Tax effect of expense not deductible for tax purpose	356,217	185,053
Tax effect of deferred tax assets/liabilities	107,904	36,290
Land value increment tax	30,237	6,168
Gains derived from the securities transactions exempt from taxation	-	(5,741)
Total income tax expense (income) recognized in profit or loss	$21,224	$(12,284)

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2022

	Beginning balance as at January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Ending balance as at December 31, 2022
Temporary differences			
Land value increment tax	$(3,185,889)	$9,013	$(3,176,876)
Deferred tax income/ (expense)		$9,013	
Net deferred tax assets/ (liabilities)	$(3,185,889)		$(3,176,876)
Reflected in balance sheet as follows:			
Deferred tax (liabilities)	$(3,185,889)		$(3,176,876)

For the year ended December 31, 2021

	Beginning balance as at January 1, 2021	Deferred tax income (expense) recognized in profit or loss	Ending balance as at December 31, 2021
Temporary differences			
Land value increment tax	$(3,204,341)	$18,452	$(3,185,889)
Deferred tax income/ (expense)		$18,452	
Net deferred tax assets/ (liabilities)	$(3,204,341)		$(3,185,889)
Reflected in balance sheet as follows:			
Deferred tax (liabilities)	$(3,204,341)		$(3,185,889)

The following table contains information of the unused tax losses of the Company:

		Unused tax losses as at		
Year	Tax losses for the period	December 31, 2022	December 31, 2021	Expiration year
2017	245,335	245,335	245,335	2027
2018	102,837	102,837	102,837	2028
2019	108,214	108,214	108,214	2029
2020	104,460	104,460	104,460	2030
2021	156,376	156,376	156,376	2031
2022(estimated)	197,112	197,112	-	2032
		$914,334	$717,222	

Unrecognized deferred tax assets

As of December 31, 2022 and 2021, deferred tax assets have not been recognized in respect of unused tax losses, unused tax credits and deductible temporary differences amounting to

NT$447,089 thousand and NT$371,038 thousand, respectively, as the future taxable profit may not be available.

The assessment of income tax returns

As of December 31, 2022, the income tax returns of the Company are assessed and approved up to 2020. No significant difference existed between the tax declared and approved.

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2022	2021
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$(1,635,114)	$(1,122,349)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	790,000	790,000
Basic earnings per share (NT$)	$(2.07)	$(1.42)

Due to the loss in 2022 and 2021, the calculation of diluted earnings per share were not necessary.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Great Construction System Inc.	Associate (Note1)
Anmei Investment Inc.	Legal person as corporate director(Note3)
Chou Chin Industrial Co., Ltd.	Legal person as corporate director
Shan Young Assets Management Co., Ltd.	Join control or has significant inflence party (Note2)
Sanyang Motor Co., Ltd	Join control or has significant inflence party (Note2)
Nan Yang Industries Co., Ltd.	Other related party
Vitalon Foods Company	Other related party
Alibaba International Ltd.	Other related party(Note3)
Oriential Silicas Corporation	Other related party(Note3)
Nova Design Co., Ltd.	Other related party
Sunshine Auto-Lease Co., Ltd.	Other related party

Note1: Due to disposal of investment of Great Construction System Inc. on December 14, 2022, that was no longer a related party since that day.

Note2: Before 2022, Shan Yang Assets Management Co., Ltd and Sanyang Motor Co., Ltd are as the Legal person as corporate director and other related party, respecivly .Both companies have join control or have significant influence since 2022.

Note3: The related parties are no longer related to the Company since May 20, 2022.

Significant transactions with related parties

(1) Sales, Rent and Receivables

A. Sales

	For the years ended December 31,	
	2022	2021
Associate - Great Construction System Inc.	$-	$88
Join control or has significant inflence parties	1,452	1,938
Legal person as corporate director	100	11
Other related parties	19,762	15,460
Total	$21,314	$17,497

The above related parties' sales transaction was settled the next month after the engagement agreement, and no significant abnormality in transaction was noticed compared to other customers.

B. Rental revenue

	For the years ended December 31,	
	2022	2021
Associate - Great Construction System Inc.	$-	$927

The term of the lease agreement is one year. The payment is made monthly.

C. Receivables

	For the years ended December 31,	
	2022	2021
Join control or has significant inflence parties	$-	$8
Other related parties	3,931	1,995
Total	$3,931	$2,003

(2) Key management personnel compensation

	For the years ended December 31,	
	2022	2021
Short-term employee benefits	$17,720	$20,447
Post-employment benefits	161	232
Total	$17,881	$20,679

(3) Lease

A. Right-of-use assets

	For the years ended December 31,	
	2022	2021
Join control or has significant inflence party		
Shan Young Assets Management Co., Ltd.	$253	$556
Other related party		
Sunshine Auto-Lease Co., Ltd.	2,861	-
Total	$3,114	$556

B. Lease liabilities

	For the years ended December 31,	
	2022	2021
Join control or has significant inflence party	$311	$614

Other related party		
Sunshine Auto-Lease Co., Ltd.	2,921	-
Total	$3,232	$614

C. Refundable deposit (under other non-current asset)

	For the years ended December 31,	
	2022	2021
Join control or has significant inflence party	$210	$54

D. Interest expenses on lease liability

	For the years ended December 31,	
	2022	2021
Legal person as corporate director	$7	$14
Other related party	63	-
Total	$70	$14

E. Rental Expenses

	2022	2021
Join control or has significant inflence party		
Sanyang Motor Co., Ltd	$74	$-
Other related party	21	-
	$95	$-

(4) Other related parties' transactions

A. Operating expenses

	For the years ended December 31,	
	2022	2021
Join control or has significant inflence party	$-	$9

B. Other Income

	For the years ended December 31,	
	2022	2021
Associate - Great Construction System Inc.	$-	$264

8. ASSETS PLEDGED AS SECURITY

The following assets (carrying value) were pledged to banks as collaterals for bank loans and land development:

Pledged Assets	Contents	As at December 31, 2022	As at December 31, 2021
Inventory - property	Bank loan	$704,704	$704,704
Other financial assets (under other non-current asset)	Business related pledge and construction contract compliance fee	-	569
Property, plant and equipment:			
Land	Bank loan	4,194,369	4,386,573
Buildings	Bank loan	-	166,036
Investment property:			
Land	Bank loan and commercial paper pledge	6,225,657	6,376,887
Buildings	Bank loan	708,232	736,747
Total		$11,832,962	$12,371,516

9. SIGNIFICANT COTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

(1) Part of the Company's land is for rent or afforestation, if the land was collected or sold and the contract terminated, loss or compensation of the 37.5% Arable Rent Reduction Act could incur and the Company will record the compensation according to the case.

(2) As of December 31, 2022, the notes receivable and the guaranteed deposit related to sale of land or construction contract are NT$36,438 thousand.

(3) As of December 31, 2022, the notes payable and the guaranteed deposits paid related to bank financing and construction project are NT$65,083 thousand.

(4) The Company entered into a contract to purchase property, plant and equipment (including prepayments for business facilities) as follows:

	Total contract amount	Payment amount	Unpaid amount
Repayments for business facilities	$80,758	$74,880	$5,878
Construction in progress	154,086	117,172	36,914

10. LOSSES DUE TO MAJOR DISASTERS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

In order to increase profits and improve the company's financial structure, as well to respond the government's green power policy, the Laopi Tea Farm in Pingtung will retain part of the area as a tea farm, and the rest of the area will be equipped with solar photovoltaic energy system facilities. On March 2, 2022, the board of directors decided to approve the open tendering procedures for "Pingtung Laopi Tea Farm to build solar photovoltaic energy system facilities". It is expected that various administrative procedures such as land change will be handled in accordance with regulations after signing the contract.

12. OTHERS

(1) Categories of financial instruments

Financial assets	As at December 31, 2022	As at December 31, 2021
Financial assets at fair value through other comprehensive income	$381	$61,525
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand and petty cash)	238,570	214,035
Notes receivable	4,099	10,650
Accounts receivable, net (including related parties)	28,754	25,784
Other receivables	1,157	1,069
Other financial assets - non-current	-	569
Subtotal	$272,580	252,107
Total	$272,961	$313,632

Financial liabilities	As at December 31, 2022	As at December 31, 2021
Financial liabilities at amortized cost:		
Short-term borrowings	$50,000	$80,000
Notes payable and accounts payable (including related parties)	13,952	36,551
Other payables	78,817	51,951
Long-term borrowings (including current portion)	5,499,135	6,172,535
Lease liabilities (including non-current)	3,283	1,942
Total	$5,645,187	$6,342,979

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the above mentioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Company's board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

The Company's market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market risk. Market risk comprises currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, and there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency).

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for a foreign currency: US dollars, Japanese yen and Renminbi. As the net values of major foreign currency after carrying forward of their assets and liabilities, is considered insignificant, the impact of appreciation or depreciation in foreign currency on New Taiwanese Dollars is insignificant as reflected in profit and loss summary of the Company in 2022 and 2021.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2022 and 2021 to

decrease/increase by NT$5,312 thousand and NT$6,041 thousand, respectively.

Equity price risk

The Company's unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's unlisted equity securities is classified under at financial assets at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's board of directors reviews and approves all equity investment decisions.

As of December 31, 2022, the Company does not hold listed equity instrument at fair value through profit or loss.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2022 and 2021, amounts receivable from top ten customers represent 42% and 36% of the total accounts receivable of the Company, respectively. The credit concentration risk of other accounts receivable is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counterparties.

As of December 31, 2022, the Company does not hold investments in debt instrument at fair value through profit or loss.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at December 31, 2022					
Borrowings	$895,065	$2,094,523	$2,297,110	$372,906	$5,659,604
Accounts payable	13,952	-	-	-	13,952
Other payables	78,817	-	-	-	78,817
Lease liabilities	1,313	680	680	208	$2,881
As at December 31, 2021					
Borrowings	$266,936	$3,156,090	$2,402,883	$526,379	$6,352,288
Accounts payable	36,551	-	-	-	36,551
Other payables	51,951	-	-	-	51,951
Lease liabilities	976	656	154	210	1,996

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Long-term borrowings (including current portion)	Leases liabilities	Refundable deposit	Total liabilities from financing activities
As at January 1, 2022	$80,000	$6,172,535	$1,942	$8,199	$6,262,676
Cash flows	(30,000)	(673,400)	(1,135)	(2,929)	(707,464)
Non-cash changes	-	-	2,476	-	2,476
As at December 31, 2022	$50,000	$5,499,135	$3,283	$5,270	$5,557,688

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term borrowings	Long-term borrowings (including current portion)	Leases liabilities	Refundable deposit	Total liabilities from financing activities
As at January 1, 2021	$80,000	$5,842,525	$2,181	$1,699	$5,926,405
Cash flows	-	330,010	(957)	6,500	335,553
Non-cash changes	-	-	718	-	718
As at December 31, 2021	$80,000	$6,172,535	$1,942	$8,199	$6,262,676

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, accounts receivables, contract assets, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Definition

All asset and liabilities for which fair value is measured or disclosed in the financial

statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value hierarchy of the Company's assets and liabilities

As at December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$381	$381

As at December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$61,525	$61,525

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

The profit and (loss) related to possession of shares that were recognized in the total comprehensive income are both NT$0 thousand for the years ended to December 31, 2022 and 2021.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2022	$61,525
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	(61,144)
Ending balances as at December 31, 2022	$381

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2021	$97,526
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	12,712
Return of capital	(48,713)
Ending balances as at December 31, 2021	$61,525

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach and asset approach	discount for lack of marketability	15%	The higher the discount for lack of marketability, the lower the fair value of the stocks	2% increase in the discount for lack of marketability would result in increase in the Company's profit or loss by NT$5,145 thousand. 2% decrease in the discount for lack of marketability would result in increase in the Company's profit or loss by NT$5,376 thousand
	Market approach and asset approach	discount of non-controlling interests	25%	The higher the discount of non-controlling interests, the lower the fair value of the stocks	2% increase in the discount of non-controlling interests would result in increase in the Company's profit or loss by NT$5,150thousand. 2% decrease in the discount of non-controlling interests would result in increase in the Company's profit or loss by NT$5,302 thousand.

As at December 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach and asset approach	discount for lack of marketability	15%	The higher the discount for lack of marketability, the lower the fair value of the stocks	2% increase in the discount for lack of marketability would result in decrease in the Company's profit or loss by NT$1,618 thousand. 2% decrease in the discount for lack of marketability would result in increase in the Company's profit or loss by NT$1,638 thousand.
	Market approach and asset approach	discount of non-controlling interests	25%	The higher the discount of non-controlling interests, the lower the fair value of the stocks	2% increase in the discount of non-controlling interests would result in decrease in the Company's profit or loss by NT$1,613 thousand. 2% decrease (increase) in the discount of non-controlling interests would result in increase in the Company's profit or loss by NT$1,633 thousand.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Accounting Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Non-recurring and non-financial assets disclosed by the fair value hierarchy information:

As at December 31, 2022

None.

D. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (Note6(7))	$-	$-	$31,269,651	$31,269,651
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Loans	-	5,549,135	-	5,549,135

As at December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (Note6(7))	$-	$-	$45,166,183	$45,166,183
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Loans	-	6,252,535	-	6,252,535

(9) Significant assets and liabilities denominated in foreign currencies

The Company does not possess significant assets and liabilities denominated in foreign currencies.

(10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

(11) Legal Claim

None.

13. OTHER DISCLOSURE

(1) Significant transaction information

A. Financings provided to others: None.

B. Endorsement/guarantee provided to others: None.

C. Securities held as of December 31, 2022 (not including subsidiaries, associates and joint ventures): Please refer to Attachment 1.

D. Individual securities acquired or disposed of with accumulated amount exceeding NT$300 million or 20 percent of the capital stock: None.

E. Acquisition of property with the amount exceeding NT$300 million or 20% of the Company's paid-in capital: None.

F. Disposal of property with amount exceeding NT$300 million or 20% of the Company's paid-in capital: Please refer to Attachment 2.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties with amounts exceeding NT$100 million or 20 percent of capital stock: None.

I. Derivative financial instruments undertaken: None.

J. Significant intercompany transactions between consolidated entities: None.

(2) Information on investee

Names, locations and related information of investee companies as of December 31, 2022(excluding Mainland China)

A. Financing provided to others: None.

B. Endorsement/guarantee provided to others for the year ended December 31, 2022: None.

C. Securities held as of December 31, 2022: Please refer to Attachment 1.

D. Individual securities acquired or disposed of with accumulated amount exceeding NT$300 million or 20 percent of the capital stock: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

I. Derivative financial instruments undertaken: None.

J. Significant inter-company transactions: None.

(3) Information on investment in Mainland China

A. The Company has investment in mainland China for the year ended December 31, 2022: None.

B. Significant transactions with investment companies from mainland China: None.

(4) Information on major shareholders: Please refer to Attachment 3.

14. SEGMENT INFORMATION

(1) For management purposes, the Company is organized into business units based on its products and services and has two reportable segments as follows:

A. Trade and department store segment: Sale of tea and other agricultural products, import commodity for resale (including food, wine and chemical products) and business in recreational tourism.

B. Assets segment: Management of land assets, such as land inspections, land and house leases, and contract changes. If someone wants to purchase land (such as tenants, etc.), the land sales related operations would be handled.

C. Construction segment: The work is related to the repair to maintenance of the Company's internal assets, as well as the interior decoration construction and exterior wall construction of the building.

Other operating activities that are not reported and related information of the operating segments are disclosed under the "Other segments".

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(2) Information about profit or loss, assets and liabilities of reportable segments.

For the year ended December 31, 2022

	Trade and Department Store	Assets	Construction	Reportable Segment subtotal	Others	Adjustment and eliminations	Total
Revenue							
External customer	$353,592	$6,027	$17,377	$376,996	$-	$-	$376,996
Inter-segment	-	-	-	-	-	-	-
Total revenue	$353,592	$6,027	$17,377	$376,996	$-	$-	$376,996
Interest revenue	$3	$2	$-	$5	$93	$-	$98
Interest expense	50	111,573	-	111,623	2	-	111,625
Depreciation and amortization	77,304	36,856	128	114,288	3,928	-	118,216
Impairment loss	206,557	1,920,954	-	2,175,511	-	-	2,127,511
Segment profit	$(169,475)	$(1,435,011)	$(1,779)	$(1,606,265)	$(7,625)	$-	$(1,613,890)
Assets							
Capital expenditures on non-current assets	$163,091	$14,373	$-	$177,464	$40,295	$-	$217,759
Segment assets	$6,385,329	$15,029,038	$5,343	$21,419,710	$430,747	$-	$21,850,457
Segment liabilities	$53,142	$8,782,049	$4,941	$8,840,132	$24,144	$-	$8,864,276

For the year ended December 31, 2021

	Trade and Department Store	Assets	Construction	Reportable Segment subtotal	Others	Adjustment and eliminations	Total
Revenue							
External customer	$304,170	$5,738	$59,295	$369,203	$-	$-	$369,203
Inter-segment	-	-	-	-	-	-	-
Total revenue	$304,170	$5,738	$59,295	$369,203	$-	$-	$369,203
Interest revenue	$1	$-	$-	$1	$21	$-	$22
Interest expense	24	82,755	-	82,779	3	-	82,782
Depreciation and amortization	52,166	43,279	215	95,660	4,254	-	99,914
Impairment loss	8,856	1,004,554	-	1,013,410	-	-	1,013,410
Segment profit	$(1,168)	$(1,072,717)	$1,909	$(1,071,976)	$(62,657)	$-	$(1,134,633)
Assets							
Capital expenditures on non-current assets	$182,369	$17,493	$-	$199,862	$66,642	$-	$266,504
Segment assets	$6,438,129	$17,356,018	$8,020	$23,802,167	$447,200	$-	$24,249,367
Segment liabilities	$48,931	$9,478,629	$7,811	$9,535,371	$36,261	$-	$9,571,632

(3) Information about reconciliations of revenue, profit or loss, assets, liabilities and other material items of reportable segments

A. Revenue

	For the years ended December 31,	
	2022	2021
Total revenue for reportable segments	$376,996	$369,203
Other revenue	-	-
Elimination of inter-segment revenue	-	-
Total revenue	$376,996	$369,203

B. Profit or loss

	For the years ended December 31,	
	2022	2021
Total profit or loss for reportable segments	$(1,606,265)	$(1,071,976)
Other profit or loss	(7,625)	(62,657)
Elimination of inter-segment profit	-	-
Profit (loss) before tax from continuing operations	$(1,613,890)	$(1,134,633)

C. Assets

	As at	
	December 31, 2022	December 31, 2021
Total assets for reportable segments	$21,419,710	$23,802,167
Other assets	430,747	447,200
Adjustment and elimination of inter-segment profit	-	-
Total assets	$21,850,457	$24,249,367

D. Liabilities

	As at	
	December 31, 2022	December 31, 2021
Total liabilities for reportable segments	$8,840,132	$9,535,371
Other liabilities	24,144	36,261
Adjustment and elimination of inter-segment profit	-	-
Total liabilities	$8,864,276	$9,571,632

E. Other material items

For the year ended December 31, 2022

	Reportable segments	Other segments	Adjustments	Total
Interest revenue	$5	$93	$-	$98
Interest expense	11,623	2	-	111,625
Capital expenditures on non-current assets	177,464	40,295	-	217,759
Depreciation and amortization	114,288	3,928	-	118,216
Impairment loss	2,127,511	-	-	2,127,511

For the year ended December 31, 2021

	Reportable segments	Other segments	Adjustments	Total
Interest revenue	$1	$21	$-	$22
Interest expense	82,779	3	-	82,782
Capital expenditures on non-current assets	199,862	66,642	-	266,504
Depreciation and amortization	95,660	4,254	-	99,914
Impairment of assets	1,013,410	-	-	1,013,410

(4) Geographical information

Revenue from external customers

	For the years ended December 31,	
	2022	2021
Taiwan	$376,996	$369,203

The revenue information above is based on the country of the customer.

(5) Information about major customers

	For the years ended December 31,	
	2022	2021
Customer A from trade segment	$31,629	$7,380
Customer B from trade segment	19,533	15,271
Customer C from construction segment	14,760	37,968
Customer D from construction segment	1,260	20,089
Customer E from trade segment	-	20,031
Total	$67,182	$100,739

ATTACHMENT 1 (Securities held as at December 31, 2022) (Excluding subsidiaries, associates and joint ventures)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

The Company

Type of Securities Category	Name of securities	Relationship	Financial statement account	December 31, 2022 Units/ bonds/ shares	Carrying amount	Percentage of ownership (%)	Fair value/ Net assets value	Note
Stock	KING KONG IRON WORKS, LTD.	-	Financial assets at fair value through other comprehensive income - non-current	763,000	-	1.39	-	
Stock	CHINESE PRODUCTS PROMOTION CENTER	-	Financial assets at fair value through other comprehensive income -non-current	25,900	-	6.82	-	
Stock	CORE PACIFIC CITY CO., LTD.	-	Financial assets at fair value through other comprehensive income - non-current	49,205	-	0.75	-	
Stock	NEXCELL BATTERY CO., LTD.	-	Financial assets at fair value through other comprehensive income - non-current	1,120,000	-	1.12	-	
Stock	PACIFIC REHOUSE SERVICE CO., LTD	-	Financial assets at fair value through other comprehensive income - non-current	37,891	381	0.25	381	
Stock	PCHOME INVESTMENT & DEVELOPMENT CORPORATION	-	Financial assets at fair value through other comprehensive income -non-current	78,540	-	3.03	-	
Stock	PACIFIC CONSTRUCTION CO., LTD.	-	Financial assets at fair value through other comprehensive income -non-current	14	-	-	-	

Note1 : Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities, as defined in IFRS 9“Financial Instruments”.

Note2 : If the securities listed above are issued by related parties, the column is specified with further information.

Note3 : For securities measured at fair value, fill in the book value column with fair value of the securities less accumulated impairment. For securities not measured at fair value, fill in the book value column with the

original cost or amortized cost less accumulated impairment.

Note4 : The listed securities, which are restricted by providing to secured, mortgage loan or other agreement, shall indicate the share of secured or mortgage security, the amount of secured or mortgage and the situation

of restriction in the column.

ATTACHMENT 3 (Disposal of property with amount exceeding NT$300 million or 20 percent Company's paid-in capital for the year ended December 31, 2022)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

The Company

Names of properties	Transaction date	Date of original	Carrying amount	Transaction amount	Status of proceeds collection	Gain (Loss) from disposal	Counter-party	Relationship	Reason of disposal	Price reference	Other commitments
Nangang office's land and land improvement	111/9/14	2010/04/23	$163,863	$1,000,000	Fully charged	$647,456	Ibase Technology Inc.	None	The company's financial and business strategy needs.	After reference to the price of the appraisal price, the Company determine the resolution of the board of directors for the sale price.	None
Nangang office's building	〃	2003/07/01 ~ 2019/08/01	$172,526								
Nangang office's hydropower equipment	〃	2019/07/31	$49								
Nangang office's office equipment	〃	2018/03/22~ 2019/07/26	$13								
Nangang office's other equipment	〃	2019/07/22~ 2020/02/20	$24								

Note 1: Disposal of assets, should be a should be appraisal, should note the appraisal results in the "price reference" column.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. According to the regulation about the transection amount of 20% paid-up capital, if the par value of issuer's stock is NT$0 or not equal to NT$10, it will be calculated by 10% of the equity attributable to shareholders of theparent.

Note 3: The fact date is the date of the transaction signing date, payment date, entrusted transaction date, transfer date, board resolution day or other sufficient date to determine the transaction object and the transaction amount, which ever is earlier.

Note 4: The appraisal price is NT$933,176 thousand and NT$948,671 thousand, which is provided by CCIS Real Estate Joint Appraisers Firm and DTRE Limited -Taiwan Branch, separately.

ATTACHMENT 3 (Information on major shareholders as at December 31, 2022)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

Major shareholders' name	Share			
	Number of common shares	Number of preferred shares	Number of total shares	Shareholding ratio(%)
Shan Young Assets Management Co., Ltd.	212,431,000	-	212,431,000	26.89%

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

Note 2: If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

V. If the Company or any of its affiliated companies experienced financial distress in the most recent year up to the publication date of this annual report, the impacts to the Company's financial status

None.

Seven. Review and Analysis of Financial Status and Financial Performance and Risk Issues

I. Financial status

Item \ Year	2021	2022	Difference		Analysis
			Amount	%	
Current asset	1,230,423	1,285,546	55,123	4.48%	
Property, Plant and Equipment	6,693,697	6,250,807	(442,890)	-6.62%	
Investment Property	16,039,029	14,096,586	(1,942,443)	-12.11%	
Other assets	286,218	217,518	(68,700)	-24.00%	1
Total assets	24,249,367	21,850,457	(2,398,910)	-9.89%	
Current liabilities	372,474	1,001,144	628,670	168.78%	2
Long-term loan	5,990,235	4,671,135	(1,319,100)	-22.02%	3
Deferred tax liabilities	3,185,889	3,176,876	(9,013)	-0.28%	
Other non-current liabilities	23,034	15,121	(7,913)	-34.35%	4
Total liabilities	9,571,632	8,864,276	(707,356)	-7.39%	
Share capital	7,900,000	7,900,000	0	0.00%	
Additional paid-in capital	2,197,948	2,197,948	0	0.00%	
Retained earnings	4,569,818	2,939,408	(1,630,410)	-35.68%	5
Other equity	9,969	(51,175)	(61,144)	-613.34%	6
Total equity	14,677,735	12,986,181	(1,691,554)	-11.52%	

Note: The main reasons for any material changes in assets, liabilities and equities in the most recent two years, the effect of these changes, and the measures to be taken for material effect, if any.

I. Main reasons:

1. Other assets decreased by NT$68,700 thousand due to the decline of the financial assets measured by the Company with the fair value based on other comprehensive income.
2. Current liabilities increased by NT$628,670 thousand as one-year maturity long-term loans also increased.
3. Long-term loans reduced by NT$1,319,100 thousand as bank loans were paid.
4. Other non-current liabilities decreased by NT$7,913 thousand primarily due to the reduction of net defined benefit liabilities.
5. Retained earnings reduced by NT$1,630,410 thousand mainly due to the recognition of loss in impairment.
6. Decrease of NT$61,144 thousand in other equity mainly caused by the adjustment in valuation of investment in equity instruments.

II. Response project: No significant impact.

II.Financial performance

Review and Analysis of Financial Performance

Unit: NT$ thousand

Item \ Year	2021	2022	Difference		Analysis
			Amount	%	
Operating revenue	369,203	376,996	7,793	2.11%	
Gross profit	117,507	164,913	47,406	40.34%	1
Operating profit or loss	(182,575)	(154,671)	27,904	15.28%	
Non-operating expenses	(952,058)	(1,459,219)	(507,161)	-53.27%	2
Pre-tax income from continuing operations	(1,134,633)	(1,613,890)	(479,257)	-42.24%	2
Income tax profit (expense)	12,284	(21,224)	(33,508)	-272.78%	3
Post-tax income from continuing operations	(1,122,349)	(1,635,114)	(512,765)	-45.69%	2
Profit (loss) for the period	(1,106,228)	(1,691,554)	(585,326)	-52.91%	2

(I) Main reasons for any material changes in operating revenue, net operating income, or net income before tax in the most recent two years:

1. Increase in operating income: Mainly due to the decrease of cost rate for the current period.
2. Increase in non-operating expenses, pre-tax income from continuing operations, post-tax income from continuing operations, and loss in the current period: Mainly due to the Company's recognized loss in impairment.
3. Increase of income tax expenses: Caused by the sale of the Nangang Office.

(II) Expected sales volume and its basis:

1. The Company expects the sales volume of tea, mainly the commercial tea, to reach 550 tons in 2023. Great opportunities are also expected in the industry of hand-shaken drinks 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.
2. With the government supporting domestic tourism and the leisure industry, Taiwan Tea Corporation aims 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. By

promoting sustainability, the Company will distinguish ourselves from the rest of the market to create new values, prepare for global business opportunities after the easing of pandemic-related restrictions, and achieve even better results.

(III) Possible impact on the Company's future financial and business status and action 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.

1. 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.
2. 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.
3. 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.

III. Cash flow

(I) Analysis of changes in cash flow in the most recent year

Unit: NT$ thousand

Cash balance at beginning of period	Annual net cash flow from operating activities	Annual other cash inflow (outflow)	Cash surplus	Remedy for cash deficit	
				Investment plan	Financial plan
215,170	(81,614)	105,824	239,380	-	-

1. Analysis of changes in cash flow in 2022:
(1) Operating activities: The net cash outflow of NT$81,614 thousand resulted from the impact of the inventory, notes receivable, receivables and other payables.
(2) Investment activities: The net cash inflow of NT$924,456 thousand mainly resulted from the cash inflow from disposal of non-current and investment

property held for sale, and the cash outflow from acquisition of property, plant and equipment as well as other non-current assets.

(3) Financing activities: The net cash outflow of NT$818,632 thousand primarily resulted from the impact of cash flow of the disbursement of interest expenses and the long-term and short-terms loans.

(II) Improvement plan for insufficient liquidity: Not applicable.

(III) Analysis of the liquidity of cash for the coming year:

Unit: NT$ thousand

Cash balance at beginning of period	Annual net cash flow from operating activities	Annual other cash inflow (outflow)	Cash surplus	Remedy for cash deficit	
				Investment plan	Financial plan
239,380	(35,102)	(74,125)	130,153	-	-

1. Analysis of cash flow in 2023:

The net cash outflow of NT$35,102 thousand mainly resulted from the impact of notes receivable, receivables, inventory and payables.

(2) Investment activities: The net cash inflow of NT$28,947 thousand resulted from the cash inflow from disposal of investment property and the cash outflow from acquisition of property equipment and others.

(3) Financing activities: The net cash outflow of NT$103,072 thousand resulted from the impact of cash flow of the disbursement of interest expenses and the long-term and short-terms loans.

2. Remedy for cash deficit and liquidity analysis: Not applicable.

IV. Effect of material capital expenditure in the most recent year on the financial and business status

(I) Purpose of material capital expenditure and the sources of funds: None.

V. The reinvestment policy in the most recent year, the main reasons for the gain or loss of the investment, the improvement plan and the investment plan for the coming year

(I) Reinvestment policy

As for the reinvestment policy, the Company does not have other plans in addition to the existing investments in recent years to simplify the business goals of the Company.

(II) The main reasons for the gain or loss of the reinvestments, the improvement plan and the investment plan for the coming year

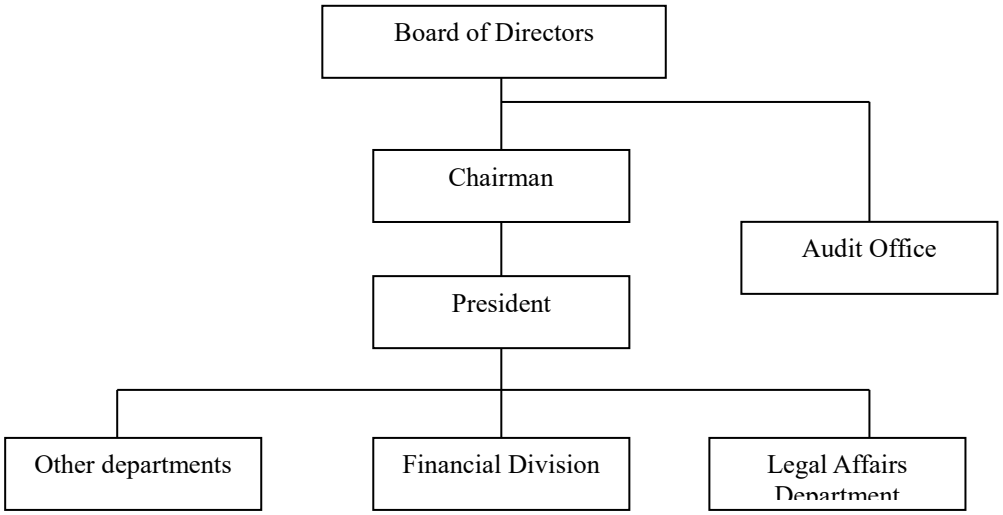
None.

Note: The Company disposed all of the shareholding of the Great Construction System Inc. on December 14, 2021.

VI. Analysis of risks

(I) Risk management policy

1. Risk management structure of the Company



2. Risk management policy

The Board of Directors is the highest risk decision making organization of the Company. It takes the final responsibility for the risk management system and implementation, and prevents any and all potential losses according to the operating policy of the Company within the scope of acceptable risk exposure. The Board of Directors is also responsible for increase of shareholders' wealth under the prerequisite of balanced risk and return, in addition to optimizing capital allocation, developing risk management policies and guidelines, and supervising individual departments to implement risk management mechanisms.

The Audit Office under the Board of Directors is responsible for assessment of the internal control system, measurement of the

operating efficiency, and raising proposals in a timely manner.

We established the "Regulations on Risk Management Strategies and Procedures of Taiwan Tea Corporation" and had them approved by the Audit Committee and Board of Directors on November 12, 2020.

3. Risk management organization and its functions

Segment	Responsibility
Board of Directors	The Board of Directors is the highest risk decision making organization. It takes the final responsibility for the risk management system and implementation, and prevents any and all potential losses according to the operating policy of the Company within the scope of acceptable risk exposure. The Board of Directors is also responsible for increase of shareholders' interests under the prerequisite of balanced risk and return in addition to optimizing capital allocation.
Top management (Chairman, General Manager and Assistant General Manager)	1. Implement risk management decisions.
	2. Coordinate for inter-department risk management interaction and communication.
	3. Implement review of operating outcomes at the monthly business management meeting.
Audit Office	Supervise executive departments to follow the approval authority and related management regulations and procedures. Be responsible for internal control and audit and raise deficiency review reports on an irregular basis to ensure the Company implements effective operation risk management.
Legal Affairs Department	Provide legal advise and take the responsibility for draw-up and review of the Company's external contracts, coordination and handling of litigations, and management of all the trademarks of the Company to protect the rights and interests of the Company.
Financial Division	1. Be responsible for fund procurement for all the business departments and review of the fund utilization status of each business unit. 2. Follow the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), and the laws and regulations of the government. 3. Assist the competent authority in the annual financial audit. 4. Assist in the review of operating outcomes at the monthly business management meeting. 5. Prepare quarterly and annual financial statements on a regular basis. 6. Report important financial activities to the Board of Directors for reviewing according to relevant regulations and internal control systems.

Department heads	1. Summarize the implementation results of risk management activities.
	2. Assist in and supervise risk management activities of each department.
	3. Determine risk types and propose risk-taking methods depending on changes in external environment and internal strategies.
	4. Conduct performance measurement and coordination after risk adjustment.
Heads of units subordinate to departments	1. Implement routine risk management activities.
	2. Conduct self-assessment with respect to risk control activities.

4. Implementation status of risk management in 2022 (reported to the Board of Directors on January 17, 2023)

(1) With reference to Article 25 of the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and in consideration of the business operation of the Company, general financial risk and the risk of supply chain, food safety, information security, occupational safety and health, and other risks are incorporated in the risk control. We established the "Regulations on Risk Management Policies and Procedures" and had them approved by the Audit Committee and Best Practice Principles," on November 12, 2020.

(2) The Office of Audit Service is responsible for assessment of the Company's internal control system and measurement of the operating efficiency. It proposes the audit plan for the coming year at the end of each year. After the audit plan is approved by the Audit Committee and Board of Directors, the Office of Audit Service conducts audit of each unit according to the transaction cycle in each month. A report will be delivered to the independent directors before the end of the next month and submitted to the Audit Committee and Board of Directors. Follow-up reports are prepared on a quarterly basis. (The Audit Office conducts on-site audit according to the annual audit plan. A total of 95 items were audited in 2022.)

The business unit of the Company conducts self-assessment at the beginning of each year based on the actual control environment and operation in the previous year, submits the result of the self-assessment to the Audit Committee and Board of Directors for approval, and puts forward an internal control system declaration according to the approved self-assessment result. The business unit reports the implementation status of risk management in the previous year to the Board of Directors in Q1 every year.

(3) The Information Department sets up redundancy mechanisms for maintenance of information system servers to avoid interruption of the operation due to failure of the hardware or system crash. This mechanisms include daily regular data backup with respect to which a disaster recovery exercise was conducted in September 2022 to check the usability of the backups and the steps of restoration from these backups; regular update of the virus pattern to maintain the detection capability of the anti-virus software; computer access control and no installation of software on the computer without permission to minimize the opportunity for the malicious software to invade in the computer of the Company; provision of VPN connection training courses and educational training on working from home and information security in response to the COVID-19 pandemic that may affect the operation of the Company to ensure the normal business operation of the Company.

(4) When facing the threat of COVID-19, the priority of the company is to protect the health and safety of our employees and visitors. We perform environmental cleaning and sterilization on a more regular basis, provide free masks for our front-line employees in the stores, install automatic alcohol dispensers, purchase forehead thermometers and enforce body temperature measurement in offices, working areas in factories and business locations, and strictly follow the pandemic prevention regulations, and try our best to minimize the impact of the pandemic.

(II) Assessment of the following matters in the most recent year up to the publication date of this annual report

1. Impact of interest and exchange rate changes and inflation in the most recent year on the profit or loss of the Company, and future countermeasures

   If the market interest rate increased/decreased by 0.1%, the profit or loss in the entire year decreased/increased by NT$5,312 thousand; the changes in exchange rate and inflation did not have a significant impact on the Company. The Company will pay attention to the market information at any time, judge the trend and make measurements to reduce the impact of the interest and exchange rate changes and inflation on the Company.

2. Policies regarding high-risk and high-leverage investments, loaning of

funds to others, endorsement/guarantee as well as derivatives trading in the most recent year, main reasons for gains or losses, and future countermeasures

(1) The Group is not engaged in high-risk and highly-leveraged investments, endorsement/guarantee, and derivatives trading.

(2) The policies of loaning of funds to others and endorsement/guarantee of the Company: According to the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," any listed companies that do not plan to loan funds or provide endorsements/guarantees to others may be exempt from establishing procedures for loaning of funds and endorsement/guarantee upon approval of the Board of Directors. Hence, the 17th Board of Directors of the Company approved the exemption from establishment of the procedures for endorsement/guarantee at its 15th meeting on January 14, 2005, and the 19th Board of Directors approved the exemption from establishment of the procedures for loaning of funds at its 16th meeting on November 19, 2010.

(3) Loaning of funds among subsidiaries: None.

3. The R&D plans and the progress of uncompleted R&D plans in the most recent year, further investments to be made for R&D, expected completion time, and impacts on successful R&D in the future

The Company is expected to invest about NT$ 7 million.

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.

For the direction of R&D in 2022, we not only continued digitalization and optimized automation parameters, but also added matters with respect to net zero carbon emissions in accordance with the central government's policy and international trends to improve production.

(1) [Continued] Systematic research on the blending (creation of flavor) technique of refined tea:

We continued gathering data on the evaluation of tea flavor and rectifying the system to accumulate the data.

(2) [Continued] Tea manufacturing and processing management system:
In 2021, the upload of the information on tea-making equipment operation to the cloud was completed so that we can completely control any minor changes in the conditions for the tea-making process. The system records the conditions of each production batch and finds out the optimal production conditions based on the retrospective analysis of the production data to reduce the professional training time and ensure stable production quality.

(3) Pilot study of net zero carbon emissions:

We collaborated with the Tea Research and Extension Station under the Council of Agriculture, Executive Yuan, and National Pingtung University of Science and Technology to implement pilot studies related to carbon emissions of tea trees, carbon fixation in the soil of tea farms and tea trees as well as biochar from agricultural waste.

4. Impact of the changes in important domestic and foreign policies and regulations in the most recent year on the financial and business status of the Company and countermeasures

The Company supports energy saving and carbon reduction to reduce unnecessary expenses. The changes in important domestic and foreign policies and regulations in the most recent year did not have significant impact on the financial and business status of the Company. However, to follow the “Regulations on Non-urban Land Use Control” amended by the Construction and Planning Agency, Ministry of the Interior, in November 2016, we need to speed up the development of land and finish the development projects as soon as possible to increase the interests of the shareholders. As affected by the partial amendments of the Labor Standards Act and the “five-day work week” system in 2016 and 2017, we, in addition to following the regulations and hiring more employees for smooth arrangement of manpower, will acquire related information whenever necessary, add or adjust internal systems, and develop necessary countermeasures to meet the requirements of the business operation

of the Company.

5. Impact of the changes in technology(including cyber security and risk management) in the most recent year on the financial and business status of the Company and countermeasures

   The Company pays close attention to the changes in the technology related to the industry and, depending on the circumstances, designates personnel or project teams to assess the impact on the development and financial and business status of the Company in the future. “Communication software” becomes more popular in recent years. The Company discusses with chief officers and employees and release messages via the communication software. This is helpful for the Company to ensure the timeliness and improve the work performance. There are no changes in important technology that significantly affect the financial and business status of the Company.

6. Impact of the changes in the Company’s image in the most recent year on the risk management and countermeasures

   (1) In addition to persisting in the philosophy of “health, leisure, environment” and “co-existence with the land” in management of our recreational business, we protect the land, save water resources, and take care of the environmental ecology in the development our core business of tea.

   (2) The rough and refinery processing factories of Laopi Tea Farm in Pingtung passed the “FSSC 22000,” “ISO 22000:2018” and “HACCP” certifications in 2021. Due to the impact of the COVID-19 on the progress of the new certification, the Company obtained the Rainforest Alliance certificate in 2022. The Company implements the food safety control system, strictly controls the process from raw materials to products, conducts hazard analysis, and ensures control at critical control points. The production is ensured under preventive monitoring and management. All the products are subject to 481 multi-pesticide residue tests conducted by SGS, a third-party testing institution, to ensure their compliance with national food safety regulations. The tea plantations of the Company will establish TAP certification and some of them have acquired the Tse-Xin Organic Certificate. The Company is dedicated to improvement of the product quality and service in a professional and serious attitude to improve the corporate image.

(3) The Daxi Tea Factory of the Company follows the "Taiwan Good Agricultural Practice; TGAP" in planting of tea and agricultural management, and implement strict management by conducting regular checking and emphasizing ecological environment.
The entire process from checking of tea leaves, sanitation of tea making machines and tools, separation of tea manufacturing area, refinery processing to packaging of plucked tea leaves and shipping procedure is recorded properly.
The tea factory conducts pollution and hazard control and provides educational training on public safety and health on a regular basis. It also make proper records on production management, processing procedure, and health and safety practice.
The "Daxi Tea Factory" stood out from 377 tea factories participating in the "2015 Safe and Hygienic Tea Factory" evaluation organized by the Council of Agriculture, Executive Yuan and won the top "Five-Star Award" (Registry Number: H10001). This highly recognizes the endeavor of the Company in the food safety area.

(4) The Company has been dedicated to public welfare activities, such as donating goods to help disabled groups and underprivileged people in response to the "Warmth in Winter" activity of the Park II, and taking measures regarding energy saving and carbon reduction, in line with the government's environmental protection policy. We encourage engagement in the communities in Taipei City, New Taipei City, Taoyuan City, Miaoli County, Nantou County and Pingtung County where our branches are located in order to make specific actions and contributions that facilitate the prosperity and development of local areas. The Company set up the Public Affairs Office in 2013. It is responsible for organizing public welfare activities, and implementing and promoting relevant corporate social activities. Please refer to Pages 143~147 for our endeavor in community engagement, social welfare service, and our environmental protection and food safety measures. To sum up, there is no concern about any corporate image risk.

7. Expected benefits and potential risks from merger or acquisition

The Company currently does not have merger or acquisition plans.

8. Expected benefits and potential risks from expansion of factory buildings:
The Company currently does not have factory building expansion plans.
9. Risk of concentrated sales or purchases:

① Only one customer accounted for more than 10% of the Company's total sales in the most recent year up to the publication date of this annual report. It occupied 10.28% of the annual net sales. There was no concentrated sales.

② There were no suppliers accounted for more than 10% of the Company's total purchase in the most recent year up to the publication date of this annual report, and the amount of the purchase from the largest supplier was only 6.98% in percentage. The risk is spread considerably.

10. Impact on and risk to the Company with regard to any major transfer or change of equities by directors, supervisors, or major shareholders holding more than 10% of the Company's shares: None.

Shan Young Asset Management Co., Ltd. is a major shareholder holding more than 10% of the Company's shares. It was elected as a director at the extraordinary meeting of shareholders on August 1, 2019 and its corporate representative acted as the Chairman of the Company, whose term was renewed after the full re-election of the directors in 2022. Shan Young Asset Management Co., Ltd. holds the shares of the Company on a long-term basis. This is helpful and positive for the stable operation of the Company.

11. Impact on and risk to the Company with regard to any change in management rights:

The Company reelected all the directors at the regular meeting of shareholders on May 20, 2022. There were a total of 11 seats, including 7 seats (from former 10 seats) for directors and 4 seats (from former 3 seats) for independent directors. The Company's business line and management are not changed, and the Company has always complied with laws and actively implemented corporate governance. Therefore, the Company has continued to develop in a pragmatic and steady direction without material impact on the Company's business, finance, and shareholders' equity.

12. In case of any litigious and non-litigious matters, material litigious, non-litigious or administrative disputes that involve the Company and/or any director, supervisor, the General Manager, de facto responsible person, major shareholder holding a stake of more than 10% of the Company or subordinate company thereof, and that were finalized or remained pending, shall be listed; if these disputes may eventually cause a

substantial impact on shareholders' equity or the price of securities, the nature of the disputes, the amount involved, the date on which the litigation first started, the main parties involved and the progress as of the publication of this annual report shall be disclosed

None.

13. Other significant risks and countermeasures

Information security, cyber risk control, and countermeasures:

More and more companies rely on information systems for their operation. All of our core information systems are installed with dual redundancy equipment to reduce the risk of out-of-service due to failure of the hardware. Nevertheless, the redundancy function may be affected by external factors (e.g. power failure and natural disaster) or sabotage. The backup data are stored remotely and a test exercise to restore the information system from backup data is conducted regularly every year. However, time lag of data is a risk when restoring the system from backup media.

We have set up software and hardware equipment capable of preventing malware or cyber attack. However, many information security incidents are not brought about by professional technique but security vulnerabilities attributable to human factors. For this, we have established relevant information security regulations, organized information security training on a regular basis, and announced instructions on information security irregularly to warn the employees of enhancement.

We are dedicated to protecting our information assets from any threats or destructions, whether internal or external, intentional or accidental, to reduce the probability of information security incidents and ensure that the risk arising from management incidents is reduced to the acceptable extent.

VII. Other important issues

None.

Eight. Other Supplementary Infromation

I. Information on affiliates

(I) Consolidated business report of affiliated companies

1. Organizational chart of affiliates: None.
2. Basic information on affiliates: None.
3. Information on the same shareholders presumed to have control and subordinate relationship: None
4. The businesses of affiliated companies and the association of these businesses: Not applicable.
5. Information on directors, supervisors and general managers of each affiliated company: Not applicable.
6. Overview of the operations of each affiliate (IFRSs): Not applicable.

(II) Consolidated financial statements of affiliated companies: The Company has no longer prepared consolidated financial statements since 2019.

(III) Affiliation report: None.

II. Private placement of securities in the most recent year up to the publication date of this report annual

None.

III. Shares of the Company held or disposed of by subsidiaries in the most recent year up to the publication date of this annual report

None.

IV. Other necessary supplementary information

None.

Nine. Any significant events materially affecting shareholders' equity or price of securities as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up to the publication date of this annual report

None.

Prepared byTaiwan Tea Corporation

Chairman: Ching-Yuan Wu

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